



CBD Work Session

House Commerce and Gaming Commission

April 1, 2019



WSLCB's Mission

Promote public safety and trust through fair administration and enforcement of liquor, cannabis, tobacco and vapor laws.

Ensure the highest level of public safety by continually improving and enforcing laws, regulations, and policies that reflect today's dynamic environment.



State law directs the WSLCB to regulate business practices and enforce state laws and regulations for the following product types:

- Liquor
- Cannabis
- Tobacco
- Vapor Product



Role and Scope of Authority for Cannabis

In 2012, Washington voters enacted Initiative 502 regarding “marijuana reform”. Washington and Colorado were the first two states to legalize the production, possession and use of marijuana.

I-502 named WSLCB the primary agency for creating the regulatory framework for Washington’s recreational marijuana system.

The Cannabis Patient Protection Act (SB 5052 passed in 2015) incorporated the largely unregulated medical marijuana system into the recreational market on July 1, 2016.



Role and Scope of Authority for Cannabis (cont'd)

LCB and Department of Health Collaborate Regulating Medical Market

- LCB is responsible for product testing and licensing locations where recreational and medical product is grown, processed and sold
- LCB licenses all marijuana retailers, and issues medical endorsements to some retail stores
- DOH administers patient registry
- DOH defines medically compliant product
- DOH certifies medical consultants that are required for retail shops to obtain medical endorsement
- LCB retains overall enforcement responsibility for medical system



What is CBD?



CBD in general

Cannabidiol (CBD) is a naturally occurring compound found in the plant *Cannabis Sativa*.

While all CBD products are made from the *Cannabis sativa* plant, there are distinct chemical differences between CBD derived from cannabis and CBD derived from hemp.

Cannabis (Marijuana) derived CBD

Hemp derived CBD

Cannabis and Hemp are plants from the same family, but have different chemical properties.



I-502 provided:

“(1)(a) Retail outlets may not sell products or services other than marijuana concentrates, useable marijuana, marijuana-infused products, or paraphernalia intended for the storage or use of marijuana concentrates, useable marijuana, or marijuana-infused products.” (RCW 69.50.357)

Senate Bill 5052:

Allowed stores with medical endorsements to sell products with TCH concentration of 0.3 percent or less, which is interpreted as referring to medically-compliant CBD products from the Washington regulated market.



Where does CBD fall in LCB's role and authority?

- Much of the early law and rule in Washington has focused on the compound THC
- The scope of LCB's role is limited to CBD derived from Cannabis (marijuana) within the I-502 market



House Bill 2334 enacted in 2018

- Authorized adding CBD to marijuana products
- The CBD can come from either the regulated I-502 system, or:
- From outside the I-502 regulated system if it is tested by a testing lab accredited by LCB
- This law intended to allow CBD to be used as an additive for the purpose for enhancing the CBD (cannabidiol) concentration of product within the I-502 market. The CBD must be tested and confirmed to have a THC level of .3% or less before it is allowed to be added to other marijuana produced in Washington.



THC VS CBD

TOP DIFFERENCES FOR MEDICAL & RECREATIONAL USERS

THC and CBD are cannabinoids, compounds produced by cannabis plants.

Tetrahydrocannabinol **THC**

Cannabidiol **CBD**

The diagram is a V-shaped graphic. At the top, a green cannabis leaf icon is connected to two circles labeled 'THC' and 'CBD'. Below this, the text states that both are cannabinoids produced by cannabis plants. The left side of the V shows the chemical structure of Tetrahydrocannabinol (THC), with a label 'Tetrahydrocannabinol' and 'THC' on an orange banner. The right side shows the chemical structure of Cannabidiol (CBD), with a label 'Cannabidiol' and 'CBD' on an orange banner.



What product is allowed for sale in licensed cannabis stores?

- Cannabis products that have CBD added
- LCB is still working to implement tracking procedures for oversight of testing compliance for this allowable product.
- CBD edibles that have been produced and processed within the Washington State regulated market.



CBD products available outside of licensed cannabis stores:

- Products that are generated outside the WSLCB's regulatory structure are not subject to the agency's testing requirements or administrative authority (exception CBD Vapor Products).
- WSLCB does not have regulatory authority for products that are derived from hemp. Products that are hemp-derived CBD being sold at a wide range of retail locations (ex. corner markets, drug stores) are not within the agency's regulatory authority.
 - Example: A local CVS sources hemp-derived healthy and beauty aid CBD product from a manufacturer in Oregon. A customer has concerns that the product may have been produced from marijuana rather than hemp.



CBD products available outside of licensed cannabis stores (cont'd):

CBD can be sold outside of the I-502 regulated system, and the Controlled Substances Act, as a health and beauty aid but not for ingestible products.

“For purposes of this section, [RCW 69.50.575] "cannabis health and beauty aid" means a product containing parts of the cannabis plant and which:

- (a) Is intended for use only as a topical application to provide therapeutic benefit or to enhance appearance;
- (b) Contains a THC concentration of not more than 0.3 percent;
- (c) Does not cross the blood-brain barrier; and
- (d) Is not intended for ingestion by humans or animals.”



Washington State Liquor and Cannabis Board

Questions?