## ENGROSSED SECOND SUBSTITUTE SENATE BILL 5367

State of Washington 68th Legislature 2023 Regular Session

By Senate Ways & Means (originally sponsored by Senators Robinson, Schoesler, Conway, Dozier, Keiser, Saldaña, and Wellman; by request of Liquor and Cannabis Board)

READ FIRST TIME 02/24/23.

- 1 AN ACT Relating to the regulation of products containing THC;
- 2 amending RCW 15.140.020, 69.50.326, and 69.50.346; reenacting and
- 3 amending RCW 69.50.101; adding a new section to chapter 69.50 RCW;
- 4 and creating a new section.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 **Sec. 1.** RCW 15.140.020 and 2022 c 16 s 19 are each amended to read as follows:
- 8 The definitions in this section apply throughout this chapter 9 unless the context clearly requires otherwise.
- 10 (1) "Agriculture improvement act of 2018" means sections 7605,
- 11 10113, 10114, and 12619 of the agriculture improvement act of 2018,
- 12 P.L. 115-334.
- 13 (2) "Cannabis" has the meaning provided in RCW 69.50.101.
- 14 (3) "Crop" means hemp grown as an agricultural commodity.
- 15 (4) "Cultivar" means a variation of the plant Cannabis sativa L.
- 16 that has been developed through cultivation by selective breeding.
- 17 (5) "Department" means the Washington state department of 18 agriculture.
- 19 (6) "Food" has the same meaning as defined in RCW 69.07.010.
- 20 (7) "Hemp" means the plant *Cannabis sativa L.* and any part of 21 that plant, including the seeds thereof and all derivatives,

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- extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.
  - (8) "Hemp processor" means a person who takes possession of raw hemp material with the intent to modify, package, or sell a transitional or finished hemp product.
    - (9) (a) "Industrial hemp" means all parts and varieties of the genera *Cannabis*, cultivated or possessed by a grower, whether growing or not, that contain a tetrahydrocannabinol concentration of 0.3 percent or less by dry weight that was grown under the industrial hemp research program as it existed on December 31, 2019.
- 12 (b) "Industrial hemp" does not include plants of the genera
  13 Cannabis that meet the definition of "cannabis."
- 14 (10) "Postharvest test" means a test of ((delta-9))
  15 tetrahydrocannabinol concentration levels of hemp after being
  16 harvested based on:
  - (a) Ground whole plant samples without heat applied; or
- 18 (b) Other approved testing methods.

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- 19 (11) "Process" means the processing, compounding, or conversion 20 of hemp into hemp commodities or products.
- 21 (12) "Produce" or "production" means the planting, cultivation, 22 growing, or harvesting of hemp including hemp seed.
- Sec. 2. RCW 69.50.101 and 2022 c 16 s 51 are each reenacted and amended to read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 27 (a) "Administer" means to apply a controlled substance, whether 28 by injection, inhalation, ingestion, or any other means, directly to 29 the body of a patient or research subject by:
- 30 (1) a practitioner authorized to prescribe (or, by the 31 practitioner's authorized agent); or
- 32 (2) the patient or research subject at the direction and in the 33 presence of the practitioner.
- 34 (b) "Agent" means an authorized person who acts on behalf of or 35 at the direction of a manufacturer, distributor, or dispenser. It 36 does not include a common or contract carrier, public 37 warehouseperson, or employee of the carrier or warehouseperson.
  - (c) "Board" means the Washington state liquor and cannabis board.

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(d) "Cannabis" means all parts of the plant *Cannabis*, whether growing or not, with a THC concentration greater than 0.3 percent on a dry weight basis((; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include:

- (1) The mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination; or
- 13 (2) Hemp or industrial hemp as defined in RCW 15.140.020,))
  14 during the growing cycle through harvest and usable cannabis.
  15 "Cannabis" does not include hemp or industrial hemp as defined in RCW
  16 15.140.020, or seeds used for licensed hemp production under chapter
  17 15.140 RCW.
  - (e) "Cannabis concentrates" means products consisting wholly or in part of the resin extracted from any part of the plant *Cannabis* and having a THC concentration greater than ten percent.
  - (f) "Cannabis processor" means a person licensed by the board to process cannabis into cannabis concentrates, useable cannabis, and cannabis-infused products, package and label cannabis concentrates, useable cannabis, and cannabis-infused products for sale in retail outlets, and sell cannabis concentrates, useable cannabis, and cannabis-infused products at wholesale to cannabis retailers.
  - (g) "Cannabis producer" means a person licensed by the board to produce and sell cannabis at wholesale to cannabis processors and other cannabis producers.
  - (h) (1) "Cannabis products" means useable cannabis, cannabis concentrates, and cannabis-infused products as defined in this section, including any product intended to be consumed or absorbed inside the body by any means including inhalation, ingestion, or insertion, with any amount of THC.
- 35 (2) "Cannabis products" also means any product containing only 36 THC content.
- 37 (3) "Cannabis products" does not include cannabis health and beauty aids as defined in RCW 69.50.575.

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- (i) "Cannabis researcher" means a person licensed by the board to produce, process, and possess cannabis for the purposes of conducting research on cannabis and cannabis-derived drug products.
  - (j) "Cannabis retailer" means a person licensed by the board to sell cannabis concentrates, useable cannabis, and cannabis-infused products in a retail outlet.
  - (k) "Cannabis-infused products" means products that contain cannabis or cannabis extracts, are intended for human use, are derived from cannabis as defined in subsection (d) of this section, and have a THC concentration no greater than ten percent. The term "cannabis-infused products" does not include either useable cannabis or cannabis concentrates.
- 13 (1) "CBD concentration" has the meaning provided in RCW 14 69.51A.010.
- 15 (m) "CBD product" means any product containing or consisting of 16 cannabidiol.
  - (n) "Commission" means the pharmacy quality assurance commission.
  - (o) "Controlled substance" means a drug, substance, or immediate precursor included in Schedules I through V as set forth in federal or state laws, or federal or commission rules, but does not include hemp or industrial hemp as defined in RCW 15.140.020.
  - (p) (1) "Controlled substance analog" means a substance the chemical structure of which is substantially similar to the chemical structure of a controlled substance in Schedule I or II and:
  - (i) that has a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II; or
  - (ii) with respect to a particular individual, that the individual represents or intends to have a stimulant, depressant, or hallucinogenic effect on the central nervous system substantially similar to the stimulant, depressant, or hallucinogenic effect on the central nervous system of a controlled substance included in Schedule I or II.
    - (2) The term does not include:
    - (i) a controlled substance;

- 37 (ii) a substance for which there is an approved new drug 38 application;
- (iii) a substance with respect to which an exemption is in effect for investigational use by a particular person under Section 505 of

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- the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 355, or chapter 69.77 RCW to the extent conduct with respect to the substance is pursuant to the exemption; or
  - (iv) any substance to the extent not intended for human consumption before an exemption takes effect with respect to the substance.
    - (q) "Deliver" or "delivery" means the actual or constructive transfer from one person to another of a substance, whether or not there is an agency relationship.
      - (r) "Department" means the department of health.

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- 11 (s) "Designated provider" has the meaning provided in RCW 12 69.51A.010.
  - (t) "Dispense" means the interpretation of a prescription or order for a controlled substance and, pursuant to that prescription or order, the proper selection, measuring, compounding, labeling, or packaging necessary to prepare that prescription or order for delivery.
- 18 (u) "Dispenser" means a practitioner who dispenses.
- 19 (v) "Distribute" means to deliver other than by administering or 20 dispensing a controlled substance.
  - (w) "Distributor" means a person who distributes.
  - (x) "Drug" means (1) a controlled substance recognized as a drug in the official United States pharmacopoeia/national formulary or the official homeopathic pharmacopoeia of the United States, or any supplement to them; (2) controlled substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in individuals or animals; (3) controlled substances (other than food) intended to affect the structure or any function of the body of individuals or animals; and (4) controlled substances intended for use as a component of any article specified in (1), (2), or (3) of this subsection. The term does not include devices or their components, parts, or accessories.
  - (y) "Drug enforcement administration" means the drug enforcement administration in the United States Department of Justice, or its successor agency.
- 36 (z) "Electronic communication of prescription information" means 37 the transmission of a prescription or refill authorization for a drug 38 of a practitioner using computer systems. The term does not include a 39 prescription or refill authorization verbally transmitted by 40 telephone nor a facsimile manually signed by the practitioner.

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- 1 (aa) "Immature plant or clone" means a plant or clone that has no 2 flowers, is less than twelve inches in height, and is less than 3 twelve inches in diameter.
  - (bb) "Immediate precursor" means a substance:

- (1) that the commission has found to be and by rule designates as being the principal compound commonly used, or produced primarily for use, in the manufacture of a controlled substance;
- (2) that is an immediate chemical intermediary used or likely to be used in the manufacture of a controlled substance; and
- (3) the control of which is necessary to prevent, curtail, or limit the manufacture of the controlled substance.
  - (cc) "Isomer" means an optical isomer, but in subsection (gg) (5) of this section, RCW 69.50.204(a) (12) and (34), and 69.50.206(b) (4), the term includes any geometrical isomer; in RCW 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any positional isomer; ((and)) in RCW 69.50.204(a) (35), 69.50.204(c), and 69.50.208(a) the term includes any positional or geometric isomer; and in subsections (uu) and (vv) of this section the term includes any positional or geometric isomer.
  - (dd) "Lot" means a definite quantity of cannabis, cannabis concentrates, useable cannabis, or cannabis-infused product identified by a lot number, every portion or package of which is uniform within recognized tolerances for the factors that appear in the labeling.
  - (ee) "Lot number" must identify the licensee by business or trade name and Washington state unified business identifier number, and the date of harvest or processing for each lot of cannabis, cannabis concentrates, useable cannabis, or cannabis-infused product.
  - (ff) "Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled substance, either directly or indirectly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container. The term does not include the preparation, compounding, packaging, repackaging, labeling, or relabeling of a controlled substance:
- 38 (1) by a practitioner as an incident to the practitioner's 39 administering or dispensing of a controlled substance in the course 40 of the practitioner's professional practice; or

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- 1 (2) by a practitioner, or by the practitioner's authorized agent 2 under the practitioner's supervision, for the purpose of, or as an 3 incident to, research, teaching, or chemical analysis and not for 4 sale.
  - (gg) "Narcotic drug" means any of the following, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis:
  - (1) Opium, opium derivative, and any derivative of opium or opium derivative, including their salts, isomers, and salts of isomers, whenever the existence of the salts, isomers, and salts of isomers is possible within the specific chemical designation. The term does not include the isoquinoline alkaloids of opium.
  - (2) Synthetic opiate and any derivative of synthetic opiate, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, whenever the existence of the isomers, esters, ethers, and salts is possible within the specific chemical designation.
  - (3) Poppy straw and concentrate of poppy straw.
- 20 (4) Coca leaves, except coca leaves and extracts of coca leaves 21 from which cocaine, ecgonine, and derivatives or ecgonine or their 22 salts have been removed.
  - (5) Cocaine, or any salt, isomer, or salt of isomer thereof.
  - (6) Cocaine base.

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- 25 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer 26 thereof.
  - (8) Any compound, mixture, or preparation containing any quantity of any substance referred to in (1) through (7) of this subsection.
  - (hh) "Opiate" means any substance having an addiction-forming or addiction-sustaining liability similar to morphine or being capable of conversion into a drug having addiction-forming or addiction-sustaining liability. The term includes opium, substances derived from opium (opium derivatives), and synthetic opiates. The term does not include, unless specifically designated as controlled under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan and its salts (dextromethorphan). The term includes the racemic and levorotatory forms of dextromethorphan.
- 38 (ii) "Opium poppy" means the plant of the species Papaver 39 somniferum L., except its seeds.

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- (jj) "Person" means individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.
  - (kk) "Plant" has the meaning provided in RCW 69.51A.010.
  - (11) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.
    - (mm) "Practitioner" means:

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- (1) A physician under chapter 18.71 RCW; a physician assistant 9 under chapter 18.71A RCW; an osteopathic physician and surgeon under 10 11 chapter 18.57 RCW; an optometrist licensed under chapter 18.53 RCW 12 who is certified by the optometry board under RCW 18.53.010 subject to any limitations in RCW 18.53.010; a dentist under chapter 18.32 13 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; a 14 veterinarian under chapter 18.92 RCW; a registered nurse, advanced 15 16 registered nurse practitioner, or licensed practical nurse under 17 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW 18 who is licensed under RCW 18.36A.030 subject to any limitations in 19 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific investigator under this chapter, licensed, registered or otherwise 20 21 permitted insofar as is consistent with those licensing laws to 22 distribute, dispense, conduct research with respect to or administer 23 a controlled substance in the course of their professional practice or research in this state. 24
  - (2) A pharmacy, hospital or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance in the course of professional practice or research in this state.
  - (3) A physician licensed to practice medicine and surgery, a physician licensed to practice osteopathic medicine and surgery, a dentist licensed to practice dentistry, a podiatric physician and surgeon licensed to practice podiatric medicine and surgery, a licensed physician assistant or a licensed osteopathic physician assistant specifically approved to prescribe controlled substances by his or her state's medical commission or equivalent and his or her supervising physician, an advanced registered nurse practitioner licensed to prescribe controlled substances, or a veterinarian licensed to practice veterinary medicine in any state of the United States.

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- (nn) "Prescription" means an order for controlled substances issued by a practitioner duly authorized by law or rule in the state of Washington to prescribe controlled substances within the scope of his or her professional practice for a legitimate medical purpose.
- 5 (oo) "Production" includes the manufacturing, planting, 6 cultivating, growing, or harvesting of a controlled substance.
- 7 (pp) "Qualifying patient" has the meaning provided in RCW 8 69.51A.010.
- 9 (qq) "Recognition card" has the meaning provided in RCW 10 69.51A.010.
- 11 (rr) "Retail outlet" means a location licensed by the board for 12 the retail sale of cannabis concentrates, useable cannabis, and 13 cannabis-infused products.
- 14 (ss) "Secretary" means the secretary of health or the secretary's designee.

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- (tt) "State," unless the context otherwise requires, means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or insular possession subject to the jurisdiction of the United States.
- (uu) "Tetrahydrocannabinol" or "THC" includes any isomers, esters, ethers, alkyl homologues, carboxylic acids, hydrogenations, and metabolites of such substances but does not include cannabigerol, cannabidiol, or cannabichromene.
- (vv) "THC concentration" means percent of ((delta-9)) tetrahydrocannabinol content ((per dry weight)) of any part of the plant Cannabis, or per volume or weight of cannabis product, or the combined percent of ((delta-9)) tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant Cannabis regardless of moisture content.
- ((<del>(vv)</del>)) <u>(ww)</u> "Ultimate user" means an individual who lawfully possesses a controlled substance for the individual's own use or for the use of a member of the individual's household or for administering to an animal owned by the individual or by a member of the individual's household.
- $((\frac{\text{(ww)}}{\text{)}}))$  <u>(xx)</u> "Useable cannabis" means dried cannabis flowers. 36 The term "useable cannabis" does not include either cannabis-infused products or cannabis concentrates.
- $((\frac{(xx)}{(xx)}))$  <u>(yy)</u> "Youth access" means the level of interest persons under the age of twenty-one may have in a vapor product, as well as the degree to which the product is available or appealing to such

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- 1 persons, and the likelihood of initiation, use, or addiction by 2 adolescents and young adults.
- 3 <u>(zz) "Package" means a container that has a single unit or group</u>
  4 of units.
- 5 (aaa) "Unit" means an individual consumable item within a package 6 of one or more consumable items in solid, liquid, gas, or any form 7 intended for human consumption.
- **Sec. 3.** RCW 69.50.326 and 2022 c 16 s 55 are each amended to 9 read as follows:

- (1) Licensed cannabis producers and licensed cannabis processors may use a CBD product as an additive for the purpose of enhancing the cannabidiol concentration of any product authorized for production, processing, and sale under this chapter. Except as otherwise provided in subsection (2) of this section, such CBD product additives must be lawfully produced by, or purchased from, a producer or processor licensed under this chapter.
- (2) Subject to the requirements set forth in (a) and (b) of this subsection, and for the purpose of enhancing the cannabidiol concentration of any product authorized for production, processing, or sale under this chapter, licensed cannabis producers and licensed cannabis processors may use a CBD product obtained from a source not licensed under this chapter, provided the CBD product:
- (a) ((Has a THC level of 0.3 percent or less on a dry weight basis; and
- (b)) Is not cannabis, or a cannabis product, as defined in this chapter; and
  - (b) Has been tested for contaminants and toxins by a testing laboratory accredited under this chapter and in accordance with testing standards established under this chapter and the applicable administrative rules.
  - (3) Subject to the requirements of this subsection (3), the board may enact rules necessary to implement the requirements of this section. Such rule making is limited to regulations pertaining to laboratory testing and product safety standards for those cannabidiol products used by licensed producers and processors in the manufacture of cannabis products marketed by licensed retailers under this chapter. The purpose of such rule making must be to ensure the safety and purity of cannabidiol products used by cannabis producers and processors licensed under this chapter and incorporated into products

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- sold by licensed recreational cannabis retailers. This rule-making authority does not include the authority to enact rules regarding either the production or processing practices of the industrial hemp industry or any cannabidiol products that are sold or marketed outside of the regulatory framework established under this chapter.
- 6 **Sec. 4.** RCW 69.50.346 and 2022 c 16 s 66 are each amended to 7 read as follows:
- 8 (1) The label on a cannabis product ((container)) package,
  9 including cannabis concentrates, useable cannabis, or cannabis10 infused products, sold at retail must include:
  - (a) The business or trade name and Washington state unified business identifier number of the cannabis producer and processor;
    - (b) The lot numbers of the product;

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- (c) The THC concentration and CBD concentration of the product;
- (d) The amount of any synthetically derived CBD in the product sold or provided to the ultimate user;
  - (e) Medically and scientifically accurate and reliable information about the health and safety risks posed by cannabis use;
    - $((\frac{(e)}{(e)}))$  (f) Language required by RCW 69.04.480; and
- 20  $((\frac{f}{f}))$  (g) A disclaimer, subject to the following conditions:
  - (i) Where there is one statement made under subsection (2) of this section, or as described in subsection (5)(b) of this section, the disclaimer must state "This statement has not been evaluated by the State of Washington. This product is not intended to diagnose, treat, cure, or prevent any disease."; and
  - (ii) Where there is more than one statement made under subsection (2) of this section, or as described in subsection (5)(b) of this section, the disclaimer must state "These statements have not been evaluated by the State of Washington. This product is not intended to diagnose, treat, cure, or prevent any disease."
  - (2) (a) For cannabis products that have been identified by the department in rules adopted under RCW 69.50.375(4) in chapter 246-70 WAC as being a compliant cannabis product, the product label and labeling may include a structure or function claim describing the intended role of a product to maintain the structure or any function of the body, or characterize the documented mechanism by which the product acts to maintain such structure or function, provided that the claim is truthful and not misleading.

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- 1 (b) A statement made under (a) of this subsection may not claim 2 to diagnose, mitigate, treat, cure, or prevent any disease.
  - (3) The labels and labeling may not be:
  - (a) False or misleading; or

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- (b) Especially appealing to children.
- 6 (4) The label is not required to include the business or trade 7 name or Washington state unified business identifier number of, or 8 any information about, the cannabis retailer selling the cannabis 9 product.
- 10 (5) A cannabis product is not in violation of any Washington 11 state law or rule of the board solely because its label or labeling 12 contains:
  - (a) Directions or recommended conditions of use; or
- 14 (b) A warning describing the psychoactive effects of the cannabis 15 product, provided that the warning is truthful and not misleading.
- 16 (6) This section does not create any civil liability on the part 17 of the state, the board, any other state agency, officer, employee, 18 or agent based on a cannabis licensee's description of a structure or 19 function claim or the product's intended role under subsection (2) of 20 this section.
- 21 (7) Nothing in this section shall apply to a drug, as defined in 22 RCW 69.50.101, or a pharmaceutical product approved by the United 23 States food and drug administration.
- NEW SECTION. Sec. 5. A new section is added to chapter 69.50 RCW to read as follows:
- Except as otherwise provided in this chapter, no person may manufacture, sell, or distribute cannabis, cannabis concentrates, useable cannabis, or cannabis-infused products, or any cannabis products without a valid license issued by the board or commission. Any person performing any act requiring a license under this title, without having in force an appropriate and valid license issued to the person, is in violation of this chapter.
- NEW SECTION. Sec. 6. Nothing in this act shall be construed to require any agency to purchase a liquid chromatography-mass spectrometry instrument.

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