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**A BILL FOR AN ACT**

RELATING TO CIVIL SERVICE EXEMPTION FOR THE MEDICAL MARIJUANA  
DISPENSARY PROGRAM.

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

1           SECTION 1. The purpose of this Act is to temporarily  
2 extend the exemption from chapter 76, Hawaii Revised Statutes,  
3 for the five full-time medical marijuana dispensary program  
4 personnel at the department of health, authorized by Act 241,  
5 Session Laws of Hawaii 2015.

6           The department of health requested exempt staffing to meet  
7 the deadlines established in statute that became effective on  
8 July 1, 2015, including provision of merit-based selection  
9 criteria by January 4, 2016, making available the license  
10 application by January 11, 2016, announcement of licensees by  
11 April 15, 2016, and dispensing of products by dispensaries no  
12 earlier than July 15, 2016. Due to the novelty of the program,  
13 a local workforce with specific and specialized experience in  
14 medical marijuana dispensaries regulation was not available.

15           The department has made steady progress but is in jeopardy  
16 of losing medical marijuana dispensary program staff after the  
17 exemption from chapter 76 ends on June 30, 2017, because of the

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1 reduction in salary from conversion to civil service. An  
2 additional three years of civil service exemption is necessary  
3 to stabilize program operations, after which the department will  
4 reassess staffing needs.

5 SECTION 2. Act 241, Session Laws of Hawaii 2015, is  
6 amended by amending section 14 to read as follows:

7 "SECTION 14. For the purposes of effectuating this Act,  
8 the personnel hired and the contracts entered into by the  
9 department of health, pursuant to this Act, shall be exempt from  
10 chapter 76, Hawaii Revised Statutes, for a period beginning on  
11 July 1, 2015, and ending on June 30, [~~2017~~] 2020; provided  
12 that:

13 (1) All personnel actions taken pursuant to this Act by  
14 the department of health after June 30, [~~2017~~] 2020,  
15 shall be subject to chapter 76, Hawaii Revised  
16 Statutes, as appropriate; and

17 (2) Any employee hired by the department of health to  
18 effectuate this Act, who occupies a position exempt  
19 from civil service on July 1, [~~2017~~] 2020, shall:

20 (A) Be appointed to a civil service position; and

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1 (B) Not suffer any loss of prior service credit,  
2 vacation or sick leave credits previously earned,  
3 or other employee benefits or privileges;  
4 provided that the employee possesses the minimum  
5 qualifications and public employment requirements for  
6 the class or position to which appointed;  
7 provided further that subsequent changes in status  
8 shall be made pursuant to applicable civil service and  
9 compensation laws."

10 SECTION 3. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_



BY REQUEST

JAN 23 2017

# H.B. NO. 1104

**Report Title:**

Medical Marijuana Dispensary System; Civil Service Exemptions

**Description:**

Extends exemption from civil service for medical marijuana dispensary program staff in the Department of Health hired after July 1, 2015, to June 30, 2020.

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

JUSTIFICATION SHEET

DEPARTMENT: Health.

TITLE: A BILL FOR AN ACT RELATING TO CIVIL SERVICE EXEMPTION FOR THE MEDICAL MARIJUANA DISPENSARY PROGRAM.

PURPOSE: The purpose of this Act is to extend the temporary exemption from the civil service system from an end date of June 30, 2017, to June 30, 2020, for Department of Health medical marijuana dispensary program staff.

MEANS: Amend section 14, Act 241, Session Laws of Hawaii (SLH) 2015.

JUSTIFICATION: Civil service exemption for medical marijuana dispensary program staff was authorized to expeditiously recruit a competent workforce to meet the aggressive implementation timeline established by Act 241, SLH 2015. The Department of Health is requesting a three-year extension to assure continuity of program staff, since conversion to civil service status is likely to negatively impact retention and future recruitment efforts.

Impact on the public: None.

Impact on the department and other agencies: None.

GENERAL FUND: Additional general fund appropriations of approximately \$240,000 per year will be required to sustain program operations in the future. Undetermined general excise tax revenue will be deposited into the general fund after sales commence.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: HTH 720.

OTHER AFFECTED

AGENCIES:

Department of Budget and Finance.

EFFECTIVE DATE:

Upon approval.