STAND. COM. REP. NO. 624

Honolulu, Hawaii

FEB 19, 2021

RE: H.B. No. 477
H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 477, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CANNABIS,"

begs leave to report as follows:

The purpose of this measure is to:

(1) Allow medical cannabis dispensaries to transport up to three thousand grams of cannabis or manufactured cannabis products to purchasing dispensaries;

(2) Include propagules and cuttings in the definition of "cannabis", thereby allowing dispensaries to transport and sell propagules and cuttings to other dispensaries and allowing qualifying patients and primary caregivers to purchase propagules and cuttings;

(3) Change the allowable number of production centers and retail dispensing locations per medical cannabis dispensary license; and

(4) Allow sales of cannabis and manufactured cannabis products between licensed medical cannabis dispensaries.

Your Committee received testimony in support of this measure from the Hawai'i Cannabis Industry Association, Green Aloha Ltd., Big Island Grown Dispensaries, Medcan Hawaii LLC, and two individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Public Safety, and Department of Health.

Your Committee finds that this measure is intended to enhance the State's medical cannabis dispensary program by authorizing additional facilities to ensure greater patient access, adding additional product controls and safety, and providing improvements needed for better administration of the medical cannabis dispensary program.

Your Committee has amended this measure by:

(1) Clarifying that as long as federal law prohibits transportation of medical cannabis over a body of water, dispensary-to-dispensary sales may only occur between dispensaries located on the same island;

(2) Specifying that, beginning December 31, 2021, qualifying patients shall only obtain medical cannabis or manufactured cannabis products from licensed dispensaries or by cultivating cannabis at an authorized grow site used by no more than two, rather than five, qualifying patients;

(3) Authorizing the Department of Health or law enforcement, upon the request of the Department, to make administrative inspections of registered grow sites for purposes of verifying compliance;

(4) Prohibiting primary caregivers from cultivating cannabis for qualifying patients after December 31, 2021;

(5) Removing language permitting the sale of cannabis cuttings and propagules and making associated conforming amendments;

(6) Specifying that the Department of Health shall establish manufacturing and product stability standards, rather than sanitation standards, for the manufacture of manufactured cannabis products; and

(7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 477, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 477, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,

AARON LING JOHANSON, Chair

State of Hawaii
House of Representatives
The Thirty-first Legislature

HSCR 624

## Record of Votes of the Committee on Consumer Protection & Commerce

| Bill/Resolution No.: | Committee Referral: | Date: |
|---|---|---|
| HB477 HD1 | HHH, CPC, FIN | 2/16/2021 |

☐ The committee is reconsidering its previous decision on the measure.

**The recommendation is to:** ☐ Pass, unamended (as is) ☑ Pass, with amendments (HD) ☐ Hold
☐ Pass short form bill with HD to recommit for future public hearing (recommit)

| CPC Members | Ayes | Ayes (WR) | Nays | Excused |
|---|---|---|---|---|
| 1. JOHANSON, Aaron Ling (C) | ✓ | | | |
| 2. KITAGAWA, Lisa (VC) | ✓ | | | |
| 3. AQUINO, Henry J.C. | ✓ | | | |
| 4. HAR, Sharon E. | ✓ | | | |
| 5. HASHEM, Mark J. | | | | ✓ |
| 6. KONG, Sam Satoru | ✓ | | | |
| 7. MIZUNO, John M. | ✓ | | | |
| 8. MORIKAWA, Dee | ✓ | | | |
| 9. ONISHI, Richard H.K. | ✓ | | | |
| 10. TARNAS, David A. | ✓ | | | |
| 11. MATSUMOTO, Lauren | ✓ | | | |
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| TOTAL (11) | 10 | 0 | 0 | 1 |

**The recommendation is:** ☑ Adopted ☐ Not Adopted
If joint referral, _____ did not support recommendation.
committee acronym(s)

**Vice Chair's or designee's signature:** _____

**Distribution:** Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO