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# 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 the regulated  
2       statewide dispensary system for medical cannabis was established  
3       on July 14, 2015, as Act 241, Session Laws of Hawaii 2015, to  
4       ensure safe and legal access to medical cannabis of qualifying  
5       patients. Since that time, the experience of the program  
6       indicates that improvements to the law will help to fulfill its  
7       original intent by clarifying provisions and implementing  
8       reasonable modifications to support patient access.

9       The purpose of this Act is to amend the medical cannabis  
10      dispensary law by making conforming amendments that:

- 11       (1) Repeal certain restrictions on medical cannabis  
12              dispensary siting;
- 13       (2) Include primary caregivers, qualifying out-of-state  
14              patients, and caregivers of a qualifying out-of-state  
15              patient as covered individuals; and
- 16       (3) Better serve the needs and protect the safety of  
17              Hawaii's seriously ill patients.



1       SECTION 2. Section 329D-1, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4       "Restricted access area" means a designated and secure  
5 area or areas within a retail dispensing location where medical  
6 cannabis and manufactured cannabis products are dispensed or  
7 made available for retail sale to a qualifying patient, primary  
8 caregiver, qualifying out-of-state patient, or caregiver of a  
9 qualifying out-of-state patient."

10       SECTION 3. Section 329D-7, Hawaii Revised Statutes, is  
11 amended to read as follows:

12       **"§329D-7 Medical cannabis dispensary rules. The**  
13 **department shall establish standards with respect to:**

- 14       (1) The number of medical cannabis dispensaries that shall  
15       be permitted to operate in the State;
- 16       (2) A fee structure for the submission of applications and  
17       renewals of licenses to dispensaries; provided that  
18       the department shall consider the market conditions in  
19       each county in determining the license renewal fee  
20       amounts;



- 1           (3) Criteria and procedures for the consideration and  
2           selection, based on merit, of applications for  
3           licensure of dispensaries; provided that the criteria  
4           shall include but not be limited to an applicant's:  
5           (A) Ability to operate a business;  
6           (B) Financial stability and access to financial  
7           resources; provided that applicants for medical  
8           cannabis dispensary licenses shall provide  
9           documentation that demonstrates control of not  
10          less than \$1,000,000 in the form of escrow  
11          accounts, letters of credit, surety bonds, bank  
12          statements, lines of credit or the equivalent to  
13          begin operating the dispensary;  
14          (C) Ability to comply with the security requirements  
15          developed pursuant to paragraph (6);  
16          (D) Capacity to meet the needs of qualifying patients  
17          and qualifying out-of-state patients;  
18          (E) Ability to comply with criminal background check  
19          requirements developed pursuant to paragraph (8);  
20          and



1 (F) Ability to comply with inventory controls

2 developed pursuant to paragraph (13);

3 (4) Specific requirements regarding annual audits and

4 reports required from each production center and

5 dispensary licensed pursuant to this chapter;

6 (5) Procedures for announced and unannounced inspections

7 by the department or its agents of production centers

8 and dispensaries licensed pursuant to this chapter;

9 provided that inspections for license renewals shall

10 be unannounced;

11 (6) Security requirements for the operation of production

12 centers and retail dispensing locations; provided

13 that, at a minimum, the following shall be required:

14 (A) For production centers:

15 (i) Video monitoring and recording of the

16 premises; provided that recordings shall be

17 retained for fifty days;

18 (ii) Fencing that surrounds the premises and that

19 is sufficient to reasonably deter intruders

20 and prevent anyone outside the premises from

21 viewing any cannabis in any form;



1 (iii) An alarm system; and

2 (iv) Other reasonable security measures to deter  
3 or prevent intruders, as deemed necessary by  
4 the department;

5 (B) For restricted access areas of retail dispensing  
6 locations:

7 (i) Presentation of a valid government-issued  
8 photo identification and a valid  
9 identification as issued by the department  
10 pursuant to section 329-123 by a qualifying  
11 patient or caregiver, or section 329-123.5  
12 by a qualifying out-of-state patient or  
13 caregiver of a qualifying out-of-state  
14 patient, upon entering the premises;

15 (ii) Video monitoring and recording of the  
16 premises; provided that recordings shall be  
17 retained for fifty days;

18 (iii) An alarm system;

19 (iv) Exterior lighting; and

20 (v) Other reasonable security measures as deemed  
21 necessary by the department;



- 1           (7) Security requirements for the transportation of  
2           cannabis and manufactured cannabis products between  
3           production centers and retail dispensing locations and  
4           between a production center, retail dispensing  
5           location, qualifying patient, primary caregiver,  
6           qualifying out-of-state patient, or caregiver of a  
7           qualifying out-of-state patient and a certified  
8           laboratory, pursuant to section 329-122(f);
- 9           (8) Standards and criminal background checks to ensure the  
10          reputable and responsible character and fitness of all  
11          license applicants, licensees, employees,  
12          subcontractors and their employees, and prospective  
13          employees of medical cannabis dispensaries to operate  
14          a dispensary; provided that the standards, at a  
15          minimum, shall exclude from licensure or employment  
16          any person convicted of any felony;
- 17          (9) The training and certification of operators and  
18          employees of production centers and dispensaries;
- 19          (10) The types of manufactured cannabis products that  
20          dispensaries shall be authorized to manufacture and  
21          sell pursuant to sections 329D-9 and 329D-10;



1 (11) Laboratory standards related to testing cannabis and  
2 manufactured cannabis products for content,  
3 contamination, and consistency;

4 (12) The quantities of cannabis and manufactured cannabis  
5 products that a dispensary may sell or provide to a  
6 qualifying patient, primary caregiver, qualifying out-  
7 of-state patient, or caregiver of a qualifying out-of-  
8 state patient; provided that no dispensary shall sell  
9 or provide to a qualifying patient, primary caregiver,  
10 qualifying out-of-state patient, or caregiver of a  
11 qualifying out-of-state patient any combination of  
12 cannabis and manufactured products that:

13 (A) During a period of fifteen consecutive days,  
14 exceeds the equivalent of four ounces of  
15 cannabis; or

16 (B) During a period of thirty consecutive days,  
17 exceeds the equivalent of eight ounces of  
18 cannabis;

19 (13) Dispensary and production center inventory controls to  
20 prevent the unauthorized diversion of cannabis or  
21 manufactured cannabis products or the distribution of



1           cannabis or manufactured cannabis products to a  
2           qualifying patient, primary caregiver, qualifying out-  
3           of-state patient, or caregiver of a qualifying out-of-  
4           state patient in quantities that exceed limits  
5           established by this chapter; provided that the  
6           controls, at a minimum, shall include:

7           (A)   A computer software tracking system as specified  
8                   in section 329D-6(j) and (k); and

9           (B)   Product packaging standards sufficient to allow  
10                  law enforcement personnel to reasonably determine  
11                  the contents of an unopened package;

12       (14)   Limitation to the size or format of signs placed  
13                  outside a retail dispensing location or production  
14                  center; provided that the signage limitations, at a  
15                  minimum, shall comply with section 329D-6(o)(2) and  
16                  shall not include the image of a cartoon character or  
17                  other design intended to appeal to children;

18       (15)   The disposal or destruction of unwanted or unused  
19                  cannabis and manufactured cannabis products;

20       (16)   The enforcement of the following prohibitions against:





1 (A) The sale or provision of cannabis or manufactured  
2 cannabis products to unauthorized persons;

3 (B) The sale or provision of cannabis or manufactured  
4 cannabis products to a qualifying patient,  
5 primary caregiver, qualifying out-of-state  
6 patient, or caregiver of a qualifying out-of-  
7 state patient in quantities that exceed limits  
8 established by this chapter;

9 (C) Any use or consumption of cannabis or  
10 manufactured cannabis products on the premises of  
11 a retail dispensing location or production  
12 center; and

13 (D) The distribution of cannabis or manufactured  
14 cannabis products, for free, on the premises of a  
15 retail dispensing location or production center;

16 (17) The establishment of a range of penalties for  
17 violations of this chapter or rule adopted thereto;  
18 and

19 (18) A process to recognize and register patients who are  
20 authorized to purchase, possess, and use medical  
21 cannabis in another state, a United States territory,



1 or the District of Columbia as qualifying out-of-state  
2 patients; provided that this registration process may  
3 commence no sooner than January 1, 2018."

4 SECTION 4. Section 329D-15, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6 "(a) No person shall intentionally or knowingly enter or  
7 remain [~~upon~~] within the [~~premises~~] restricted access area or  
8 areas of a medical cannabis retail dispensing location unless  
9 the individual is:

10 (1) An individual licensee or registered employee of the  
11 dispensary;

12 (2) A qualifying patient, primary caregiver, qualifying  
13 out-of-state patient, or caregiver of a qualifying  
14 out-of-state patient;

15 (3) A government employee or official acting in the  
16 person's official capacity; or

17 (4) Previously included on a current department-approved  
18 list provided to the department by the licensee of  
19 those persons who are allowed into that dispensary's  
20 facilities for a specific purpose for that dispensary,  
21 including but not limited to construction,



1 maintenance, repairs, legal counsel, providers of  
2 paratransit or other assistive services required by a  
3 qualifying patient, primary caregiver, qualifying out-  
4 of-state patient, or caregiver of a qualifying out-of-  
5 state patient to access a retail dispensary location,  
6 or investors; provided that:

7 (A) The person has been individually approved by the  
8 department to be included on the list;

9 (B) The person is at least twenty-one years of age,  
10 as verified by a valid government issued  
11 identification card;

12 (C) The department has confirmed that the person has  
13 no felony convictions;

14 (D) The person is escorted by an individual licensee  
15 or registered employee of the dispensary at all  
16 times while in the dispensary facility;

17 (E) The person is only permitted within those  
18 portions of the dispensary facility as necessary  
19 to fulfill the person's purpose for entering;

20 (F) The person is only permitted within the  
21 dispensary facility during the times and for the



1 duration necessary to fulfill the person's  
2 purpose for entering;

3 (G) The dispensary shall keep an accurate record of  
4 each person's first and last name, date and times  
5 upon entering and exiting the dispensary  
6 facility, purpose for entering, and the identity  
7 of the escort; and

8 (H) The approved list shall be effective for one year  
9 from the date of the department approval."

10 SECTION 5. Section 329D-21, Hawaii Revised Statutes, is  
11 amended by amending subsection (b) to read as follows:

12 "(b) Any person who violates any of the provisions of this  
13 chapter or the rules adopted pursuant thereto shall be fined not  
14 less than \$100 nor more than \$1,000 for each [~~violation~~]  
15 separate offense; provided that each day of each violation  
16 constitutes a separate offense."

17 SECTION 6. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

19 SECTION 7. This Act shall take effect upon its approval.



**Report Title:**

Medical Cannabis Dispensary System; Restricted Access Area

**Description:**

Allows primary caregivers, qualifying out-of-state patients, and caregivers of a qualifying out-of-state patient to access the restricted access area within a medical cannabis retail dispensary. Clarifies violations related to medical cannabis dispensaries. (SD1)

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

