

SENATE BILL REPORT

SB 6269

As of January 24, 2020

Title: An act relating to authorizing marijuana retailers to sell cannabidiol products.

Brief Description: Authorizing marijuana retailers to sell cannabidiol products.

Sponsors: Senators Stanford, Rivers, Mullet, Wilson, C., Das and King.

Brief History:

Committee Activity: Labor & Commerce: 1/23/20.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes licensed marijuana retail outlets to sell cannabidiol products, subject to potency, pesticide, and heavy metal testing requirements.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Richard Rodger (786-7461)

Background: The Retail Sale of Marijuana Products. Licensed marijuana retailers are limited in what products or services they may sell to adults age 21 and over. Marijuana retailers are authorized to sell only:

- useable marijuana;
- marijuana-infused products;
- marijuana concentrates; and
- paraphernalia intended for the storage of marijuana products.

Marijuana retailers with a medical marijuana endorsement may also sell marijuana products to qualifying patients who hold a recognition card and are entered into the Medical Marijuana Authorization Database.

The Liquor and Cannabis Board (LCB) regulates the products marijuana retailers sell, and the LCB is required to fine licensed marijuana retailers \$1,000 for each violation.

Cannabidiol. The term cannabinoid encompasses a wide variety of organic compounds derived from the cannabis plant, and cannabidiol (CBD) is one type of cannabinoid. In its

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purest form, CBD contains either little or no tetrahydrocannabinol (THC), which is the cannabis-derived psychoactive compound that causes euphoric effects in marijuana products. In Washington, CBD with a THC content of 0.3 percent or less does not meet the statutory definition of marijuana, and is therefore not considered a controlled substance.

Licensed marijuana producers and processors may use CBD as an additive for any authorized marijuana product, provided the CBD product is lawfully produced by, or purchased from, a licensed producer or processor.

Licensed marijuana producers and processors may also use CBD products obtained outside the LCB regulatory system, provided the CBD product (1) has a THC level of 0.3 percent or less on a dry weight basis; and (2) has been tested for contaminants and toxins by an accredited, licensed testing laboratory.

Marijuana Product Testing and Laboratory Accreditation Requirements. On a schedule determined by the LCB, licensed marijuana producers and processors must submit representative samples of marijuana or marijuana products produced or processed by the licensee to an independent, third-party testing laboratory meeting LCB-established accreditation requirements for inspection and testing. Inspection and testing is done to certify compliance with product standards adopted by the LCB, and various fields of testing are required.

Representative samples of marijuana are subject to testing for potency, moisture content, and foreign matter. Representative samples of marijuana must undergo microbiological and mycotoxin screenings, and certain marijuana products like marijuana concentrates, depending on the processing method, are subject to testing for residual solvents. For marijuana products to qualify for labeling and sale as medically compliant products under rules adopted by the Department of Health, representative samples must additionally be tested for pesticides and heavy metals. Any sample remaining after testing is destroyed by the lab or returned to the licensee. Marijuana licensees must submit the results of inspections and testing to the LCB. If a sample inspected and tested does not meet the standards developed by the LCB, the entire lot from which the sample was taken must be destroyed.

Summary of Bill: Licensed marijuana retail outlets are authorized to sell any CBD products obtained from:

- a licensed marijuana producer and processor or both; or
- a person or entity who is not required to be licensed as a marijuana producer or processor under LCB-regulatory framework.

CBD products sold must meet the following requirements:

- have a THC level of 0.3 percent or less on a dry weight basis; and
- have been tested for potency, pesticides, and heavy metals by an accredited testing laboratory in accordance with testing standards in statute and rule.

CBD products are added to the required types of products that licensed producers and processors must submit as samples for testing to the LCB.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The marijuana retail outlets should be able to sell CBD products that are manufactured outside the LCB's regulated system. These products should be tested before sold by the outlets. The LCB has a few suggestions regarding the CBD definition, a conflict in the statutes, and whether the bill should include rulemaking authority. We should allow these sales and keep the potential of sales on a national level in mind when developing legislation.

CON: We have concerns about allowing the sale of CBD products that are not manufactured within the current regulatory structure. Outside CBD manufacturers are not required to meet the high standards required by the LCB for such items as access or advertising to children, manufacturer odor controls, testing regimes, and public safety.

OTHER: This bill should be phased-in, allowing increased sales of CBD products produced in the regulated industry first.

Persons Testifying: PRO: Senator Derek Stanford, Prime Sponsor; Eric Gaston, Craft Cannabis Coalition; Brooke Davies, Washington CannaBusiness Association; Chris Thompson, Liquor and Cannabis Board; Mark Ambler, Breeze Trees, LLC; Ezra Eickmeyer, Producers Alliance NW.

CON: Thomas Werth, Chief Executive, Top Shelf Cannabis.

OTHER: Micah Sherman, Raven; Jeremy Moberg, President, Washington Sun growers Association.

Persons Signed In To Testify But Not Testifying: No one.