
A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

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

1 SECTION 1. The legislature finds that Act 241, Session
2 Laws of Hawaii 2015, codified as chapter 329D, Hawaii Revised
3 Statutes, established a licensing framework for a statewide
4 system of medical cannabis dispensaries to ensure access to
5 medical cannabis for qualifying patients. Act 230, Session Laws
6 of Hawaii 2016, Act 41, Session Laws of Hawaii 2017, and Act
7 116, Session Laws of Hawaii 2018, made further amendments.

8 The legislature further finds that additional amendments to
9 the law are warranted to clarify legislative intent, to ensure
10 smooth administration of the law, to allow for adequate patient
11 access to medical cannabis, and to resolve issues that have
12 arisen under the current law.

13 The purpose of this Act is to:

14 (1) Allow physician assistants practicing under
15 supervision to provide written certification for
16 qualifying patients to improve patient access to
17 medical cannabis;



- 1 (2) Allow licensed dispensaries to have manufacturing or
2 processing centers separate from their production
3 facilities, while remaining subject to all regulations
4 under the law;
- 5 (3) Provide a process for the voluntary or involuntary
6 sale or transfer of a dispensary license;
- 7 (4) Allow dispensaries to operate on state and federal
8 holidays;
- 9 (5) Allow a licensed dispensary to purchase medical
10 cannabis or manufactured cannabis products from
11 another licensed dispensary, with approval from the
12 department of health, to ensure patient access to
13 cannabis in the event of a crop failure; and
- 14 (6) Allow licensed retail dispensaries to sell edible
15 cannabis and cannabidiol products.

16 SECTION 2. Chapter 329D, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:

19 "§329D- Sale or transfer of dispensary license. (a) In
20 the event of death, legal incapacity, or permanent disability of
21 an individual dispensary licensee, the relevant entity licensee



1 shall notify the department within thirty days of the individual
2 licensee's inability to continue in the individual's capacity as
3 a licensee, and shall provide to the department within another
4 thirty days, a plan for the sale or transfer of the individual
5 license to another individual who shall meet all the
6 requirements under this chapter and shall have been a resident
7 of the State for not less than five years preceding the date of
8 transfer.

9 (b) In the event of a voluntary resignation by an
10 individual licensee, termination of an individual licensee's
11 employment with an entity licensee with or without cause, or any
12 other permanent separation of the relationship between an
13 individual licensee and an entity licensee, the relevant entity
14 licensee shall submit a plan to the department for approval at
15 least thirty days prior to any sale or transfer of the
16 individual license to another individual who shall meet all the
17 requirements under this chapter and shall have been a resident
18 of the state for not less than five years preceding the date of
19 transfer.



1 (c) The department may deny a request for transfer of
2 ownership if it deems the transferee has failed to meet all the
3 requirements of section 329D-3 for ownership."

4 SECTION 3. Section 329-121, Hawaii Revised Statutes, is
5 amended by amending the definition of "physician" to read as
6 follows:

7 "'Physician" means a person who is licensed to practice
8 under chapter 453 and is licensed with authority to prescribe
9 drugs and is registered under section 329-32. "Physician" [~~does~~
10 ~~not~~] shall include a physician assistant as described in section
11 453-5.3."

12 SECTION 4. Section 329D-1, Hawaii Revised Statutes, is
13 amended by adding a new definition to be appropriately inserted
14 and to read:

15 "Production locations" means the physical location by
16 address or tax map key (TMK) where cultivation and/or
17 manufacturing occur;

18 "Cultivation centers" means enclosed indoor facilities at
19 production locations where medical cannabis is grown and
20 harvested; and



1 "Manufacturing or processing centers" means enclosed indoor
2 facilities at production locations where harvested cannabis is
3 processed into manufactured medical cannabis products and
4 packaged and stored for retail sale.

5 SECTION 5. Section 329D-2, Hawaii Revised Statutes, is
6 amended by amending subsection (f) to read as follows:

7 "(f) A dispensary licensee may operate:

8 (1) Up to two production location [~~shall be allowed~~] under
9 each dispensary license; and

10 (2) Up to two separate manufacturing or processing centers
11 which shall meet all requirements of any dispensary
12 facility, but shall not be considered as production
13 location for the purposes of the two production
14 location limit;

15 provided that, except as otherwise specified in subsection (k),
16 each production location shall be limited to no more than three
17 thousand cannabis plants. For purposes of this subsection,
18 "plant" means a cannabis plant that is greater than twelve
19 vertical inches in height from where the base of the stalk
20 emerges from the growth medium to the tallest point of the
21 plant, or greater than twelve horizontal inches in width from



1 the end of one branch to the end of another branch; provided
2 that multiple stalks emanating from the same root ball or root
3 system shall be considered part of the same single plant."

4 SECTION 6. Section 329D-3, Hawaii Revised Statutes, is
5 amended by amending subsection (c) to read as follows:

6 "(c) A dispensary license shall not be sold or otherwise
7 transferred from one person to another person[-] without
8 approval from the department as provided in section 329D- ."

9 SECTION 7. Section 329D-6, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "§329D-6 **Dispensary operations.** (a) No person shall
12 operate a dispensary, nor engage in the production, manufacture,
13 or sale of cannabis or manufactured cannabis products, unless
14 the person has obtained a license from the department pursuant
15 to this chapter.

16 (b) No dispensary licensee, its officers, employees, or
17 agents shall provide written certification for the use of
18 medical cannabis or manufactured cannabis products for any
19 person.

20 (c) No person under the age of twenty-one shall be
21 employed by a dispensary licensee.



1 (d) Notwithstanding any other law to the contrary,
2 including but not limited to sections 378-2 and 378-2.5,
3 dispensaries:

4 (1) Shall deny employment to any individual who has been:

5 (A) Convicted of murder in any degree;

6 (B) Convicted of a class A or class B felony; or

7 (C) Convicted of a class C felony involving

8 trafficking, distributing, or promoting a

9 schedule I or II controlled substance other than

10 cannabis within the last ten years; and

11 (2) May deny employment to any individual who has been
12 convicted of a class C felony involving:

13 (A) Fraud, deceit, misrepresentation, embezzlement,
14 or theft; or

15 (B) Endangering the welfare of a minor.

16 Employment under this chapter shall be exempt from section
17 378-2(a)(1), as it relates to arrest and court record
18 discrimination, and section 378-2.5.

19 (e) Retail dispensing locations shall not be open for
20 retail sales before 8:00 a.m. or after 8:00 p.m., Hawaii-
21 Aleutian Standard Time, Monday through Sunday. [~~Retail~~



1 ~~dispensing locations shall be closed on official state and~~
2 ~~federal holidays.]~~

3 (f) All dispensary facilities, including but not limited
4 to production locations ~~[and]~~, retail dispensing locations, and
5 manufacturing or processing centers shall comply with all local
6 county zoning and building code requirements, shall be enclosed
7 indoor facilities and shall maintain twenty-four hour security
8 measures, including but not limited to an alarm system, video
9 monitoring and recording on the premises, and exterior lighting.

10 A dispensary licensee who intends to utilize, as a production
11 location, an enclosed indoor facility that includes a roof that
12 is partially or completely transparent or translucent, as
13 provided under section 329D-1, shall notify the department of
14 that intention prior to altering or constructing the facility.

15 Production locations and manufacturing or processing centers
16 shall remain locked at all times. Retail dispensing locations
17 shall remain locked at all times, other than business hours as
18 authorized by subsection (e), and shall only be opened for
19 authorized persons.

20 (g) In all dispensary facilities, only the licensee, if an
21 individual ~~[7]~~i; registered employees of the dispensary



1 licensee~~[7]~~_i; registered employees of a subcontracted production
2 location ~~[e]~~_i, retail dispensing location, or manufacturing or
3 processing center; employees of a certified laboratory for
4 testing purposes~~[7]~~_i; state employees authorized by the director
5 of health~~[7]~~_i; and law enforcement and other government officials
6 acting in their official capacity shall be permitted to touch or
7 handle any cannabis or manufactured cannabis products, except
8 that a qualifying patient, primary caregiver, qualifying out-of-
9 state patient, or caregiver of a qualifying out-of-state patient
10 may receive manufactured cannabis products at a retail
11 dispensing location following completion of a sale.

12 (h) A dispensary shall provide the department with the
13 address, tax map key number, and a copy of the premises lease,
14 if applicable, of the proposed location of a production location
15 or manufacturing or processing center allowed under a license
16 for a county not later than thirty days prior to any medical
17 cannabis or manufactured cannabis products being produced ~~[e]~~_i,
18 manufactured, processed, packaged, or stored at that production
19 location~~[7]~~ or manufacturing or processing center.

20 (i) A dispensary shall provide the department with the
21 address, tax map key number, and a copy of the premises lease,



1 if applicable, of the proposed location of each retail
2 dispensing location allowed under a license not less than sixty
3 days prior to opening for business.

4 (j) The department shall establish, maintain, and control
5 a computer software tracking system that shall have real time,
6 twenty-four-hour access to the data of all dispensaries.

7 (1) The computer software tracking system shall collect
8 data relating to:

9 (A) The total amount of cannabis in possession of all
10 dispensaries from either seed or immature plant
11 state, including all plants that are derived from
12 cuttings or cloning, until the cannabis, cannabis
13 plants, or manufactured cannabis product is sold
14 or destroyed pursuant to section 329D-7;

15 (B) The total amount of manufactured cannabis product
16 inventory, including the equivalent physical
17 weight of cannabis that is used to manufacture
18 manufactured cannabis products, purchased by a
19 qualifying patient, primary caregiver, qualifying
20 out-of-state patient, and caregiver of a
21 qualifying out-of-state patient from all retail



1 dispensing locations in the State in any fifteen-
2 day period;

3 (C) The amount of waste produced by each plant at
4 harvest; [~~and~~]

5 (D) The transport of cannabis and manufactured
6 cannabis products between production locations
7 and retail dispensing locations, production
8 locations and manufacturing or processing
9 centers, retail dispensing locations and
10 manufacturing or processing centers, and between
11 dispensaries as permitted by subsection (r),
12 shall include [~~including~~] tracking identification
13 issued by the tracking system, the identity of
14 the person transporting the cannabis or
15 manufactured cannabis products, and the make,
16 model, and license number of the vehicle being
17 used for the transport; and

18 (E) All sales and purchases of cannabis or
19 manufactured cannabis products undertaken
20 pursuant to subsection (r);



- 1 (2) The procurement of the computer software tracking
2 system established pursuant to this subsection shall
3 be exempt from chapter 103D; provided that:
- 4 (A) The department shall publicly solicit at least
5 three proposals for the computer software
6 tracking system; and
- 7 (B) The selection of the computer software tracking
8 system shall be approved by the director of the
9 department and the chief information officer; and
- 10 (3) Notwithstanding any other provision of this subsection
11 to the contrary, once the department has authorized a
12 licensed dispensary to commence sales of cannabis or
13 manufactured cannabis products, if the department's
14 computer software tracking system is inoperable or is
15 not functioning properly, as an alternative to
16 requiring dispensaries to temporarily cease
17 operations, the department may implement an alternate
18 tracking system that will enable a qualifying patient,
19 primary caregiver, qualifying out-of-state patient,
20 and caregiver of a qualifying out-of-state patient to
21 purchase cannabis or manufactured cannabis products



1 from a licensed dispensary on a temporary basis. The
2 department shall seek input regarding the alternate
3 tracking system from medical cannabis licensees. The
4 alternate tracking system may operate as follows:

5 (A) The department may immediately notify all
6 licensed dispensaries that the computer software
7 tracking system is inoperable; and

8 (B) Once the computer software tracking system is
9 operational and functioning to meet the
10 requirements of this subsection, the department
11 may notify all licensed dispensaries, and the
12 alternate tracking system in this subsection
13 shall be discontinued.

14 (k) A dispensary licensed pursuant to this chapter shall
15 purchase, operate, and maintain a computer software tracking
16 system that shall:

17 (1) Interface with the department's computer software
18 tracking system established pursuant to subsection
19 (j);

20 (2) Allow each licensed dispensary's production location
21 to submit to the department in real time, by automatic



1 identification and data capture, all cannabis,
2 cannabis plants, and manufactured cannabis product
3 inventory in possession of that dispensary from either
4 seed or immature plant state, including all plants
5 that are derived from cuttings or cloning, until the
6 cannabis or manufactured cannabis product is sold or
7 destroyed pursuant to section 329D-7;

- 8 (3) Allow the licensed dispensary's retail dispensing
9 location to submit to the department in real time for
10 the total amount of cannabis and manufactured cannabis
11 product purchased by a qualifying patient, primary
12 caregiver, qualifying out-of-state patient, and
13 caregiver of a qualifying out-of-state patient from
14 the dispensary's retail dispensing locations in the
15 State in any fifteen day period; provided that the
16 software tracking system shall impose an automatic
17 stopper in real time, which cannot be overridden, on
18 any further purchases of cannabis or manufactured
19 cannabis products, if the maximum allowable amount of
20 cannabis has already been purchased for the applicable
21 fifteen day period; provided further that additional



1 purchases shall not be permitted until the next

2 applicable period; and

3 (4) Allow the licensed dispensary to submit all data
4 required by this subsection to the department and
5 permit the department to access the data if the
6 department's computer software tracking system is not
7 functioning properly and sales are made pursuant to
8 the alternate tracking system under subsection (j).

9 (1) No free samples of cannabis or manufactured cannabis
10 products shall be provided at any time, and no consumption of
11 cannabis or manufactured cannabis products shall be permitted on
12 any dispensary premises.

13 (m) [A] Except as permitted pursuant to subsection (r), a
14 dispensary shall not transport cannabis or manufactured cannabis
15 products to another county or another island; provided that this
16 subsection shall not apply to the transportation of cannabis or
17 any manufactured cannabis product solely for the purposes of
18 laboratory testing pursuant to section 329D-8, and subject to
19 subsection (j), if no certified laboratory is located in the
20 county or on the island where the dispensary is located;
21 provided further that a dispensary shall only transport samples



1 of cannabis and manufactured cannabis products for laboratory
2 testing for purposes of this subsection in an amount and manner
3 prescribed by the department, in rules adopted pursuant to this
4 chapter, and with the understanding that state law and its
5 protections do not apply outside of the jurisdictional limits of
6 the State.

7 (n) [A] Except for dispensary-to-dispensary sales as
8 provided in subsection (r), a dispensary shall be prohibited
9 from off-premises delivery of cannabis or manufactured cannabis
10 products to a qualifying patient, primary caregiver, qualifying
11 out-of-state patient, or caregiver of a qualifying out-of-state
12 patient.

13 (o) A dispensary shall not:

14 (1) Display cannabis or manufactured cannabis products in
15 windows or in public view; or

16 (2) Post any signage other than a single sign no greater
17 than one thousand six hundred square inches bearing
18 only the business or trade name in text without any
19 pictures or illustrations; provided that if any
20 applicable law or ordinance restricting outdoor



1 signage is more restrictive, that law or ordinance
2 shall govern.

3 (p) No cannabis or manufactured cannabis products shall be
4 transported to, from, or within any federal fort or arsenal,
5 national park or forest, any other federal enclave, or any other
6 property possessed or occupied by the federal government.

7 (q) A dispensary licensed pursuant to this chapter shall
8 be prohibited from providing written certification pursuant to
9 section 329-122 for the use of medical cannabis for any person.

10 (r) In the event of a crop failure of cannabis plants that
11 could affect patient access, the department may permit a
12 dispensary to purchase medical cannabis and manufactured
13 cannabis products from another dispensary in an amount and
14 manner prescribed by the department by rules adopted pursuant to
15 this chapter and chapter 91; provided that:

16 (1) The purchasing dispensary shall dispose of or destroy
17 any failed cannabis plants in accordance with
18 standards established pursuant to section 329D-7(15);

19 (2) All sales and purchases of cannabis and manufactured
20 cannabis products pursuant to this subsection shall be
21 subject to the data collection and reporting



1 requirements of the computer software tracking system
2 outlined in section 329D-6(j);

3 (3) The purchasing dispensary documents:

4 (A) The failure of the cannabis crops; and

5 (B) The disposal or destruction of any failed
6 product; and submits the documentation to the
7 department;

8 (4) The selling dispensary is permitted by the department
9 to transport cannabis or manufactured cannabis
10 products to another county or another island, for the
11 limited purpose of completing its sale to the
12 purchasing dispensary pursuant to this subsection, in
13 an amount and manner prescribed by the department by
14 rules adopted pursuant to this chapter and chapter 91
15 and with the understanding that state law and its
16 protections do not apply outside of the jurisdictional
17 limits of the State; and

18 (5) Nothing in this subsection shall relieve any
19 dispensary of its responsibilities and obligations
20 under this chapter and chapter 329."



1 SECTION 8. Section 329D-10, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§329D-10 Types of manufactured cannabis products. (a)

4 The types of medical cannabis products that may be manufactured
5 and distributed pursuant to this chapter shall be limited to:

6 (1) Capsules;

7 (2) Lozenges;

8 (3) Pills;

9 (4) Oils and oil extracts;

10 (5) Tinctures;

11 (6) Ointments and skin lotions;

12 (7) Transdermal patches;

13 (8) Pre-filled and sealed containers used to aerosolize
14 and deliver cannabis orally, such as with an inhaler
15 or nebulizer; provided that containers need not be
16 manufactured by the licensed dispensary but shall be
17 filled with cannabis, cannabis oils, or cannabis
18 extracts manufactured by the licensed dispensary;
19 shall not contain nicotine, tobacco-related products,
20 or any other non-cannabis derived products; and shall
21 be designed to be used with devices used to provide



1 safe pulmonary administration of manufactured cannabis
2 products;

3 (9) Devices that provide safe pulmonary administration;
4 provided that:

5 (A) The heating element of the device, if any, is
6 made of inert materials such as glass, ceramic,
7 or stainless steel, and not of plastic or rubber;

8 (B) The device is distributed solely for use with
9 single-use, pre-filled, tamper-resistant, sealed
10 containers that do not contain nicotine or other
11 tobacco products;

12 (C) The device is used to aerosolize and deliver
13 cannabis by inhalation, such as an inhaler,
14 medical-grade nebulizer, or other similar medical
15 grade volitization device;

16 (D) There is a temperature control on the device that
17 is regulated to prevent the combustion of
18 cannabis oil; and

19 (E) The device need not be manufactured by the
20 licensed dispensary; [~~and~~]



- 1 (10) Edible cannabis products, provided that such products
2 shall be prepared in a commercial kitchen dedicated
3 solely to the preparation of edible cannabis products
4 and no other food;
- 5 (11) Cannabidiol products, including products not
6 manufactured by the licensee provided that:
- 7 (A) Licensed dispensaries clearly label all third-
8 party cannabidiol products to indicate that
9 third-party products are not manufactured by the
10 licensee;
- 11 (B) Licensed dispensaries ensure that third-party
12 cannabidiol products meet all laboratory
13 standards required for licensee-manufactured
14 products; and
- 15 (C) Licensed dispensaries ensure that third-party
16 cannabidiol products meet all other requirements
17 of chapter 329D on potency limitation, packaging,
18 and other requirements; and
- 19 (12) Other products as specified by the department.
- 20 (b) As used in this section[, "~~lezenge~~"]:



1 "Lozenge" means a small tablet manufactured in a manner to
2 allow for the dissolving of its medicinal or therapeutic
3 component slowly in the mouth.

4 "Edible cannabis products" means products intended for
5 human consumption that are infused with any cannabinoid
6 extracted from the cannabis plant as regulated by administrative
7 rules of the department.

8 "Cannabidiol products" means any products derived from the
9 cannabis sativa which contain cannabidiol, including cannabidiol
10 derived from hemp as defined in the Agriculture Improvement Act
11 of 2018, Public Law. 115-334."

12 SECTION 9. Section 329D-16, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[+]§329D-16[+] **Criminal offense; unauthorized access to**
15 **production locations[-] or manufacturing or processing centers.**

16 (a) No person shall intentionally or knowingly enter or remain
17 upon the premises of a medical cannabis production location or
18 manufacturing or processing center unless the person is:

19 (1) An individual licensee or registered employee of the
20 production location[+] or manufacturing or processing
21 center;



- 1 (2) A government employee or official acting in the
- 2 person's official capacity; or
- 3 (3) Previously included on a current department-approved
- 4 list provided to the department by the licensee of
- 5 those persons who are allowed into that dispensary's
- 6 facilities for a specific purpose for that dispensary,
- 7 including but not limited to construction,
- 8 maintenance, repairs, legal counsel, or investors;
- 9 provided that:
- 10 (A) The person has been individually approved by the
- 11 department to be included on the list;
- 12 (B) The person is at least twenty-one years of age,
- 13 as verified by a valid government issued
- 14 identification card;
- 15 (C) The department has confirmed that the person has
- 16 no felony convictions;
- 17 (D) The person is escorted by an individual licensee
- 18 or registered employee of the dispensary at all
- 19 times while in the dispensary facility;



- 1 (E) The person is only permitted within those
2 portions of the dispensary facility as necessary
3 to fulfill the person's purpose for entering;
- 4 (F) The person is only permitted within the
5 dispensary facility during the times and for the
6 duration necessary to fulfill the person's
7 purpose for entering;
- 8 (G) The dispensary shall keep an accurate record of
9 each person's identity, date and times upon
10 entering and exiting the dispensary facility,
11 purpose for entering, and the identity of the
12 escort; and
- 13 (H) The approved list shall be effective for one year
14 from the date of department approval.
- 15 (b) No individual licensee or registered employee of a
16 medical cannabis dispensary with control over or responsibility
17 for a production location or manufacturing or processing center
18 shall intentionally or knowingly allow another to enter or
19 remain upon the premises of the production location[7] or
20 manufacturing or processing center, unless the other is
21 permitted to enter and remain as specified in subsection (a).



1 (c) Unauthorized access to a production location or
2 manufacturing or processing center is a class C felony."

3 SECTION 10. This Act does not affect rights and duties
4 that matured, penalties that were incurred, and proceedings that
5 were begun before its effective date.

6 SECTION 11. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 12. This Act shall take effect on July 1, 2050



Report Title:

Department of Health; Cannabis; Cannabidiol Products; License;
Dispensary

Description:

Allows physician assistants to provide written certification for qualifying patients. Allows licensed dispensaries to have up to two additional manufacturing or processing facilities separate from their production facilities. Provides a process for the voluntary or involuntary sale or transfer of an individual dispensary license. Allows retail dispensaries to operate on state and federal holidays. Allows a licensed dispensary to purchase medical cannabis or manufactured cannabis products from another licensed dispensary, with department approval, in the event of a crop failure. Allows licensed retail dispensaries to sell edible cannabis and cannabidiol products. (HB673 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

