

Honolulu, Hawaii

FEB 13 2019

RE: S.B. No. 686
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 686 entitled:

"A BILL FOR AN ACT RELATING TO MARIJUANA,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Decriminalize and regulate small amounts of marijuana for personal use;
- (2) Establish a licensing scheme for the cultivation, sale, and use of small amounts of marijuana for personal use;
- (3) Tax marijuana in the same manner as state excise taxes; and
- (4) Subject income derived from marijuana sales to state income taxes.

Your Committee received testimony in support of this measure from the Democratic Party of Hawai'i; VivaGrow Systems, Inc.; We Are One, Inc.; Kama'aina Kingdom; Mana Artisian Botanics; Global Loading Zone, Inc.; Patients Without Time; HCC Legislative Committee; Drug Policy Forum of Hawaii; O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; Kine Bottles; Community Alliance on Prisons; Young Progressives



Demanding Action; American Civil Liberties Union of Hawai'i; IMUAlliance; Life of the Land; Drug Policy Action Group; and four hundred thirty-one individuals. Your Committee received testimony in opposition to this measure from the Department of Transportation, Department of the Attorney General, Honolulu Police Department, Honolulu County Republican Party, Hawaii Family Forum, Hawaii Chapter of the American Academy of Pediatrics, Coalition for a Drug-Free Hawaii, Bobby Benson Center, Hawaii Future Project, and forty-three individuals. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, Hawaii Chapter of Mothers Against Drunk Driving, Hawai'i Educational Association for Licensed Therapeutic Healthcare, and three individuals.

Your Committee finds that ten states and the District of Columbia have legalized the recreational use of cannabis by adults, and that others are in the process of considering legalization. Your Committee further finds that legalization in these states has avoided the criminalization of thousands of people, reduced opioid overdose deaths and untreated opioid use disorders, and lowered the number of arrests for driving under the influence of alcohol and other drugs. Your Committee additionally finds that recent polling indicates broad public support in Hawaii for the legalization of cannabis.

Your Committee also finds that medical cannabis dispensaries have been authorized to begin operating since July, 2016. Your Committee further finds that these dispensaries are highly regulated and monitored. Your Committee additionally finds that there is no need to set up an entirely new system of licensed cannabis retail establishments at this time when an established cannabis production and dispensary system already exists.

Accordingly, your Committee has amended this measure by:

- (1) Removing language allowing marijuana retail establishments;
- (2) Allowing medial cannabis dispensaries to begin selling recreational cannabis after February 1, 2021;



- (3) Allowing persons twenty-one years of age and older to possess up to 0.5 ounces of cannabis or cannabis products for personal use;
- (4) Imposing an additional fifteen percent excise tax on the sale of non-medical cannabis and non-medical cannabis products;
- (5) Specifying that thirty percent of the additional excise tax on the sale of non-medical cannabis and non-medical cannabis products shall be used to provide substance abuse prevention and education;
- (6) Clarifying that bans on smoking and the use of tobacco products also apply to smoking non-medical cannabis and non-medical cannabis products;
- (7) Making numerous conforming amendments, including changing "marijuana" to "cannabis" throughout; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 686, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

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

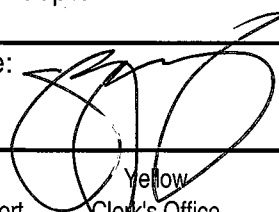


KARL RHOADS, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 686	JDC, WAM	2/7/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
WAKAI, Glenn (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes