
A BILL FOR AN ACT

RELATING TO MEDICAL MARIJUANA.

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

1 SECTION 1. The legislature finds that Act 241, Session
2 Laws of Hawaii 2015, established a licensing scheme for a
3 statewide system of medical marijuana dispensaries to ensure
4 access to medical marijuana for qualifying patients.

5 The purpose of this Act is to:

- 6 (1) Clarify and amend statutes pertaining to the
7 dispensary system consistent with guidance provided in
8 the August 29, 2013, memorandum to all United States
9 Attorneys from Deputy Attorney General James M. Cole
10 regarding the exercise of federal prosecutorial
11 discretion in states with laws authorizing marijuana
12 cultivation and distribution for medical use;
- 13 (2) Ensure the efficient and responsible operation of
14 medical marijuana dispensaries; and
- 15 (3) Further ensure access to medical marijuana for
16 qualifying patients.



1 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§201- Medical marijuana; economic and other data;
5 collection. (a) The department shall continuously collect de-
6 identified information regarding the medical marijuana registry
7 and dispensary programs established pursuant to chapters 329 and
8 329D, including but not limited to information regarding the:

- 9 (1) Quantities of marijuana cultivated and dispensed;
10 (2) Number of qualifying patients;
11 (3) Geographic areas in which marijuana is cultivated and
12 consumed;
13 (4) Prices of marijuana and related products;
14 (5) Number of employment opportunities related to
15 marijuana; and

16 (6) Economic impact of marijuana cultivation and sales.
17 (b) The department of health, and dispensaries licensed
18 pursuant to chapter 329D, shall provide de-identified aggregated
19 data as required by the department of business, economic
20 development, and tourism pursuant to this section.



1 (c) Upon request, the department shall provide an analysis
2 of the aggregated de-identified data to the department of
3 health, the medical marijuana advisory commission established
4 pursuant to section 329D- , and the legislature."

5 SECTION 3. Chapter 329D, Hawaii Revised Statutes, is
6 amended by adding a new section to be appropriately designated
7 and to read as follows:

8 "§329D- Medical marijuana advisory commission. (a) No
9 later than July 1, 2017, there shall be established within the
10 department of health, for administrative purposes, a medical
11 marijuana advisory commission.

12 (b) The commission shall monitor and evaluate the
13 cultivation and dispensing of medical marijuana and the medical
14 marijuana program established pursuant to this chapter and part
15 IX of chapter 329, including:

16 (1) The ability of qualifying patients and primary
17 caregivers to obtain timely access to medical
18 marijuana;

19 (2) The effectiveness of dispensaries, individually and
20 collectively, in serving the needs of qualifying
21 patients and primary caregivers, including but not



1 limited to the provision of educational and support
2 services;

3 (3) The sufficiency of regulatory and security safeguards
4 regarding the use, cultivation, and dispensing of
5 medical marijuana to ensure that medical marijuana and
6 manufactured marijuana products are provided only to
7 registered qualifying patients and primary caregivers
8 for lawful purposes;

9 (4) The adoption of administrative rules related to the
10 medical marijuana program established pursuant to this
11 chapter and part IX of chapter 329;

12 (5) The number of medical marijuana dispensary licenses to
13 be issued in the State; and

14 (6) Any other subject related to medical marijuana as
15 deemed necessary by the chairperson of the commission.

16 (c) The commission shall meet at least once during each
17 quarter of each calendar year and shall advise and make
18 recommendations to the department on its findings regarding the
19 medical marijuana program.



1 (d) The commission shall submit an annual report,
2 including any proposed legislation, to the legislature no later
3 than twenty days prior to the convening of each regular session.

4 (e) The commission shall comprise fifteen members, as
5 follows:

- 6 (1) The director of health or the director's designee;
7 (2) The director of public safety or the director's
8 designee;
9 (3) The mayor of each county or the mayor's designee;
10 (4) One qualifying patient from each county, who shall be
11 appointed by the governor;
12 (5) Two health care professionals licensed in the State,
13 one of whom shall be appointed by the speaker of the
14 house of representatives and one of whom shall be
15 appointed by the president of the senate; and
16 (6) Three representatives of the medical marijuana
17 dispensary industry, one of whom shall be appointed by
18 the speaker of the house of representatives, one of
19 whom shall be appointed by the president of the
20 senate, and one of whom shall be appointed by the
21 governor.



1 (f) The members shall serve without compensation, but
2 shall be reimbursed for necessary expenses incurred in carrying
3 out their duties.

4 (g) The governor shall appoint a chairperson from among
5 the members who are not government officials."

6 SECTION 4. Section 209E-2, Hawaii Revised Statutes, is
7 amended by amending the definition of "eligible business
8 activity" to read as follows:

9 "Eligible business activity" means the:

10 (1) Manufacture of tangible personal property, the
11 wholesale sale of tangible personal property as
12 described in section 237-4, or a service business as
13 defined in this section;

14 (2) Production of agricultural products where the business
15 is a producer as defined in section 237-5, or the
16 processing of agricultural products, all or some of
17 which were grown within an enterprise zone;

18 (3) Research, development, sale, or production of all
19 types of genetically-engineered medical, agricultural,
20 or maritime biotechnology products; or



1 (4) Production of electric power from wind energy for sale
2 primarily to a public utility company for resale to
3 the public[-],
4 provided that medical marijuana dispensary activities pursuant
5 to chapter 329D shall not be considered an eligible business
6 activity for the purposes of this chapter."

7 SECTION 5. Section 235-2.4, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§235-2.4 Operation of certain Internal Revenue Code
10 provisions; sections 63 to 530. (a) Section 63 (with respect
11 to taxable income defined) of the Internal Revenue Code shall be
12 operative for the purposes of this chapter, subject to the
13 following:

14 (1) Section 63(c)(1)(B) (relating to the additional
15 standard deduction), 63(c)(1)(C) (relating to the real
16 property tax deduction), 63(c)(1)(D) (relating to the
17 disaster loss deduction), 63(c)(1)(E) (relating to the
18 motor vehicle sales tax deduction), 63(c)(4) (relating
19 to inflation adjustments), 63(c)(7) (defining the real
20 property tax deduction), 63(c)(8) (defining the
21 disaster loss deduction), 63(c)(9) (defining the motor



1 vehicle sales tax deduction), and 63(f) (relating to
2 additional amounts for the aged or blind) of the
3 Internal Revenue Code shall not be operative for
4 purposes of this chapter;

5 (2) Section 63(c)(2) (relating to the basic standard
6 deduction) of the Internal Revenue Code shall be
7 operative, except that the standard deduction amounts
8 provided therein shall instead mean:

9 (A) \$4,400 in the case of:

10 (i) A joint return as provided by section 235-
11 93; or

12 (ii) A surviving spouse (as defined in section
13 2(a) of the Internal Revenue Code);

14 (B) \$3,212 in the case of a head of household (as
15 defined in section 2(b) of the Internal Revenue
16 Code);

17 (C) \$2,200 in the case of an individual who is not
18 married and who is not a surviving spouse or head
19 of household; or

20 (D) \$2,200 in the case of a married individual filing
21 a separate return;



1 (3) Section 63(c)(5) (limiting the basic standard
2 deduction in the case of certain dependents) of the
3 Internal Revenue Code shall be operative, except that
4 the limitation shall be the greater of \$500 or the
5 individual's earned income; and

6 (4) The standard deduction amount for nonresidents shall
7 be calculated pursuant to section 235-5.

8 (b) Section 68 (with respect to the overall limitation on
9 itemized deductions) of the Internal Revenue Code shall be
10 operative; provided that the thresholds shall be those that were
11 operative for federal tax year 2009.

12 (c) Section 72 (with respect to annuities; certain
13 proceeds of endowment and life insurance contracts) of the
14 Internal Revenue Code shall be operative for purposes of this
15 chapter and be interpreted with due regard to section 235-7(a),
16 except that the ten per cent additional tax on early
17 distributions from retirement plans in section 72(t) shall not
18 be operative for purposes of this chapter.

19 (d) Section 85 (with respect to unemployment compensation)
20 of the Internal Revenue Code shall be operative for purposes of

1 this chapter, except that section 85(c) shall not be operative
2 for purposes of this chapter.

3 (e) Section 108 (with respect to income from discharge of
4 indebtedness) of the Internal Revenue Code shall be operative
5 for purposes of this chapter, except that section 108(i)
6 (relating to deferral and ratable inclusion of income arising
7 from business indebtedness discharged by the reacquisition of a
8 debt instrument) shall not be operative for purposes of this
9 chapter.

10 (f) Section 121 (with respect to exclusion of gain from
11 sale of principal residence) of the Internal Revenue Code shall
12 be operative for purposes of this chapter, except that for the
13 election under section 121(f), a reference to section 1034
14 treatment means a reference to section 235-2.4(s) in effect for
15 taxable year 1997.

16 (g) Section 132 (with respect to certain fringe benefits)
17 of the Internal Revenue Code shall be operative for purposes of
18 this chapter, except that the provision in section 132(f)(2)
19 that equalizes the dollar amounts for sections 132(f)(2)(A) and
20 (B) shall not be operative and except that section 132(n) shall
21 not apply to United States Department of Defense Homeowners



1 Assistance Program payments authorized by the American Recovery
2 and Reinvestment Act of 2009.

3 (h) Section 163 (with respect to interest) of the Internal
4 Revenue Code shall be operative for the purposes of this
5 chapter, except that provisions in section 163(d)(4)(B)
6 (defining net investment income to exclude dividends), section
7 163(e)(5)(F) (suspension of applicable high-yield discount
8 obligation (AHYDO) rules) and section 163(i)(1) as it applies to
9 debt instruments issued after January 1, 2010, (defining AHYDO)
10 shall not be operative for the purposes of this chapter.

11 (i) Section 164 (with respect to taxes) of the Internal
12 Revenue Code shall be operative for the purposes of this
13 chapter, except that:

14 (1) Section 164(a)(6) and (b)(6) shall not be operative
15 for the purposes of this chapter;

16 (2) The deductions under section 164(a)(3) and (b)(5)
17 shall not be operative for corporate taxpayers and
18 shall be operative only for the following individual
19 taxpayers:



- 1 (A) A taxpayer filing a single return or a married
2 person filing separately with a federal adjusted
3 gross income of less than \$100,000;
- 4 (B) A taxpayer filing as a head of household with a
5 federal adjusted gross income of less than
6 \$150,000; and
- 7 (C) A taxpayer filing a joint return or as a
8 surviving spouse with a federal adjusted gross
9 income of less than \$200,000; and
- 10 (3) Section 164(a)(3) shall not be operative for any
11 amounts for which the credit under section 235-55 has
12 been claimed.
- 13 (j) Section 165 (with respect to losses) of the Internal
14 Revenue Code shall be operative for purposes of this chapter,
15 except that the amount prescribed by sections 165(h)(1)
16 (relating to the limitation per casualty) of the Internal
17 Revenue Code shall be a \$100 limitation per casualty, and
18 section 165(h)(3)(A) and (B) (both of which relate to special
19 rules for personal casualty gains and losses in federally
20 declared disasters) of the Internal Revenue Code shall not be
21 operative for the purposes of this chapter. Section 165 as



1 operative for this chapter shall also apply to losses sustained
2 from the sale of stocks or other interests issued through the
3 exercise of the stock options or warrants granted by a qualified
4 high technology business as defined in section 235-7.3.

5 (k) Section 168 (with respect to the accelerated cost
6 recovery system) of the Internal Revenue Code shall be operative
7 for purposes of this chapter, except that sections 168(j)
8 (relating to property on Indian reservations), 168(k) (relating
9 to the special allowance for certain property acquired during
10 the period specified therein), 168(m) (relating to the special
11 allowance for certain reuse and recycling property), and 168(n)
12 (relating to the special allowance for qualified disaster
13 assistance property) of the Internal Revenue Code shall not be
14 operative for purposes of this chapter.

15 (l) Section 172 (with respect to net operating loss
16 deductions) of the Internal Revenue Code shall be operative for
17 purposes of this chapter, as further provided in section 235-
18 7(d), except that section 172(b)(1)(J) and (j) (both of which
19 relate to qualified disaster losses) of the Internal Revenue
20 Code shall not be operative for purposes of this chapter.



1 (m) Section 179 (with respect to the election to expense
2 certain depreciable business assets) of the Internal Revenue
3 Code shall be operative for purposes of this chapter, except as
4 provided in this subsection:

5 (1) The aggregate cost provided in section 179(b)(1) which
6 may be taken into account under section 179(a) for any
7 taxable year shall not exceed \$25,000;

8 (2) The amount at which the reduction in limitation
9 provided in section 179(b)(2) begins shall exceed
10 \$200,000 for any taxable year; and

11 (3) The following shall not be operative for purposes of
12 this chapter:

13 (A) Defining section 179 property to include computer
14 software in section 179(d)(1);

15 (B) Inflation adjustments in section 179(b)(5);

16 (C) Irrevocable election in section 179(c)(2); and

17 (D) Special rules for qualified disaster assistance
18 property in section 179(e).

19 (n) Section 198A (with respect to the expensing of
20 qualified disaster assistances expenses) of the Internal Revenue
21 Code shall not be operative for purposes of this chapter.



1 (o) Section 219 (with respect to retirement savings) of
2 the Internal Revenue Code shall be operative for the purpose of
3 this chapter. For the purpose of computing the limitation on
4 the deduction for active participants in certain pension plans
5 for state income tax purposes, adjusted gross income as used in
6 section 219 as operative for this chapter means federal adjusted
7 gross income.

8 (p) Section 220 (with respect to medical savings accounts)
9 of the Internal Revenue Code shall be operative for the purpose
10 of this chapter, but only with respect to medical services
11 accounts that have been approved by the Secretary of the
12 Treasury of the United States.

13 (q) Section 265 (with respect to expenses and interest
14 relating to tax-exempt income) of the Internal Revenue Code
15 shall be operative for purposes of this chapter; except that
16 section 265(b)(3)(G) and (7) shall not be operative and section
17 265 shall not apply to expenses for royalties and other income
18 derived from any patents, copyrights, and trade secrets by an
19 individual or a qualified high technology business as defined in
20 section 235-7.3. Such expenses shall be deductible.



1 (r) Section 280E (with respect to expenditures in
2 connection with the illegal sale of drugs) of the Internal
3 Revenue Code shall be operative for the purposes of this
4 chapter, except section 280E shall not be operative with respect
5 to the production and sale of medical marijuana and manufactured
6 marijuana products by dispensaries licensed under chapter 329D
7 and their subcontractors, which shall include subcontracting
8 operators as defined pursuant to section 329D-1.

9 [~~r~~] (s) Section 382 (with respect to limitation on net
10 operating loss carryforwards and certain built-in losses
11 following ownership change) of the Internal Revenue Code shall
12 be operative for the purposes of this chapter, except that
13 section 382(n) shall not be operative for purposes of this
14 chapter.

15 [~~s~~] (t) Section 408A (with respect to Roth Individual
16 Retirement Accounts) of the Internal Revenue Code shall be
17 operative for the purposes of this chapter, except that section
18 408A(d)(3)(A)(iii) shall not be operative for purposes of this
19 chapter. For the purposes of determining the aggregate amount
20 of contributions to a Roth Individual Retirement Account or
21 qualified rollover contribution to a Roth Individual Retirement



1 Account from an individual retirement plan other than a Roth
2 Individual Retirement Account, adjusted gross income as used in
3 section 408A as operative for this chapter means federal
4 adjusted gross income.

5 ~~(t)~~ (u) In administering the provisions of sections 410
6 to 417 (with respect to special rules relating to pensions,
7 profit sharing, stock bonus plans, etc.), sections 418 to 418E
8 (with respect to special rules for multiemployer plans), and
9 sections 419 and 419A (with respect to treatment of welfare
10 benefit funds) of the Internal Revenue Code, the department of
11 taxation shall adopt rules under chapter 91 relating to the
12 specific requirements under those sections and to other
13 administrative requirements under those sections as may be
14 necessary for the efficient administration of sections 410 to
15 419A.

16 In administering sections 401 to 419A (with respect to
17 deferred compensation) of the Internal Revenue Code, Public Law
18 93-406, section 1017(i), shall be operative for the purposes of
19 this chapter.

20 In administering section 402 (with respect to the
21 taxability of beneficiary of employees' trust) of the Internal



1 Revenue Code, the tax imposed on lump sum distributions by
2 section 402(e) of the Internal Revenue Code shall be operative
3 for the purposes of this chapter and the tax imposed therein is
4 hereby imposed by this chapter at the rate determined under this
5 chapter.

6 ~~[(u)]~~ (v) In administering section 403 (with respect to
7 taxation of employee annuities) of the Internal Revenue Code,
8 any funds that represent pre-tax employee deferrals or
9 contributions that are distributed from the annuity and used
10 solely to obtain retirement credits under the state employees'
11 retirement system shall not be treated as a rollover for
12 purposes of section 403(b)(8)(A) of the Internal Revenue Code,
13 and those funds shall be subject to income tax under this
14 chapter.

15 ~~[(v)]~~ (w) Section 451 (which provides general rules for
16 taxable year of inclusion) of the Internal Revenue Code shall be
17 operative, except that the provisions of sections 451(i)(3) and
18 451(i)(6), as they relate to a qualified electric utility, shall
19 not be operative for purposes of this chapter.

20 ~~[(w)]~~ (x) In administering section 457 (with respect to
21 compensation plans of state and local governments and tax-exempt



1 organizations) of the Internal Revenue Code, any funds that
2 represent pre-tax employee deferrals or contributions that are
3 distributed from the deferred compensation plan and used solely
4 to obtain retirement credits under the state employees'
5 retirement system shall not be treated as a rollover for
6 purposes of section 457(e)(16)(A) of the Internal Revenue Code
7 and those funds shall be subject to income tax under this
8 chapter.

9 ~~(x)~~ (y) Section 468B (with respect to special rules for
10 designated settlement funds) of the Internal Revenue Code shall
11 be operative for the purposes of this chapter and the tax
12 imposed therein is hereby imposed by this chapter at a rate
13 equal to the maximum rate in effect for the taxable year imposed
14 on estates and trusts under section 235-51.

15 ~~(y)~~ (z) Section 469 (with respect to passive activities
16 and credits limited) of the Internal Revenue Code shall be
17 operative for the purposes of this chapter. For the purpose of
18 computing the offset for rental real estate activities for state
19 income tax purposes, adjusted gross income as used in section
20 469 as operative for this chapter means federal adjusted gross
21 income.



1 ~~[(z)]~~ (aa) Sections 512 to 514 (with respect to taxation
2 of business income of certain exempt organizations) of the
3 Internal Revenue Code shall be operative for the purposes of
4 this chapter as provided in this subsection.

5 "Unrelated business taxable income" means the same as in
6 the Internal Revenue Code, except that in the computation
7 thereof sections 235-3 to 235-5, and 235-7 (except subsection
8 (c)), shall apply, and in the determination of the net operating
9 loss deduction there shall not be taken into account any amount
10 of income or deduction that is excluded in computing the
11 unrelated business taxable income. Unrelated business taxable
12 income shall not include any income from a legal service plan.

13 For a person described in section 401 or 501 of the
14 Internal Revenue Code, as modified by section 235-2.3, the tax
15 imposed by section 235-51 or 235-71 shall be imposed upon the
16 person's unrelated business taxable income.

17 ~~[(aa)]~~ (bb) Section 521 (with respect to cooperatives) and
18 subchapter T (sections 1381 to 1388, with respect to
19 cooperatives and their patrons) of the Internal Revenue Code
20 shall be operative for the purposes of this chapter as to any
21 cooperative fully meeting the requirements of section 421-23,



1 except that Internal Revenue Code section 521 cooperatives need
2 not be organized in Hawaii.

3 ~~[(bb)]~~ (cc) Sections 527 (with respect to political
4 organizations) and 528 (with respect to certain homeowners
5 associations) of the Internal Revenue Code shall be operative
6 for the purposes of this chapter and the taxes imposed in each
7 section are hereby imposed by this chapter at the rates
8 determined under section 235-71.

9 ~~[(ee)]~~ (dd) Section 529 (with respect to qualified tuition
10 programs) shall be operative for the purposes of this chapter,
11 except that sections 529(c)(6) and 529(e)(3)(A)(iii) shall not
12 be operative.

13 ~~[(dd)]~~ (ee) Section 529A (with respect to qualified ABLE
14 programs) shall be operative for the purposes of this chapter,
15 except that section 529A(c)(3) (with respect to additional tax
16 for distributions not used for disability expenses) shall not be
17 operative.

18 ~~[(ee)]~~ (ff) Section 530 (with respect to Coverdell
19 education savings accounts) of the Internal Revenue Code shall
20 be operative for the purposes of this chapter. For the purpose
21 of determining the maximum amount that a contributor could make



1 to an education individual retirement account for state income
2 tax purposes, modified adjusted gross income as used in section
3 530 as operative for this chapter means federal modified
4 adjusted gross income as defined in section 530."

5 SECTION 6. Section 237-24.3, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§237-24.3 Additional amounts not taxable. In addition to
8 the amounts not taxable under section 237-24, this chapter shall
9 not apply to:

10 (1) Amounts received from the loading, transportation, and
11 unloading of agricultural commodities shipped for a
12 producer or produce dealer on one island of this State
13 to a person, firm, or organization on another island
14 of this State. The terms "agricultural commodity",
15 "producer", and "produce dealer" shall be defined in
16 the same manner as they are defined in section 147-1;
17 provided that agricultural commodities need not have
18 been produced in the State;

19 (2) Amounts received by the manager, submanager, or board
20 of directors of:



- 1 (A) An association of owners of a condominium
2 property regime established in accordance with
3 chapter 514A or 514B; or
- 4 (B) A nonprofit homeowners or community association
5 incorporated in accordance with chapter 414D or
6 any predecessor thereto and existing pursuant to
7 covenants running with the land,
8 in reimbursement of sums paid for common expenses;
- 9 (3) Amounts received or accrued from:
- 10 (A) The loading or unloading of cargo from ships,
11 barges, vessels, or aircraft, whether or not the
12 ships, barges, vessels, or aircraft travel
13 between the State and other states or countries
14 or between the islands of the State;
- 15 (B) Tugboat services including pilotage fees
16 performed within the State, and the towage of
17 ships, barges, or vessels in and out of state
18 harbors, or from one pier to another; and
- 19 (C) The transportation of pilots or governmental
20 officials to ships, barges, or vessels offshore;
21 rigging gear; checking freight and similar



1 services; standby charges; and use of moorings
2 and running mooring lines;

3 (4) Amounts received by an employee benefit plan by way of
4 contributions, dividends, interest, and other income;
5 and amounts received by a nonprofit organization or
6 office, as payments for costs and expenses incurred
7 for the administration of an employee benefit plan;
8 provided that this exemption shall not apply to any
9 gross rental income or gross rental proceeds received
10 after June 30, 1994, as income from investments in
11 real property in this State; and provided further that
12 gross rental income or gross rental proceeds from
13 investments in real property received by an employee
14 benefit plan after June 30, 1994, under written
15 contracts executed prior to July 1, 1994, shall not be
16 taxed until the contracts are renegotiated, renewed,
17 or extended, or until after December 31, 1998,
18 whichever is earlier. For the purposes of this
19 paragraph, "employee benefit plan" means any plan as
20 defined in section 1002(3) of title 29 of the United
21 States Code, as amended;



- 1 (5) Amounts received for purchases made with United States
2 Department of Agriculture food coupons under the
3 federal food stamp program, and amounts received for
4 purchases made with United States Department of
5 Agriculture food vouchers under the Special
6 Supplemental Foods Program for Women, Infants and
7 Children;
- 8 (6) Amounts received by a hospital, infirmary, medical
9 clinic, health care facility, pharmacy, or a
10 practitioner licensed to administer the drug to an
11 individual for selling prescription drugs or
12 prosthetic devices to an individual; provided that
13 this paragraph shall not apply to any amounts received
14 for services provided in selling prescription drugs or
15 prosthetic devices. As used in this paragraph:
16 "Prescription drugs" are those drugs defined under
17 section 328-1 and dispensed by filling or refilling a
18 written or oral prescription by a practitioner
19 licensed under law to administer the drug and sold by
20 a licensed pharmacist under section 328-16 or
21 practitioners licensed to administer drugs; [and]



1 provided that "prescription drugs" shall not include
2 medical marijuana or manufactured marijuana products
3 authorized pursuant to chapters 329 and 329D; and
4 "Prosthetic device" means any artificial device or
5 appliance, instrument, apparatus, or contrivance,
6 including their components, parts, accessories, and
7 replacements thereof, used to replace a missing or
8 surgically removed part of the human body, which is
9 prescribed by a licensed practitioner of medicine,
10 osteopathy, or podiatry and [~~which~~] that is sold by
11 the practitioner or [~~which~~] that is dispensed and sold
12 by a dealer of prosthetic devices; provided that
13 "prosthetic device" shall not mean any auditory,
14 ophthalmic, dental, or ocular device or appliance,
15 instrument, apparatus, or contrivance;

16 (7) Taxes on transient accommodations imposed by chapter
17 237D and passed on and collected by operators holding
18 certificates of registration under that chapter;

19 (8) Amounts received as dues by an unincorporated
20 merchants association from its membership for
21 advertising media, promotional, and advertising costs



1 for the promotion of the association for the benefit
2 of its members as a whole and not for the benefit of
3 an individual member or group of members less than the
4 entire membership;

5 (9) Amounts received by a labor organization for real
6 property leased to:

7 (A) A labor organization; or

8 (B) A trust fund established by a labor organization
9 for the benefit of its members, families, and
10 dependents for medical or hospital care, pensions
11 on retirement or death of employees,
12 apprenticeship and training, and other membership
13 service programs.

14 As used in this paragraph, "labor organization" means
15 a labor organization exempt from federal income tax
16 under section 501(c)(5) of the Internal Revenue Code,
17 as amended;

18 (10) Amounts received from foreign diplomats and consular
19 officials who are holding cards issued or authorized
20 by the United States Department of State granting them
21 an exemption from state taxes; and



1 (11) Amounts received as rent for the rental or leasing of
2 aircraft or aircraft engines used by the lessees or
3 renters for interstate air transportation of
4 passengers and goods. For purposes of this paragraph,
5 payments made pursuant to a lease shall be considered
6 rent regardless of whether the lease is an operating
7 lease or a financing lease. The definition of
8 "interstate air transportation" is the same as in 49
9 U.S.C. section 40102."

10 SECTION 7. Section 329-43.5, Hawaii Revised Statutes, is
11 amended to read as follows:

12 " ~~[+]~~ §329-43.5 ~~[+]~~ Prohibited acts related to drug
13 paraphernalia. (a) It is unlawful for any person to use, or to
14 possess with intent to use, drug paraphernalia to plant,
15 propagate, cultivate, grow, harvest, manufacture, compound,
16 convert, produce, process, prepare, test, analyze, pack, repack,
17 store, contain, conceal, inject, ingest, inhale, or otherwise
18 introduce into the human body a controlled substance in
19 violation of this chapter. Any person who violates this section
20 is guilty of a class C felony and upon conviction may be



1 imprisoned pursuant to section 706-660 and, if appropriate as
2 provided in section 706-641, fined pursuant to section 706-640.

3 (b) It is unlawful for any person to deliver, possess with
4 intent to deliver, or manufacture with intent to deliver, drug
5 paraphernalia, knowing, or under circumstances where one
6 reasonably should know, that it will be used to plant,
7 propagate, cultivate, grow, harvest, manufacture, compound,
8 convert, produce, process, prepare, test, analyze, pack, repack,
9 store, contain, conceal, inject, ingest, inhale, or otherwise
10 introduce into the human body a controlled substance in
11 violation of this chapter. Any person who violates this section
12 is guilty of a class C felony and upon conviction may be
13 imprisoned pursuant to section 706-660 and, if appropriate as
14 provided in section 706-641, fined pursuant to section 706-640.

15 (c) Any person eighteen years of age or over who violates
16 subsection (b) by delivering drug paraphernalia to a person or
17 persons under eighteen years of age who are at least three years
18 younger than that adult person is guilty of a class B felony and
19 upon conviction may be imprisoned pursuant to section 706-660
20 and if appropriate as provided in section 706-641, fined
21 pursuant to section 706-640.



1 (d) It is unlawful for any person to place in any
2 newspaper, magazine, handbill, or other publication any
3 advertisement, knowing, or under circumstances where one
4 reasonably should know, that the purpose of the advertisement,
5 in whole or in part, is to promote the sale of objects designed
6 or intended for use as drug paraphernalia. Any person who
7 violates this section is guilty of a class C felony and upon
8 conviction may be imprisoned pursuant to section 706-660 and, if
9 appropriate as provided in section 706-641, fined pursuant to
10 section 706-640.

11 (e) Subsections (a) and (b) shall not apply to a person
12 who is authorized to cultivate, possess, or use medical
13 marijuana pursuant to part IX of chapter 329 and who:

- 14 (1) Uses;
15 (2) Possesses with intent to use;
16 (3) Delivers;
17 (4) Possesses with intent to deliver; or
18 (5) Manufacturers with intent to deliver,
19 drug paraphernalia that is consistent with the cultivation,
20 manufacture, possession, provision, sale, or use of medical



1 marijuana or manufactured marijuana products authorized pursuant
2 to part IX of chapter 329 or chapter 329D."

3 SECTION 8. Section 329-121, Hawaii Revised Statutes, is
4 amended as follows:

5 1. By adding a new definition to be appropriately inserted
6 and to read:

7 "Health care professional" means:

8 (1) A physician licensed to practice under chapter 453
9 with authority to prescribe drugs and registered under
10 section 329-32; or

11 (2) An advanced practice registered nurse with
12 prescriptive authority as described in section 457-
13 8.6."

14 2. By amending the definitions of "debilitating medical
15 condition", "primary caregiver", "qualifying patient", and
16 "written certification" to read:

17 "Debilitating medical condition" means:

18 (1) Cancer, glaucoma, positive status for human
19 immunodeficiency virus, acquired immune deficiency
20 syndrome, or the treatment of these conditions;



- 1 (2) A chronic or debilitating disease or medical condition
2 or its treatment that produces one or more of the
3 following:
- 4 (A) Cachexia or wasting syndrome;
5 (B) Severe pain;
6 (C) Severe nausea;
7 (D) Seizures, including those characteristic of
8 epilepsy;
9 (E) Severe and persistent muscle spasms, including
10 those characteristic of multiple sclerosis or
11 Crohn's disease; or
12 (F) Post-traumatic stress disorder; or
- 13 (3) Any other medical condition approved by the department
14 of health pursuant to administrative rules in response
15 to a request from a [~~physician~~] health care
16 professional or potentially qualifying patient.

17 "Primary caregiver" means a person eighteen years of age or
18 older, other than the qualifying patient and the qualifying
19 patient's [~~physician,~~] health care professional, who has agreed
20 to undertake responsibility for managing the well-being of the
21 qualifying patient with respect to the medical use of marijuana.



1 In the case of a minor or an adult lacking legal capacity, the
2 primary caregiver shall be a parent, guardian, or person having
3 legal custody.

4 "Qualifying patient" means a person who has been diagnosed
5 by a ~~[physician]~~ health care professional as having a
6 debilitating medical condition.

7 "Written certification" means the qualifying patient's
8 medical records or a statement signed by a qualifying patient's
9 ~~[physician,~~ health care professional, stating that in the
10 ~~[physician's]~~ health care professional's professional opinion,
11 the qualifying patient has a debilitating medical condition and
12 the potential benefits of the medical use of marijuana would
13 likely outweigh the health risks for the qualifying patient.
14 The department of health may require, through its rulemaking
15 authority, that all written certifications comply with a
16 designated form. "Written certifications" are valid for only
17 one year from the time of signing."

18 3. By repealing the definition of "physician":

19 ~~["Physician" means a person who is licensed to practice~~
20 ~~under chapter 453 and is licensed with authority to prescribe~~
21 ~~drugs and is registered under section 329.32. "Physician" does~~



1 ~~not include physician's assistant or advanced practice~~
2 ~~registered nurse with prescriptive authority as described in~~
3 ~~section 453-5.3 or 457-8.6."]~~

4 SECTION 9. Section 329-122, Hawaii Revised Statutes, is
5 amended as follows:

6 1. By amending subsections (a) and (b) to read:

7 "(a) Notwithstanding any law to the contrary, the medical
8 use of marijuana by a qualifying patient shall be permitted only
9 if:

10 (1) The qualifying patient has been diagnosed by a
11 [~~physician~~] health care professional as having a
12 debilitating medical condition;

13 (2) The qualifying patient's [~~physician~~] health care
14 professional has certified in writing that, in the
15 [~~physician's~~] health care professional's professional
16 opinion, the potential benefits of the medical use of
17 marijuana would likely outweigh the health risks for
18 the particular qualifying patient; and

19 (3) The amount of marijuana possessed by the qualifying
20 patient does not exceed an adequate supply.



1 (b) Subsection (a) shall not apply to a qualifying patient
2 under the age of eighteen years, unless:

3 (1) The qualifying patient's [~~physician~~] health care
4 professional has explained the potential risks and
5 benefits of the medical use of marijuana to the
6 qualifying patient and to a parent, guardian, or
7 person having legal custody of the qualifying patient;
8 and

9 (2) A parent, guardian, or person having legal custody
10 consents in writing to:

11 (A) Allow the qualifying patient's medical use of
12 marijuana;

13 (B) Serve as the qualifying patient's primary
14 caregiver; and

15 (C) Control the acquisition of the marijuana, the
16 dosage, and the frequency of the medical use of
17 marijuana by the qualifying patient."

18 2. By amending subsection (d) to read:

19 "(d) For the purposes of this section, "transport" means
20 the transportation of marijuana, usable marijuana, or any
21 manufactured marijuana product between:



- 1 (1) A qualifying patient and the qualifying patient's
2 primary caregiver; or
- 3 (2) The production centers and the retail dispensing
4 locations under a dispensary licensee's license;
5 provided that "transport" does not include the interisland
6 transportation of marijuana, usable marijuana, or any
7 manufactured marijuana product[-], except when done for the
8 purpose of testing, pursuant to section 329D-8, as permitted
9 under section 329D-6(m) and subject to section 329D-6(j)."

10 SECTION 10. Section 329-123, Hawaii Revised Statutes, is
11 amended by amending subsections (a) and (b) to read as follows:

12 "(a) [~~Physicians~~] Health care professionals who issue
13 written certifications shall provide, in each written
14 certification, the name, address, patient identification number,
15 and other identifying information of the qualifying patient.
16 The department of health shall require, in rules adopted
17 pursuant to chapter 91, that all written certifications comply
18 with a designated form completed by or on behalf of a qualifying
19 patient. The form shall require information from the applicant,
20 primary caregiver, and [~~physician~~] health care professional as
21 specifically required or permitted by this chapter. The form



1 shall require the address of the location where the marijuana is
2 grown and shall appear on the registry card issued by the
3 department of health. The certifying [~~physician~~] health care
4 professional shall be required to have a bona fide [~~physician-~~
5 ~~patient~~] health care professional-patient relationship with the
6 qualifying patient. All current active medical marijuana
7 permits shall be honored through their expiration date.

8 (b) Qualifying patients shall register with the department
9 of health. The registration shall be effective until the
10 expiration of the certificate issued by the department of health
11 and signed by the [~~physician-~~] health care professional. Every
12 qualifying patient shall provide sufficient identifying
13 information to establish the personal identities of the
14 qualifying patient and the primary caregiver. Qualifying
15 patients shall report changes in information within ten working
16 days. Every qualifying patient shall have only one primary
17 caregiver at any given time. The department of health shall
18 issue to the qualifying patient a registration certificate, and
19 shall charge \$35 per year."

20 SECTION 11. Section 329-126, Hawaii Revised Statutes, is
21 amended to read as follows:



1 " ~~[+]§329-126[+]~~ Protections afforded to a treating
2 ~~[physician.]~~ health care professional. No ~~[physician]~~ health
3 care professional shall be subject to arrest or prosecution,
4 penalized in any manner, or denied any right or privilege for
5 providing written certification for the medical use of marijuana
6 for a qualifying patient; provided that:

- 7 (1) The ~~[physician]~~ health care professional has diagnosed
8 the patient as having a debilitating medical
9 condition, as defined in section 329-121;
- 10 (2) The ~~[physician]~~ health care professional has explained
11 the potential risks and benefits of the medical use of
12 marijuana, as required under section 329-122;
- 13 (3) The written certification is based upon the
14 ~~[physician's]~~ health care professional's professional
15 opinion after having completed a full assessment of
16 the patient's medical history and current medical
17 condition made in the course of a bona fide
18 ~~[physician-patient]~~ health care professional-patient
19 relationship; and



1 (4) The [~~physician~~] health care professional has complied
2 with the registration requirements of section 329-
3 123."

4 SECTION 12. Section 329-128, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) Notwithstanding any law to the contrary, fraudulent
7 misrepresentation to a law enforcement official of any fact or
8 circumstance relating to the issuance of a written certificate
9 by a [~~physician~~] health care professional not covered under
10 section 329-126 for the medical use of marijuana shall be a
11 misdemeanor. This penalty shall be in addition to any other
12 penalties that may apply for the non-medical use of marijuana.
13 Nothing in this section is intended to preclude the conviction
14 of any person under section 710-1060 or for any other offense
15 under part V of chapter 710."

16 SECTION 13. Section 329D-1, Hawaii Revised Statutes, is
17 amended as follows:

18 1. By adding eight new definitions to be appropriately
19 inserted and to read:

20 "Accreditation body" means an impartial organization that
21 is a signatory to the International Laboratory Accreditation



1 Cooperation Mutual Recognition Arrangement for Testing and that
2 requires laboratories to conform to ISO/IEC 17025, the general
3 requirements for the competence of laboratories established by
4 the International Organization for Standardization and the
5 International Electrotechnical Commission.

6 "Batch" means the amount of marijuana or the amount of each
7 type of manufactured marijuana product that is prepared for sale
8 at one time.

9 "Certificate of accreditation" means a certificate issued
10 by an accreditation body for a laboratory facility, entity, or
11 site to be registered in this State.

12 "Certified laboratory" means a laboratory that is certified
13 by the department to test marijuana and manufactured marijuana
14 products for content, contamination, and consistency as provided
15 in this chapter.

16 "Enclosed indoor facility" means a permanent, stationary
17 structure with a solid floor, rigid exterior walls that encircle
18 the entire structure on all sides, and a roof that protects the
19 entire interior area from any exterior view and elements of
20 weather. An enclosed indoor facility excludes a greenhouse or
21 shade house that does not comply with these requirements.



1 "Plant" means a marijuana plant having at least three
2 distinguishable and distinct leaves, each leaf being at least
3 three centimeters in diameter, and a readily observable root
4 formation consisting of at least two separate and distinct
5 roots, each being at least two centimeters in length. Multiple
6 stalks emanating from the same root ball or root system shall be
7 considered part of the same single plant.

8 "Service contractor" means any person or entity that a
9 dispensary licensee has engaged to perform any work or service
10 related to product testing or the planning, designing,
11 construction, maintenance, repair, renovation, expansion,
12 modernization, or security of a production center or retail
13 dispensing location, other than the actual operation of a
14 production center or retail dispensing location or the actual
15 cultivating, dispensing, manufacturing, or selling marijuana or
16 marijuana products.

17 "Subcontracting operator" means any person or entity that a
18 dispensary licensee has engaged to operate a production center
19 or retail dispensing location or to perform any cultivating,
20 dispensing, manufacturing, or selling of marijuana or marijuana



1 products in relation to the operation of a production center or
2 retail dispensing location."

3 2. By amending the definition of "manufactured marijuana
4 product" to read:

5 "Manufactured marijuana product" means any capsule,
6 lozenge, oil or oil extract, tincture, ointment or skin lotion,
7 ~~[or]~~ pill, transdermal patch, marijuana cigarette, or pre-filled
8 and sealed container used to aerosolize and deliver medical
9 marijuana orally that has been manufactured using marijuana~~[-]~~,
10 or any other products as specified by the department pursuant to
11 section 329D-10(a)(7)."

12 SECTION 14. Section 329D-2, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[~~f~~]**§329D-2[~~f~~]** **Medical marijuana dispensaries; authorized;**
15 **licensure.** (a) No person shall operate a medical marijuana
16 dispensary unless the person has a license issued by the
17 department pursuant to this chapter.

18 (b) The director of health shall grant medical marijuana
19 dispensary licenses to allow dispensaries to produce,
20 manufacture, and dispense marijuana and manufactured marijuana
21 products pursuant to this chapter.



1 (c) Each medical marijuana dispensary license shall allow
2 production, manufacture, and dispensing of marijuana and
3 manufactured marijuana products only in the county for which the
4 license is granted.

5 (d) The department shall issue eight dispensary licenses
6 statewide; provided that three dispensary licenses shall be
7 issued for the city and county of Honolulu, two dispensary
8 licenses each shall be issued for the county of Hawaii and the
9 county of Maui, and one dispensary license shall be issued for
10 the county of Kauai; provided further that no dispensary license
11 shall be issued for the county of Kalawao.

12 (e) No person may be granted a dispensary license in more
13 than one county.

14 (f) Up to two production centers shall be allowed under
15 each dispensary license [7]; provided that each production center
16 shall be limited to no more than three thousand marijuana
17 plants.

18 (g) A dispensary licensee may establish up to two retail
19 dispensing locations under the licensee's dispensary license.

20 (h) Each dispensary licensee may commence dispensing
21 medical marijuana and manufactured marijuana products to



1 qualifying patients or primary caregivers no sooner than July
2 15, 2016, with approval by the department, in accordance with
3 this chapter.

4 (i) Retail dispensing locations shall not be at the same
5 location as the dispensary licensee's production centers.

6 (j) Notwithstanding subsection (d), the department shall
7 determine whether, based on the qualifying patient need,
8 additional dispensary licenses shall be offered to qualified
9 applicants in the State after October 1, 2017; provided that the
10 department shall make available not more than one license per
11 five hundred qualifying patients residing in any single county.

12 (k) Notwithstanding any other law to the contrary, a
13 dispensary shall not be subject to the prescription requirement
14 of section 329-38 or to the board of pharmacy licensure or
15 regulatory requirements under chapter 461.

16 (l) A dispensary licensee may engage one or more
17 subcontracting operators to operate or assist in the operation
18 of production centers and retail dispensary locations authorized
19 pursuant to this section; provided that at no time shall any
20 subcontracting operator be employed by or under contract with



1 more than one dispensary licensee to operate production centers
2 or retail dispensary locations.

3 (m) A dispensary licensee may engage one or more service
4 contractors to assist in product testing or the planning,
5 design, construction, expansion, maintenance, modernization,
6 renovation, repair, and security of production centers and
7 retail dispensary locations authorized pursuant to this
8 section."

9 SECTION 15. Section 329D-6, Hawaii Revised Statutes, is
10 amended by amending as follows:

11 1. By amended subsection (e) to read:

12 "(e) Retail dispensing locations shall not be open for
13 retail sales before 8:00 a.m. or after 8:00 p.m., Hawaii-
14 Aleutian Standard Time, Monday through [~~Saturday~~] Sunday.
15 Retail dispensing locations shall be closed on [~~Sundays and~~]
16 official state and federal holidays."

17 2. By amending subsection (g) to read:

18 "(g) In all dispensary facilities, only the licensee, if
19 an individual, the registered employees of the dispensary
20 licensee, and the registered employees of the [~~subcontracted~~]
21 subcontracting operator for a production center or retail



1 dispensing [~~locations~~] location shall be permitted to touch or
2 handle any marijuana or manufactured marijuana products, except
3 that a qualifying patient or the primary caregiver of a
4 qualifying patient may receive manufactured marijuana products
5 at a retail dispensing location following completion of a sale."

6 3. By amended subsection (m) to read:

7 "(m) A dispensary shall not transport marijuana or
8 manufactured marijuana products to another county or another
9 island[-]; provided that this subsection shall not apply to the
10 transportation of medical marijuana for testing pursuant to
11 section 329D-8 if no certified laboratory is available in the
12 county or on the island where the dispensary is located, subject
13 to section 329D-6(j)."

14 SECTION 16. Section 329D-8, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "[+]§329D-8[+] **Laboratory standards and testing;**
17 **laboratory certification.** (a) The department shall establish
18 and enforce standards for laboratory-based testing of marijuana
19 and manufactured marijuana products for content, contamination,
20 and consistency.



1 (b) The department may certify laboratories that can test
2 marijuana and manufactured marijuana products prior to the sale
3 of marijuana and manufactured marijuana products.

4 (c) A certified laboratory shall issue to the dispensary
5 licensee and the department a certificate of analysis for each
6 batch of marijuana and manufactured marijuana products tested
7 for that dispensary; provided that a certified laboratory may
8 only test and report on those matters for which it is certified.
9 The certificate of analysis shall include the results, with
10 supporting data, for the following:

11 (1) The chemical profile of the batch for the following
12 compounds:

13 (A) (delta 9) - Tetrahydrocannabinol (THC);

14 (B) Tetrahydrocannabinol Acid (THCA);

15 (C) Cannabidiol (CBD);

16 (D) Cannabidiolic Acid (CBDA);

17 (E) Cannabigerol (CBG);

18 (F) Cannabinol (CBN);

19 (2) The presence of the following contaminants, which
20 shall not exceed the following levels:



- 1 (A) Pesticides regulated by the United States
2 Environmental Protection Agency and approved by
3 the state department of agriculture for use on
4 marijuana and plants similar to marijuana: 1
5 part per million;
- 6 (B) Solvents:
- 7 (i) Butanes: 800 parts per million;
8 (ii) Heptanes: 500 parts per million;
9 (iii) Benzene: 1 part per million;
10 (iv) Toluene: 1 part per million;
11 (v) Hexane: 150 parts per million;
12 (vi) Total xylenes (m,o,p-xylene): 1 part per
13 million;
- 14 (C) Any visible foreign or extraneous material that
15 is not intended to be part of the product being
16 produced, including but not limited to mold,
17 hair, insects, metal, or plastic;
- 18 (D) Moisture content of plant material: less than 15
19 per cent;
- 20 (E) Microbiological impurities, including but not
21 limited to:



- 1 (i) Total viable aerobic bacteria in unprocessed
2 and processed materials: 10⁵ colony forming
3 units per gram;
- 4 (ii) Total viable aerobic bacteria in carbon
5 dioxide and solvent based extracts: 10⁴
6 colony forming units per gram;
- 7 (iii) Total yeast and mold in unprocessed and
8 processed materials: 10⁵ colony forming
9 units per gram;
- 10 (iv) Total yeast and mold in carbon dioxide and
11 solvent based extracts: 10² colony forming
12 units per gram;
- 13 (v) Total coliforms in unprocessed and processed
14 materials: 10³ colony forming units per
15 gram;
- 16 (vi) Total coliforms in carbon dioxide and
17 solvent based extracts: 10² colony forming
18 units per gram;
- 19 (vii) E. coli (generic): 10² colony forming units
20 per gram;
- 21 (viii) Salmonella spp: not detected in 1 gram;



1 (ix) Aspergillus fumigatus, aspergillus flavus,
 2 aspergillus niger, aspergillus terreus:
 3 less than 1 colony forming unit per gram;
 4 and

5 (3) Additional testing requested at the discretion of the
 6 department."

7 SECTION 17. Section 329D-10, Hawaii Revised Statutes, is
 8 amended by amending subsection (a) to read as follows:

9 "(a) The types of medical marijuana products that may be
 10 manufactured and distributed pursuant to this chapter shall be
 11 limited to:

- 12 (1) Capsules;
- 13 (2) Lozenges;
- 14 (3) Pills;
- 15 (4) Oils and oil extracts;
- 16 (5) Tinctures;
- 17 (6) Ointments and skin lotions; [~~and~~]
- 18 (7) Transdermal patches;
- 19 (8) Marijuana cigarettes;
- 20 (9) Pre-filled and sealed containers used to aerosolize
 21 and deliver medical marijuana orally; and



1 ~~(7)~~ (10) Other products as specified by the department."

2 SECTION 18. Section 329D-12, Hawaii Revised Statutes, is
3 amended to read as follows:

4 "~~{~~§329D-12~~}~~ **Background checks.** (a) Each applicant
5 and licensee for a medical marijuana dispensary license,
6 including the individual applicant and all officers, directors,
7 shareholders with at least twenty-five per cent ownership
8 interest or more, members, and managers of an entity applicant;
9 each employee of a medical marijuana dispensary; each
10 ~~subcontracted~~ employee of a subcontracting operator performing
11 work at a production center ~~and~~ or retail dispensing location
12 ~~employee~~; all officers, directors, shareholders with at least
13 twenty-five per cent ownership interest or more in a
14 ~~subcontracted~~ subcontracting operator performing work at a
15 production center or retail dispensing location; and any person
16 permitted to enter and remain in dispensary facilities pursuant
17 to section 329D-15(a)(4) or 329D-16(a)(3), shall be subject to
18 background checks conducted by the department or its designee,
19 including but not limited to criminal history record checks in
20 accordance with section 846-2.7. The person undergoing the
21 background check shall provide written consent and all



1 applicable processing fees to the department or its designee to
2 conduct the background checks.

3 (b) This section shall not apply to:

4 (1) Qualifying patients and their primary caregivers who
5 enter or remain on the premises of a medical marijuana
6 retail dispensing location for the purpose of a
7 transaction conducted pursuant to sections 329D-6 and
8 329D-13; or

9 (2) Government officials and employees acting in an
10 official capacity who enter or remain on the premises
11 of a medical marijuana retail dispensing location or
12 production center for any purpose authorized by this
13 chapter."

14 SECTION 19. The University of Hawaii's John A. Burns
15 school of medicine, cancer center, Daniel K. Inouye college of
16 pharmacy, and college of tropical agriculture and human
17 resources may conduct:

18 (1) Independent laboratory testing for content,
19 contamination, and consistency of medical marijuana
20 and manufactured marijuana products provided by



1 dispensaries licensed pursuant to chapter 329D, Hawaii
2 Revised Statutes; and

3 (2) Research regarding the medical benefits of medical
4 marijuana in the State and related health outcomes and
5 safety issues, including but not limited to the
6 efficacy of use of medical marijuana by qualifying
7 patients.

8 SECTION 20. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 21. This Act shall take effect on July 1, 2070;
11 provided that section 5 shall apply to taxable years beginning
12 after December 31, 2070.



Report Title:

Medical Marijuana; Dispensaries; Advisory Commission;
Paraphernalia; Certification; Testing; Taxation

Description:

Establishes the medical marijuana advisory commission. Amends various definitions and provisions relating to medical marijuana dispensary operations, paraphernalia, and testing. Provides that advanced practice registered nurses may certify patients for medical marijuana use. Excludes dispensaries from enterprise zone tax exemptions. Excludes medical marijuana from certain federal tax provisions. Provides that certain University of Hawaii branches may conduct marijuana-related testing and research. Effective 07/01/2070. (HD1)

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