

STAND. COM. REP. NO.

1081

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 263  
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 263, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure, as received by your Committee, is to:

- (1) Impose the state general excise tax on gross proceeds or gross income derived from sales of medical marijuana and manufactured marijuana products at licensed medical marijuana dispensaries;
- (2) Provide 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; and
- (3) Authorize and regulate the sale of edible cannabis products at licensed medical marijuana dispensaries.

For the purposes of a public hearing on this bill, your Committee circulated H.B. No. 263, H.D. 2 (Proposed Draft), and notified the public that it would be accepting testimony on the

HB263 HD2 HSCR FIN HMS 2017-2832



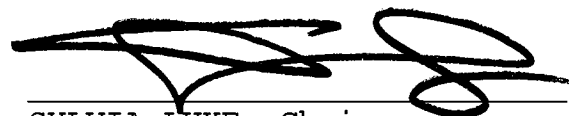
Proposed Draft, which is almost identical, but removes the authorization and regulation of the sale of edible cannabis products at licensed medical marijuana dispensaries.

The Department of Transportation, Maui Police Department, B Wellness Services, and one individual testified in support of the Proposed Draft. Hawaii Educational Association for Licensed Therapeutic Healthcare and one individual testified in opposition to the Proposed Draft. The Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii provided comments on the Proposed Draft.

After considering the merits of H.B. No. 263, H.D. 1, as received by your Committee, and the Proposed Draft, your Committee amended this bill by incorporating the Proposed Draft. Your Committee further amended this measure by making a technical, nonsubstantive amendment for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 263, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 263, H.D. 2.

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



SYLVIA LUKE, Chair



