



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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GOVERNOR

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the

**SENATE COMMITTEE ON JUDICIARY AND LABOR AND
COMMITTEE ON WAYS AND MEANS**

Monday April 04, 2016
9:15am
State Capitol, Conference Room 211

in consideration of
HB 2707, HD1, SD1
RELATING TO MEDICAL MARIJUANA.

Chairs Keith-Agaran and Shimabukuro, Vice Chairs Tokuda and Dela Cruz, and
Members of the Committee on Judiciary and Labor and the Committee on Ways and Means.

The Department of Business, Economic Development, and Tourism (DBEDT) offers the
following comments on HB 2707, HD1, SD1.

DBEDT could provide statistical analysis of the medical marijuana industry in Hawaii
provided that other government departments, including the Department of Health, supply
DBEDT with the necessary data for the analysis. Most of the information regarding location,
certification, registration, income, and regulation would be collected by the Department of
Health.

Regarding exempting medical marijuana dispensaries from the Enterprise Zone program,
the primary mission of DBEDT's Enterprise Zone program is to encourage the development of
certain business activities that can thrive and provide long-term, full-time jobs for residents in
Hawaii's economically disadvantaged areas. Accordingly, the allowable business activities as

designated by the legislature include those that tend to create a relatively higher number of jobs, e.g., manufacturing, or those that need additional assistance, e.g., mainstream agricultural.

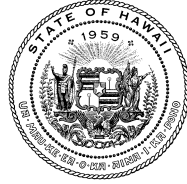
Medical marijuana growing and distribution in Hawaii is a protected class of industry and will be highly controlled with limited competition, if any, thus ensuring profitability. This business activity does not appear to need tax incentives to be successful and create jobs for Hawaii.

We defer to the Department of Health and other government departments regarding the collection of data on the medical marijuana industry and defer to the Department of Taxation on the fiscal impact of this recommendation.

Thank you for the opportunity to provide this written testimony.

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
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MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

JOSEPH K. KIM
DEPUTY DIRECTOR

To: The Honorable Gilbert S.C. Keith-Agaran, Chair
and Members of the Senate Committee on Judiciary and Labor

The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Ways and Means

Date: Monday, April 4, 2016
Time: 9:15 A.M.
Place: Conference Room 211, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 2707, H.D. 1, S.D. 1, Relating to Medical Marijuana.

The Department of Taxation (Department) appreciates the intent of H.B. 2707, H.D. 1, S.D. 1, and offers the following comments regarding the tax provisions for your consideration.

H.B. 2707, H.D. 1, S.D. 1, makes three tax related amendments:

- 1) Decouples Hawaii income tax law from section 280E of the Internal Revenue Code (section 280E), allowing medical marijuana businesses to deduct their expenses for Hawaii income tax purposes;
- 2) Clarifies that the general excise tax (GET) exemption for prescription drugs does not include medical marijuana; and
- 3) Amends the Hawaii enterprise zone law to deny enterprise zone benefits to medical marijuana businesses.

The measure has a defective effective date of July 1, 2050; however, the amendment to section 280E conformity becomes effective for tax years beginning after December 31, 2015.

First, the Department notes that decoupling from section 280E will allow medical marijuana businesses to calculate and pay Hawaii income tax just as other businesses do. Section 280E was enacted by the federal government in 1982 to disallow deductions to those trafficking in schedule I or II substances. Hawaii has adopted this provision as part of its income tax.

However, if a state legalizes medical marijuana, the operation of this section at the state level becomes contradictory because it disallows all income tax deductions, even though the business activity is legal in the state. The Department notes that this bill relaxes section 280E for

licensed medical marijuana dispensaries only, and that the section would still apply to others trafficking in schedule I or II substances.

While relaxing conformity to section 280E will promote fairness by putting licensed medical marijuana dispensaries on an equal footing with other businesses, it will cause some complications. Decoupling from section 280E will require separate income tax calculations for the federal tax return and the State tax return. The Department generally prefers conformity with the Internal Revenue Code whenever possible, so that the Department can rely on Internal Revenue Service examinations and determinations.

Second, the Department notes that the amendment to the prescription drugs exemption is an important clarification of law. Both the medical marijuana industry and the Department will benefit if the general excise tax treatment of medical marijuana is clear and beyond dispute.

Finally, the Department notes that the effective date of the prescription drugs exemption portion of this measure is July 1, 2050, however, if the previous effective date of July 1, 2016 is reinstated, the Department will be able to administer the provision by that effective date. Similarly, the Department can administer the proposed change to section 280E conformity by the current effective date of January 1, 2016.

Thank you for the opportunity to provide comments.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, INCOME, MISCELLANEOUS, Taxation of Medical Marijuana Dispensaries

BILL NUMBER: HB 2707, SD-1

INTRODUCED BY: Senate Committee on Consumer Protection and Housing

EXECUTIVE SUMMARY: The tax provisions of this bill provide that medical marijuana dispensary businesses (1) are not eligible for enterprise zone program incentives; (2) are eligible for business deductions for income tax purposes despite federal provisions disallowing them; and (3) are not eligible for the GET exemption for sales of prescription medicine. It is unclear why this type of business should be singled out for special treatment under the tax laws.

BRIEF SUMMARY: Amends HRS section 209E-2 to provide that medical marijuana dispensary activities pursuant to chapter 329D shall not be considered an eligible business activity for purposes of the enterprise zone incentive program.

Amends HRS section 235-2.4 to provide that IRC section 280E (with respect to expenditures in connection with the illegal sale of drugs), although generally operative for Hawaii income tax purposes, shall not be operative with respect to the production and sale of medical marijuana and manufactured marijuana products by licensed dispensaries and their subcontractors, which shall include subcontracting operators as defined in HRS section 329D-1.

Amends HRS section 237-24.3(6) to provide that “prescription drugs” eligible for the GET exemption for prescription drugs sold to an individual, do not include the medical use of marijuana pursuant to chapters 329 and 329D.

There are also numerous nontax provisions.

EFFECTIVE DATE: July 1, 2016; provided that the income tax provision applies to tax years beginning after December 31, 2015.

STAFF COMMENTS: Act 241, Session Laws of Hawaii 2015, established a licensing scheme for a statewide system of medical marijuana dispensaries to ensure access to medical marijuana for qualifying patients.

The bill proposes tax treatment for marijuana businesses in three respects.

Enterprise Zone Program: The enterprise zone program was enacted as a cooperative program between the state and the counties to promote jobs in areas of high unemployment. Certain areas are designated as enterprise zones through joint action of the state and counties. In a zone, the state offers an income tax credit for the tax attributable to the eligible business conducted in the zone, which is normally applied on a sliding scale – 80% for the first year, 70% for the second, and so on until the credit is 20% for the seventh and last year in the program. It also offers an

unemployment tax credit for the tax attributable to employees doing the eligible business in the zone, on the same sliding scale. Finally, the state offers a general excise tax exemption for the eligible business attributed to the zone. The counties also offer incentives, which vary by county. In return, the business commits to either maintain or increase the number of employees in the zone doing the eligible activity, depending on whether it was already in the zone upon designation or moved to the zone.

As business incentives go, the enterprise zone program is better than most. The incentive applies to a specific activity (here, creating and maintaining employment) targeted to the problem the program seeks to address. The incentive tapers off over time and then stops. It requires accountability, namely required reports to DBEDT, for a business to retain its eligibility. The business itself may need a different kind of assistance, such as financing, but the state is here focusing on creating and maintaining jobs in areas that need them.

One criticism of the program is that the designated eligible activities do not seem to have a common thread running through them except that the various activities seem to have been the Flavor of the Month at one time or other. Eligible activities at present are:

- Agricultural production or processing
- Manufacturing
- Wholesaling/Distribution
- Aviation or maritime repair or maintenance
- Telecommunications switching and delivery systems
- Information technology design and production
- Medical research, clinical trials, and telemedicine
- For-profit training programs in international business management or environmental remediation
- Biotechnology research, development, production, or sales
- Repair or maintenance of assisted technology equipment
- Certain types of call centers
- Wind energy producers

The bill proposes to exclude medical marijuana dispensaries from the program. It is unclear, however, whether such businesses would qualify for the program in the first place because the current category of agricultural production or processing is supposed to exclude retail sales. If the bill is merely clarifying the program's application to this type of business, it is justifiable as a technical fix; if not, lawmakers must ask what is different about this business type that requires exclusion from this program while similar businesses are eligible.

Income Tax: Section 280E of the Internal Revenue Code now provides that no deductions are allowed in connection with the illegal sale of drugs. This provision applies to medical marijuana businesses because distribution and sale of marijuana are still prohibited at the federal level. The federal provision was enacted as part of the Tax Equity and Fiscal Responsibility Act of 1982, Pub. L. No. 97-248. The Senate committee report explains the reason for the provision: “There is a sharply defined public policy against drug dealing to allow drug dealers the benefit of business expense deductions at the same time that the U.S. and its citizens are losing billions of dollars per year to such persons is not compelled by the fact that such deductions are allowed to other, legal, enterprises. Such deductions must be disallowed on public policy grounds.” Federal case law has applied this provision to medical marijuana businesses that are legal under state law. *Californians Helping to Alleviate Medical Problems., Inc. v. Commissioner*, 128 T.C. 173 (2007).

It is questionable why differing tax treatment is being proposed. Those planning to embark on a medical marijuana business probably understood the federal tax ramifications and expected the state tax treatment to be the same. In previous testimony, it was asserted that some states have decoupled from federal treatment in the same manner as is proposed here. This decoupling, however, may be a windfall for such businesses at a cost to the state treasury.

General Excise Tax: Act 306, SLH 1986, provided that sales of prescription drugs and prosthetic devices are exempt from the Hawaii general excise tax. This exemption, codified at HRS section 237-24.3(6), provides an exemption from the GET for those amounts received by a hospital, infirmary medical clinic, health care facility, pharmacy, or a practitioner licensed to administer the drug to an individual for selling prescription drugs or prosthetic devices to an individual. This exemption does not apply to any amounts received for services provided in selling prescription drugs or prosthetic devices.

A study prepared for the 2005-2007 Tax Review Commission examined the need for this exemption:

Hawaii and all other sales taxing states except Illinois exempt prescription drugs from the sales tax. Illinois levies a 1 percent rate on the sales of prescription drugs. A comprehensive list is not available of sales tax treatment for prosthetic devices, but they are likely exempt in essentially every state as well. Hawaii could choose to eliminate exemptions for these transactions, in keeping with the generally broad tax base imposed in the state. Expanding the base to drugs and prosthetics would allow additional revenue or a lower tax rate. The potential tax base from drugs and prosthetics is estimated to be at least \$845 billion in 2006, which would generate \$33.8 million if fully taxable. Taxation of these transactions would allow the GET rate to be reduced to 3.94 percent and still raise the same revenue.

As with other exemptions, taxation would eliminate the incentive to purchase these goods rather than other currently taxed items. However, the distortion in consumption is probably very small because people are likely to buy nearly the same quantities of drugs and prosthetic devices even with reasonable levels of taxation because of the limited

degree of substitutes and the view that many of these are necessities. On the other hand, there are opportunities to purchase some drugs remotely, and taxation could encourage some additional remote purchases.

The argument for exemption lies mainly in equity, with many people believing that it is unfair to sales tax necessities such as drugs and prosthetics. The perception is that a tax on drugs and prosthetics is a tax on suffering. Of course, some other necessities, such as food, are sales taxed in Hawaii and in many states, and all prescriptions may not be viewed as necessities depending on one's perception. Thus, the case for exemption presumes that drugs and prosthetics devices are more worthy of exemption than many other possible candidates.

Fox, William, "Hawaii's General Excise Tax: Should the Base Be Changed?" (2006) (footnotes omitted) (Appendix C to the Report of the 2005-2007 Hawaii Tax Review Commission).

We note that the Department of Taxation has asserted that medical marijuana does not qualify under the exemption but has not explained why in its testimony. Certainly, the underlying policy behind the exemption supports application to medical marijuana; it is prescribed by a health care professional to treat disease. If it is decided that the exemption should be denied, policymakers need to ask why medical marijuana needs to be treated differently from all other prescription drugs, including such substances as Viagra and Cialis.

Digested 4/2/16

**PRESENTATION OF THE
BOARD OF NURSING**

TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR

AND

TO THE SENATE COMMITTEE ON WAYS AND MEANS

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2016

Monday, April 4, 2016
9:15 a.m.

WRITTEN TESTIMONY ONLY

TESTIMONY ON HOUSE BILL NO. 2707, H.D. 1, S.D. 1, RELATING TO MEDICAL MARIJUANA.

TO THE HONORABLE GILBERT S.C. KEITH-AGARAN, CHAIR,
TO THE HONORABLE JILL N. TOKUDA, CHAIR,
AND MEMBERS OF THE COMMITTEES:

My name is Lee Ann Teshima, Executive Officer for the Board of Nursing (“Board”). I appreciate the opportunity to offer comments on House Bill No. 2707, H.D. 1, S.D. 1, Relating to Medical Marijuana, which in its amended form, allows advanced practice registered nurses (“APRNs”) with prescriptive authority to “qualify” patients for medical marijuana.

The Board offers the following comments with respect only to some of the definitions pertaining to APRNs:

Definition of “Advanced practice registered nurse” – Since the bill now includes APRNs with prescriptive authority under the new definition of “Advanced practice registered nurse”, we would like to request that the Committee consider further clarifying this definition by adding language that the APRN with prescriptive authority

must also register with the Department of Public Safety, Narcotics Enforcement Division (“DPS-NED”), pursuant to Hawaii Revised Statutes (“HRS”) §329-121 as follows:

“Advanced practice registered nurse” means an advanced practice registered nurse with prescriptive authority as described in section 457-8.6 and registered under section 329-32.”

This would make the definition of “APRN” consistent with that of the definition for “Physician” under HRS §329-121 in order to qualify a patient for medical marijuana.

Definition of “Bona fide advanced practice registered nurse-patient relationship” – The Board asks the Committees to consider amending page 25, line 17 to add the word “relationship” so that line reads as follows “Bona fide advanced practice registered nurse-patient relationship”.

Finally, by allowing APRNs with prescriptive authority the ability to qualify their patients for medical marijuana, the Board believes this would allow for more accessibility to healthcare services for residents of this State.

Thank you for the opportunity to provide written testimony on House Bill No. 2707, H.D. 1, S.D. 1.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committees on Judiciary & Labor and Ways & Means
April 4, 2016 at 9:15 a.m.

by
Vassilis L. Syrmos
Vice President for Research and Innovation
University of Hawai'i

HB 2707 HD1 SD1 – RELATING TO MEDICAL MARIJUANA

Chairs Keith-Agaran and Tokuda, Vice Chairs Shimabukuro and Dela Cruz, and members of the Committees:

The University of Hawai'i (UH) appreciates the effort by the legislature to include the University in the state's emerging medical marijuana distribution system to help assure that the dispensed products are in accordance with laboratory standards developed and administered by the Department of Health. The University also appreciates the legislature's intent to help create an additional revenue stream for UH as a result of the services provided under this measure.

Because marijuana is still considered illegal under federal law, the University of Hawai'i must comply with federal laws and regulations, particularly with respect to satisfying any applicable conditions that allow UH to receive certain federal grant or research funds.

In response to this issue, UH has formed a Medical Marijuana Task Force to investigate how other universities in states with legalized medical marijuana are dealing with similar issues, and how it may engage in the services contemplated by this measure while complying with federal laws and regulations. The task force comprises researchers from John A. Burns School of Medicine, College of Tropical Agriculture and Human Resources, UH Cancer Center, UH Hilo's Daniel K. Inouye College of Pharmacy and Chaminade University.

The University of Hawai'i supports the intent of this measure, but because of its complexity, more time is required to study and investigate the possible consequences on the institution by engaging in medical marijuana related activities.

Thank you for the opportunity to testify on this measure.



Dedicated to safe, responsible, humane and effective drug policies since 1993

TO: Senate Committees on Judiciary & Labor and Ways & Means
FROM: Carl Bergquist, Executive Director
HEARING DATE: 4 April 2016, 9:15AM
RE: HB2707 HD1 SD1, Relating to medical marijuana, **SUPPORT**

Dear Chairs Keith-Agaran and Tokuda, Vice Chairs Shimabukuro and Dela Cruz, Members:

The Drug Policy Forum of Hawai'i (DPFHI) **supports** this amended measure that will make numerous improvements to the current medical marijuana registry program and to the nascent medical marijuana dispensary system. HB2707 HD1 SD1 authorizes the University of Hawai'i to conduct research and engage in lab testing, and to collect fees for such services, bringing our state's premier research institutions on board. This will help ensure a greater degree of quality control for patients while offering new opportunities for cutting edge research. SD1 also more clearly defines contractors and subcontractors, thereby portending a greater role for local businesses in e.g. construction and security, permitting them to work with more than one licensee.

Among the improvements to the dispensary system are: a clarification that registered medical marijuana patients not be subjected to background checks just to be allowed entry to a dispensary as well as the authorization of interisland shipping of small lab samples if an island does not have its own laboratory as required by Act 241. For the medical marijuana registry program, we are very pleased that advanced practice registered nurses would be given the authority to certify patients for medical marijuana use. Given the reticence of some doctors to do so, it is essential that these healthcare professionals, who often have very close relationships with their patients, also have this ability.

Finally, we note that **the SD1 version contains a few amendments that have weakened the bill** from the HD1 version. Among these are the removal of marijuana cigarettes from the list of permitted items for sale at a dispensary (many patients need these) and the deletion of the decriminalization carve-out for medical marijuana patients using/possessing drug paraphernalia (even if this is current practice, it should be codified). We will work to reincorporate these. Mahalo for the opportunity to testify.



ON THE FOLLOWING MEASURE:

H.B. NO. 2707, HD1, SD1, RELATING TO MEDICAL MARIJUANA

BEFORE THE:

SENATE COMMITTEES ON JUDICIARY AND LABOR & WAYS AND MEANS

DATE: MONDAY, APRIL 4, 2016

TIME: 9:15 a.m.

LOCATION: State Capitol, Conference Room 211

TESTIFIER(S): Antoinette Lilley, President, or Christopher Garth, Executive Director

Honorable Chair Keith-Agaran, Chair Tokuda, and Members of the Committees:

On behalf of our members and all of the current and future stakeholders of Hawai'i's medical marijuana industry, the Hawai'i Dispensary Alliance (HDA) is writing in **STRONG SUPPORT of H.B. 2707, HD1, SD1**. We support this bill with very few reservations because it offers common sense changes that will allow Hawai'i's medical marijuana dispensary program to appropriately function and evolve into an economic driver for the state of Hawai'i's as our newest industry. Our testimony on this measure continues to support the legislative efforts and intent that your legislature has directed at improving HRS§329, HRS§329 D, and other sections which may be tangentially linked to the regulation and development of Hawai'i's medical marijuana economy.

The HDA supports the following amendments:

- Provision of data to the Department of Business, Economic Development, and Tourism for analysis,
- Amendment of the Internal Revenue Code,
- Subcontractor requirements,
- Affirmative defense for patients and registered licensees and employees/subcontractors
- APRN certification of patients,
- Background Check clarifications,
- Incorporation of the University of Hawai'i system for testing and research purposes,
- Establishment of a legislative working group.

We ask, too, that your committees entertain the notion of revisiting the definition of the term "plant." It has come to our attention through conversations with our members and other stakeholders in Hawai'i's blossoming medical marijuana economy that the limitation of 3,000 plants per production facility does not provide a distinction between "clones" and "mature" plants. This lapse could seriously undermine a licensee's ability to produce and deliver the caliber and quantity of medicine that they have been charged to provide. To that end, the HDA would humbly suggest that an amendment be considered to address this issue. Perhaps it might be prudent to include a definition of plant that reflects, in some semblance, the following:

"Plant" shall have the following meanings:

1. For purposes of inventory monitoring/tracking system purposes, "plant" means a marijuana plant having at least three (3) distinguishable and distinct leaves, each leaf being at least three

- (3) centimeters in diameter, and a readily observable root formation consisting of at least two (2) separate and distinct roots, each being at least two (2) centimeters in length. Multiple stalks emanating from the same root ball or root system shall be considered part of the same single plant.
2. For purposes of the 3,000 plant count limit for each production center, "plant" means a marijuana plant greater than twelve (12) inches tall or wide which has a readily observable root formation consisting of at least two separate and distinct roots, each being at least three (3) inches in length. Multiple stalks emanating from the same root ball or root system shall be considered part of the same single plant.

The Hawai'i Dispensary Alliance stands in **SUPPORT of H.B. 2707, HD1, SD1 RELATING TO MEDICAL MARIJUANA**, and its establishment of a medical marijuana legislative working group; provision of data to the Department of Business, Economic Development, and Tourism for analysis; amendment of the Internal Revenue Code to provide business deductions to licensed dispensary operations; clarification of subcontractor requirements; harmonization of the paraphernalia and possession laws through the incorporation of an affirmative defense; inclusion of APRN certification of patients; the incorporation of the UH system as research and testing resource; and updates to the background check requirements for patients. We hope that you will consider our suggested amendment to the definition of the term "plant." Furthermore, it is our humble recommendation that this bill be moved forward for further discussion.

Thank you very much for the opportunity to provide testimony on this measure.

TO: COMMITTEE ON JUDICIARY AND LABOR
Senator Gilbert S.C. Keith-Agaran, Chair
Senator Maile S.L. Shimabukuro, Vice Chair

TO: COMMITTEE ON WAYS AND MEANS
Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair

FROM: Wendy Gibson R.N., Field Organizer for The Medical Cannabis Coalition of Hawaii. American Cannabis Nurses Association Member.
RE: HB2707 HD1 (Support)

HEARING: Monday, April 4, 2016 at 9:15 am, Conf. Room 211.

Dear Honorable Chairs , Vice Chairs and Members of the Committees,

Thank you for allowing me to testify in **SUPPORT of HB2707 HD2, SD1,**

If the goal is ensuring the safe, efficient, and responsible operation of medical marijuana dispensaries as well as safe access to medical marijuana for qualifying patients, then **passing HB2707 HD2 SD1 is in the best interest of the State.**

One of my duties as the Field Organizer for The Medical Cannabis Coalition of Hawaii is to assist patients when they are searching for a physician who can make recommendations for cannabis. My list of resources is very short. Only TEN physicians have given me permission to share their contact information with patients. This provider shortage is impeding patient access to this relatively safe and effective medicine.

The number of patients seeking to use cannabis as medicine is expected to increase—especially once dispensaries are in place. To help patients, **we need to increase the number of health care providers** who can make recommendations.

That is why we support adding Advance Practice RNs (APRNs) as such providers. APRNs are uniquely qualified to provide this much needed service. They **already have prescription writing privileges that include scheduled drug (controlled substances)**. And, APRNs already have the authority to recommend medical cannabis in 5 states: California, Maine, New Mexico, New York and Washington.

We also support increasing patient access to dispensaries by allowing them to be **open for business on Sundays**. Many patients and caregivers work more than one job, and Sundays may be the only day that they can access them.

We support the use of **interisland transportation** for testing (very small) samples since a full-on laboratory may not be available on every island with a dispensary.

We support allowing dispensaries to stock products **designed to be inhaled, such as cannabis cigarettes or vaporization devices.**

Inhalation of cannabis not only a time-tested, legitimate method of delivery for this medicine, it is sometimes **the PREFERRED method.** Inhalation provides the **quickest delivery** of medicine for patients with severe nausea and Crohn's disease. It also provides the **best dosing control:** A patient can use the needed amount and stop when they feel the desired results. As you may know, edibles take time to work and dosing is less accurate. The health effects from inhalation of cannabis cannot and should NOT be compared to the dangers of smoking nicotine/tobacco.

The NIDA approved, **long-term studies (30+ years)** on the effects of heavy use of smoked cannabis (average of 3 joints per day x 15 years) produced **not one case of lung cancer** or emphysema.

Smoking (combustion) can lead to irritation of bronchial structures and can cause changes in tissue however are **NOT linked to cancerous changes.** The same data **suggests a possible, slightly protective effect against lung cancer.** Please refer to the work of Dr. Donald Tashkin for more information. (Donald P. Tashkin "Effects of Marijuana Smoking on the Lung", Annals of the American Thoracic Society, Vol. 10, No. 3 (2013), pp. 239-247 at <http://www.atsjournals.org/doi/abs/10.1513/AnnalsATS.201212-127FR#.VtXgUpMrLXw>

Several **case studies** were suggestive of an **association** of marijuana smoking with head and neck cancers and oral lesions. However, in a **cohort study with 8 years** of follow-up, **marijuana use was not associated with increased risks of all cancers or smoking-related cancers** (From Journal of Clinical Pharmacology 2002, Marijuana smoking and head and neck cancer found at <http://www.ncbi.nlm.nih.gov/pubmed/12412843>

We agree, smoking tobacco is harmful to health. We feel that cannabis is different and should be treated as a medicine. The decision of which delivery method is the most appropriate for the patient should be left up to the patient and his/her physician.

Thank you for hearing this bill and giving me this opportunity to provide testimony
Wendy Gibson R.N., Field Organizer for The Medical Cannabis Coalition of Hawaii.
(808) 321-4503

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, April 03, 2016 7:43 AM
To: JDLTestimony
Cc:
Subject: Submitted testimony for HB2707 on Apr 4, 2016 09:15AM

HB2707

Submitted on: 4/3/2016

Testimony for JDL/WAM on Apr 4, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---|---------------------------|---------------------------|
| Andrea Tischler | Americans for Safe Access Big Island Chapter | Support | No |

Comments: Big Island Americans for Safe Access strongly support this bill as it will improve access patients have to medical cannabis for the following reasons: 1. With the opening of dispensaries this summer the number of patients seeking to become certified for medical cannabis will dramatically increase. Allowing Advance Practice Registered Nurses to certify patients will improve accessibility significantly. 2. Dispensaries should be open on Sunday as are pharmacies. Sunday is a day like all others where a patient may require medicine. 3. It is extremely important that patients ingest their medicine free from contaminants. Without labs to test the product small samples need to be sent to other islands where there is a testing laboratory. Mahalo for your support.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 02, 2016 10:12 PM
To: JDLTestimony
Cc:
Subject: Submitted testimony for HB2707 on Apr 4, 2016 09:15AM
Attachments: 2016.04.01 - Testimony - HB 2707 HD1 SD1.pages

HB2707

Submitted on: 4/2/2016

Testimony for JDL/WAM on Apr 4, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Adam Siehr | Individual | Support | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
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Subject: Submitted testimony for HB2707 on Apr 4, 2016 09:15AM

HB2707

Submitted on: 4/2/2016

Testimony for JDL/WAM on Apr 4, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Brett Kulbis | Individual | Oppose | No |

Comments: I strongly oppose any legislation that perpetuates the bogus "medical marijuana" narrative. "Bona fide doctor/patient relationships" appears to be an attempt to regulate doctors that hand out bogus medical marijuana prescriptions to clients with no basis for using the drug other than recreational use. While a step in the right direction, this language is still very easy to abuse – evidenced in a ten-fold increase in medical marijuana authorizations made by the Department of Health. The authorization of a laboratory is necessary due to the inability to utilize mainland laboratories because of federal transportation restrictions. Certification and testing of medical marijuana is necessary to ensure proper dosing and could also theoretically be used to ensure that products with unusually high amounts of THC (the psychotropic chemical component of the plant) are not used to go beyond medically-necessary doses. The working group, however, is an absolute sham. It is composed of the same Who's Who list of marijuana advocates (e.g. the Drug Policy Center of Hawaii) who want nothing more than the full-scale legalization of all drugs. Of the fifteen members that are assigned to the working group, law enforcement is represented by only two people. Once again, the public safety of the majority takes a back seat to the needs of a small pet constituency.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, April 03, 2016 12:09 PM
To: JDLTestimony
Cc:
Subject: Submitted testimony for HB2707 on Apr 4, 2016 09:15AM

HB2707

Submitted on: 4/3/2016

Testimony for JDL/WAM on Apr 4, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Elijah Ariel | Individual | Comments Only | No |

Comments: I'm over 60 years old and am tired of all these political hassles to get my medicine. Please stop making things difficult for us legitimate medical marijuana patents. PLEASE HELP US!!!

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 02, 2016 5:22 PM
To: JDLTestimony
Cc:
Subject: Submitted testimony for HB2707 on Apr 4, 2016 09:15AM

HB2707

Submitted on: 4/2/2016

Testimony for JDL/WAM on Apr 4, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Georgina Mckinley | Individual | Support | No |

Comments: Strong Support

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From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 02, 2016 7:38 AM
To: JDLTestimony
Cc:
Subject: *Submitted testimony for HB2707 on Apr 4, 2016 09:15AM*

HB2707

Submitted on: 4/2/2016

Testimony for JDL/WAM on Apr 4, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Jari S.K. Sugano | Individual | Support | Yes |

Comments:

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ON THE FOLLOWING MEASURE:

H.B. NO. 2707, HD1, SD1 RELATING TO MEDICAL MARIJUANA

BEFORE THE:

SENATE COMMITTEE ON JUDICIARY AND LABOR & THE SENATE
COMMITTEE ON WAYS AND MEANS

DATE: Monday, April 4, 2016

TIME: 9:15 a.m.

LOCATION: State Capitol, Conference Room 211

Honorable Chair Keith-Agaran, Chair Tokuda, and Members of the Committees:

As stakeholder in the medical marijuana industry I am writing in **STRONG SUPPORT** of the amendments proposed in **HB 2707, HD1, SD1**. I support this bill because it offers common sense changes that will allow Hawai'i's medical marijuana industry to function in an appropriate manner that will benefit many sectors of Hawai'i's economy and the well-being of its most vulnerable patient populations.

The bulk of these amendments will aid in removing the burden of an unnecessary stigma from the participants in a legal and legitimate industry that the lawmakers of Hawai'i began to establish some 16 years ago. It is my opinion that your thoughtful approach to ensure safer access to better medicine, while boosting the local economy with career opportunities and new jobs is a triple win for your constituency and the legacy that you leave.

I stand in **SUPPORT** of the following areas addressed in **HB 2707, HD1, SD1**: the establishment of a legislative oversight working group and inclusion of the Hawai'i Dispensary Alliance on the working group; provision of data to the Department of Business, Economic Development, and Tourism for analysis; amendment of Hawaii's tax code to provide business deductions to licensed dispensary operations; clarification of subcontractor requirements; inclusion of APRN certification of patients; updates to the background check requirements for patients; and allowing the University of Hawai'i to establish medical marijuana testing and research programs that qualify as commercial enterprises to provide testing services for medical marijuana dispensaries.

I would like to recommend that this bill be moved forward for further discussion. Thank you very much for the opportunity to provide testimony on this measure.

Respectfully,



Jeremy Nickle Nugz Hawaii LLC

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, April 03, 2016 4:31 PM
To: JDLTestimony
Cc:
Subject: *Submitted testimony for HB2707 on Apr 4, 2016 09:15AM*

HB2707

Submitted on: 4/3/2016

Testimony for JDL/WAM on Apr 4, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Leah M. Koonce | Individual | Support | No |

Comments:

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Dr. Myron Berney, ND Lac
908 16th Ave, Honolulu, HI 96816-4126

HB 2707, HD1, SD1 (SSCR3141) Support with changes

HRS 329-13 requires a comprehensive study of substances prior to their being classified as a controlled substance. However it seems that the Governor's Office, the Departments of Public Safety, Health, DCCA and others need to be commanded to do their job again and again.

The State has already decided to support a needle exchange program to reduce the risk of blood born diseases being spread among iv drug users of hard core drugs, opiates, cocaine, and amphetamines etc.

The paraphernalia laws were modified to stop the spread of viral diseases, specifically Hepatitis B and AIDS.

In the same way the paraphernalia laws should be modified with respect to controlling the transmission and spread of orally transmitted viral diseases that cause a greater economic loss, death and disability.

The paraphernalia laws should protect the public health and safety from orally transmitted viral diseases such as the ongoing influx of colds and flus viruses all year long from worldwide tourism. Hawaii is actually a sentinel state used to collect new emerging viral epidemics spreading from the Southern Hemisphere, Australia and Asia to the USA, the northern hemisphere.

Law enforcement should protect the public health and public safety in relation to medical and recreational marijuana.

Clearly the Marijuana Laws are more harmful to the individual and society than the medicine itself. Marijuana is not only a cost effective medicine that saves lives and cures cancer while reducing stress and protecting and balancing all the cells, tissues and organs of the body including the brain, Marijuana also reduces violent crime while building the Economy.

Legalization of marijuana has reduced crime and increased the Economy in every State that has legalized marijuana. There is a wave of migration to Colorado for health care services especially for childhood diseases, cancer and epilepsy being the top drawing conditions.

The problem is you been lied to for so long you can't believe the truth that is establish in the real world right in front of your own eyes.

The Cost of Cancer alone, its toll on individuals, families, health care and the State is sufficient reason to stop the government crimes against marijuana health care including specifically a cancer cure and proven lung cancer prevention.

**KOSHER
UNDER JEWISH LAW**



**THE HEALING POWER
OF NATURE**

Apply the Rule of Lenity to HRS 329- 14 and HRS 329 Part IX



From: mailinglist@capitol.hawaii.gov
Sent: Saturday, April 02, 2016 2:55 PM
To: JDLTestimony
Cc:
Subject: Submitted testimony for HB2707 on Apr 4, 2016 09:15AM

HB2707

Submitted on: 4/2/2016

Testimony for JDL/WAM on Apr 4, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Sara Steiner | Individual | Comments Only | No |

Comments: Dear Legislators, I am a 54 year medical marijuana patient on the Big Island. We have been waiting since the year 2000 for real compassionate laws concerning access to our natural medicine. HB2707 was on the right track (e.g. allowing nurse practitioners to recommend) until the Senate callously removed essential elements like a patient who has any hand disability being able to by pre-rolled marijuana cigarettes, and the all-important language of establishing a Medical Marijuana Advisory Committee to help our legislature enact meaningful and helpful laws and get rid of the over-abundance of unnecessary discriminatory compliance rules designed to extract criminal penalties forced upon us by the Narcotics Enforcement Division. Please reinstate the items removed by the Senate and pass this very important bill for the patients who only wish to use a plant instead of chemicals to treat what ails us. Thank you for your attention, concern and compassion.

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ON THE FOLLOWING MEASURE:

H.B. NO. 2707, HD1, SD1 RELATING TO MEDICAL MARIJUANA

BEFORE THE:

SENATE COMMITTEE ON JUDICIARY AND LABOR & THE SENATE
COMMITTEE ON WAYS AND MEANS

DATE: Monday, April 4, 2016

TIME: 9:15 a.m.

LOCATION: State Capitol, Conference Room 211

Honorable Chair Keith-Agaran, Chair Tokuda, and Members of the Committees:

As stakeholder in the medical marijuana industry, and tax attorney, I am writing in **STRONG SUPPORT** of the amendments proposed in **HB 2707, HD1, SD1**. I support this bill because it offers common sense changes that will allow Hawai'i's medical marijuana industry to function in an appropriate manner that will benefit many sectors of Hawai'i's economy and the well-being of its most vulnerable patient populations.

The bulk of these amendments will aid in removing the burden of an unnecessary stigma from the participants in a legal and legitimate industry that the lawmakers of Hawai'i began to establish some 16 years ago. It is my opinion that your thoughtful approach to ensure safer access to better medicine, while boosting the local economy with career opportunities and new jobs is a triple win for your constituency and the legacy that you leave.

I stand in **SUPPORT** of the following areas addressed in **HB 2707, HD1, SD1**: the establishment of a legislative oversight working group and inclusion of the Hawai'i Dispensary Alliance on the working group; provision of data to the Department of Business, Economic Development, and Tourism for analysis; amendment of Hawaii's tax code to provide business deductions to licensed dispensary operations; clarification of subcontractor requirements; inclusion of APRN certification of patients; updates to the background check requirements for patients; and allowing the University of Hawai'i to establish medical marijuana testing and research programs that qualify as commercial enterprises to provide testing services for medical marijuana dispensaries.

I would like to recommend that this bill be moved forward for further discussion. Thank you very much for the opportunity to provide testimony on this measure.

Respectfully,

/s/ Stephen P. Pingree, Attorney at Law

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, April 03, 2016 6:40 AM
To: JDLTestimony
Cc:
Subject: *Submitted testimony for HB2707 on Apr 4, 2016 09:15AM*

HB2707

Submitted on: 4/3/2016

Testimony for JDL/WAM on Apr 4, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Teri Heede | Individual | Support | No |

Comments:

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ON THE FOLLOWING MEASURE:

H.B. NO. 2707, HD1, SD1 RELATING TO MEDICAL MARIJUANA

BEFORE THE:

SENATE COMMITTEE ON JUDICIARY AND LABOR & THE SENATE
COMMITTEE ON WAYS AND MEANS

DATE: Monday, April 4, 2016

TIME: 9:15 a.m.

LOCATION: State Capitol, Conference Room 211

Honorable Chair Keith-Agaran, Chair Tokuda, and Members of the Committees:

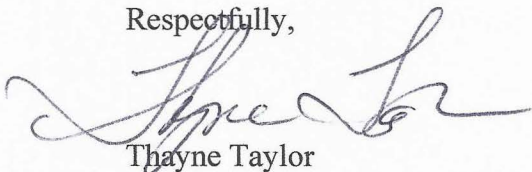
As stakeholder in the medical marijuana industry I am writing in **STRONG SUPPORT** of the amendments proposed in **HB 2707, HD1, SD1**. I support this bill because it offers common sense changes that will allow Hawai'i's medical marijuana industry to function in an appropriate manner that will benefit many sectors of Hawai'i's economy and the well-being of its most vulnerable patient populations.

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I would like to recommend that this bill be moved forward for further discussion. Thank you very much for the opportunity to provide testimony on this measure.

Respectfully,



Thayne Taylor

Kalaheo, Hi 96741

From: mailinglist@capitol.hawaii.gov
Sent: Friday, April 01, 2016 5:39 PM
To: JDLTestimony
Cc:
Subject: *Submitted testimony for HB2707 on Apr 4, 2016 09:15AM*

HB2707

Submitted on: 4/1/2016

Testimony for JDL/WAM on Apr 4, 2016 09:15AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Troy Abraham | Individual | Support | No |

Comments:

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