

SB1159

Measure Title: RELATING TO MEDICAL MARIJUANA.

Report Title: DOH; Office of Medical Marijuana Administration; Established; Medical Marijuana Dispensaries; Computer Tracking System; Alternate Tracking System; Testing Standards; Qualifying Patients

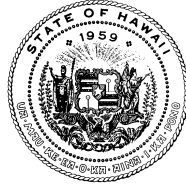
Description: Establishes the Office of Medical Marijuana Administration in DOH to administer marijuana dispensary licensing and regulation, and patient registration. Extends civil service exemptions. Extends interim rulemaking authority. Requires an alternate medical marijuana dispensary tracking system for use when the DOH computer tracking system is nonfunctional. Adds considerations for establishing marijuana testing standards and selecting additional dispensary licensees. Requires retention of video security recordings of production centers and dispensaries for not less than 45 days.

Companion: [HB1488](#)

Package: None

Current Referral: CPH, WAM

Introducer(s): BAKER, ESPERO, IHARA, S. Chang



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony COMMENTING on SB1159
RELATING TO MEDICAL MARIJUANA.**

SENATOR ROSALYN H. BAKER, CHAIR
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
Hearing Date: Wednesday, February 8, 2017 Room Number: 229

1 **Fiscal Implications:** Unknown

2 **Department Testimony:** The Department generally opposes the passage of new laws related to
3 marijuana until the medical marijuana dispensaries open and the Department has the chance to
4 gauge the impact upon the State. However, this bill contains several specific proposals which
5 the Department supports, opposes, or on which comments are warranted, based on the
6 Department's foundational principles of patient safety, product safety, and public safety.

7 Allow me to testify on each proposal:

8 1. Office of Medical Marijuana (MM) Administration: **Position: Comments; appreciate**
9 **the intent.**

10 The Department had already intended to combine the currently separate Registry and
11 Licensing sections into a combined section but intended to wait to begin the process until after
12 the major work to establish most/all of the dispensaries is better underway and for the biennium
13 since this may require additional resources. To combine both sections before this time will likely
14 take away time and effort to accomplish the more critical and immediate work needs.

1 The Department should also be allowed to exercise its managerial authority and
2 discretion to identify the best organizational structure for the combined MM Administration and
3 where within the DOH it best fits.

4 This proposal has no noticeable or direct impact on patient safety, product safety, or
5 public safety.

6 2. Delay Dates to Require MMJ Products Only from Dispensaries: **Position: Comments.**

7 The Department offers comments that the extension will allow registered caregivers to
8 continue to cultivate marijuana for their patients. This can work well as a way to cover the gaps
9 in availability of MMJ products as dispensaries continue to prepare for cultivation later this
10 calendar year. This also provides a continued alternative for low cost access to personal MMJ
11 products.

12 The Department also recommends the Legislature to consider limiting the number of
13 patients to five (5) that can use a single grow site. As the number of caregivers decline, more
14 patients are using a single site.

15 3. Delays to Award Additional Licenses: **Position: Comments; the Department**
16 **appreciates the intent and offers an alternative to additional licenses.**

17 The Department supports the delay in considering the award of additional licenses while
18 the Department continues major work efforts to ensure the start-up of cultivation and sales of
19 current licensees.

20 However, the Department respectfully asks the Legislature to consider a more practical
21 first step before awarding additional new licenses, namely to allow current licensees the ability
22 to expand their operations by allowing for an increase in plant count, an increase in the number

1 of production centers, and/or an increase in the number of retail locations based on the same or
2 similar criteria for new licenses. This could provide a quicker way of making medical marijuana
3 available to underserved geographic locations, provide an improved return on investment (ROI)
4 for current licensees, avoid for the Department the significant added burden of a license
5 application and award process, and avoid the delays of new licensees getting products to the
6 market place. This would also allow for greater competition among the current licensees and
7 allow for market forces to drive industry growth and efficiencies. This could also provide the
8 rationale for an increase in fees for licensure renewal.

9 4. Alternate Tracking System: **Position: Comments; appreciate the intent.**

10 The current statutory language is very prescriptive and requires a single system to track
11 MMJ inventory and sales. The language offered in this section of the bill provides the
12 Department with the authority to implement an alternative tracking system. With this authority,
13 the Department will explore an alternative system but, again, must continue to proceed with its
14 major work to enable more dispensaries to begin cultivation and sales and to continue to improve
15 the patient registration turnaround time.

16 This language provides guidelines for the Department in establishing an alternative
17 mechanism but the guidelines should grant authority to explore the alternatives rather than
18 require specific features. Recommend changing "shalls" to "mays".

19 An alternative system can help to ensure ongoing patient safety and public safety.

20 However, we need to be realistic. Any alternative system will cost money to implement
21 or to enforce which the program does not current have nor will those costs be supported through
22 the current licensure fees. The MMJ program will experience an annual operating deficit and

1 will run out of cash reserves in 2021 at the latest. The Legislature would be required to provide
2 funding but the Department will likely oppose any funding that takes away from the Governor's
3 budget package.

4 Meanwhile, the Department will ask its vendor, BioTrackTHC™, to provide data on
5 system outages in their other jurisdictions, and to offer alternative or duplicate systems that have
6 been successful elsewhere for the Department to consider.

7 5. Retention of Video Security Recordings: **Position: Oppose, the Department proposes**
8 **an alternative based on the intended use of security recordings as an inspection tool.**

9 The Department testified in opposition to SB0305, the sole purpose of which was aimed
10 at reducing the administrative rule requirement of one (1) year retention of video security
11 recordings.

12 The Department has the ability to change this retention period in rules and opposes
13 statutory changes at this time. The state should retain a robust regulatory system and wait until
14 the Department knows whether the current retention requirement will indeed be more costly to
15 the dispensary licensees.

16 The Department intends to use video recordings as an inspection tool and will pursue the
17 ability to live-stream video views from licensee locations. The video recordings will be used to
18 verify written records and can be used to investigate past events if/when suspicions of fraud,
19 theft, diversion, or other irregularities come to light after a 45 day period. A 45 day retention
20 period essentially provides for a statute of limitations.

21 Nevertheless, the Department asks the Legislature to consider an intermediate step, that
22 is, for the Department to revise and promulgate by March 31, 2017, its interim admin rules to

1 require retention for a minimum of six (6) months or longer if a regulatory investigation requires
2 a longer time period to complete. The Department will revise its administrative rules at Chapter
3 11-850-41(b) as follows: "A dispensary licensee shall retain for a minimum of ~~one year~~ six
4 months all security recordings or for a longer period as required by the department for the
5 investigation of possible non-compliance with specific licensure requirements."

6 This rule change would not be expected to jeopardize public safety and by not codifying
7 the retention requirement, allows greater flexibility for future changes.

8 6. Laboratory Testing Standards: **Position: Oppose as unnecessary and counter to**
9 **patient safety.**

10 The State Labs Division (SLD) wrote the lab section of the current interim administrative
11 rules using guidance and standards found in other jurisdictions. SLD also participates in a
12 national MMJ laboratory working group through the Association of Public Health Laboratories
13 and was provided specific testing guidance from New York and Colorado for prospective
14 laboratories.

15 SLD took guidance from the testing programs and standards for pesticides under the
16 regulations of the United States Environmental Protection Agency (EPA). And as for the testing
17 for microbiological impurities, SLD considered the use of bacteria in lieu of pesticides. The use
18 of bacteria is acceptable as long as the bacterial counts conform to sanitary standards outlined in
19 the admin rules.

20 The Department's primary concern is patient safety, product safety, and public safety.
21 While cost is an understandable consideration, health and safety have been and should remain
22 the State's main focus.

1 7. Extends Interim Rulemaking Authority: **Position: Support.**

2 This will provide greater flexibility to quickly revise interim administrative rules based
3 on input from the Legislative Oversight Working Group, patients and caregivers, licensed
4 dispensaries, other stakeholders, and based on actual operating experiences of licensees and of
5 the Department.

6 A quicker mechanism to revise administrative rules can be used to improve patient safety,
7 product safety and public safety.

8 8. Extend Civil Service Exemptions: **Position: Support. Refer to Admin bill HB 1104.**

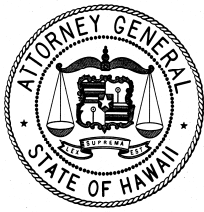
9 The Department asks the conversion of exempt positions to civil service positions be
10 delayed from July 1, 2017, to July 1, 2020, to preserve the current workforce. This will help to
11 ensure continuity of patient safety, product safety and public safety.

12 The Department has made good progress in implementing the MMJ licensing program.
13 Much work remains to bring all dispensaries to the point of being allowed to cultivate marijuana
14 and to sell MMJ products.

15 The Department would be in jeopardy of losing medical marijuana dispensary licensing
16 staff prior to June 30, 2017, because of the reduction in salary from conversion to civil service.
17 The additional 3 years is necessary to stabilize program operations.

18 Thank you for the opportunity to testify on this bill.

19 **Offered Amendments:** As identified above.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2017**

ON THE FOLLOWING MEASURE:

S.B. NO. 1159, RELATING TO MEDICAL MARIJUANA.

BEFORE THE:

SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

DATE: Wednesday, February 8, 2017 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Tara K.C.S. Molnar, Deputy Attorney General

Chair Baker and Members of the Committee:

The Department of the Attorney General provides comments on this bill.

This measure would amend chapter 329D, Hawaii Revised Statutes (HRS), to establish the “office of medical marijuana administration” within the Department of Health, which would administer medical marijuana dispensary licensure pursuant to chapter 329D, HRS, and the registration of qualifying patients pursuant to section 329-123, HRS (page 4, line 16, through page 5, line 4). Also, the bill amends section 329D-6, HRS, to enable the Department of Health to implement an alternate tracking system that would allow qualified patients to purchase marijuana or manufactured marijuana products from a designated licensed dispensary on a temporary basis (page 8, line 10, through page 11, line 2; and page 12, lines 11-16).

First, if the Committee would like to establish the “office of medical marijuana administration” within the Department of Health as outlined on page 4, line 16, through page 5, line 4, we suggest that it include the proposed new section in part I of chapter 321, HRS, which sets forth the General and Administrative Provisions of the Department of Health rather than chapter 329D, HRS, since the proposed section affects the registry program in chapter 329 as well as chapter 329D's dispensary program. Chapter 321 already includes, in section 321-30.1, the authority for the medical marijuana registry and regulation special fund, which supports both the registry

and dispensary programs.

Second, the proposed wording on page 8, line 10, through page 11, line 2; and page 12, lines 11-16, raises concerns, because the alternate tracking system does not provide a means for actually tracking the sale of marijuana or manufactured marijuana products in real time if the Department's computer tracking system is not working properly, and may allow qualified patients to purchase marijuana or manufactured marijuana products in excess of statutory limits. In order to maintain the robust regulatory scheme required by the U.S. Department of Justice (DOJ) Memorandum for All United States Attorneys dated August 29, 2013 (the Cole memo), we suggest that the wording creating an alternate tracking system be deleted. If the Committee is inclined to provide a backup system, we recommend that this measure include a means of tracking the sale of marijuana or manufactured marijuana products in as close to real time, as possible through some other means.

The Department of the Attorney General respectfully recommends, that if the Committee moves this measure forward, it amends the bill as suggested.

HAWAII EDUCATIONAL ASSOCIATION FOR LICENSED THERAPEUTIC HEALTHCARE

To: Senator Rosalyn Baker, Chair Consumer Protection and Health
Senator Clarence Nishihara, Vice-Chair Consumer Protection and
Health
Members of the Senate Consumer Protection and Health Committee

Fr: Blake Oshiro, Esq. on behalf of the HEALTH Assn.

Re: Testimony in **Support of Senate Bill (HB) 1159**

RELATING TO MEDICAL MARIJUANA.

Establishes the Office of Medical Marijuana Administration in DOH to administer marijuana dispensary licensing and regulation, and patient registration. Extends civil service exemptions. Extends interim rulemaking authority. Requires an alternate medical marijuana dispensary tracking system for use when the DOH computer tracking system is nonfunctional. Adds considerations for establishing marijuana testing standards and selecting additional dispensary licensees. Requires retention of video security recordings of production centers and dispensaries for not less than 45 days.

Dear Chair Baker, Vice-Chair Nishihara, Members of the Committee:

HEALTH is a recently formed trade association made up of the eight (8) licensed medical marijuana dispensaries under Haw. Rev. Stat. (HRS) Chapter 329D. HEALTH's members are all committed to ensuring the goals of patient safety, product safety and public safety. HB1488 addresses 4 primary issues for our emerging industry:

- 1) Administration: reconfiguration of the medical marijuana program within the Department of Health (DOH) by consolidating the dispensary and registration programs, extending civil service exemption, extending the DOH interim rulemaking authority, extending deadlines and additional criteria for issuance of new licenses and extending deadlines for caregivers - **comment with support for extensions**
- 2) Tracking system: creates an alternative system that allows patients continued access in the event that the computerized tracking system becomes inoperable – **strong support**
- 3) Videotape recording period of 45-days – **support with suggested amendments**
- 4) Laboratory testing standards: creates new considerations for the standards of laboratory testing – **strong support**

I. ADMINISTRATIVE ISSUES

Much of the bills need to extend certain deadlines under the original law , Act 241, Session Laws of Hawaii 2015, is because recent delays have precluded licensed dispensaries from moving forward. While licenses were awarded somewhat timely, shortly after the April 15, 2016 deadline, the law's allowance for retail dispensing of medical marijuana on July 15, 2016 will likely be about 1 year late. While 2 dispensaries have been issued a notice to proceed on cultivation of medical marijuana (i.e. seed in the soil), there will have several months before such plants are ready for harvest, production and then retail sale. HEALTH therefore **supports** all of the extended deadlines in the bill.

However, it is regrettable that such extensions are necessary. And it appears to be due to these delays, that the bill also contemplates some reconfiguration in the DOH for the medical marijuana programs. HEALTH does not take any position on this because there is no assurance whether this will improve, or could exacerbate, the existing delays experienced thus far. However, to the extent that such changes could facilitate a more effective and efficient operation within DOH, we would be supportive of that effort.

II. TRACKING SYSTEM

HEALTH **strongly support** HB1488's approach to create an alternative access and tracking system in the remote and hopefully unlikely event that the DOH's tracking system goes down or is inoperable. HEALTH will continue to work with DOH on an approach to ensure compliance with the computer tracking program on a reasonable timetable. However, HEALTH understands that there have been such difficulties in other states with tracking systems, and so we believe that it is important to learn from their experiences.

We recognize that the computer tracking system serves an important role in upholding and ensuring product, patient and public safety, but HEALTH also believes that this must be balanced against the patients' need to receive their medicine. It is our understanding that the alternative access system in this bill mirrors systems in other states like Connecticut, Washington, Illinois, Maine, Nevada, New Jersey, Rhode Island and Vermont where a patient is allowed to designate a dispensary to provide access to the products, which again, is only necessary IF THE SYSTEM GOES DOWN. If that even never occurs, this process never becomes necessary. Unfortunately, given our experiences thus far with the delays in the implementation of the DOH's tracking system, HEALTH supports having prudent proactive approach enacted now, through a pre-determined alternative system to track marijuana product sales. This will allow qualified patients to be able to continue to have their supply of medical marijuana

uninterrupted during any shutdown of the initial system with a process that still has the necessary safeguards, and has worked in other states.

III. LABORATORY TESTING

HEALTH **supports** the language to have the standards established in the interim rules for laboratory testing, be revised to ensure that there are some considerations of the implicated costs of the extensive testing that is mandated in no other jurisdiction.

Hawaii Administrative Rules (Interim Rules) Section 11-850-85, Laboratory standards and testing, requires testing of the tetrahydrocannabinol and cannabinal levels, and sets testing for levels for certain contaminants like metals, microbiological impurities, moisture. But, the Interim Rules just blanketly require testing for:

(B) Pesticides regulated by the U.S. Environmental Protection Agency: 1.0 ppm (part per million)

There are hundreds upon hundreds of pesticides registered with and regulated by the EPA under the Federal Insecticide Fungicide and Rodenticide Act (FIFRA) which dates back to 1947. Scientific and agriculture advances have obviously made certain pesticides obsolete in use and production, and while it may be possible to test for every pesticide basically ever known, there seems to be little basis to do so.

While HEALTH supports ensuring product and patient safety, such testing must be done with reasonable tolerance levels and scope. Other states with years of experience, like State of Oregon have implemented testing standards that are appropriate, practical and evidence-based. HEALTH believes that the State Department of Agriculture, which regulates are restricted use pesticides (RUPs) and is knowledgeable about which pesticides are more commonly used for pests in Hawaii, could provide insight, guidance and assistance. But, that could only be done if there is a mechanism alternative to testing “all pesticides” is provided for.

HEALTH supports finding a more balanced approach to testing because we are concerned that unreasonably strict and expansive testing standards will lead to unnecessarily high production costs which will result in unaffordable medical marijuana for patient use.

IV. VIDEO STORAGE

HEALTH **supports** changing the requirement for video storage periods since the current administrative rules on the requirements for video storage are extremely large, and it is our understanding that 365 days is over and beyond the requirements of any other jurisdiction which more commonly are at 30-45 days. However, we respectfully **request an amendment** to strike out the “not less than” and simply make the requirement 45 days. This would make the bill language **similar to that of Senate Bill 305** that was already passed by this committee.

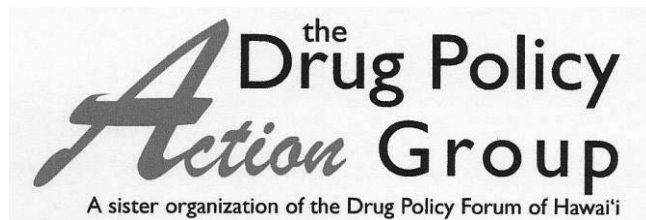
Attached, is a chart that shows the current requirements in AZ, NV, OR, CO, AK, WA, NY, IL, and Hawaii. We are unaware of any issues or problems with the 30-45 days in terms of criminal prosecution or any other needs for law enforcement.

The current 365-day requirement of stored video data, will not only likely affect the resolution quality of the video capable of being stored, more importantly, it will lead likely to significant infrastructure and administrative expenses increasing production costs and therefore, affecting patients’ affordability.

Under the Department of Health’s *Interim* Administrative Rules, Section 11-850-41(b): “[a] dispensary licensee shall retain for a minimum of one year all security recordings.” The rules spell out the requirements for such security recordings under Section 11-850-51, including:

- Professionally installation
- 24-hour continuous video monitoring and recoding of all dispensary facilities
- back-up capability
- clearly displayed with time/date
- internet protocol compatible
- minimum resolution for a clear and certain identification of persons to include any area where products are produced, moved, stored, sold, packed/unpacked into containers for transport, surveillance storage areas, exists/entrances to indoor and outdoor locations
- secured in a lockbox, cabinet or closet to minimize access to tampering or theft

The required computerized tracking system in the law and rules will already ensure that marijuana and marijuana products are detailed and monitored from every seed to sale, or even possible disposal. Together with the video surveillance system referenced above, these safeguards will provide much needed security and safety at the dispensary facilities.



PO Box 83, Honolulu, HI 96810 ~ (808) 853-3231

Hawaii's Voice for Sensible, Compassionate, and Just Drug Policy

TO: SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION & HEALTH

FROM: PAMELA LICHTY, M.P.H., PRESIDENT

DATE: February 8, 2017, 9 a.m., Room 229

RE: S.B. 1159 RELATING TO MEDICAL MARIJUANA – **IN SUPPORT OF INTENT**

Good morning, Chair Baker, Vice Chair Nishihara, and members of the Committee. My name is Pam Lichty and I'm President of the Drug Policy Action Group (DPAG), the government affairs arm of the Drug Policy Forum of Hawai'i.

We support the intent of this measure and are pleased to see that S.B. 1159 addresses the needs of patients first and foremost.

Having said that, we want to emphasize that timely access to medicine is of the utmost importance. Many patients travel between islands for various reasons including to access specialized medical care. And sometimes the stay on an island different from their home island can be lengthy. We like the idea of an alternate tracking system but are concerned that this could place undue burdens on the patient. **Therefore the proposal to have them designate a single dispensary from which to obtain their medicine is unworkable & impractical.**

We also believe that the year-long delay in considering additional dispensary licenses is too long. We think the demand, especially in "underserved" areas, will be evident during the first few months of dispensary operations.

We're glad to see that the deadline for phasing out primary caregivers has been pushed back one year, but we think there are situations in which caregivers will still be necessary to assist some patients, and we prefer to see this possibility retained in the law.

Thank you for introducing this measure and hearing it today. And mahalo for the opportunity to testify.



Dedicated to safe, responsible, humane and effective drug policies since 1993

TO: Senate Committee on Commerce, Consumer Protection and Health
FROM: Carl Bergquist, Executive Director
HEARING DATE: 9 February 2017, 9AM
RE: SB1159, Relating to Medical Marijuana, **COMMENTS**

Dear Chair Baker, Vice Chair Nishihara, Committee Members:

The Drug Policy Forum of Hawai'i (DPFHI) **wholeheartedly agrees with this measure's findings** that the current delays experienced in the implementation of the medical cannabis dispensary system are detrimental to the long suffering patients of Hawai'i. The access to tested, quality medicine has effectively been put on hold for many current and many prospective patients. As such, while **we find ourselves in agreement with many of the provisions, we wish to offer a few comments regarding those with which we do not agree.**

1) SECTION 3: Regarding the new date for the phasing out of caregivers (moved from 12/31/18 to 12/31/19), we find it more reasonable to scrap this phasing out entirely. For the medical cannabis programs to be successful, they need to allow for a variety of patient circumstances: Permitting the continuation of the patient/caregiver relationship is one of those.

2) SECTION 4: Regarding a delay in the Department of Health's assessment of a need for additional licenses (moved from 10/1/17 to 10/1/18), we do not understand the reason for this. Rather, the new language giving additional weight to applications that would "serve and supply medical marijuana...in an underserved geographical area..." underscores the need to assess if e.g. parts of O'ahu, Maui or the Big Island risk being underserved as early as this year.

3) SECTION 5: Regarding an alternate tracking system, we welcome this in principle. However, the additional permission a patient would need to seek in order to buy medicine from more than one "designated dispensary" seems unduly burdensome. Instead, some form of communication between dispensaries could act as a safeguard to protect against patient overconsumption.

Mahalo for the opportunity to testify.

Aloha members of the Senate Committee on Commerce, Consumer Protection, and Health. My name is Michelle Tippens, I am the founder and Executive Director of the Hawaii Veteran's Cannabis Alliance and Legislative Liaison for the Libertarian Party of Hawaii. These comments are regarding measure SB1159, heard February 8, 2017 at 9am.

As an expert in the field of Criminal Justice (I hold both a BA and MS in the field), specializing in vice and drug crimes, I have a well-documented academic background and demonstrated aptitude in all aspects of the Crime and Justice field, including an extensive knowledge regarding the development of American drug law. Along with this, I am a veteran of the US Army, single mother of 4 and medical marijuana patient. Although I look "healthy" to most people, I not only suffer from PTSD, I also have fibromyalgia, prosthetic neck implants, 5 fractured thoracic vertebrae and several other injuries. I am able to manage all of these conditions with cannabis therapy and was able to discontinue use of a pulmonary walker in 2012, less than two years after beginning cannabis therapy.

When examining SB1159, it is easy to see it is riddled with flaws and does little more than legislate extensions, additional resources and funds to the Department of Health; all to continue to develop a system they have demonstrated is beyond their capacity to establish and which most people in Hawaii feel is unnecessary. Additionally, SB1159 legislates the creation of an Office of Medical Marijuana Administration within the Department of Health, which is a blatant waste of taxpayer money and yet another legislated hurdle and delay to the opening of legitimate dispensaries in the state of Hawaii. The people of Hawaii are not interested in the creation of another ineffective department, justified by the boogeyman mentality of the 80s.

Furthermore, instead of removing the provision in the original statute that eliminates primary caregiver cultivation authority, this legislation reschedules the deadline a year later. The people of Hawaii are not interested in delaying this provision, the people of Hawaii want this provision removed.

The legislature acknowledges in Section 1 of this bill that the regulatory demands of the medical marijuana dispensary system must be weighed against patient need. The reality is that medical marijuana distribution in the state of Hawaii has been conducted in the black market for over 15 years without harm to the over 10,000 patients who declare their participation in the system (and the multitudes that do not) without even the availability of laboratory testing, "seed to sale" tracking, backup systems or warning labels. To assert now that these things are necessary for the "safety of the product, patient, and public" (SB1159, Page 2, Lines 7-8) and use these assertions as an excuse to justify further delay of dispensary operation is misleading at best.

SB1159 does not represent the best interest of the Hawaiian people and creates an environment of permissive delay regarding the completion of dispensary regulation and operation. I would like to finish by stating my clear and decisive opposition to this legislation and hope that you will vote no on the passage of this bill.

Mahalo for your time, aloha.



ON THE FOLLOWING MEASURE:

SB1159, RELATING TO MEDICAL MARIJUANA

BEFORE THE:
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION,
AND HEALTH

DATE: Wednesday, February 8, 2017 TIME: 9:00 a.m.

LOCATION: State Capitol, Conference Room 229

TESTIFIER: Christopher Garth, Executive Director

Honorable Chair Baker and Members of the Committee:

The Hawai'i Dispensary Alliance submits the following testimony in **SUPPORT (with suggested amendments) of SB1159 RELATING TO MEDICAL MARIJUANA**, which establishes the Office of Medical Marijuana Administration in DOH to administer marijuana dispensary licensing and regulation, and patient registration; extends civil service exemptions; extends interim rulemaking authority; requires an alternate medical marijuana dispensary tracking system for use when the DOH computer tracking system is nonfunctional; adds considerations for establishing marijuana testing standards and selecting additional dispensary licensees; requires retention of video security recordings of production centers and dispensaries for not less than 45 days.

The Hawaii Dispensary Alliance is a patient-centric organization that aims to appropriately introduce the legitimate cannabis industry to the state of Hawaii. Our membership is drawn from patients and caregivers, ancillary businesses related to and involved in the physical and intellectual cannabis space, and those who generally support the value of a legal right to cannabis-based medicine. The Alliance has established itself as a consistent voice in the conversation for greater patient access to safe and quality cannabis resources; and it is from this perspective that we support and suggest amendments to several components of SB1159.

Section 1 and the preamble of SB1159 carry a tone that is succinctly consistent with the intent of Act 241, Session Laws of Hawaii 2015; however, the language to establish a new "office of medical marijuana administration" is a provision that is untimely and may seriously detract from the department's standing obligations and commitment to meeting patient needs. The approach of SB1159 makes no allowance for the ongoing provision of the Department's services to current licensees, primary caregivers, and patients during the setup and creation of the new oversight program. SB1159 provides no resources or direction for the maintenance of program operations during the transition to a new oversight structure, yet the Department will be continuously held accountable for the timely execution of the tasks to which they are currently assigned. One piece of evidence of SB1159's suspension of the department's current duties to facilitate the transition to a new oversight structure is the proposal to delay an evaluation of additional licenses from after October 1, 2017, to October 1, 2018. SB1159 also includes other postponements of current DOH obligations, such as the postponement of the phase-out of caregivers (while the Alliance is strongly in support of removing the phase-out of caregivers in accordance with future recommendations

of the Act 230 Working Group, we do not believe a postponement through this bill will fulfil this need). The Alliance interprets these various language changes and others to imply that the development of a new regulatory body and its functions will be so great of a distraction to DOH that the department will not be capable of executing its current tasks; therefore, it should be granted the right to fail those who depend on its daily operations in hopes of future administrative efficiencies.

Additional consideration of this measure include that a revenue and funding source must be delineated to appropriately install the proposed new Office of Medical Marijuana Administration. An amendment to §321-30.1 is a preliminary yet ultimately vital component to the construction and designation of this new office. Act 241, Session Laws of Hawaii 2015, established a funding provision for DOH's Medical Marijuana Dispensary Program allowing for a loan of \$1.5 million over fiscal years (2015-16 and 2016-17). Current revenue streams for the dispensary program are insufficient to cover both this loan and current operating requirements; and the registry program is similarly underfunded and understaffed. Combining these two programs without both necessary appropriations for the transition and a mechanism for increasing program revenue is not an act of prudence and should be avoided at all costs.

It is the suggestion of the Hawaii Dispensary Alliance that, while a new authority may be a necessity in the not too distant future, delaying an evaluation of the need for additional qualified licensees should not be a consideration of this or any other measure before this body. **In this, we humbly request that this language be removed from this and any future versions of SB1159 and that the original language remain as established by Act 241, Session Laws of Hawaii 2015.**

However, should your committee determine that a compromise be met to determine a definitive date as to when the Department shall offer additional licenses to qualified applicants, the Alliance would suggest that the language capture a tone and spirit that encourages both the authorization of additional licenses and the development of a new administrative office as follows:

"(j) Notwithstanding subsection (d), the department shall determine whether, based on the qualifying patient need, additional dispensary licenses shall be offered to qualified applicants in the State ~~[after]~~ between October 1, 2017, and October 1, 2018; provided that the department shall make available not more than one license per five hundred qualifying patients residing in any single county[-];

(k) provided further that in considering whether to award a new license, after October 1, 2018 the department **Office of Medical Marijuana Administration** shall additionally consider an applicant's capability to serve and supply medical marijuana to qualified patients in an underserved geographical area of a county."

Our board and membership support the language and amendments proposed throughout the remainder of SB1159. We find that the language establishes practical and proactive solutions to ensuring patient access to safe and affordable medicine remain priorities of the regulating authority and this legislative body.

For all of the foregoing reasons, the Hawai'i Dispensary Alliance **SUPPORTS (with suggested amendments)** the language of this measure and recommends that **SB1159**, which establishes the Office of Medical Marijuana Administration in DOH to administer marijuana dispensary licensing and regulation, and patient registration; extends civil service exemptions; extends interim rulemaking authority; requires an alternate medical marijuana dispensary tracking system for use when the DOH computer tracking system is nonfunctional; adds considerations for establishing marijuana testing standards and selecting additional dispensary licensees; requires retention of video security recordings of production centers and dispensaries for not less than 45 days be moved forward for further discussion.

Thank you very much for the opportunity to provide testimony on this measure.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 7:08 AM
To: CPH Testimony
Cc: mary@mauivortex.com
Subject: Submitted testimony for SB1159 on Feb 8, 2017 09:00AM

SB1159

Submitted on: 2/6/2017

Testimony for CPH on Feb 8, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Overbay	PATIENTS WITHOUT TIME	Oppose	No

Comments: Aloha Senators, LEGALIZE marijuana NOW! Hawaii has a robust black market trade in marijuana that is world famous. Hawaii, like other states, could raise over 100 million dollars in revenue, every year on recreational marijuana. Instead, taxpayers are funding the infrastructure for the huge illegal marijuana business. We pay for the health care of workers in the marijuana industry who have no benefits. We pay for the costs of investigation, arrest, prosecution, incarceration, and probation monitoring of good citizens arrested for consuming marijuana, while clogging our courts, and wasting the time of our police. Marijuana kills zero people, and alcohol kills 90,000 Americans every year. Why is alcohol legal, even celebrated as great business models in Hawaii, while the much healthier cannabis products remain illegal. It's pure prejudice. Breweries and wineries are tourist attractions, and visitors are allowed to view production centers. Why the huge security for marijuana herbal medicine? LEGALIZE MARIJUANA NOW!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 6:23 AM
To: CPH Testimony
Cc: bmurphy420@mail.com
Subject: Submitted testimony for SB1159 on Feb 8, 2017 09:00AM

SB1159

Submitted on: 2/7/2017

Testimony for CPH on Feb 8, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Murphy	Patients Without Time	Oppose	No

Comments: LEGALIZE MARIJUANA NOW! SAVE LIVES! 90,000 Americans die from alcohol every year, yet Hawaii celebrates the success of microbreweries, and allows tourists access to production centers, and tasting rooms! Marijuana consumers deserve equal rights. The CDC states marijuana kills ZERO Americans, so why the prejudice against it, in favor of highly addictive, and actually deadly alcohol? LEGALIZE MARIJUANA and SAVE LIVES! For 16 years, Hawaii has practiced SELECTIVE PROSECUTION against marijuana consumers. Protecting some folks with "329 cards" from prosecution (stating that marijuana is medicine), while sending others to jail for "marijuana crimes," (stating marijuana has no medical value). All citizens deserve equal justice! There exists a clear, facial contradiction between marijuana's classification as a schedule I drug and its allowable use by qualifying patients for ... medical conditions. The only just solution is to legalize marijuana. LEGALIZE MARIJUANA NOW!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 3:26 AM
To: CPH Testimony
Cc: dsusott@gmail.com
Subject: Submitted testimony for SB1159 on Feb 8, 2017 09:00AM

SB1159

Submitted on: 2/7/2017

Testimony for CPH on Feb 8, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
daniel susott, md, mph	Individual	Support	Yes

Comments: Mahalo for voting right. Aloha

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 12:23 AM
To: CPH Testimony
Cc: fehren.jones@gmail.com
Subject: Submitted testimony for SB1159 on Feb 8, 2017 09:00AM

SB1159

Submitted on: 2/7/2017

Testimony for CPH on Feb 8, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
fehren	Individual	Oppose	No

Comments: Aloha. My name is Fehren Jones and I reside in the Honolulu area. I fully oppose SB1159 which makes mention "Establishes the Office of Medical Marijuana Administration in DOH to administer marijuana dispensary licensing and regulation, and patient registration. Extends civil service exemptions. Extends interim rulemaking authority. Requires an alternate medical marijuana dispensary tracking system for use when the DOH computer tracking system in nonfunctional. Adds considerations for establishing marijuana testing standards and selecting additional dispensary licensees. Requires retention of video security recordings of production centers and dispensaries for not less than 45 days." I totally understand that there is a need for rules and regulations for safety, safety of me, others, community, and state. But I feel that this may be going a little too overboard. I mean, if pharmacies are doing this, then maybe I may consider, but for now I do not support, I oppose. Mahalo for your time. hope your day is going well. Aloha.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 5:32 PM
To: CPH Testimony
Cc: naturadoc@gmail.com
Subject: Submitted testimony for SB1159 on Feb 8, 2017 09:00AM

SB1159

Submitted on: 2/6/2017

Testimony for CPH on Feb 8, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Bonnie Marsh	Individual	Oppose	No

Comments: Please do not support a one year delay in additional dispensary licenses.
Mahalo

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 11:49 PM
To: CPH Testimony
Cc: j.bobich@tcu.edu
Subject: *Submitted testimony for SB1159 on Feb 8, 2017 09:00AM*

SB1159

Submitted on: 2/5/2017

Testimony for CPH on Feb 8, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph A. Bobich	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 6:49 PM
To: CPH Testimony
Cc: lady.flach@gmail.com
Subject: *Submitted testimony for SB1159 on Feb 8, 2017 09:00AM*

SB1159

Submitted on: 2/5/2017

Testimony for CPH on Feb 8, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Teri Heede	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 2, 2017 5:18 PM
To: CPH Testimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB1159 on Feb 8, 2017 09:00AM*

SB1159

Submitted on: 2/2/2017

Testimony for CPH on Feb 8, 2017 09:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov