



Washington State Liquor and Cannabis Board

THC Bill Rulemaking Workshop Series

Collaborative Rule Drafting Engagement Sessions

Tuesday, March 26, 2024 (3-4 pm)

Thursday, March 28, 2024 (1-2 pm)

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Agenda

1. Introduction to E2SSB 5367
2. Rulemaking scope
3. Workshop series
4. Engagement process
5. Past engagement
6. *Draft* proposed rule changes
7. Questions, feedback, and suggestions
8. Rule development timeline & next steps



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Poll Question #1: What is your affiliation?

- a. Cannabis licensee
- b. Hemp
- c. Employee of a cannabis licensee
- d. Consumer
- e. Public health and prevention community
- f. State agency
- g. Tribal
- h. Concerned citizen
- i. Alcohol, tobacco or vape licensee
- j. Other (please describe)



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Engrossed Second Substitute Senate Bill (E2SSB) 5367

Concerning the regulation of products containing THC

Background – E2SSB 5367 (“THC Bill”)

Implemented on July 23, 2023, the E2SSB 5367, or the “THC bill”, was designed to tackle a loophole unintentionally created by the 2018 Farm Bill (“Agricultural Improvement Act of 2018”). This loophole led to the emergence of unregulated THC products, despite the bill’s original intent to legalize industrial hemp.

- **2018 Farm Bill:** Defined hemp as cannabis with a THC concentration of 0.3% or less, removing it from the federal list of controlled substances.
- **The loophole:** This led to unregulated, potentially intoxicating hemp-derived products becoming widely available.
- **LCB’s response:** E2SSB 5367 was introduced by the Agency in the 2023 legislative session to regulate all THC products, regardless of their source, ensuring public safety and limiting youth access.



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Statutory Changes

Definitions - RCW 69.50.101

Definitions amended by E2SSB 5367:

- “Cannabis”
- “Cannabis products”
- “THC concentration”

New definitions created by E2SSB 5367:

- “Package”
- “Unit”



Rulemaking Scope

Rulemaking is necessary to modify existing rules (Title 314-55 WAC), as necessary, to align with statutory changes resulting from the passage of E2SSB 5367.



Rulemaking Workshop Series Objective

To review, discuss, and gather feedback on modifications to WAC 314-55 Chapter necessary to implement the provisions of the THC bill on draft rules for CR-102 filing.



Workshop Schedule and Event Details

Workshop Topics Schedule

- ✓ **Workshop 1** – Proposed changes to WAC 314-55-010 related to definitions and WAC 314-55-080 related to medical cannabis endorsements.
- ✓ **Workshop 2** – Proposed changes to WAC 314-55-095 related to cannabis servings and transaction limits, WAC 314-55-105 related to packaging and labeling, and WAC 314-55-106 related to the cannabis warning symbol label requirement.
- ✓ **Workshop 3** – Proposed changes to WAC 314-55-102 related to quality assurance and quality control testing and WAC 314-55-109 related to cannabinoid additives.

Event Details

- **Workshop 1**
 - Tuesday, March 26th (3 – 4 pm)
 - Thursday, March 28th (1-2 pm)
- **Workshop 2**
 - Tuesday, April 9th (3 – 4:30 pm)
 - Friday, April 12th (1:30 – 3 pm)
- **Workshop 3**
 - Tuesday, April 23rd (2 – 3:30 pm)
 - Friday, April 26th (10 – 11:30 am)

Location: Microsoft Teams (virtual *only*)

NOTE: Draft rules for each workshop will be publicly available approximately 1-week prior to the workshop sessions.



Participating in the Rulemaking Process

Informal Comment Period

(pre-102 filing)

Interested parties are encouraged to provide feedback and suggestions on proposed draft rules for the CR-102 filing by:

1. Attending virtual rulemaking workshop series to review and discuss changes to proposed draft rules; and
2. Submitting written comments.

Comment deadline: 11:59 pm on Wednesday, May 1, 2024

Formal Public Comment Period

(pre-103 filing)

Interested parties are encouraged to comment on proposed rules approved in the CR-102 filing by:

1. Submitting written comments; and
2. Testifying at a public hearing.

Comment period begins after the CR-102 is filed and closes at 11:59 pm on the day of the scheduled public hearing.



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Rule Sections Requiring Modifications to Align with Statute

- WAC 314-55-010 *Definitions.*
- WAC 314-55-080 *Medical cannabis endorsements.*
- WAC 314-55-095 *Cannabis servings and transaction limits.*
- WAC 315-55-102 *Quality assurance and quality control.*
- WAC 314-55-105 *Packaging and labeling.*
- WAC 314-55-106 *Cannabis warning symbol.*
- WAC 314-55-109 *Cannabinoid additives—Requirements, restrictions, and quality assurance testing.*



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Overview of Rules Impacted by Statute

Statutory Change	Rules Affected
Amended definition of “cannabis products” and “THC concentration”	WAC 314-55-010 WAC 314-55-080 WAC 314-55-095 WAC 314-55-102 WAC 314-55-105 WAC 314-55-109
New definition of “package” and unit”	WAC 314-55-010 WAC 314-55-095 WAC 314-55-105 WAC 314-55-106
New section RCW 69.50.3251 Cannabis manufacture, sale, distribution prohibited without a license—Tribal agreements—Synthetic cannabinoids prohibited.	WAC 314-55-010 WAC 314-55-102 WAC 314-55-109



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Draft Proposed Rule Changes

WAC 314-55-010 Definitions

References to defined terms amended by E2SSB 5367 (RCW 69.50.101):

- *“Cannabis”*
- *“Cannabis products”*
- *“Package”*
- *“THC concentration”*
- *“Unit”*

References to defined terms amended by E2SSB 5367: New and amended statutory definitions represent a policy shift and have implications for several rule sections.

- Referencing statutory definitions in regulations achieve clarity and consistency through several mechanisms:
 - Clarity;
 - Uniform enforcement;
 - Ease of compliance;
 - Efficiency in regulatory development; and
 - Alignment with legislative intent.



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Draft Proposed Rule Changes WAC 314-55-010 Definitions

References to existing definitions in statute (RCW 69.50.101):

- “CBD product”
- “CBD concentration”
- “Cannabis concentrates”
- “Cannabis-infused product”
- “Synthetic cannabinoid”

Referencing to definitions in upcoming rules:*

- “Limit of detection” and “Limit of quantitation”
 - [Chapter 16-309 WAC – Cannabis Laboratory and Accreditation Standards Program](#)
 - More information about the rulemaking can be found [here](#).



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Draft Proposed Rule Changes

WAC 314-55-080 Medical Cannabis Endorsements

WAC 314-55-080(4) was amended to remove the special privilege for retailers that allowed retailers holding a medical cannabis endorsement to give away products to medical patients with a THC <0.3%, as follows:

(4) ~~((A cannabis retailer holding a medical cannabis endorsement may sell products with a THC concentration of 0.3 percent or less.))~~ The licensee may also provide ~~((these))~~ medically compliant cannabis products defined in chapter 246-70 WAC at no charge to qualifying patients or designated providers.



WAC 314-55-010 Stakeholder Questions

- How does the updated definition of “*cannabis*,” “*cannabis products*,” and “*THC concentration*” impact your understanding of what can legally be sold and produced in the I-502 market?



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Reason(s) for Proposed Rule Change

WAC 314-55-080 Medical Cannabis Endorsements

- E2SSB 5367 amended the definition of “cannabis products” to include products containing “any detectable amount of THC.”
 - Prior to legislation, “cannabis products” was defined as having >0.3% delta-9 THC.
- As a result of the passage of the bill, any cannabis retailer may sell products less than 0.3% so long as it has “detectable levels” of THC (as determined in rule), regardless of whether the retailer holds a medical cannabis endorsement.



WAC 314-55-010 Stakeholder Questions

- How does the updated definition of “cannabis,” “cannabis products, and THC concentration” impact your understanding of what can legally be sold and produced in the I-502 market?
- How does the amended statutory definition of “cannabis products” which allows retailers to sell products produced in the I-501 market with any detectable amount of THC impact your business model and marketing strategy?



Workshop Series Engagement Questions

- **Clarity:** How do you interpret the proposed rule changes? How clear and comprehensive do you find the proposed rule language? Is further clarification needed? Do you have any concerns regarding the clarity, scope, or applicability of the proposed changes? If so, how can this be addressed?
- **Implementation concerns:** What challenges do you foresee in the implementation of these changes? How can these challenges be mitigated to ensure a smooth transition?
- **Compliance challenges:** What challenges, if any, do you anticipate in ensuring your business complies with the proposed changes?



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Workshop Series Engagement Questions

- **Compliance strategies:** What strategies or support do you believe will be necessary to assist stakeholders in complying with the proposed regulatory changes?
- **Communication and education:** What types of resources or information would be most helpful to you and other stakeholders in understanding and preparing for these changes?
- **Enforcement:** How do you suggest LCB enforcement should approach enforcement and compliance related to the proposed changes?



Workshop Series Engagement Questions

- **Improvement suggestions:** Are there any aspects of the proposed changes that you believe could be improved or adjusted for better outcomes? Please provide specific suggestions.
- **Alternative solutions:** If you have concerns about the proposed changes, can you suggest alternative solutions or approaches that could meet the objectives of E2SSB 5367 with addressing your concerns?



Workshop Series Engagement Questions

- **Impact:** In your view, what are the potential impacts of the proposed changes on businesses, consumers, community you represent, and public health and safety you believe should be addressed? In your opinion, how will the proposed rule changes enhance public safety? What are some potential benefits or challenges you anticipate arising from the proposed changes?
- **Equity considerations:** How do the proposed changes address equity? Are there additional measures that should be considered to promote equity?
- **Overall support:** Do you support the proposed changes? Why or why not?



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Questions, Feedback, and Suggestions



Next Steps

- ❖ Rulemaking Workshop 4 – TBD
- ❖ CR-102 filing
 - Formal public comment period
- CR-103 filing



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Thank You!