



To: Senator Donovan Dela Cruz, Chair  
Senator Gilbert Keith-Agaran, Vice-Chair  
Member of the Committee on Ways and Means

Fr: Blake Oshiro, Esq. on behalf of the HICIA Hawai'i Cannabis Industry Association

Re: Testimony in **Support of Senate Bill (SB) 1139, Senate Draft (SD) 1**  
RELATING TO OFFICE OF MEDICAL CANNABIS CONTROL AND  
REGULATION  
Authorizes the Department of Health to set patient registration fees by administrative  
rulemaking, adds 3.0 FTE positions for staff and operations of the office of medical  
cannabis control and regulation, and changes means of finance for positions.

Dear Chair, Vice-Chair and Members of the Committee:

The Hawai'i Cannabis Industry Association, formerly known as the Hawai'i Educational Association for Therapeutic Health, represents all eight of the state's licensed medical cannabis dispensaries. HICIA **supports** SB1139, SD1 which would allow the Department of Health (DOH) to administratively set the fee a medical cannabis card ("329 card"), change the means of financing from general to special funds, and authorize additional full-time employee positions.

We sincerely appreciate the hard-work, dedication, on-going communications with the Office of Medical Cannabis Control and Regulation (OMCCR), along with its leadership. While they take their regulatory role very seriously, they are also willing to engage and communicate about their positions and interpretations on issues, and their execution and implementation of the laws and regulations.

However, as a highly regulated and scrutinized industry, there is a high level of demand on skilled and knowledgeable OMCCR employees, willing to look at ongoing research and science, and evolving business and best-practices in an industry that is constantly changing, not just here, but world-wide.

Unfortunately, our experience is that the current OMCCR staff is stretched-thin and unable to keep up with the demands of the industry and its qualified patients. This is not to fault the OMCCR employees, or even its leadership, but there is just simply a need for more resources to be invested into this agency.

As such, we support this bill as a modest means of finding the fiscal resources to fund the need for these additional services.

Hawai'i Cannabis Industry Association (HICIA)  
220 S King St #1600, Honolulu, HI 96813  
[www.808hcia.com](http://www.808hcia.com)



Hawai'i Cannabis Industry Association (HICIA)  
220 S King St #1600, Honolulu, HI 96813  
[www.808hcia.com](http://www.808hcia.com)



**Akamai Cannabis Clinic**  
3615 Harding Ave, Suite 304  
Honolulu, HI 96816

TESTIMONY ON SENATE BILL 1139 SENATE DRAFT 1  
RELATING TO THE OFFICE OF MEDICAL CANNABIS CONTROL AND  
REGULATION

By  
Clifton Otto, MD

Senate Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Friday, February 26, 2021; 9:30 AM  
State Capitol, Videoconference

Thank you for the opportunity to provide the following COMMENTS on this measure.

The Office of Medical Cannabis Control and Regulation (OMCCR) has already demonstrated that it is unable to adequately regulate the dispensary program. It does not make sense to now give the department complete control over determining registration fees. OMCCR must first disclose to the public how it has been using annual revenue of over \$1M from registration fees for the past two years before it should be allowed to approach the Legislature for a change in how these fees are determined.

Therefore, please strike these changes from this SD1, and re-consider next Session:

SECTION 2. Section 329-123, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Qualifying patients shall register with the department of health. The registration shall be effective until the expiration of the certificate issued by the department of health and signed by the physician or advanced practice registered nurse. Every qualifying patient shall provide sufficient identifying information to establish the personal identities of

the qualifying patient and the primary caregiver. Qualifying patients shall report changes in information within ten working days. Every qualifying patient shall have only one primary caregiver at any given time. The department of health shall issue to the qualifying patient a registration certificate, [~~and is authorized to establish fees by administrative rules~~] and shall charge \$35 per year. [~~as determined by the department~~]."

SECTION 3. Section 329-123.5, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

"(e) Each qualifying out-of-state patient shall pay a fee of \$45 [~~in an amount determined by the department~~] for each registration and renewal."

**Second, OMCCR does not have any cannabis experts on staff. This needs to be remedied by adding the following amendment to this bill:**

SECTION 4. There is appropriated out of the medical cannabis registry and regulation special fund, established pursuant to section 321-30.1, Hawaii Revised Statutes, the sum of \$ \_\_\_\_\_ or so much thereof as may be necessary for fiscal year 2021-2022 and the same sum or so much thereof as may be necessary for fiscal year 2022-2023 for staff and operations of the office of medical cannabis control and regulation, including the establishment of three permanent full-time equivalent (3.00

Testimony on SB1139 SD1  
February 26, 2021  
Page 3

FTE) positions, one of which shall be a certified Cannabinoid  
Medicine Specialist.

And lastly, in order for Hawaii's Medical Cannabis Program to be properly regulated, OMCCR needs to be moved from the Health Resources Administration (HRA) to the Environmental Health Administration (EHA), where the capabilities of the Food Safety Branch can be brought back online.

Therefore, please add the following statutory amendment to this bill:

"§329D-2.5 Office of medical cannabis control and regulation;  
established; duties. (a) There is established within the  
department the office of medical cannabis control and  
regulation, which shall report to the deputy director of  
environmental health administration effective September 1, 2021  
~~[health resources administration]~~.

Thank you for considering these important changes.

Aloha.