

STAND. COM. REP. NO.

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Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 1139

S.D. 1

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

Sir:

Your Committee on Health, to which was referred S.B. No. 1139
entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to allow the
Department of Health to fully operationalize the Office of Medical
Cannabis Control and Regulation (OMCCR) to ensure patient access
and regulatory oversight of the licensed dispensaries by:

- (1) Changing the means of financing for general-funded OMCCR
positions from general funds to the medical cannabis
registry and regulation special fund;
- (2) Establishing, hiring, and filling three new permanent
full-time equivalent positions (3.0 FTE) funded by the
medical cannabis registry and regulation special fund;
and
- (3) Authorizing a \$10.00 per year increase to the patient
registration fee beginning in fiscal year 2022.

Your Committee received testimony in support of this measure
from the Department of Health and Hawai'i Cannabis Association.



Your Committee received comments on this measure from Akamai Cannabis Clinic.

Your Committee finds that the OMCCR can be fully operational, without general funds, by expending monies exclusively from the medical cannabis registry and regulation fund. Your Committee further finds that the OMCCR was forced to eliminate six full-time positions due to budget shortfalls related to the coronavirus disease 2019 pandemic. Finally, your Committee finds that authorizing the Department of Health to set patient registration fees via administrative rulemaking would allow the Department more flexibility to periodically change future registration fees. Your Committee notes that this measure as introduced inadvertently appropriates funds for the establishment of three full-time equivalent positions for only the 2021-2022 fiscal year, when in fact, the positions were intended to also continue for the 2022-2023 fiscal year.

Therefore, your Committee has amended this measure by:

- (1) Authorizing the Department of Health to set patient registration fees via administrative rulemaking;
- (2) Amending section 4 to appropriate funds for three permanent full-time equivalent (3.00 FTE) positions for fiscal year 2022-2023; and
- (3) 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1139, S.D. 1, and be referred to your Committee on Ways and Means.



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



GARRETT KEOHOKALOLE, Chair



