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THE SENATE
THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2011

'11 FEB -1 P2:36

COMMITTEE ON HEALTH
Senator Josh Green, M.D., Chair
Senator Clarence K. Nishihara, Vice Chair

COMMITTEE ON PUBLIC SAFETY, GOVERNMENT OPERATIONS, AND MILITARY AFFAIRS
Senator Will Espero, Chair
Senator Michelle Kidani, Vice Chair

NOTICE OF HEARING

DATE: Friday February 4, 2011
TIME: 3:45 p.m.
PLACE: Conference Room 229
State Capitol
415 South Beretania Street

A G E N D A

SB 1458

Testimony

Status

RELATING TO HEALTH.

HTH/PGM, WAM

Creates three classes of medical marijuana licenses: class 1 medical marijuana compassion center license for the sale of medical marijuana to qualified patients; class 2 medical marijuana cultivation license; class 3 medical marijuana-infused products manufacturing license. Specifies requirements for each class. Makes medical marijuana sales subject to income and excise taxes. Establishes a special marijuana sales tax on sales of medical marijuana. Establishes a fee for issuance and renewal of a license and a special marijuana sales tax. Takes effect 8/7/2012.

Decision Making to follow, if time permits.

FOR AMENDED HEARING NOTICES: If the notice is an amended notice, measures that have been deleted are stricken through and measures that have been added are underscored. If there is a measure that is both underscored and stricken through, that measure has been deleted from the agenda.

Persons wishing to testify should submit testimony in one of the following ways by 4:00 p.m. the day prior to the hearing:

- By Email: Testimony may be emailed if less than 5 pages in length, to the Committee at HTHTestimony@Capitol.hawaii.gov. Please indicate the measure, date and time of the hearing. Email sent to individual offices or any other Senate office will not be accepted.
- By Web: Testimony may be submitted online if less than 4MB in size, at <http://www.capitol.hawaii.gov/emailtestimony>.
- In person: 1 copy of their testimony to the committee clerk, Room 222, State Capitol.



- By fax: Testimony may be faxed if less than 5 pages in length, to the Senate Sergeant-At-Arms Office at 586-6659 or 1-800-586-6659 (toll free for neighbor islands), at least 24 hours prior to the hearing. When faxing, please indicate to which committee the testimony is being submitted and the date and time of the hearing.

Please note: If you submit your written testimony after 4:00 p.m. the day prior to the hearing, please sign-in at the staff table to testify orally. A copy of your testimony may not be available during the hearing but will be posted online for the public after the hearing.

If you require special assistance or auxiliary aids or services to participate in the public hearing process (i.e., sign or foreign language interpreter or wheelchair accessibility), please contact the committee clerk 24 hours prior to the hearing so arrangements can be made.

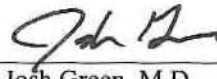
Please note: All testimony received by the Hawaii Senate will be posted on the Hawaii Legislature's Website. Documents made available through the Testimony hyperlink(s) above may not be posted until the start of the hearing.

Public Folder. A folder labeled "Public Folder" containing the testimonies for the hearing will be available for shared use by members of the public.

FOR FURTHER INFORMATION, PLEASE CALL THE COMMITTEE CLERK AT 586-6834.



Senator Will Espero
Chair



Senator Josh Green, M.D.
Chair





STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:
File:

**Senate Committees on Health and Public Safety, Government Operations, and
Military Affairs**

S.B. 1458, RELATING TO HEALTH

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Acting Director of Health
February 4, 2011; 3:45 p.m.; Room 229**

1 **Department's Position:** The Department of Health (DOH) strongly opposes passage of this
2 measure.

3 **Fiscal Implications:** Although DOH is authorized to collect licensing fees to defray costs
4 incurred to administer the licensure of the proposed "compassion centers," no funds are
5 appropriated to carry out the proposed program.

6 **Purpose and Justification:** The purpose of this proposal is to establish a licensing system under
7 the Department of Health for the distribution of medical marijuana.

8 As part of our public health mission, DOH dispenses medications in State-operated
9 facilities and clinics. These medications are approved by the federal Food and Drug
10 Administration.

11 This proposal extends well beyond the public health function of assuring the availability
12 and accessibility of services as the Department would also be charged with administering the
13 licensure of "compassion centers" that would distribute marijuana, which is a Schedule I
14 substance under the federal Controlled Substances Act. (Schedule I drugs are classified as
15 having a high potential for abuse, no currently accepted medical use in treatment in the United
16 States, and a lack of accepted safety for use of the drug or other substance under medical

1 supervision.) Thus, the proposed functions to be assigned to DOH conflict with federal laws
2 prohibiting the cultivation, transportation and distribution of marijuana.

3 We respectfully recommend that this measure be held.

4 Thank you for the opportunity to testify on this measure.

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JAY T. KIMURA
PROSECUTING ATTORNEY

CHARLENE Y. IBOSHI
FIRST DEPUTY
PROSECUTING ATTORNEY



OFFICE OF THE PROSECUTING ATTORNEY

**Testimony in Opposition to SB 1458
Relating to Marijuana**

Committee on Health
Senator Josh Green, M.D., Chair
Senator Clarence K. Nishihara, Vice Chair

Committee on Public Safety, Government Operations, and Military Affairs
Senator Will Espero, Chair
Senator Michelle Kidani, Vice Chair

February 4, 2011
3:45 p.m.
State Capitol, Conference Room 229

Senators Green, Espero, and Members of the Committees:

The Hawaii County Office of the Prosecuting Attorney strongly opposes Senate Bill 1458.

This main purposes of this bill are to create Marijuana Dispensaries (i.e. "compassion centers"), relax the marijuana laws and make marijuana more socially acceptable while at the same time using a guise that it will generate money for State.

In looking at other locations that have enacted similar laws and/or who have taken a similar approach to the ones recommended in this bill we have seen a dramatic increase in organized crime, and crime in general. When crime goes up, so do the expenses of enforcement and legal, social and medical costs.

After California started allowing marijuana dispensaries such as the ones expressed in SB 1458, the police in nearly every California Jurisdiction which had the dispensaries, reported an upswing in crime related to the locations. Examples include Murder, Robberies, Burglaries, Aggravated Assaults, Thefts, etc. In addition, many of the businesses located near many of the dispensaries complained about the smells of people smoking marijuana illegally on and around the premises, and the kind of people hanging around the dispensaries. Further complaints from citizens and businesses revolved around quality of life issues.

As marijuana laws have relaxed in the United States, marijuana related visits to emergency rooms have gone up. According to the United States Department of Health and Human Services DAWN report, in 2008 there was an estimated 374,435 marijuana related visits to emergency rooms in the United States. During that same period there

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was an estimated 656,892 visits that were alcohol related, of which only 132,842 were for alcohol alone. In 2002 the estimated number of emergency room visits related to marijuana was 129,546. Thus, as the marijuana laws in our nation have relaxed so have the harmful effect of marijuana.

Allowing marijuana dispensaries will also result in more children obtaining marijuana.

- According to the National Survey on Drug Use and Health, the percentages of youth engaging in delinquent behaviors was higher among past year marijuana users than among those who had not used marijuana.¹
- Also, for all delinquent behaviors examined by this survey, the percent of youth engaging in the delinquent behavior rose with increasing frequency of past year marijuana use.
- Marijuana and underage drinking are linked to higher dropout rates. Students who drink or use drugs frequently are up to five times more likely than their peers to drop out of high school.²
- Marijuana use is three times more likely to lead to dependence among adolescents than among adults. Research also indicates that the earlier kids start using marijuana, the more likely they are to become dependent on this or other illicit drugs later in life.³

For these reasons, the Hawaii County Office of the Prosecuting Attorney does not support SB 1458 and asks that the Bill be held.

Thank you for the opportunity to testify on this matter.

¹ The National Survey on Drug Use and Health: The NSDUH Report, January 9, 2004.

² The National Center on Addiction and Substance Abuse at Columbia University (CASA). Malignant neglect: Substance abuse and America's schools. New York: Columbia University, 2001.

³ Youth Marijuana Prevention Initiative: The NCADI Report. U.S. Department of Health and Human Services, October 2002.

NIEL AMBERCROMBIE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF PUBLIC SAFETY

919 Ala Moana Blvd. 4th Floor
Honolulu, Hawaii 96813

JODIE MAESAKA-HIRATA
INTERIM DIRECTOR

Deputy Director of
Administration

Deputy Director
Corrections

KEITH KAMITA
Deputy Director
Law Enforcement

No. _____

**TESTIMONY ON SENATE BILL 1458
A BILL FOR AN ACT RELATING TO HEALTH**

by

**Jodie Maesaka-Hirata, Interim Director
Department of Public Safety**

Committee on Health

Senator Josh Green, M.D., Chair

Senator Clarence K. Nishihara, Vice Chair

Committee on Public Safety, Government Operations and Military Affairs

Senator Will Espero, Chair

Senator Michelle Kidani, Vice Chair

**Friday, February 4, 2011, 3:45 PM
State Capitol, Room 229**

**Chairs Green and Espero, Vice Chairs Nishihara and Kidani, and Members of the
Committees:**

The Department of Public Safety (PSD) does not support Senate Bill 1458 that proposes to amend the State of Hawaii's medical use of marijuana program by creating three classes of medical marijuana licenses to include new provisions for dispensaries (compassion centers for-profit sales), cultivation license, and marijuana infused products manufacturing licenses. Senate Bill 1458 also proposes to establish a special marijuana sales tax on the sales of medical marijuana and to establish fees for the issuance and renewal of marijuana dispensary and manufacturing licenses.

PSD feels that the amendments being proposed by Senate Bill 1458 are premature and unwarranted, due to the fact that federal law has not changed. Federal law enforcement agencies are still making arrests and conducting raids on these so-called state-registered medical marijuana dispensaries in states like California and Oregon where there are established dispensaries. In August of 2009, Hawaii's Legislative Reference Bureau's researcher, Attorney Lance Ching, in response to Act 29, First Special Session Laws of Hawaii 2009, wrote a White Paper on the "Access, Distribution, and Security Components of State Medical Marijuana Programs." His conclusion after researching the medical use of marijuana programs in 13 states were as follows:

"Clearly, policies and procedures are being developed to address the issues of access, distribution, and security with regard to the medical use of marijuana. However, these policies and procedures appear to be in a very early stage of development and do not, as yet provide an established model with a proven ability to successfully address these issues—seeing how they develop, how they approach the obstacles they are likely to encounter, what methods are successful versus what methods prove problematic—will, no doubt, prove informative and valuable in determining how Hawaii chooses to address the issues of access, distribution, and security with regards to its own medical marijuana program."

A White Paper done in 2009, by the California Police Chiefs Association's Task Force on Marijuana Dispensaries on California's medical use of marijuana

program and dispensaries, had the following conclusions:

"In light of the United States Supreme Court's decision and reasoning in *Gonzales v. Raich*, the United States Supremacy Clause renders California's Compassionate Use Act of 1996 and Medical Marijuana Program Act of 2004 illegal. No state has the power to grant its citizens the right to violate federal law. People have been, and continue to be, federally prosecuted for marijuana crimes." The authors of this White Paper concluded that medical marijuana is not legal under federal law, despite the current California scheme, and wait for the United States Supreme Court to ultimately rule on this issue.

Furthermore, storefront marijuana businesses are prey for criminals and create easily identifiable victims. The people growing marijuana are employing illegal means to protect their valuable cash crops. Many distributing marijuana are hardened criminals. Several are members of criminal street gangs and recognized organized crime syndicates, while others distributing marijuana to the businesses are perfect targets for thieves and robbers. They are being assaulted, robbed, and murdered. Those buying and using medical marijuana are also being victimized. Additionally, illegal medical marijuana dispensaries have the potential for creating liability issues for counties and cities. All marijuana dispensaries should generally be considered illegal and should not be permitted to exist and engage in business within a county or city's borders. Their presence pose a clear violation of federal and state law, invite more crime, and compromise the health and welfare of law-abiding citizens.

The White Paper also discussed problems posed by marijuana dispensaries. The report found that in California, marijuana dispensaries are commonly large moneymaking enterprises that will sell marijuana to most anyone who produces a physician's written recommendation for its medical use. These recommendations can be done by paying unscrupulous physicians a fee, and claiming to have most any malady, even headaches. While the dispensaries will claim to receive only donations, no marijuana will change hands without an exchange of money. These operations have been tied to organized criminal gangs, foster large grow operations, and are often multi-million-dollar profit centers.

Because they are repositories of valuable marijuana crops and large amounts of cash, several operators of dispensaries have been attacked and murdered by armed robbers both at their storefronts and homes, and such places have been regularly burglarized. Drug dealing, sales to minors, loitering, heavy vehicle and foot traffic in retail areas, increased noise, and robberies of customers just outside dispensaries are also common ancillary byproducts of their operations. To repel store invasions, firearms are often kept on-hand inside dispensaries, and firearms are used to hold up their proprietors. These dispensaries are either linked to large marijuana grow operations or encourage home grows by buying marijuana to dispense. And, just as destructive fires and unhealthful mold in residential neighborhoods are often the result of large indoor home grows designed to supply dispensaries, money laundering also naturally

results from dispensaries' likely unlawful operations. According to a paper put out by the Colorado Drug Investigators Association:

"The majority of dispensaries are in business to make large profits under the guise of compassion for the patients. Some have become marijuana recreational clubs. The prices they charge the patient for marijuana ("medicine") ranging from \$150 to \$480 an ounce is outrageous. Patient's Choice dispensary owner (*Denver Post* 10/30/09) estimates grossing \$8,000 to \$10,000 a day. Using an average of his own numbers, he is selling 25 ounces a day, the equivalent of 1,400 doses or close to 10,000 doses a week. That's just one dispensary. A dispensary owner in Colorado Springs claims to be a caregiver to 1,200 patients and grosses \$160,000 a month, personally netting between \$50,000 and \$60,000 a month. He further admitted he pays between \$70,000 and \$90,000 a month for product (marijuana) but didn't reveal what third party drug trafficker he buys from. That would equate to distributing between 20 to 50 pounds a month or 240 to 600 pounds of marijuana a year and that's just one dispensary. A question addressed by the White Paper was, "***What are the CO dispensaries' charging patients for their marijuana?*** ***Response:*** The answer varies depending on the dispensary but we have documented them selling marijuana from anywhere from \$150 to close to \$500 per ounce (one ounce equates to approximately 56 marijuana cigarettes). By comparison, a patient's production cost for the same amount of marijuana that they could provide for themselves would be less than \$25 per ounce or, through a legitimate primary

caregiver, for approximately \$65 per ounce if the patient is paying for the supplies and caregiver's time. Is this compassion or profit? **Question? Given the poor state of our economy, wouldn't taxing marijuana dispensaries boost our government's income? Response:** Taxing marijuana would create additional revenue. However, experience shows the additional revenue would not even come close to offsetting additional costs associated with increased use. The two legal substances, which are already highly taxed, prove this point. Taxes on alcohol account for \$14.5 billion in revenue but alcohol abuse costs \$185 billion. In the case of tobacco, taxes account for \$25 billion but the cost to society is \$200 billion. That means taxes pay for 8% and 12% respectively for all the adverse effects of alcohol and tobacco use. It doesn't require a degree in economics to understand a poor investment. One can reasonably expect the same type of figures with marijuana taxation." It is probably less due to the fact that most of the marijuana sales at dispensaries are cash transactions.

For these reason, PSD does not support Senate Bill 1458, and ask that it be held.

Thank you for the opportunity to testify on this matter.

February 3, 2011

The Honorable Josh Green, M.D., Chair
and Members of the Committee on Health
The Senate
State Capitol
Honolulu, HI 96813

The Honorable Will Espero, Chair
and Members of the Committee on Public Safety,
Government Operations, and Military Affairs
The Senate
State Capitol
Honolulu, Hawaii 96813

RE: Senate Bill No. 1458, Relating to Health; Medical Marijuana

Dear Chair Green, Chair Espero and Members of the Committees:

The Maui Police Department does not support S.B. No. 1458. This bill proposes to create three classes of medical marijuana licenses and makes medical marijuana sales subject to income and excise taxes and other related fees. These proposed amendments are contrary to, and in violation of, existing Federal laws.

“United States Supreme’s Courts decision and reasoning in *Gonzales v. Raich*, the United States Supremacy Clause renders California’s Compassionate Use of Act of 1996 and Medical marijuana Program Act of 2004 suspect. No state has the power to grant its citizens the right to violate federal law. People have been, and continue to be, federally prosecuted for marijuana crimes.”

The Maui Police Department asks for your support in opposing S.B. No. 1458.



375 Hoaka Road, Hilo, HI 96720; bigislandsafeaccess@gmail.com ; 808-959-8091

Senator Josh Green, M.D., Chair
Senator Clarence K. Nishihara, Vice Chair and members of the
Committee on Health

Senator Will Espero, Chair
Senator Michelle Kindani, Vice Chair and members of the
Committee on Public Safety, Government Operations and Military Affairs

SB 1458 Relating to Health

Hearing: Friday, February 4, 2011 at 3:45pm; Room 229

SUPPORT

Aloha...the Big Island chapter of Americans for Safe Access appreciates this opportunity to submit testimony for this important bill.

We represent, and advocate on behalf of, the medical marijuana patients residing on this island. About 60% of all medical marijuana patients reside in Hawai'i County, and the Big Island is a welcoming and supportive place towards us on many levels.

Medical marijuana patients on this island come from many walks of life, and have a range of economic back grounds. However, the cost of inter island travel is prohibitive, and many of us are unable to fly to Oahu to testify in person. We are able to video conference for County Council hearings, so it is a shame that similar technology is not available for testimony at the state level. Even though you cannot see us, please do not take this for indifference. Although you cannot hear our voices in person, please know that we care, and what is decided in Oahu has an impact on our lives. Many of us are senior citizens, Vietnam vets or homestead farmers who live off the grid and have limited access to e-mail, but that does not mean with are without opinions.

On the Big Island we have the benefit of being a rural community, often with enough space to have our own medical marijuana gardens or green houses and privacy. But, some of us live in public housing and are banned from having plants. Some of us are too disabled to do the gardening and work required in growing our medicine. And, like our fellow patients in Oahu, some of us lead lives where a garden is simply not an option.

The Honorable Josh Green, M.D., Chair
and Members of the Committee on Health
The Honorable Will Espero, Chair
and Members of the Committee on Public Safety,
Government Operations, and Military Affairs
February 3, 2011
Page 2

Thank you for the opportunity to testify.

Sincerely,

GARY A. YABUTA
Chief of Police

Testimony on SB 1458 Relating to Creating Three Classes of Medical Marijuana Licenses

Submitted on February 3, 2011

To the Hawaii Senate Health Committee and the Senate Committee on Public Safety, Government Operations and Military Affairs

By Calvin Fay, Executive Director, Save Our Society From Drugs

Dear Committee Members:

We respectfully request that this testimony, on behalf of Save Our Society From Drugs, a national drug policy organization with members in the state of Hawaii, be included in the hearing that is scheduled for February 4, 2011 pertaining to SB 1458.

Save Our Society From Drugs (S.O.S.) has over ten years of experience in monitoring and making policy recommendations on drug policy issues including those pertaining to marijuana legalization. S.O.S. takes a comprehensive approach to promote sound drug policy that includes education, prevention, abstinence-based treatment, scientific research, and community awareness. Our members include doctors, researchers, law enforcement officials, business leaders, lawyers, and parents, just to name a few.

We have analyzed this bill and believe that this legislation will have significant negative impact on the state of Hawaii. Please take this opportunity to review our analysis of SB 1458.

In 2000 when the Hawaii legislature passed Act 228 allowing for the use of "medical" marijuana, it was under the belief that they were being compassionate to a small number of chronically ill people. In reality they got a highly abused program. Of the more than 8,000 "medical" marijuana users in Hawaii, just 2% suffer from cancer and other debilitating ailments the program was intended to target.

Several states, witnessing similar abuses, have attempted to control their marijuana businesses by enacting what they believe to be tighter restrictions and regulations. In 2010 Colorado's Department of Health took steps to further define the responsibilities of a caregiver and adopt guidelines for physicians who recommend marijuana. After receiving several legal threats, the Department dropped the issues, and it was later watered down and introduced as legislation. Did the legislation result in buckling down of the program? No. As of June 30, 2010, the last update on the program's website, the Marijuana Registry Program has over 95,000 individuals that legally hold registry ID cards, up 30,000 since February, 2010! The average age of a Colorado cardholder is 40, 71% are male and 58% of cardholders live in the Denver Metro Area. Clearly, "regulation" is not working.

California's attempts to regulate the marijuana industry have been equally unsuccessful. Several cities, including Anaheim, Los Angeles, and San Diego, are involved in legal battles regarding dispensaries and registry cards. Within the last two years, over 200 cities and 14 counties in California have banned or passed moratoriums on pot shops. This number speaks volumes about what happens when communities see through the smokescreen and are enlightened as to what "medical" marijuana really brings their

communities - more illegal drug use, more crimes, and more of our youth being sold marijuana (and sometimes other drugs) from so-called medical marijuana patients.

SB 1458 allows for the establishment of "compassion centers," better known as pot shops. The bill does not limit the number of marijuana dispensaries that can open within a community or where they can be located, only that they cannot be within 300 feet of public or private schools.

Pot shops are in business to make money and will sell marijuana to anyone who produces a written recommendation. These recommendations can be obtained by paying physicians a fee and claiming any medical condition, even a headache. Dispensaries claim to operate as nonprofit, but they have been tied to organized crime gangs and are often multi-million dollar profit centers.

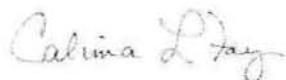
Dispensaries are easy marks for criminal activities because of valuable marijuana crops and large amounts of cash. Operators of dispensaries have been attacked and murdered by armed criminals both at their storefronts and at home. Common secondary byproducts related to dispensaries include: drug dealing, sales to minors, loitering, heavy vehicle and foot traffic in retail areas, increased noise, and robberies of customers just outside the facilities.

Other secondary impacts to communities where dispensaries are located include: street dealers who hang around to sell at a lower price than the dispensary, marijuana smoking in public and in front of minors, an increase in traffic accidents and driving under the influence arrests in which marijuana is implicated, and the loss of other commercial businesses who don't want to be located in the vicinity of marijuana dispensaries.

SB 1458 does not restrict to whom, how or where pot shops can advertise their business, which will include the sale of marijuana infused food products. The bill also allows out-of-state marijuana "patients" to purchase marijuana and marijuana infused products. Hawaii is known as a tourist destination for individuals and families who want to explore the islands' natural beauty; SB 1458 has the potential to turn Hawaii into a drug seeking tourist destination.

Thank you for the opportunity to provide testimony on this important issue. We would be happy to provide you with additional information or discuss this issue further with you, if you so desire. Please reject SB 1458!

Sincerely,



Calvinia Fay
Executive Director
Save Our Society From Drugs
5999 Central Ave., Suite 301 St. Petersburg, FL 33710
www.saveoursociety.org

green1 - Karen

From: kim cox [theedge@alohabroadband.net]
Sent: Thursday, February 03, 2011 11:21 AM
To: HTHTestimony
Subject: SB 1458 Relating to Health

To: Joint Senate Committee on Health and Public Safety, Government Operations, and Military Affairs
From: Dan Edginton and Kim Cox
RE: SB 1458 Relating to Health
Position: Support with comments

We are testifying today in support of establishing compassion centers for seriously ill patients who qualify to use medical cannabis. I (Dan) have been a medical marijuana patient for 14 years. I was originally a patient in Oregon, for the last nine years I have been a patient in Hawaii.

I am personally fortunate as to having the ability to grow and maintain my own supply of medicine. During my years in Oregon, I was part of a medical marijuana network that educated patients and helped them to grow and maintain their own medicine. During my time of being licensed, I have seen and been affected by the inability of patients who cannot (for any number of reasons; location, ability, etc.) grow their own medicines. They are left to either being fortunate to know and have a caregiver or been reduced to behave in a criminal manner in order to obtain a legally prescribed medication. I have seen peoples dignity, honor and morals compromised by doing something illegal. It is high time that we alleviate these things by making it legal for someone to obtain a legally prescribed medication.

Also, in this time of economic uncertainty, to not utilize this as a source of legitimate income for the State is rather shortsighted. Just think of not only fees and taxes, the amount of jobs that would be created by adopting these measures would be an invaluable source of income and help to the citizens of Hawaii. The trickledown effect would be enormous.

The only thing that I would object to in this bill is that the patient registry would still reside with the Department of Public Safety. I would urge you to reconsider and put all auspices of the medical marijuana program under the Department of Health where it should logically reside.

Thank you for your time and attention to this matter, and allowing us to be heard.

Sincerely,

Dan Edginton and Kim Cox
Ocean View, Hawaii
theedge@alohabroadband.net

green1 - Karen

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 03, 2011 1:53 PM
To: HTHTestimony
Cc: angelictom@yahoo.com
Subject: Testimony for SB1458 on 2/4/2011 3:45:00 PM
Attachments: Toms testimony.doc

Testimony for HTH/PGM 2/4/2011 3:45:00 PM SB1458

Conference room: 229
Testifier position: support
Testifier will be present: Yes
Submitted by: Thomas Acklen
Organization: Individual
Address: 2322 Fern St #202 Honolulu, HI
Phone: (808) 853-0094
E-mail: angelictom@yahoo.com
Submitted on: 2/3/2011

Comments:

I was a medical marijuana patient and the general manager for a medical marijuana dispensary in Oakland, CA. Having lived in two states with medical protection laws and paying attention to the laws being passed around the country I see a lot of pros and cons. Everyone's first concern is over abuse of the system and in California's case we see it in different areas. The first thing that comes to my mind is the Los Angeles model. The first problem with California was no statewide regulation and the total reason the L.A. model is the worst model to use. The city officials allowed it to happen and that is why it fails in view of the movement. Like any medicinal business working in this country their mission is to help the sick with their needs but in the end it is still a business trying to make money and helping to fuel the economy.

My dispensary was much different than others, it is what we would call the Amsterdam model. We were a first floor coffee shop open to the public, and a colorful dispensary downstairs. The downstairs was filled with art, tables, chairs, and ashtrays; you see my place was one of the very few that allowed patients to actually partake in their medicine on site. We felt that the warmth of the atmosphere did one very important thing for our patients, it made them happy and staying positive is much more beneficial for this chronically ill people. It is one thing for a dispensary to say that they are compassionate in their name and most are not compassionate in how they act. Most dispensaries are setup to make a profit just turning out patient after patient while sitting behind bulletproof glass. There is no compassion there. These patients who are inflicted with AIDS, cancers, other viruses and diseases are suffering a terminal fate need every ounce of compassion that we can give them. We need to break from the trend of vicodins, oxycotins, and morphine that we prescribe for these people. These legal drugs do nothing but create addicts and overdoses. It is being proven even more so everyday the medicinal benefits of cannabis as a legitimate healer. If there is one thing that I think every single one of the terminally ill people needs is a smile and a little happiness.

I am not a lawmaker but the current law seems like it was written just so it would be able to pass. The state of Hawaii has made it illegal for the patient to even get their medicine from the beginning from where to actually get the marijuana to where to get a seed or clone. I also believe that lawmakers have never had to grow the plants themselves or else they would know that it is not easy and that some people just have "black thumbs." Some people just don't have the time, space, energy, or money to grow their medicine and it is not fair because there is no other medicine that the government makes you grow yourself.

It is an herb that does not contain any harmful effects like cigarettes with a small intoxicating effect nothing like alcohol. Both of those products are taxed and regulated so why not our medicine and have ability for those patients to partake in an actual establishment just like a bar has the ability too. It should be regulated just the same as alcohol with the islands broken into zones and a set amount of licenses for dispensaries, industrial growers, edible, and tincture manufacturers so that the L.A. model never happens. There should be multiple dispensaries per zone so that patients are allowed to choose different varieties and multiple opinions on medicine. I consider myself somewhat of an expert on the medicinal values of the strains that I would have on hand for patients being that the varieties would change because we are dealing with a perishable product and growers are always trying different strains. I empowered myself

with books and education about all the strains and their values in order to properly treat my patients and from that I built a loyal following. I do not know the other part as in testing it for THC content or other psychoactive effects.

Currently I am a part proprietor of Green Hands of Aloha, a hydroponic supply store located in Kalihi. I work hand and hand with patients who make up a good percentage of my business. We allow the patients to speak freely about what they are doing so that we can properly give them advice on growing their plants correctly and help diagnose their problems. The act of growing marijuana is not cheap or easy to get a medicinal value out of your final product and it is what many consider to be a costly hobby. To properly and professionally be able to set up a perfect grow room would cost anywhere from \$4,000 to \$10,000. Most patients here in Hawaii do not regularly have that kind of budget. But we still help those patients with less than a \$1,000 dollar budget and most are somewhat successful.

In my dispensary we sold many different products and they are needed to properly treat the patients. We sold actual marijuana, specializing in organics so not to poison lungs with chemicals, which most patients vaporized to stretch it out and because it is a healthier way to consume it. We sold hash, which is basically pure THC made from the trash of the plant and lasts patients pretty long with the choices of smoking or eating. Edibles are also a big choice of those who choose not to smoke and come in varieties of candies, cakes, and breads. I have heard there are now sodas and ice creams too.

My ideas for changes and regulations would be as follows. The islands broken into zones with a set amount of dispensaries, big growers, manufacturers, and consumption locations. I think that dispensaries should be able to choose if consumption would be allowed on site and that they will get a growing and manufacturing permit without taking up one of those permits for the zones. Dispensaries should not do business behind bulletproof glass or impersonal franchises like Costco. It should be a casual neighborhood feeling, the thing that most patients don't get at the doctor's office, compassion. I use that word a lot because it means everything to me about the whole movement. Dispensaries should be allowed to have on hand in large quantities different varieties of products. Dispensaries should provide adequate security, maybe even off duty police officers. There should be a daily limit on how much a patient can buy something like two ounces a day so that we will help squander reselling to the public.

I think that applicants for dispensaries should be kept to Hawaii residents only. There is no reason to let in the big businesses that ruined the systems of other states, or to let foreign money influence how we operate. This would be the worst for our state, as the money would leave our economy just as big businesses do to us all the time. It is like the saying that is going around now, "buy local". The fault of our country as a whole is that we have stopped producing and manufacturing our own goods. The mission of my store is to make Hawaii more sustainable and the only way that I ever can conceive that is if most of the products like produce are actually produced and bought here exclusively.

There should be three types of growing permits. One for the patient, which automatically comes with the doctor's permit which can be copied for their caregiver's protection, non taxable. Second there should be a industrial grow permit, that is taxable, which would

allow the holder of the permit to grow for the dispensaries under regulated circumstances. And lastly, a professional caregiver license that would grant the power to grow a plant for a patient at a set amount. This license would also be taxable, though not as regulated thus giving the patient and caregiver creative control on how the medicine is grown.

All manufacturers are required to produce their products in a qualified inspected kitchen. Anything else would be improper, as most manufactured products will consist of baked goods, tinctures, extracts, and edibles.

I believe that there should be a centralized buying building on each island that each grower and buyer can meet and legally engage in business without fear of robbery or arrest. There should be someone who can fairly grade each pound and assess its market value and from they're auctioned off to the buyers from the dispensaries and manufacturers. There should be a set cap on prices divided up by "Grades A, B, C, D" whose properties of testing and market identification will make up the assessment. With higher Grades mostly used for smoking and lowers, which could include plant trash and lower grade medicinal value herb used for the manufacturing of edibles. Growers should keep records of what nutrients, fertilizers, and pesticides used in growing their pounds as some buyers and patients would like to know "What's in the Cannabis?"

Taxes and license fees should be enforced in a very realistic way that is not out of this world. It would already be expensive to produce it here in Hawaii and a heavy tax would make it hard for the price to be affordable to the patients. I think that the license fees should go to the deficit and to a newly formed governing agency under the state of Hawaii's department of health, as they should be the ones overseeing this new endeavor we are about to embark on. I think that a \$50 an ounce tax is a little unfair, as that I believe there should be different prices on the varieties as some may be less than par. And it is good to offer lower prices on lower grades as with anything with market value. So the ounce tax should be offered on the level of the price. The grower should have to pay a reasonable pound tax on what it is considered at market value also. For example, if a grower grows a pound and it cost him over \$2000 to produce for just materials, electricity, and equipment maintenance we have not even covered the time and effort for the three months it took them to grow it. Now if you estimated their small room can only produce two pounds in that three months and the grower spent at least three hours a day for 90 days equaling 270 total hours multiplied by Hawaii's minimum wage of \$7.75 equals \$2,092.50. We have not even added up the time for drying, curing, and most importantly trimming the product. Now we now that the minimum price for producing one pound is at least \$3,000 and we cannot even guarantee that the pound would be considered "Grade A". The average street price would be around \$400 an ounce; I think that to make it more affordable for patients it should be around \$300 an ounce. So if you say that a \$500 tax on a pound should be paid that would make the price for dispensaries around \$3,500 a pound averaging \$219 an ounce. That dispensary that has now paid that amount has rent, electricity, payroll, insurance, and a lot more overhead to think about. All that would be left would be \$81 an ounce that would still be taxed somehow. And that is why a \$50 an ounce tax wouldn't be manageable to keep the price cost effective for patients.

These taxes I believe should be split into four areas. First and foremost the tax should go to the department of education, as our children's future depends upon it. I was raised in Mississippi and I remember when they first talked about how gambling was going to ruin our state and how our state was next to last in education. When I started my first year of high school it was an old rundown school then I went away for the summer and the casino money kicked in and half the school was new when I came back to start the year. This money can help get our schools back on track. Second the money should go to our beloved police and fire force so that they can work hand in hand with the legitimate part of the medical industry. Third to rehabilitation programs to get patients and abusers off of dangerous medication that is turning our nation into "legal" addicts. And lastly to the state budget to help pay for our deficit.

For the most part I believe that Hawaii's medical industry should be a stand alone free market, giving most the chance to compete in the market based on our capitalist system fueling our socialist systems. I sincerely hope that when the jobs are handed out to regulate this business that you would take someone with actual experience in this field instead of hiring a friend or promoting from within the system. This is something that needs to be covered by experience with this product. It is not as easy as it looks or is it cut and dry. It is an ever-evolving industry that no one without the experience could fairly regulate. As a suggestion, I think that a board of Patients, not doctors, should be formed to help govern and regulate this system.

There are currently 8,000 patients and growing here in Hawaii and you can estimate that each one would consume three ounces a month, 2 1/4 pounds in a year. That would be an estimated 288,000 ounces, 18,000 pounds a year. With a pound tax of \$500 per pound that would bring in an estimated \$9,000,000 a year. With an ounce tax of \$20 an ounce would bring in an additional estimated \$5,760,000. These are lowball figures considering the medical population is growing everyday, especially when they can safely buy it from a trusted source. In all reality with only 8,000 patients split up by islands, nobody is going to become an overnight millionaire in this business, but we would be doing the right thing for patients and making the state some money at the same time.

green1 - Karen

From: lionel@cruzio.com
Sent: Thursday, February 03, 2011 1:14 PM
To: HTHTestimony
Subject: Support Senate Bill 1458, friday Feb 4th at 3:45PM

Aloha,

I am writing in support of Senate Bill 1458, to be aired Feb 4th, at 3:45.

Lawfully registered and regulated marijuana dispensaries are a proven success and moneymaker, for both the State and the people. This industry is very egalitarian and spreads wealth broadly, due to the labor intensive aspects of production of product.

Holland has had dispensaries for almost thirty years and their police have told me that they are peaceful places, where crime of any sort is very rare, unlike alcohol bars, where crime and public disturbances are way too often, the norm.

Let's do the intelligent thing and have licensed, regulated dispensaries here. Product should be grown locally and every effort made to keep the industry, diverse, local and ABSOLUTELY NOT under any form of corporate monopoly.

Do not place hardships on small business's with giant licensing fees and fantasy based zoning requirements, which will stifle competition and shut the doors of opportunity on most of Hawaii's people.

Keep it local.

The DEA has written that marijuana is remarkably safe medically and is in fact, safer than most of the foods we commonly eat, according to DEA Administrative Judge, Francis Young, as written in a report evaluating the available scientific information concerning marijuana.

Please regulate this herb accordingly. It is not alcohol. It is not tobacco. It is not a pharmaceutical drug. It is remarkably safe and in fact, safer than any fast foods.

Let's let go of seventy years of false propaganda and deal with reality, as documented by Judge Young and many others, including LEAP, Law Enforcement Against Prohibition. Let responsible adults in a free society, treat marijuana as a moderately regulated, taxed crop and product.

The American people are speaking out about this. All top 100 questions to President Obama recently on youtube, concerned ending the government's futile and destructive marijuana war and policy reform.

Support Senate Bill 1458.

Aloha,
Lee Eisenstein
Pahoa, Hawaii

green1 - Karen

From: Bud King [budking808@yahoo.com]
Sent: Thursday, February 03, 2011 3:26 PM
To: HTHTestimony
Subject: SB1458

SB1458 will help hawaiiiz economy. My company 808greenkross will employ 150 people on big island and another 50+ on kauai an oahu. Wen this law takes effect the price per ounce will drop to \$100 ounce please take that into account. I site the big island law peaceful skyz were u are allowed24plants. The price has dropped to 75-\$125 per ounce. Taxes must be regulated around the ability to provide cheap medicine. Helping sick people is what this is all about! Most cant afford alot. Thank u for your time. Powell Davidson Ewell III 8084301388

Sent from AT&T Wireless using Yahoo! Mail

green1 - Karen

From: Deb Dee [ddkona@yahoo.com]
Sent: Thursday, February 03, 2011 3:38 PM
To: HTHTestimony
Subject: Bill SB 1458

Aloha-

As a medical marijuana user, I felt compelled to join the ranks in support of this bill. I am a cancer survivor who depended on this substance while receiving the radiation and chemo therapy needed to kill the cancer. Although cancer free, thank God, I still have very difficult days and rely on it to relieve cramping and pain along with helping me sleep through the night.

I don't want to feel like a criminal when purchasing what I need to continue to have quality of life. It would be a benefit to all to have shops to go & make your purchases, I support legal dispensaries for this drug to help those like me who have experienced the relief this natural substance gives me when needed .

I pray you will consider passing this bill and making it easier to purchase with a license for those that are ill. Grateful for all you do for us and our state,

Debby Dakowitz

Kailua-Kona.

So, it is critically important that a system of dispensaries or compassion centers be opened here in Hawai'i. However, it is also important that if they wish to, patients and/or their caregivers should still be allowed to grow their own medicine. There may be times when a patients' garden may not yield enough, and the need to visit a compassion center is required, but locking in a patient to one place may be too rigid.

This bill does not mention how many compassion centers could be licensed on each island. A place as large as the Big Island could need four or five. A place as populated as Oahu could also need multiple facilities (in a previous bill last year, there would have been only two permitted on Oahu, which is too few).

Although finances are dire at the state level, do not let greed or necessity drive your licensing and fee structure. Insurance does not cover any part of the medical marijuana certification process (the doctor visit, the NED fee and the medicine), so do not put an unfair burden on medical marijuana patients by having a high tax rate (excise or sales).

We think that charging \$100 to an out of state visitor for a temporary permit is outrageously expensive. Simply allow "reciprocity" whereby an out of state visitor with valid ID and medical marijuana referral or certificate be allowed to simply enter any compassion center. There will be plenty of tax revenue generated. States that allow out of state patients into their compassion centers are: Montana, Michigan, Maine and Rhode Island.

Indeed, if there is "reciprocity" and therefore many tourists showing up in Hawai'i, the numbers of plants allowed at each compassion center may not be enough. Greater flexibility in what is allowed for a class II and III licensee to produce may be required.

We think it is important that a patient be **allowed** to use medicine at the compassion center. Since use in public is prohibited, is it essential that a safe, secure location be set up to allow a patient to medicate. Inside the compassion center makes the most sense.

It seems likely that implementing this bill could take several years, so it is important that the current system (number of plants, amount of dried medicine allowed and patient to caregiver ratio) be improved and enhanced.

The current medical marijuana program is in dire need of change, and SB 1458 offers a good starting place on many issues.

Respectfully submitted,

Matthew Rifkin
Co-Chair

green1 - Karen

From: Andrea Tischler [andreatischler@yahoo.com]
Sent: Thursday, February 03, 2011 3:05 PM
To: HTHTestimony
Subject: Re: SB 1458 Strongly Support

To: The Joint Committee on Health and Committee on Public Safety, Government Operations, and Military Affairs

From: Andrea Tischler

RE: SB 1458

WHEN: Friday, February 4, 2011, 3:45 p.m.

WHERE: Room 229

Strongly Support

As a cannabis patient suffering chronic back pain and sciatica, I am writing this letter in support of SB 1458 for compassion centers.

Three years ago there were approximately 3000 certified medical cannabis patients in the state. Today the number nears 9000. That is nearly a three fold increase in the number of registered patients. Most of these patients are neither able to grow their medicine nor have the space. Others do not have a caregiver to grow it for them. More than half of the patients operate in these circumstances.

That means that over 4500 patients buy their medicine from the black market. This fact encourages criminal activity and places the patient in vulnerable and dangerous situations. Moreover, the cannabis that patients buy has no guarantee of being of medicinal grade quality and free of contaminants. There are, also, certain strains of cannabis that are best for certain conditions and illnesses. A drug dealer does not have the training or, for that matter, the interest in providing a strain that would be best suited for particular illnesses.

Compassion centers such as the ones in California have sometimes as many as 50 different stains of cannabis medicine. Staff members are trained to suggest a strain that is best for treating a person's particular illness and the packaging is clearly identified. The environment is a safe one.

Compassion centers are, also, regulated by local and state governments to ensure that the cannabis outlet is operating in compliance with the law. Licensing, fees, permits and taxes are collected from businesses that operate dispensaries thus generating income to cash strapped governments.

SB 1458 in the state of Hawai'i will be a positive step in regulating and taxing the sale of medical cannabis while decreasing crime. Please support this bill by passing it out of committee. Mahalo.

green1 - Karen

From: R&S Henderson [fishyones@gmail.com]
Sent: Thursday, February 03, 2011 1:44 PM
To: HTHTestimony
Subject: Please oppose SB1458 and SB1460
Attachments: MJ Senate Health Committee.wpd

Dear Honorable Senate Chairs Espero, Green, and Members of the Committees:

Please see the attached letter for reasons we urge you to oppose these very dangerous bills.

Thank you for your hard work for us.

Richard & Sheryl Henderson
73-4328 AkaAka Pl
Kailua Kona, HI 96740
808-325-3033

To: Joint Senate Committee on Health and Public Safety, Government Operations, and Military Affairs
From: Sherryanne St. Cyr
RE: SB 1458 Relating to Health
Position: Support with comments

I'm in full support of establishing compassion centers for patients who qualify to use medical cannabis.

As a medical card holder I know how difficult it is to keep an adequate supply of dried cannabis. And even more difficult is cultivation and harvesting of the plants. So many factors come into play here, from having the knowledge to grow these plants to keeping them sheltered from rain and then having a secure place to shield them from the "rippers."

Compassion centers, if run like the models in Colorado and California will be such a benefit to ALL medical card holders and finally allow people like me to have a safe access for medicine besides the black market.

Also, allowing tourists who have valid cards, will surely be a shot for Hawaii's economy. I'm aware of two Honolulu men who opened a center in Boulder, Colorado that is very successful. Why do they have to go all the way to the mainland to do this? Hawaii needs the GREEN jobs this will provide as well as safe access and knowledgeable caregivers to sift through all the different strains that will provide relief for everyone's particular condition.

I passionately urge the legislature to support this timely bill.

Sincerely,
Sherryanne St. Cyr
Pahoa, Hawaii
Registered Voter

Feleai Tau

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 02, 2011 10:50 AM
To: HTHTestimony
Cc: snn@hawaii.edu
Subject: Testimony for SB1458 on 2/4/2011 3:45:00 PM

Testimony for HTH/PGM 2/4/2011 3:45:00 PM SB1458

Conference room: 229
Testifier position: support
Testifier will be present: No
Submitted by: Sarah Nicolaisen
Organization: Individual
Address: P.O. Box 690 Naalehu, Hawaii 96772
Phone: 808-640-3083
E-mail: snn@hawaii.edu
Submitted on: 2/2/2011

Comments:
I, Sarah Nicolaisen support this bill

Feleai Tau

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 02, 2011 11:16 AM
To: HTHTestimony
Cc: mark@solights.com
Subject: Testimony for SB1458 on 2/4/2011 3:45:00 PM

Testimony for HTH/PGM 2/4/2011 3:45:00 PM SB1458

Conference room: 229
Testifier position: support
Testifier will be present: Yes
Submitted by: Mark
Organization: Individual
Address: p.o. box 314 kealakekua, hawaii
Phone: 8089374669
E-mail: mark@solights.com
Submitted on: 2/2/2011

Comments:

As a long time Hawaiian resident I fully support the SB1458 bill. The great need for a supported and better regulated licensing procedure to establish a foundation for Safe Access for thousands of Medical Cannabis Patients & Caregivers, as well as adding thousand of new jobs in an already dismal economy. I support this bill with concern over the licensing fees of 20K, 10K, 10K. A proposed, Class 1 of 10K Class 2 of 5K, Class 3 of 5K might be more in line.

Respectfully
Mark Nelson

green1 - Karen

From: Anne Biedel [abiedel@mauimedical.com]
Sent: Thursday, February 03, 2011 11:08 AM
To: HTHTestimony
Subject: Support for SB 1458

Joint Committee on Health and Public Safety
Government Operation and Military Affairs
Re: SB 1458
Hearing: Feb 4, 2011, 3:45 PM Room 229

I wish to lend my support to SB 1458 in its entirety.

Anne E. Biedel, MD
130 Prison Street
Lahaina, HI 96761

green1 - Karen

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 03, 2011 1:52 PM
To: HTHTestimony
Cc: victoriahokulani@gmail.com
Subject: Testimony for SB1458 on 2/4/2011 3:45:00 PM

Testimony for HTH/PGM 2/4/2011 3:45:00 PM SB1458

Conference room: 229
Testifier position: support
Testifier will be present: No
Submitted by: Victoria Latenser
Organization: Individual
Address: Mountain View
Phone: 8089687031
E-mail: victoriahokulani@gmail.com
Submitted on: 2/3/2011

Comments:

Feleai Tau

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 02, 2011 11:07 AM
To: HTHTestimony
Cc: cheryl@solights.com
Subject: Testimony for SB1458 on 2/4/2011 3:45:00 PM

Testimony for HTH/PGM 2/4/2011 3:45:00 PM SB1458

Conference room: 229
Testifier position: support
Testifier will be present: No
Submitted by: Cheryl Nelson
Organization: Individual
Address: PO Box 771 Kailua-Kona, HI
Phone: 808-937-4553
E-mail: cheryl@solights.com
Submitted on: 2/2/2011

Comments:
As a Medical Patient, I support SB 1458.