

STAND. COM. REP. NO.

722

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 263
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 263
entitled:

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

begs leave to report as follows:

The purpose of this measure is to impose the state Use Tax on
gross proceeds or gross income derived from sales of medical
marijuana and manufactured marijuana products at licensed medical
marijuana dispensaries.

Your Committee received testimony in support of this measure
from an individual. Your Committee received testimony in
opposition to this measure from Cure Oahu, Patients Without Time,
Hawaii Educational Association for Licensed Therapeutic
Healthcare, and two individuals. Your Committee received comments
on this measure from the Department of Taxation and Tax Foundation
of Hawaii.

Your Committee has amended this measure by:

- (1) Inserting new language that provides for the deposit of
an unspecified percentage of general excise tax revenues
received from licensed medical marijuana dispensaries
into the Medical Marijuana Registry and Regulation



Special Fund to be used for health and public health purposes;

- (2) Inserting new language to authorize and regulate the sale of edible cannabis products at licensed medical marijuana dispensaries;
- (3) Making parts I and III effective on July 1, 2090, and making part II effective on July 1, 2019; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 263, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Health,



DELLA AU BELATTI, Chair



