
A BILL FOR AN ACT

RELATING TO MARIJUANA.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the effective
2 regulation of medical marijuana is of paramount importance to
3 the health and welfare of the State its residents. The state
4 law authorizing the use of medical marijuana by qualifying
5 patients was enacted on June 14, 2000, as Act 228, Session Laws
6 of Hawaii 2000, to provide medical relief for seriously ill
7 individuals in the State.

8 The legislature further finds that, to accomplish the
9 purpose of Act 228, Session Laws of Hawaii 2000, and to protect
10 the health and well-being of the State's residents, it is
11 necessary to regulate the manner in which qualifying patients
12 cultivate, possess, and use marijuana. While Act 228, Session
13 Laws of Hawaii 2000, authorized qualifying patients to use
14 medical marijuana under certain conditions, the Act did not
15 provide a legal way for those individuals to obtain medical
16 marijuana. In response, Act 241, Session Laws of Hawaii 2015,



1 was enacted to establish a regulated system of medical marijuana
2 dispensaries and cultivation sites in the State.

3 The legislature further finds that no regulations have been
4 established to control the price of medical marijuana that is to
5 be sold by the dispensaries authorized by Act 241, Session Laws
6 of Hawaii 2015. The absence of price control regulations
7 creates a risk that qualified patients may not have safe and
8 legal access to medical marijuana, which could in turn lead to
9 the illegal production, sale, and distribution of marijuana -
10 and potentially expose other residents and vulnerable youth to
11 marijuana. Therefore, the legislature finds that it is vital
12 for the department of health to ensure that affordable medical
13 marijuana is available, in quantities that are medically
14 necessary, to qualified patients who have obtained
15 certifications from physicians that allow those patients to
16 legally use medical marijuana.

17 Other states that have authorized medical marijuana
18 dispensaries have established provisions to oversee or regulate
19 the price of medical marijuana sold by dispensaries. For
20 example, Minnesota allows for annual review of medical marijuana
21 prices; New Mexico sets price limitations and guidelines on



1 uniformity of medical marijuana prices; Washington, D.C., has
2 implemented a sliding scale approach to medical marijuana prices
3 based on the ability of patients to pay; and New York mandates
4 that every sale of medical marijuana conform with prices
5 established by a commissioner for the per dose price of each
6 form of medical marijuana sold.

7 The legislature declares that in light of Act 241, Session
8 Laws of Hawaii 2015, allowing qualifying medical marijuana
9 patients to grow their own medical marijuana will no longer
10 serve a legitimate purpose commencing July 1, 2017, because
11 those patients will have access to medical marijuana through
12 state-authorized dispensaries. However, price controls are
13 necessary to ensure that medical marijuana is affordable to
14 patients who purchase it from authorized dispensaries.

15 Accordingly, the purpose of this Act is to establish a
16 system of price controls, including maximum prices, one year
17 after the effective date of this Act, for medical marijuana sold
18 by dispensaries in the State.

19 SECTION 2. Chapter 329D, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 and to read as follows:



1 "§329D- Price controls; powers of the director. (a)

2 In addition to any other powers and duties established by law,
3 the director of health may:

4 (1) Establish maximum retail prices for medical marijuana
5 cultivated and sold to qualified patients;

6 (2) Investigate all matters pertaining to the production,
7 manufacture, transportation, processing, storage,
8 distribution, and delivery of medical marijuana and
9 manufactured marijuana products pursuant to this
10 chapter; the setting of maximum retail prices to be
11 paid to medical marijuana dispensaries; the records,
12 books and accounts of dispensaries and any other
13 person from whom information may be desired to carry
14 out the purpose and intent of this chapter; and by
15 leave of a circuit court, to order the taking of
16 depositions of witnesses absent from the State; and
17 (3) Make and enforce all rules and regulations and all
18 orders necessary to carry out this section.

19 (b) Any employee authorized by the director of health may
20 sign and issue subpoenas and may administer oaths to witnesses
21 and conduct hearings and investigations. In case of failure of



1 any person to comply with any subpoena issued under authority of
2 this section, or the refusal of a witness to testify to any
3 matter regarding which the witness may be lawfully interrogated,
4 the judge of the district court of the circuit in which the
5 person resides or of the circuit in which the person may be
6 personally served, on application of the director of health or
7 the director's authorized representatives, shall compel
8 obedience, as in the case of disobedience of the requirements of
9 a subpoena issued from the court or a refusal to testify
10 therein.

11 (c) Without regard to the notice and public hearing
12 requirements of chapter 91, the director of health may
13 establish, by order, the maximum retail prices to be paid to
14 dispensaries by qualifying patients for medical marijuana and
15 manufactured marijuana products.

16 (d) Prior to the effective date of any order issued
17 pursuant to subsection (c), the department shall give public
18 notice that includes a statement:

19 (1) Of the:

20 (A) Substance of the proposed order; or



1 (B) Maximum retail prices to be established for
2 medical marijuana or manufactured medical
3 marijuana products; and

4 (2) That a copy of the proposed order will be mailed to
5 any interested person who requests a copy, together
6 with a description of where and how the requests may
7 be made.

8 The notice shall be mailed to all persons who have made a timely
9 written request of the department for advance notice of these
10 orders or of the department's rulemaking proceedings. The
11 department may require reimbursement for the cost of preparing
12 and mailing the copies.

13 (e) The maximum retail prices established pursuant to
14 subsection (c) may vary according to classes or classifications
15 established by the director of health; provided that the maximum
16 retail prices for each class or classification shall be uniform.
17 The maximum retail prices may vary from county to county."

18 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval;
2 provided that the authority to control medical marijuana prices
3 shall take effect on July 1, 2017.

4

INTRODUCED BY



JAN 26 2016



H.B. NO. 2455

Report Title:

Health; Medical Marijuana; Dispensaries; Price Controls

Description:

Authorizes the director of health to establish maximum retail prices for medical marijuana and manufactured marijuana products. Delays authority to establish medical marijuana price controls until 7/1/2017.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

