CONFERENCE COMMITTEE REP. NO. 145

Honolulu, Hawaii

APR 2 3 2021

RE: S.B. No. 1139

S.D. 2 H.D. 1 C.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1139, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE OFFICE OF MEDICAL CANNABIS CONTROL AND REGULATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- Authorize the Department of Health to adopt administrative rules to establish patient registration fees beginning in fiscal year 2022;
- (2) Appropriate monies from the medical cannabis registry and regulation special fund to finance operations and staff, including administrative services, of the Office of Medical Cannabis Control and Regulation;

2021-2697 SCCR SMA.doc

- (3) Establish, hire, and fill one full-time equivalent (1.00 FTE) permanent position funded by the medical cannabis registry and regulation special fund; and
- (4) Establish a task force to explore a dual system program of legalization for cannabis and its impact on qualifying patients, which shall submit a report of its findings to the Legislature.

Your Committee on Conference finds that the Office of Medical Cannabis Control and Regulation was forced to eliminate six full-time positions, including critical administrative staff, due to the budget shortfalls caused by the coronavirus disease 2019 pandemic. Administrative and program staff are needed to meet current statutory requirements and the need for administrative and programmatic support will only increase as the landscape for medical cannabis grows and evolves. This measure allows the Department of Health to establish patient registration fees through administrative rules, which would give the Office the financial flexibility it needs to support its ongoing operating costs.

Your Committee on Conference has amended this measure by:

- (1) Removing the appropriation from the medical cannabis registry and regulation special fund and the full-time equivalent permanent position funded by that appropriation;
- (2) Amending section 1 of this measure to reflect its amended purpose;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1139, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1139, S.D. 2, H.D. 1, C.D. 1.

CONFERENCE COMMITTEE REP. NO. | Page 3

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

YAN T YYMANE

Co-Chai

AARON LING JOHANSON

Co-Chair

ADRIAN K. TAM

Co-Chair

ON THE PART OF THE SENATE

JARRETT KEOHOKALOLE

Chair

GILBERT S.C. KEITH-AGARAN

Co-Chair

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 1139, SD 2, HD 1					Date/Time: 04/23/2021 4:09 PM				
The recommendation of the House	and S	Senate	mana	gers					
☐ The Committee is reconsidering its	prev	ious de	ecisio	n.					
The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure				The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.					
Senate Managers	Α	WR	N	E	House Managers	Α	WR	N	E
KEOHOKALOLE, Jarrett, Chr.					YAMANE, Ryan I., Co-Chr.				
KEITH-AGARAN, Gilbert S.C., Co-Chr.	1				JOHANSON, Aaron Ling, Co-Chr.				
FEVELLA, Kurt	7				TAM, Adrian K., Co-Chr.				
					KAPELA, Jeanne	77			
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TOTAL	7		- /		TOTAL	6	-	1	/
A = Aye $WR = Aye$ with Reservation				N = Nay $E = Excused$					
Senate Recommendation is:				House Recommendation is:					
Adopted Not Adopted					Adopted Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
				Kyfr					
Distribution: Original File with Conference Co		ee Repo	ort	Не	Yellow Pink ouse Clerk's Office Senate Clerk's Office	e i	Gold Drafting	enrod g Ager	