

JAN 22 2016

A BILL FOR AN ACT

RELATING TO MEDICAL MARIJUANA DISPENSARIES.

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

1 SECTION 1. Section 329D-2, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:
3 "(d) The department shall initially issue eight dispensary
4 licenses statewide; provided that three dispensary licenses
5 shall be issued for the city and county of Honolulu, two
6 dispensary licenses each shall be issued for the county of
7 Hawaii and the county of Maui, and one dispensary license shall
8 be issued for the county of Kauai; provided further that no
9 dispensary license shall be issued for the county of Kalawao[-];
10 provided further that a third dispensary license shall be issued
11 for the county of Hawaii beginning no sooner than July 15,
12 2016."

13 SECTION 2. Section 329D-6, Hawaii Revised Statutes, is
14 amended by amending subsections (d) and (e) to read as follows:
15 "(d) Notwithstanding any other law to the contrary,
16 including but not limited to sections 378-2 and 378-2.5, no
17 dispensary shall employ a person convicted of a felony[-] within



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1 the six years immediately preceding employment of the person by
2 the dispensary. Employment under this chapter shall be exempt
3 from section 378-2(a)(1), as it relates to arrest and court
4 record discrimination, and section 378-2.5.

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

10 SECTION 3. Section 329D-7, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "[+]§329D-7[+] **Medical marijuana dispensary rules.** The
13 department shall establish standards with respect to:

- 14 (1) The number of medical marijuana dispensaries that
15 shall be permitted to operate in the State;
- 16 (2) A fee structure for the submission of applications and
17 renewals of licenses to dispensaries; provided that
18 the department shall consider the market conditions in
19 each county in determining the license renewal fee
20 amounts;



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- 1 (3) Criteria and procedures for the consideration and
2 selection, based on merit, of applications for
3 licensure of dispensaries; provided that the criteria
4 shall include but not be limited to an applicant's:
5 (A) Ability to operate a business;
6 (B) Financial stability and access to financial
7 resources; provided that applicants for medical
8 marijuana dispensary licenses shall provide
9 documentation that demonstrates control of not
10 less than \$1,000,000 in the form of escrow
11 accounts, letters of credit, surety bonds, bank
12 statements, lines of credit or the equivalent to
13 begin operating the dispensary;
14 (C) Ability to comply with the security requirements
15 developed pursuant to paragraph (6);
16 (D) Capacity to meet the needs of qualifying
17 patients;
18 (E) Ability to comply with criminal background check
19 requirements developed pursuant to paragraph (8);
20 and



- 1 (F) Ability to comply with inventory controls
- 2 developed pursuant to paragraph (13);
- 3 (4) Specific requirements regarding annual audits and
- 4 reports required from each production center and
- 5 dispensary licensed pursuant to this chapter;
- 6 (5) Procedures for announced and unannounced inspections
- 7 by the department or its agents of production centers
- 8 and dispensaries licensed pursuant to this chapter;
- 9 (6) Security requirements for the operation of production
- 10 centers and retail dispensing locations; provided
- 11 that, at a minimum, the following shall be required:
- 12 (A) For production centers:
- 13 (i) Video monitoring and recording of the
- 14 premises;
- 15 (ii) Fencing that surrounds the premises and that
- 16 is sufficient to reasonably deter intruders
- 17 and prevent anyone outside the premises from
- 18 viewing any marijuana in any form;
- 19 (iii) An alarm system; and



- 1 (iv) Other reasonable security measures to deter
- 2 or prevent intruders, as deemed necessary by
- 3 the department;
- 4 (B) For retail dispensing locations:
- 5 (i) Presentation of a valid government-issued
- 6 photo identification and a valid
- 7 identification as issued by the department
- 8 pursuant to section 329-123, by a qualifying
- 9 patient or caregiver, upon entering the
- 10 premises;
- 11 (ii) Video monitoring and recording of the
- 12 premises;
- 13 (iii) An alarm system;
- 14 (iv) Exterior lighting; and
- 15 (v) Other reasonable security measures as deemed
- 16 necessary by the department;
- 17 (7) Security requirements for the transportation of
- 18 marijuana and manufactured marijuana products between
- 19 production centers and retail dispensing locations;
- 20 (8) Standards and criminal background checks to ensure the
- 21 reputable and responsible character and fitness of all



1 license applicants, licensees, employees,
2 subcontractors and their employees, and prospective
3 employees of medical marijuana dispensaries to operate
4 a dispensary; provided that the standards, at a
5 minimum, shall exclude from licensure or employment
6 any person convicted of any felony[+] within the six
7 years immediately preceding employment by the
8 dispensary;

9 (9) The training and certification of operators and
10 employees of production centers and dispensaries;

11 (10) The types of manufactured marijuana products that
12 dispensaries shall be authorized to manufacture and
13 sell pursuant to sections 329D-9 and 329D-10;

14 (11) Laboratory standards related to testing marijuana and
15 manufactured marijuana products for content,
16 contamination, and consistency;

17 (12) The quantities of marijuana and manufactured marijuana
18 products that a dispensary may sell or provide to a
19 qualifying patient or primary caregiver; provided that
20 no dispensary shall sell or provide to a qualifying



1 patient or primary caregiver any combination of
2 marijuana and manufactured products that:
3 (A) During a period of fifteen consecutive days,
4 exceeds the equivalent of four ounces of
5 marijuana; or
6 (B) During a period of thirty consecutive days,
7 exceeds the equivalent of eight ounces of
8 marijuana;

9 (13) Dispensary and production center inventory controls to
10 prevent the unauthorized diversion of marijuana or
11 manufactured marijuana products or the distribution of
12 marijuana or manufactured marijuana products to
13 qualifying patients or primary caregivers in
14 quantities that exceed limits established by this
15 chapter; provided that the controls, at a minimum,
16 shall include:
17 (A) A computer software tracking system as specified
18 in section 329D-6(j) and (k); and
19 (B) Product packaging standards sufficient to allow
20 law enforcement personnel to reasonably determine
21 the contents of an unopened package;



- 1 (14) Limitation to the size or format of signs placed
2 outside a retail dispensing location or production
3 center; provided that the signage limitations, at a
4 minimum, shall comply with section 329D-6(o)(2) and
5 shall not include the image of a cartoon character or
6 other design intended to appeal to children;
- 7 (15) The disposal or destruction of unwanted or unused
8 marijuana and manufactured marijuana products;
- 9 (16) The enforcement of the following prohibitions against:
- 10 (A) The sale or provision of marijuana or
11 manufactured marijuana products to unauthorized
12 persons;
- 13 (B) The sale or provision of marijuana or
14 manufactured marijuana products to qualifying
15 patients or primary caregivers in quantities that
16 exceed limits established by this chapter;
- 17 (C) Any use or consumption of marijuana or
18 manufactured marijuana products on the premises
19 of a retail dispensing location or production
20 center; and



1 (D) The distribution of marijuana or manufactured
2 marijuana products, for free, on the premises of
3 a retail dispensing location or production
4 center;

5 (17) The establishment of a range of penalties for
6 violations of this chapter or rule adopted thereto;
7 and

8 (18) A process to recognize and register patients who are
9 authorized to purchase, possess, and use medical
10 marijuana in another state, United States territory,
11 or the District of Columbia as qualifying patients in
12 this State; provided that this registration process
13 may commence no sooner than January 1, 2018."

14 SECTION 4. Section 329D-15, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) No person shall intentionally or knowingly enter or
17 remain upon the premises of a medical marijuana retail
18 dispensing location unless the individual is:

19 (1) An individual licensee or registered employee of the
20 dispensary;



- 1 (2) A qualifying patient or primary caregiver of a
2 qualifying patient;
- 3 (3) A government employee or official acting in the
4 person's official capacity; or
- 5 (4) Previously included on a current department-approved
6 list provided to the department by the licensee of
7 those persons who are allowed into that dispensary's
8 facilities for a specific purpose for that dispensary,
9 including but not limited to construction,
10 maintenance, repairs, legal counsel, or investors;
11 provided that:
- 12 (A) The person has been individually approved by the
13 department to be included on the list;
- 14 (B) The person is at least twenty-one years of age,
15 as verified by a valid government issued
16 identification card;
- 17 (C) The department has confirmed that the person has
18 had no felony convictions[+] within the six years
19 immediately preceding entry into the dispensary
20 facilities;



- 1 (D) The person is escorted by an individual licensee
- 2 or registered employee of the dispensary at all
- 3 times while in the dispensary facility;
- 4 (E) The person is only permitted within those
- 5 portions of the dispensary facility as necessary
- 6 to fulfill the person's purpose for entering;
- 7 (F) The person is only permitted within the
- 8 dispensary facility during the times and for the
- 9 duration necessary to fulfill the person's
- 10 purpose for entering;
- 11 (G) The dispensary shall keep an accurate record of
- 12 each person's first and last name, date and times
- 13 upon entering and exiting the dispensary
- 14 facility, purpose for entering, and the identity
- 15 of the escort; and
- 16 (H) The approved list shall be effective for one year
- 17 from the date of the department approval."

18 SECTION 5. Section 329D-16, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:



1 "(a) No person shall intentionally or knowingly enter or
2 remain upon the premises of a medical marijuana production
3 center unless the person is:

4 (1) An individual licensee or registered employee of the
5 production center;

6 (2) A government employee or official acting in the
7 person's official capacity; or

8 (3) Previously included on a current department-approved
9 list provided to the department by the licensee of
10 those persons who are allowed into that dispensary's
11 facilities for a specific purpose for that dispensary,
12 including but not limited to construction,
13 maintenance, repairs, legal counsel, or investors;
14 provided that:

15 (A) The person has been individually approved by the
16 department to be included on the list;

17 (B) The person is at least twenty-one years of age,
18 as verified by a valid government issued
19 identification card;

20 (C) The department has confirmed that the person has
21 had no felony convictions [✓] within the six years



1 immediately preceding entry into the dispensary
2 facility;

3 (D) The person is escorted by an individual licensee
4 or registered employee of the dispensary at all
5 times while in the dispensary facility;

6 (E) The person is only permitted within those
7 portions of the dispensary facility as necessary
8 to fulfill the person's purpose for entering;

9 (F) The person is only permitted within the
10 dispensary facility during the times and for the
11 duration necessary to fulfill the person's
12 purpose for entering;

13 (G) The dispensary shall keep an accurate record of
14 each person's identity, date and times upon
15 entering and exiting the dispensary facility,
16 purpose for entering, and the identity of the
17 escort; and

18 (H) The approved list shall be effective for one year
19 from the date of department approval."

20 SECTION 6. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



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1 SECTION 7. This Act shall take effect on July 1, 2016.

2

INTRODUCED BY: Will Engro



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Report Title:

Medical Marijuana Dispensaries; Operations

Description:

Requires the department of health to issue a third medical marijuana dispensary license for the county of Hawaii. Allows medical marijuana dispensaries to be open during certain hours on Sundays. Allows an individual convicted of a felony to be employed at or enter into a medical marijuana dispensary facility only if the individual has not been convicted of a felony within the six years immediately preceding employment or entry.

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

