

JAN 20 2017

A BILL FOR AN ACT

RELATING TO MEDICAL MARIJUANA DISPENSARIES.

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

1 SECTION 1. The legislature finds that the existing medical
2 marijuana dispensary system law does not specifically address
3 video surveillance data storage retention requirements, instead
4 deferring to the department of health's administrative rules,
5 which require dispensary licensees to retain a minimum of 365
6 days of video surveillance recordings.

7 The legislature further finds that, due to the 365-day
8 retention requirement and the limitation of digital recording
9 devices at medical marijuana dispensaries and production
10 centers, licensees may need to decrease the frame capture rate
11 of the surveillance video recordings, find equipment capable of
12 storing a year's worth of data, or both. However, a reduction
13 in frame capture rate compromises clarity of video surveillance,
14 which can impede overall security at these dispensaries and
15 production centers.

16 The legislature finds that the existing rule on video
17 surveillance data storage retention is excessive and overly



1 burdensome for dispensary licensees and notes that other states
2 with medical marijuana dispensary systems tend to set a video
3 surveillance data storage retention requirement between thirty
4 and forty-five days. These lower video surveillance data
5 storage requirements enable dispensaries and production centers
6 to maintain high quality video surveillance that safeguards the
7 public and licensees.

8 The purpose of this Act is to specify that video monitoring
9 and recording of medical marijuana dispensary and production
10 center premises shall be retained for a period of forty-five
11 days.

12 SECTION 2. Section 329D-7, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§329D-7 Medical marijuana dispensary rules.** The
15 department shall establish standards with respect to:

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



1 each county in determining the license renewal fee
2 amounts;

3 (3) Criteria and procedures for the consideration and
4 selection, based on merit, of applications for
5 licensure of dispensaries; provided that the criteria
6 shall include but not be limited to an applicant's:

7 (A) Ability to operate a business;

8 (B) Financial stability and access to financial
9 resources; provided that applicants for medical
10 marijuana dispensary licenses shall provide
11 documentation that demonstrates control of not
12 less than \$1,000,000 in the form of escrow
13 accounts, letters of credit, surety bonds, bank
14 statements, lines of credit or the equivalent to
15 begin operating the dispensary;

16 (C) Ability to comply with the security requirements
17 developed pursuant to paragraph (6);

18 (D) Capacity to meet the needs of qualifying
19 patients;



- 1 (E) Ability to comply with criminal background check
2 requirements developed pursuant to paragraph (8);
3 and
4 (F) Ability to comply with inventory controls
5 developed pursuant to paragraph (13);
- 6 (4) Specific requirements regarding annual audits and
7 reports required from each production center and
8 dispensary licensed pursuant to this chapter;
- 9 (5) Procedures for announced and unannounced inspections
10 by the department or its agents of production centers
11 and dispensaries licensed pursuant to this chapter;
12 provided that inspections for license renewals shall
13 be unannounced;
- 14 (6) Security requirements for the operation of production
15 centers and retail dispensing locations; provided
16 that, at a minimum, the following shall be required:
- 17 (A) For production centers:
- 18 (i) Video monitoring and recording of the
19 premises[+], which shall be retained for a
20 period of forty-five days;



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- 1 (ii) Fencing that surrounds the premises and that
- 2 is sufficient to reasonably deter intruders
- 3 and prevent anyone outside the premises from
- 4 viewing any marijuana in any form;
- 5 (iii) An alarm system; and
- 6 (iv) Other reasonable security measures to deter
- 7 or prevent intruders, as deemed necessary by
- 8 the department;
- 9 (B) For retail dispensing locations:
- 10 (i) Presentation of a valid government-issued
- 11 photo identification and a valid
- 12 identification as issued by the department
- 13 pursuant to section 329-123, by a qualifying
- 14 patient or caregiver, upon entering the
- 15 premises;
- 16 (ii) Video monitoring and recording of the
- 17 premises [7], which shall be retained for a
- 18 period of forty-five days;
- 19 (iii) An alarm system;
- 20 (iv) Exterior lighting; and



- 1 (v) Other reasonable security measures as deemed
2 necessary by the department;
- 3 (7) Security requirements for the transportation of
4 marijuana and manufactured marijuana products between
5 production centers and retail dispensing locations;
- 6 (8) Standards and criminal background checks to ensure the
7 reputable and responsible character and fitness of all
8 license applicants, licensees, employees,
9 subcontractors and their employees, and prospective
10 employees of medical marijuana dispensaries to operate
11 a dispensary; provided that the standards, at a
12 minimum, shall exclude from licensure or employment
13 any person convicted of any felony;
- 14 (9) The training and certification of operators and
15 employees of production centers and dispensaries;
- 16 (10) The types of manufactured marijuana products that
17 dispensaries shall be authorized to manufacture and
18 sell pursuant to sections 329D-9 and 329D-10;
- 19 (11) Laboratory standards related to testing marijuana and
20 manufactured marijuana products for content,
21 contamination, and consistency;



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1 (12) The quantities of marijuana and manufactured marijuana
2 products that a dispensary may sell or provide to a
3 qualifying patient or primary caregiver; provided that
4 no dispensary shall sell or provide to a qualifying
5 patient or primary caregiver any combination of
6 marijuana and manufactured products that:

7 (A) During a period of fifteen consecutive days,
8 exceeds the equivalent of four ounces of
9 marijuana; or

10 (B) During a period of thirty consecutive days,
11 exceeds the equivalent of eight ounces of
12 marijuana;

13 (13) Dispensary and production center inventory controls to
14 prevent the unauthorized diversion of marijuana or
15 manufactured marijuana products or the distribution of
16 marijuana or manufactured marijuana products to
17 qualifying patients or primary caregivers in
18 quantities that exceed limits established by this
19 chapter; provided that the controls, at a minimum,
20 shall include:



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- 1 (A) A computer software tracking system as specified
2 in section 329D-6(j) and (k); and
- 3 (B) Product packaging standards sufficient to allow
4 law enforcement personnel to reasonably determine
5 the contents of an unopened package;
- 6 (14) Limitation to the size or format of signs placed
7 outside a retail dispensing location or production
8 center; provided that the signage limitations, at a
9 minimum, shall comply with section 329D-6(o)(2) and
10 shall not include the image of a cartoon character or
11 other design intended to appeal to children;
- 12 (15) The disposal or destruction of unwanted or unused
13 marijuana and manufactured marijuana products;
- 14 (16) The enforcement of the following prohibitions against:
- 15 (A) The sale or provision of marijuana or
16 manufactured marijuana products to unauthorized
17 persons;
- 18 (B) The sale or provision of marijuana or
19 manufactured marijuana products to qualifying
20 patients or primary caregivers in quantities that
21 exceed limits established by this chapter;



1 (C) Any use or consumption of marijuana or
2 manufactured marijuana products on the premises
3 of a retail dispensing location or production
4 center; and

5 (D) The distribution of marijuana or manufactured
6 marijuana products, for free, on the premises of
7 a retail dispensing location or production
8 center;

9 (17) The establishment of a range of penalties for
10 violations of this chapter or rule adopted thereto;
11 and

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

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: *Randy H. Behr*
Clarence K. Michida



S.B. NO. 305

Report Title:

Medical Marijuana Dispensary System; Dispensaries; Production Centers; Video Monitoring; Surveillance Recording Retention

Description:

Specifies that video monitoring and recording of medical marijuana dispensary and production center premises shall be retained for a period of forty-five days.

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