**To:** David Postman, Board Chair

Ollie Garrett, Board Member Jim Vollendroff, Board Member

**From:** Kathy Hoffman, PhD, Policy and Rules Manager

Date: November 9, 2022

**Copy:** Rick Garza, Agency Director

Toni Hood, Deputy Director

Justin Nordhorn, Policy and External Affairs Director Becky Smith, Licensing and Regulation Director

Chandra Brady, Director of Enforcement and Education

**Subject:** Request for approval to rescind Board Interim Policy (BIP) 12-2019

concerning cannabinoid additives - requirements, restrictions, and quality

assurance testing.

Chapter 69.50 RCW, also known as the Controlled Substances Act, contains statutory provisions that authorize and assist the Washington State Liquor and Cannabis Board (LCB) in framing and maintaining a regulated system for the production, processing and retail sale of cannabis products. RCW 69.50.326 provides that licensed cannabis producers and licensed cannabis processors may use a CBD product as an additive for the purpose of enhancing cannabinoid concentration of any product authorized for production, processing, and retail sale as statutorily provided. RCW 69.50.010(2)(d) defines CBD product as "any product containing or consisting of cannabidiol."

RCW 69.50.326(1) provides that licensed cannabis processors and producers must purchase a CBD product produced by another licensed cannabis producer or processors with one exception: licensed producers and processors may use a CBD product obtained from a source that is *not* licensed under chapter 69.50 RCW solely for the purpose of enhancing cannabinoid concentration of authorized products as long as the outsourced CBD has a THC level of 0.3 percent or less on a dry weight basis, and the product has been tested for contaminants and toxins by a testing laboratory accredited by the LCB.

WAC 314-55-109, which largely restates RCW 69.50.326, became effective December 1, 2018. In addition to establishing requirements, restrictions, and quality assurance standards for CBD additives, the rule also requires that test results from CBD products obtained from both inside and outside the licensed system be entered in the state's existing traceability system. The LEAF Data System was in place at the time the rules were promulgated.

LEAF was capable of tracking CBD products that were produced within the licensed system, but did not have the ability to track CBD products produced *outside* the licensed system or the associated test results. At the time, such tracking required an additional workflow that LEAF was unable to support.

On June 12, 2019, the Board to approved Board Interim Policy 12-2019 that was designed to temporarily suspend the requirement under WAC 314-55-109 to enter test results from CBD products produced outside the licensed system into the LEAF data system. The policy was intended to be rescinded once the workflow was completed.

However, in December 2021, LCB discontinued the LEAF data system and replaced it with a reporting solution referred to as the Cannabis Central Reporting System (CCRS). As a simplified and more flexible approach, CCRS was capable of tracking CBD products produced outside the licensed system and associated test results. As a result, BIP 12-2019 is no longer necessary.

If the Board approves rescission of BIP 12-2019, staff will remove it from the LCB website and send notice to stakeholders.

The Board approves/disapproves the rescission of BIP 12-2019.

Approve	Disapprove		
Approve	Disapprove	David Postman, Chair	Date
		Ollie Garrett, Board Member	Date
Approve	Disapprove	Jim Vollendroff, Board Member	Date

# **Interpretive Statement**

Title: Use of Additives in Authorized Cannabis Products Number: IS-22-01

*References:* RCW 69.50.325

RCW 69.50.326 WAC 314-55-109

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Effective Date: November 9, 2022

Approved By: Justin Nordhorn, Policy and External Affairs Director, WSLCB

## RCW 34.05.230 – Interpretive and policy statements

(1) An agency is encouraged to advise the public of its current opinions, approaches, and likely courses of action by means of interpretive or policy statements. Current interpretive and policy statements are advisory only. To better inform the public, an agency is encouraged to convert long-standing interpretive and policy statements into rules.

## **INTRODUCTION**

This interpretive statement is offered in response to inquiries regarding the use of CBD product and other additives, and whether other cannabinoids, such as hemp-derived CBG and CBN, may be added to cannabis products or sold as stand-alone products authorized for production, processing, and sale under chapter 69.50 RCW.

This interpretive statement supersedes and replaces previous agency guidance concerning this topic.

#### **SUMMARY**

CBD is the only cannabinoid that can be introduced into the I-502 system from outside the system. CBD originating from outside the I-502 system may be added to cannabis products authorized for sale in the I-502 system. RCW 69.50.326 does not allow any other cannabinoid, including but not limited to hemp-derived CBG and CBN to be added to any authorized cannabis product sold within the I-502 system or sold as a stand-alone product within the I-502 system.

#### **BACKGROUND**

In 2020, the Washington State Liquor and Cannabis Board (LCB) became aware of products entering the regulated market with labeling noting the presence of cannabinoids other than delta-9 THC and CBD additives as defined in statute. The agency also began to receive and continues to receive inquiries concerning the status of other cannabinoids, including but not limited to both hemp-derived and cannabis-derived CBG and CBN, and whether these can be added to cannabis products sold in the I-502 system, or sold as stand-alone products in the I-502 system. These products include cannabis infused edibles, cannabis concentrates, and cannabis topical products.

This interpretive statement addresses the use of CBD product and whether other cannabinoids and additives, such as hemp-derived CBG and CBN, may be added to cannabis products or sold as stand-alone products authorized for production, processing, and sale under chapter 69.50 RCW.

### **AUTHORITY**

RCW 69.50.325 describes cannabis producer, processor and retail license privileges.

**RCW 69.50.326** provides that cannabis producers and processors may use a CBD product obtained from a source not licensed under the chapter as an additive only for the purpose of enhancing the cannabidiol concentration of any product authorized for the production, processing, or sale under chapter 69.50 RCW, provided that the CBD product has a THC level of 0.3 or less on a dry weight basis.

WAC 314-55-109 provides that licensed cannabis producers and licensed cannabis processors may use a cannabidiol (CBD) product obtained from a source not licensed under chapter 314-55 WAC, provided that the CBD product has a THC level of 0.3 percent or less, and has been tested for contaminants and toxins by a testing laboratory accredited under chapter 314-55 WAC and in accordance with testing standards established in the chapter.

## **ANALYSIS**

Washington State statute and the rules that implement those statutes provide a framework describing the types of activities that cannabis licensees may engage in. Initiative 502 (I-502) provided the backdrop to establish exceptions to illegal cannabis sales by affording allowances for licensees to produce, process, and sell cannabis products at retail within Washington State. The only products that can be produced, processed and sold in licensed cannabis retail stores are cannabis concentrates, usable cannabis, and cannabis-infused products, and paraphernalia, consistent with RCW 69.50.325.

Previous analysis offered in Policy Statement PS21-01 states:

"...RCW 69.50.326 provides that marijuana producers and processors may use

a CBD product as an additive only for the purpose of enhancing the cannabidiol concentration of any product authorized for production, processing or sale under chapter 69.50 RCW, provided that the CBD product has a THC level of 0.3 or less on a dry weight basis. The agency interprets this to mean that CBD, regardless of origin, may not enter the I-502 system by any means other than as an additive to a product that is approved for sale within the system, meaning any marijuana product with a THC concentration of greater than 0.3 percent THC on a dry weight basis. This language is also reflected in WAC 314-55-109." (Emphasis added).

LCB understands CBD, CBG, and CBN to be cannabinoids occurring in the genera Cannabis. Currently, the only cannabinoid that can be introduced into the I-502 system from outside that system and added to cannabis products authorized for sale in the I-502 system is CBD. CBD may enter the system as an additive to authorized cannabis products in one of two ways:

- When the CBD product additive has been lawfully produced by, or purchased from a producer or processor licensed under chapter 69.50 RCW (see RCW 69.50.326(1)); or
- When the **CBD product** is obtained from a source not licensed under chapter 69.50 RCW, as long as the product has a THC level of 0.3 percent or less on a dry weight basis and has been tested for contaminants and toxins by an accredited testing lab (see RCW 69.50.326(2)(a) and (b)).

Other cannabinoids, including CBG and CBN that have been produced by or purchased from a producer or processor licensed under chapter 69.50 RCW may be added to an authorized cannabis product sold within the I-502 system.

However, RCW 69.50.326 does not allow any other cannabinoid, including but not limited to CBG and CBN, sourced from outside the I-502 system to be added to any authorized cannabis product sold within the I-502 system.

## **CONCLUSION**

CBD is the only cannabinoid that can be introduced into the I-502 system from outside the system. CBD originating from outside the I-502 system may be added to cannabis products authorized for sale in the I-502 system. RCW 69.50.326 does not allow any other cannabinoid, including but not limited to hemp-derived CBG and CBN to be added to any authorized cannabis product sold within the I-502 system or sold as a stand-along product within the I-502 system.