

STAND. COM. REP. NO.

139

Honolulu, Hawaii

FEB 13 2017

RE: S.B. No. 325  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 325 entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA,"

begs leave to report as follows:

The purpose and intent of this measure is to allocate ten percent of tax revenues collected from medical marijuana dispensaries to the mental health and substance abuse special fund.

Your Committee received testimony in support of this measure from the Hawaii Substance Abuse Coalition, Drug Policy Forum of Hawai'i, and one individual. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Taxation, Department of Health, Tax Foundation of Hawaii, Department of the Prosecuting Attorney of the City and County of Honolulu, and Hawaii Children's Action Network.

Your Committee finds that the mental health and substance abuse special fund was established by the Legislature in 1991 to deposit revenue collected from treatment programs rendered by mental health and substance abuse programs and to expend the revenues for operating expenses of the treatment programs. Your Committee further finds that mental health and substance abuse programs are underfunded, and that additional resources are needed to continue serving Hawaii's residents who cannot afford necessary mental health and substance abuse services. Your Committee notes the Department of Health's testimony that monies in the mental

2017-1163 SSCR SMA.doc



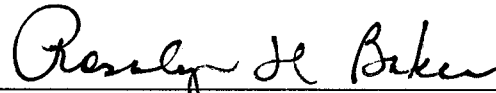
health and substance abuse special fund are used to serve adults and youth with severe mental illness.

Your Committee has amended this measure by:

- (1) Inserting language to clarify that the ten percent allocation of medical marijuana dispensaries tax revenues applies to the annual general excise tax revenues and the gross income generated by each entity that holds a medical marijuana dispensary license; and
- (2) Inserting language to specify that monies deposited into the mental health and substance abuse special fund from tax revenues collected from medical marijuana dispensaries may be used for the payment of the operating expenses of mental health and substance abuse programs operated by the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 325, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,



---

ROSALYN H. BAKER, Chair



