

April 12, 2024

NOTICE TO LICENSEES

RE: Use of Chemically Derived THC in the Manufacture of Regulated Marijuana Prohibited

Regulated Marijuana Business Licensees:

The Marijuana Enforcement Division (Division) is issuing this notice to set clear expectations for the use of hemp-derived products in the manufacture of Regulated Marijuana Products.

The Division is investigating numerous allegations regarding hemp-derived cannabinoids such as CBD being converted into THC concentrate, such as distillate or isolate, to be used in the manufacture of Regulated Marijuana Products. The conversion of hemp extract into THC products is completed through a chemical conversion process using industrial chemicals. The inversion of chemically derived THC products from outside of the Regulated Marijuana industry is a license violation affecting public safety.

If the Division finds that a Licensee is likely using chemically converted THC in the manufacture of Regulated Marijuana Products, the Division will recommend suspension and revocation of the license and the imposition of a significant fine. In addition, the use of chemically converted THC in the manufacture of Regulated Marijuana Products provides grounds for the Division to embargo all related Regulated Marijuana Products. In such cases, the Division will recommend the State Licensing Authority order a destruction of all related products.

A Licensee using chemically converted THC in the manufacture of Regulated Marijuana Products exposes consumers to heightened safety risks. The chemicals used in the conversion process can be hazardous, can create byproducts that are potentially harmful when consumed, and are not detected through required testing. Licensees have a responsibility to perform due diligence to ensure the Regulated Marijuana or Regulated Marijuana Product they take possession of is properly sourced. If Licensees have information regarding the inversion of chemically converted THC or suspect a Licensee of these actions, it is critical they provide that information to the Division using the <u>Division's Reporting Form</u>.

Regulated Marijuana Businesses that intentionally invert THC that is chemically converted from CBD or Hemp could also face significant civil claims from customers, consumer protection claims, or even criminal claims. The Division is collaborating with sister agencies and law enforcement to ensure that converted THC does not create public health and safety harms in Colorado's regulated marijuana market.

Regulated Marijuana Manufacturing Facilities are permitted to use Hemp Products as an ingredient in the production of Regulated Marijuana Products. A Hemp Product is defined as a finished product that contains Hemp and that:

- A. Is a cosmetic, a dietary supplement, a food, a food additive, or an herb;
- B. Is intended for human use or consumption;
- C. Contains any part of the Hemp plant, including naturally occurring cannabinoids, compounds, concentrates, extracts isolates, or resins;
- D. Is produced from Hemp;
- E. Contains no more than 1.75 milligrams of tetrahydrocannabinol (THC) per serving; and
- F. Contains a ratio of cannabidiol (CBD) to THC of greater than or equal to 15 to one (15:1).

Safe Harbor Hemp Products and synthetically manufactured products do not meet the definition of Hemp Product and may not be possessed or used as an ingredient by a Regulated Marijuana Business.

The table below is intended as a resource to provide additional clarity on the legality of various Hemp Products in the State of Colorado.

More about THC† in Hemp Products:

	Less Than a 15:1 CBD to THC Ratio	15:1 - 20:1	Greater Than a 20:1 CBD to THC Ratio
Less Than 1.25 mg THC*	Safe Harbor Hemp Product No sales in Colorado	Age Gate** Sales only to 21+	No Age Gate Sales to any person
	Safe Harbor Hemp	Age Gate** Sales only to 21+	Age Gate** Sales only to 21+
1.25 mg - 1.75 mg THC	No sales in Colorado	5 Servings per Container*** Limit on sales	30 Servings per Container*** Limit on sales
Greater Than 1.75 mg THC	Safe Harbor Hemp Product No sales in Colorado	Safe Harbor Hemp Product No sales in Colorado	Safe Harbor Hemp Product No sales in Colorado

^{*} Products with no THC are not subject to the ratio or age gating limits.

^{**} Age gating requirements do not apply to tinctures or cosmetics. Applicable to other edibles products, like gummies and different confectionaries.

^{***} Serving size limits do not apply to tinctures or cosmetics. As with age gating, serving size is applicable to other edible products.

[†] For the purposes of this table, "THC" includes delta-8 THC, delta-9 THC, delta-10 THC, and other THC isomers, as well the carboxylic acids of these compounds (such as THCA), derivatives, and metabolites of these compounds.