
A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

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PART I

SECTION 1. The purpose of this Act is to:

- (1) Define "waiting room" within a medical cannabis retail dispensing location and specify who may have access to the waiting room;
- (2) Clarify the department of health's rulemaking authority;
- (3) Establish system access and integration requirements for the computer software tracking system for medical cannabis dispensaries;
- (4) Require the department of health to annually report to the legislature on data captured using the computer software tracking system;
- (5) Amend the medical cannabis dispensary program licensing fee structure;
- (6) Add or clarify requirements for the dispensary program related to signage, types of permitted manufactured



- 1 cannabis products, supervision of certain personnel
2 who are onsite at a retail dispensing location or
3 medical cannabis production center, and the continuing
4 education and training program conducted by the
5 department of health;
- 6 (7) Clarify that each day a violation of the medical
7 cannabis dispensary program law occurs constitutes a
8 separate violation;
- 9 (8) Establish annual reporting requirements for the
10 department of health regarding the medical cannabis
11 patient registry program;
- 12 (9) Require the department of business, economic
13 development, and tourism to submit a report to the
14 legislature analyzing aggregated de-identified
15 information regarding the medical cannabis patient
16 registry program and medical cannabis dispensary
17 program; and
- 18 (10) Make various housekeeping amendments.

19 PART II

20 SECTION 2. Section 329D-1, Hawaii Revised Statutes, is
21 amended as follows:



1 1. By adding a new definition to be appropriately inserted
2 and to read as follows:

3 ""Waiting room" means a designated area at the public
4 entrance of a retail dispensing location that may be accessed by
5 a member of the general public who is waiting for, assisting, or
6 accompanying a qualifying patient, primary caregiver, qualifying
7 out-of-state patient, or caregiver of a qualifying out-of-state
8 patient who enters or remains on the premises of a retail
9 dispensing location for the purpose of a transaction conducted
10 pursuant to sections 329D-6 and 329D-13; provided that the
11 storage, display, and retail sale of cannabis and manufactured
12 cannabis products shall be prohibited within the waiting room
13 area."

14 2. By amending the definition of "manufactured cannabis
15 product" to read as follows:

16 ""Manufactured cannabis product" means any capsule,
17 lozenge, oil or oil extract, tincture, ointment or skin lotion,
18 pill, transdermal patch, or pre-filled and sealed container used
19 to aerosolize and deliver cannabis orally[~~r~~] or by inhalation,
20 such as an inhaler [~~or~~], nebulizer, or device that provides safe
21 pulmonary administration, that has been manufactured using



1 cannabis[7]; edible cannabis products; pre-rolled cannabis
2 flower products; or any other products as specified by the
3 department pursuant to section 329D-10(a)(11)."

4 SECTION 3. Section 329D-6, Hawaii Revised Statutes, is
5 amended as follows:

6 1. By amending subsection (j) to read:

7 "(j) The department shall establish, maintain, and control
8 a computer software tracking system that shall have real time,
9 twenty-four-hour access to the data of all dispensaries.

10 (1) The computer software tracking system shall collect
11 data relating to:

12 (A) The total amount of cannabis in possession of all
13 dispensaries from either seed or immature plant
14 state, including all plants that are derived from
15 cuttings or cloning, until the cannabis, cannabis
16 plants, or manufactured cannabis product is sold
17 or destroyed pursuant to section 329D-7;

18 (B) The total amount of manufactured cannabis product
19 inventory, including the equivalent physical
20 weight of cannabis that is used to manufacture
21 manufactured cannabis products, purchased by a



- 1 qualifying patient, primary caregiver, qualifying
2 out-of-state patient, and caregiver of a
3 qualifying out-of-state patient from all retail
4 dispensing locations in the State in any fifteen-
5 day period;
- 6 (C) The amount of waste produced by each plant at
7 harvest; and
- 8 (D) The transport of cannabis and manufactured
9 cannabis products between production centers and
10 retail dispensing locations and as authorized by
11 subsection (r), including tracking identification
12 issued by the tracking system, the identity of
13 the person transporting the cannabis or
14 manufactured cannabis products, and the make,
15 model, and license number of the vehicle being
16 used for the transport;
- 17 (2) The procurement of the computer software tracking
18 system established pursuant to this subsection shall
19 be exempt from chapter 103D; provided that:



- 1 (A) The department shall publicly solicit at least
2 three proposals for the computer software
3 tracking system; and
- 4 (B) The selection of the computer software tracking
5 system shall be approved by the director of the
6 department and the chief information officer;
7 [and]
- 8 (3) The computer software tracking system established
9 pursuant to this subsection shall meet the following
10 system access requirements:
- 11 (A) The department of taxation shall have ready
12 access to the data collected by the computer
13 software tracking system for the purpose of
14 taxation and regulation of cannabis and
15 manufactured cannabis products; and
- 16 (B) Banks and other financial institutions may be
17 allowed access to specific limited information
18 from the computer software tracking system;
19 provided that the information that may be
20 available to these institutions shall be limited
21 to financial data of individuals and business



1 entities that have a business relationship with
2 the bank or other financial institution; provided
3 further that the information provided shall be
4 limited to the information needed by banks or
5 other financial institutions to comply with
6 applicable federal regulations and shall not
7 include medical or personal information about
8 registered qualifying patients or primary
9 caregivers;

10 (4) The computer software tracking system shall allow for
11 integration with other enterprise software systems;
12 provided that the use of any third-party tracking
13 system that integrates with the computer software
14 tracking system established by this subsection shall
15 not relieve a dispensary from complying with the
16 mandated use of the computer software tracking system
17 established by this subsection;

18 (5) Using data obtained from the computer software
19 tracking system, the department shall submit a report
20 to the legislature no later than twenty days prior to



1 the convening of each regular session. The report
2 shall include the following information:

3 (A) A summary of dispensary supply chain activity,
4 including annual statewide sales of cannabis and
5 manufactured cannabis products;

6 (B) Total number of cultivated plants in the State;

7 (C) Total weight of harvested material;

8 (D) Total number of plants in a vegetative state in
9 the State;

10 (E) Average price per gram for retail cannabis and
11 manufactured cannabis products;

12 (F) Total number of plant or product recalls; and

13 (G) All other public safety concerns addressed during
14 the previous reporting year; and

15 [~~3~~] (6) Notwithstanding any other provision of this
16 subsection to the contrary, once the department has
17 authorized a licensed dispensary to commence sales of
18 cannabis or manufactured cannabis products, if the
19 department's computer software tracking system is
20 inoperable or is not functioning properly, as an
21 alternative to requiring dispensaries to temporarily



1 cease operations, the department may implement an
2 alternate tracking system that will enable a
3 qualifying patient, primary caregiver, qualifying out-
4 of-state patient, and caregiver of a qualifying out-
5 of-state patient to purchase cannabis or manufactured
6 cannabis products from a licensed dispensary on a
7 temporary basis. The department shall seek input
8 regarding the alternate tracking system from medical
9 cannabis licensees. The alternate tracking system may
10 operate as follows:

11 (A) The department may immediately notify all
12 licensed dispensaries that the computer software
13 tracking system is inoperable; and

14 (B) Once the computer software tracking system is
15 operational and functioning to meet the
16 requirements of this subsection, the department
17 may notify all licensed dispensaries, and the
18 alternate tracking system in this subsection
19 shall be discontinued."

20 2. By amending subsection (o) to read:

21 "(o) A dispensary shall not:



- 1 (1) Display cannabis or manufactured cannabis products in
2 windows or in public view; or
- 3 (2) Post any signage other than [~~a single sign~~] one or two
4 signs, each no greater than one thousand six hundred
5 square inches bearing only the business or trade name
6 in text without any pictures or illustrations;
7 provided that if any applicable law or ordinance
8 restricting outdoor signage is more restrictive, that
9 law or ordinance shall govern."
- 10 3. By amending subsection (r) to read:
- 11 "(r) The department may authorize a dispensary to purchase
12 cannabis and manufactured cannabis products from another
13 dispensary in a manner prescribed by the department by rules
14 adopted pursuant to [~~this chapter and chapter 91;~~] section 329D-
15 27; provided that:
- 16 (1) The purchasing dispensary establishes to the
17 department's satisfaction that:
- 18 (A) The purchase is necessary to ensure that
19 qualifying patients have continuous access to
20 cannabis for medical use; or



1 (B) The cannabis and manufactured cannabis products
2 are for medical, scientific, or other legitimate
3 purposes approved by the State;

4 (2) The selling dispensary may transport no more than
5 eight hundred ounces of cannabis or manufactured
6 cannabis products to the purchasing dispensary within
7 a thirty-day period;

8 (3) The cannabis and manufactured cannabis products are
9 transported between the dispensaries for medical,
10 scientific, or other legitimate purposes approved by
11 the State; and

12 (4) Nothing in this subsection shall relieve any
13 dispensary of its responsibilities and obligations
14 under this chapter and chapter 329."

15 SECTION 4. Section 329D-7, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "**§329D-7 Medical cannabis dispensary rules.** The
18 department shall establish standards with respect to:

19 (1) The number of medical cannabis dispensaries that shall
20 be permitted to operate in the State;



- 1 (2) A fee structure, set by rules adopted pursuant to
2 chapter 91, for:
- 3 (A) The submission of applications and renewals of
4 licenses to dispensaries; provided that [~~the~~]
- 5 (i) A dispensary license may be renewed for an
6 annual fee of no more than \$50,000 for the
7 first three retail dispensing locations and
8 two production centers, with no more than
9 five thousand cannabis plants and associated
10 manufacturing operations for each production
11 center;
- 12 (ii) Each additional retail dispensing location
13 thereafter shall pay an annual fee of no
14 more than \$20,000; and
- 15 (iii) The department shall consider the market
16 conditions in each county in determining the
17 license renewal fee amounts;
- 18 (B) The submission of applications and renewals for
19 each additional production center[+] or a
20 production center's additional plant count or
21 manufacturing operation not included in



- 1 subparagraph (A) shall be no more than \$1 per
2 plant; and
- 3 (C) Dispensary-to-dispensary sales authorized by
4 section 329D-6(r);
- 5 provided that no designated fee shall increase by more
6 than two and one-half per cent annually;
- 7 (3) Criteria and procedures for the consideration and
8 selection, based on merit, of applications for
9 licensure of dispensaries; provided that the criteria
10 shall include but not be limited to an applicant's:
11 (A) Ability to operate a business;
12 (B) Financial stability and access to financial
13 resources; provided that applicants for medical
14 cannabis dispensary licenses shall provide
15 documentation that demonstrates control of not
16 less than \$1,000,000 in the form of escrow
17 accounts, letters of credit, surety bonds, bank
18 statements, lines of credit, or the equivalent to
19 begin operating the dispensary;
- 20 (C) Ability to comply with the security requirements
21 developed pursuant to paragraph (6);



- 1 (D) Capacity to meet the needs of qualifying patients
- 2 and qualifying out-of-state patients;
- 3 (E) Ability to comply with criminal background check
- 4 requirements developed pursuant to paragraph (8);
- 5 and
- 6 (F) Ability to comply with inventory controls
- 7 developed pursuant to paragraph (13);
- 8 (4) Specific requirements regarding annual audits and
- 9 reports required from each production center and
- 10 dispensary licensed pursuant to this chapter;
- 11 (5) Procedures for announced and unannounced inspections
- 12 by the department or its agents of production centers
- 13 and dispensaries licensed pursuant to this chapter;
- 14 provided that inspections for license renewals shall
- 15 be unannounced;
- 16 (6) Security requirements for the operation of production
- 17 centers and retail dispensing locations; provided
- 18 that, at a minimum, the following shall be required:
- 19 (A) For production centers:



- 1 (i) Video monitoring and recording of the
- 2 premises; provided that recordings shall be
- 3 retained for fifty days;
- 4 (ii) Fencing that surrounds the premises and that
- 5 is sufficient to reasonably deter intruders
- 6 and prevent anyone outside the premises from
- 7 viewing any cannabis in any form;
- 8 (iii) An alarm system; and
- 9 (iv) Other reasonable security measures to deter
- 10 or prevent intruders, as deemed necessary by
- 11 the department;
- 12 (B) For retail dispensing locations:
- 13 (i) Presentation of a valid government-issued
- 14 photo identification and a valid
- 15 identification as issued by the department
- 16 pursuant to section 329-123 by a qualifying
- 17 patient or caregiver, or section 329-123.5
- 18 by a qualifying out-of-state patient or
- 19 caregiver of a qualifying out-of-state
- 20 patient, upon entering the premises;



- 1 (ii) Video monitoring and recording of the
2 premises; provided that recording shall be
3 retained for fifty days;
- 4 (iii) An alarm system;
- 5 (iv) Exterior lighting; and
- 6 (v) Other reasonable security measures as deemed
7 necessary by the department;
- 8 (7) Security requirements for the transportation of
9 cannabis and manufactured cannabis products between
10 production centers and retail dispensing locations and
11 between a production center, retail dispensing
12 location, qualifying patient, primary caregiver,
13 qualifying out-of-state patient, or caregiver of a
14 qualifying out-of-state patient and a certified
15 laboratory, pursuant to section 329-122(f);
- 16 (8) Standards and criminal background checks to ensure the
17 reputable and responsible character and fitness of all
18 license applicants, licensees, employees,
19 subcontractors and their employees, and prospective
20 employees of medical cannabis dispensaries to operate
21 a dispensary; provided that the standards, at a



- 1 minimum, shall exclude from licensure or employment
2 any person convicted of any felony;
- 3 (9) The training and certification of operators and
4 employees of production centers and dispensaries;
- 5 (10) The types of manufactured cannabis products that
6 dispensaries shall be authorized to manufacture and
7 sell pursuant to sections 329D-9 and 329D-10;
- 8 (11) Laboratory standards related to testing cannabis and
9 manufactured cannabis products for content,
10 contamination, and consistency;
- 11 (12) The quantities of cannabis and manufactured cannabis
12 products that a dispensary may sell or provide to a
13 qualifying patient, primary caregiver, qualifying out-
14 of-state patient, or caregiver of a qualifying out-of-
15 state patient; provided that no dispensary shall sell
16 or provide to a qualifying patient, primary caregiver,
17 qualifying out-of-state patient, or caregiver of a
18 qualifying out-of-state patient any combination of
19 cannabis and manufactured cannabis products that:



- 1 (A) During a period of fifteen consecutive days,
2 exceeds the equivalent of four ounces of
3 cannabis; or
- 4 (B) During a period of thirty consecutive days,
5 exceeds the equivalent of eight ounces of
6 cannabis;
- 7 (13) Dispensary and production center inventory controls to
8 prevent the unauthorized diversion of cannabis or
9 manufactured cannabis products or the distribution of
10 cannabis or manufactured cannabis products to a
11 qualifying patient, primary caregiver, qualifying out-
12 of-state patient, or caregiver of a qualifying out-of-
13 state patient in quantities that exceed limits
14 established by this chapter; provided that the
15 controls, at a minimum, shall include:
 - 16 (A) A computer software tracking system as specified
17 in section 329D-6(j) and (k); and
 - 18 (B) Product packaging standards sufficient to allow
19 law enforcement personnel to reasonably determine
20 the contents of an unopened package;



- 1 (14) Limitation to the size or format of signs placed
- 2 outside a retail dispensing location or production
- 3 center; provided that the signage limitations, at a
- 4 minimum, shall comply with section 329D-6(o)(2) and
- 5 shall not include the image of a cartoon character or
- 6 other design intended to appeal to children;
- 7 (15) The disposal or destruction of unwanted or unused
- 8 cannabis and manufactured cannabis products;
- 9 (16) The enforcement of the following prohibitions against:
- 10 (A) The sale or provision of cannabis or manufactured
- 11 cannabis products to unauthorized persons;
- 12 (B) The sale or provision of cannabis or manufactured
- 13 cannabis products to a qualifying patient,
- 14 primary caregiver, qualifying out-of-state
- 15 patient, or caregiver of a qualifying out-of-
- 16 state patient in quantities that exceed limits
- 17 established by this chapter;
- 18 (C) Any use or consumption of cannabis or
- 19 manufactured cannabis products on the premises of
- 20 a retail dispensing location or production
- 21 center; and



- 1 (D) The distribution of cannabis or manufactured
- 2 cannabis products, for free, on the premises of a
- 3 retail dispensing location or production center;
- 4 (17) The establishment of a range of penalties for
- 5 violations of this chapter or rule adopted thereto;
- 6 ~~[and]~~
- 7 (18) A process to recognize and register patients who are
- 8 authorized to purchase, possess, and use medical
- 9 cannabis in another state, a United States territory,
- 10 or the District of Columbia as qualifying out-of-state
- 11 patients[~~;~~ ~~provided that this registration process may~~
- 12 ~~commence no sooner than January 1, 2018.~~]; and
- 13 (19) Security requirements and restrictions regarding
- 14 waiting rooms, including but not limited to:
- 15 (A) Security measures to prevent unauthorized access
- 16 to any area within the retail dispensing location
- 17 outside of the waiting room;
- 18 (B) Restrictions on marketing and advertising within
- 19 the waiting room;
- 20 (C) Restrictions on signage within the waiting room;
- 21 and



1 (D) Other reasonable security measures or
2 restrictions as deemed necessary by the
3 department."

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

6 "(a) The types of medical cannabis products that may be
7 manufactured and distributed pursuant to this chapter shall be
8 limited to:

- 9 (1) Capsules;
10 (2) Lozenges;
11 (3) Pills;
12 (4) Oils and oil extracts;
13 (5) Tinctures;
14 (6) Ointments and skin lotions;
15 (7) Transdermal patches;
16 (8) Pre-filled and sealed containers used to aerosolize
17 and deliver cannabis orally, or by inhalation, such as
18 with an inhaler [~~or~~], nebulizer[+], or device that
19 provides safe pulmonary administration; provided that
20 [containers]:



1 (A) Containers need not be manufactured by the
2 licensed dispensary but shall be filled with
3 cannabis, cannabis oils, or cannabis extracts
4 manufactured by the licensed dispensary~~[†]~~ or as
5 permitted by section 329D-6(r); but shall not
6 contain nicotine, tobacco-related products, or
7 any other non-cannabis derived products; and
8 ~~[shall be designed to be used with devices used~~
9 ~~to provide safe pulmonary administration of~~
10 ~~manufactured cannabis products;~~

11 ~~(9) Devices]~~

12 (B) For devices that provide safe pulmonary
13 administration~~[; provided that]:~~

14 ~~[(A)]~~ (i) The heating element of the device, if any,
15 ~~[is]~~ shall be made of inert materials such as
16 glass, ceramic, or stainless steel, and not of
17 plastic or rubber;

18 ~~[(B)]~~ (ii) The device [is] shall be distributed solely
19 for use with single-use, pre-filled, tamper-
20 resistant, sealed containers that do not contain
21 nicotine or other tobacco products;



- 1 ~~[(C) The device is used to aerosolize and deliver~~
2 ~~cannabis by inhalation, such as an inhaler,~~
3 ~~medical-grade nebulizer, or other similar medical~~
4 ~~grade volitization device;~~
- 5 ~~(D)]~~ (iii) There ~~[is]~~ shall be a temperature control
6 on the device that is regulated to prevent the
7 combustion of cannabis oil; and
- 8 ~~(E)]~~ (iv) The device need not be manufactured by the
9 licensed dispensary;
- 10 (9) Pre-rolled cannabis flower products, as specified by
11 the department;
- 12 (10) ~~[Other products, including edible]~~ Edible cannabis
13 products, as specified by the department; and
- 14 (11) Other products as specified by the department."

15 SECTION 6. Section 329D-12, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) The following shall be subject to background checks
18 conducted by the department or its designee, including but not
19 limited to criminal history record checks in accordance with
20 section 846-2.7:



- 1 (1) Each applicant and licensee for a medical cannabis
2 dispensary license, including the individual applicant
3 and all officers, directors, members of a limited
4 liability corporation; shareholders with at least
5 twenty-five per cent or more ownership interest in a
6 corporation; and managers of an entity applicant;
- 7 (2) Each employee of a medical cannabis dispensary;
- 8 (3) Each employee of a subcontracted production center or
9 retail dispensing location;
- 10 (4) All officers, directors, members of a limited
11 liability corporation; and shareholders with at least
12 twenty-five per cent or more ownership interest in a
13 corporate owner of a subcontracted production center
14 or retail dispensing location; and
- 15 (5) Any person permitted to enter and remain in a
16 ~~[dispensary facility]~~ retail dispensing location
17 pursuant to section 329D-15(a) (4) or 329D-16(a) (3).
- 18 The person undergoing the background check shall provide written
19 consent and all applicable processing fees to the department or
20 its designee to conduct the background checks."



1 SECTION 7. Section 329D-15, Hawaii Revised Statutes, is
2 amended by amending subsections (a) and (b) to read as follows:

3 "(a) No person shall intentionally or knowingly enter or
4 remain upon the premises of a medical cannabis retail dispensing
5 location unless the individual is:

- 6 (1) An individual licensee or registered employee of the
7 dispensary;
- 8 (2) A qualifying patient, primary caregiver, qualifying
9 out-of-state patient, or caregiver of a qualifying
10 out-of-state patient;
- 11 (3) A government employee or official acting in the
12 person's official capacity; or
- 13 (4) Previously included on a current department-approved
14 list provided to the department by the licensee of
15 those persons who are allowed into that ~~[dispensary's~~
16 ~~facilities]~~ retail dispensing location for a specific
17 purpose for that dispensary, including but not limited
18 to construction, maintenance, repairs, legal counsel,
19 providers of paratransit or other assistive services
20 required by a qualifying patient, primary caregiver,
21 qualifying out-of-state patient, or caregiver of a



1 qualifying out-of-state patient to access a retail
2 ~~[dispensary]~~ dispensing location, or investors;
3 provided that;

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

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

9 (C) The department has confirmed that the person has
10 no felony convictions;

11 (D) The person is escorted by an individual licensee
12 or registered employee of the dispensary at all
13 times while in the ~~[dispensary facility;]~~ retail
14 dispensing location; provided that construction
15 and maintenance personnel who are not normally
16 engaged in the business of cultivating,
17 processing, or selling medical cannabis need not
18 be accompanied on a full-time basis, but shall be
19 reasonably monitored by an individual licensee or
20 registered employee of the retail dispensing



1 location while in areas not containing any
2 cannabis or manufactured cannabis products;
3 (E) The person is only permitted within those
4 portions of the [~~dispensary facility~~] retail
5 dispensing location as necessary to fulfill the
6 person's purpose for entering;
7 (F) The person is only permitted within the
8 [~~dispensary facility~~] retail dispensing location
9 during the times and for the duration necessary
10 to fulfill the person's purpose for entering;
11 (G) The dispensary shall keep an accurate record of
12 each person's first and last name, date and times
13 upon entering and exiting the [~~dispensary~~
14 ~~facility,~~] retail dispensing location, purpose
15 for entering, and the identity of the escort; and
16 (H) The approved list shall be effective for one year
17 from the date of the department approval[-];
18 provided that a member of the general public may enter or remain
19 within the waiting room of a retail dispensing location.
20 (b) No individual licensee or registered employee of a
21 medical cannabis dispensary with control over or responsibility

1 for a retail dispensing location shall intentionally or
2 knowingly allow another to enter or remain upon the premises of
3 the retail dispensing location, unless the other is permitted to
4 enter and remain as specified in subsection (a) ~~[-]~~, except in an
5 emergency situation to repair infrastructure at a retail
6 dispensing location by a person not on the department-approved
7 list; provided that the repair worker shall be escorted at all
8 times, and the licensee shall notify the department of the use
9 of this individual immediately."

10 SECTION 8. Section 329D-16, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "[+]§329D-16[+] **Criminal offense; unauthorized access to**
13 **production centers.** (a) No person shall intentionally or
14 knowingly enter or remain upon the premises of a medical
15 cannabis production center unless the person is:

16 (1) An individual licensee or registered employee of the
17 production center;

18 (2) A government employee or official acting in the
19 person's official capacity; or

20 (3) Previously included on a current department-approved
21 list provided to the department by the licensee of



1 those persons who are allowed into that [~~dispensary's~~
2 ~~facilities~~] production center for a specific purpose
3 for that [~~dispensary,~~] production center, including
4 but not limited to construction, maintenance, repairs,
5 legal counsel, or investors; provided that:

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

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

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

13 (D) The person is escorted by an individual licensee
14 or registered employee of the [~~dispensary~~]
15 production center at all times while in the
16 [~~dispensary facility;~~] production center;
17 provided that construction and maintenance
18 personnel not normally engaged in the business of
19 cultivating, processing, or selling medical
20 cannabis need not be accompanied on a full-time
21 basis, but shall be reasonably monitored by an



1 individual licensee or registered employee of the
2 production center while in areas not containing
3 any cannabis or manufactured cannabis products;

4 (E) The person is only permitted within those
5 portions of the [~~dispensary facility~~] production
6 center as necessary to fulfill the person's
7 purpose for entering;

8 (F) The person is only permitted within the
9 [~~dispensary facility~~] production center during
10 the times and for the duration necessary to
11 fulfill the person's purpose for entering;

12 (G) The [~~dispensary~~] production center shall keep an
13 accurate record of each person's identity, date
14 and times upon entering and exiting the
15 [~~dispensary facility,~~] production center, purpose
16 for entering, and the identity of the escort; and

17 (H) The approved list shall be effective for one year
18 from the date of department approval.

19 (b) No individual licensee or registered employee of a
20 medical cannabis dispensary with control over or responsibility
21 for a production center shall intentionally or knowingly allow



1 another to enter or remain upon the premises of the production
2 center, unless the other is permitted to enter and remain as
3 specified in subsection (a) ~~[]~~, except in an emergency situation
4 to repair infrastructure at a production center by a person not
5 on the department-approved list; provided that the repair worker
6 shall be escorted at all times, and the licensee shall notify
7 the department of the use of this individual immediately.

8 (c) Unauthorized access to a production center is a class
9 C felony."

10 SECTION 9. 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 violation. Each day on which a violation occurs or
16 continues shall be counted as a separate violation."

17 SECTION 10. Section 329D-23, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) The department shall report annually to the governor
20 and the legislature on the establishment and regulation of
21 medical cannabis production centers and dispensaries ~~[including~~



1 ~~but not limited to the number and location of production centers~~
2 ~~and dispensaries licensed, the total licensing fees collected,~~
3 ~~the total amount of taxes collected from production centers and~~
4 ~~dispensaries, and any licensing violations determined by the~~
5 ~~department]. The report shall include, at minimum:~~

- 6 (1) Three consistent key performance indicators to measure
7 program performance, as initially created and defined
8 by the department;
- 9 (2) The number and location of production centers and
10 dispensaries licensed;
- 11 (3) The total licensing fees collected and the total
12 amount of taxes collected from production centers and
13 dispensaries;
- 14 (4) The number of inspections conducted, licensing
15 violations determined by the department, and fines
16 collected from violations, by category; and
- 17 (5) The description and number of education activities
18 undertaken pursuant to section 329D-26."

19 SECTION 11. Section 329D-26, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) The department shall conduct a continuing education
2 and training program to explain and clarify the purposes and
3 requirements of this chapter or to provide substance abuse
4 prevention and education. The program shall target community
5 partner agencies, physicians and other health care providers,
6 patients and caregivers, law enforcement agencies, law and
7 policy makers, and the general public. The program shall
8 include, at minimum, education and outreach regarding:

9 (1) The updated, publicly-available list of medical
10 cannabis dispensaries, physicians, and other health
11 care providers participating in the program under this
12 chapter;

13 (2) Lawful activities, unlawful activities, and applicable
14 penalties for a medical cannabis dispensary,
15 qualifying patient, primary caregiver, qualifying
16 out-of-state patient, caregiver of a qualifying
17 out-of-state patient, and other entity performing
18 related activities; and

19 (3) The methods and associated requirements for a medical
20 cannabis dispensary, qualifying patient, primary



1 caregiver, or other entity to produce cannabis and
2 manufactured cannabis products, as applicable."

3 SECTION 12. Section 329D-27, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) No later than January 4, 2016, and except as
6 otherwise provided by this chapter, the department shall adopt
7 interim rules, which shall be exempt from chapter 91 and chapter
8 201M, to effectuate the purposes of this chapter; provided that
9 the interim rules shall remain in effect until July 1, 2025, or
10 until rules are adopted pursuant to subsection (a), whichever
11 occurs sooner."

12 PART III

13 SECTION 13. Chapter 329, Hawaii Revised Statutes, is
14 amended by adding a new section to part IX to be appropriately
15 designated and to read as follows:

16 "§329- Medical use of cannabis; reports. The
17 department shall report annually to the governor and the
18 legislature on the medical use of cannabis. Each report, at
19 minimum, shall include:



- 1 (1) Three consistent key performance indicators to measure
2 program performance, as initially created and defined
3 by the department;
- 4 (2) The number of new, renewed, and expired and not
5 renewed registrations of qualifying patients, primary
6 caregivers, qualifying out-of-state patients, and
7 caregivers of qualifying out-of-state patients;
- 8 (3) The amount of fees collected from new and renewed
9 registrations;
- 10 (4) The number of physicians or advanced practice
11 registered nurses issuing medical cannabis
12 certifications, and the number of certifications
13 issued by each of the ten physicians or advanced
14 practice registered nurses who issue the highest
15 number of certifications;
- 16 (5) The number of locations on each island where more than
17 five qualifying patients register the same or
18 contiguous location or locations for cultivating
19 cannabis, and the number of qualifying patients
20 registered at each of the ten most frequently used



- 1 same or contiguous locations used to cultivate
2 cannabis;
- 3 (6) The number of inspections conducted and number of
4 violations found by the department; and
- 5 (7) The description and number of education activities
6 undertaken by the full-time staff member pursuant to
7 section 329D-26 and the total expense of those
8 education activities."

PART IV

10 SECTION 14. Pursuant to section 201-13.9, Hawaii Revised
11 Statutes, the department of business, economic development, and
12 tourism shall submit to the legislature, no later than twenty
13 days prior to the convening of the regular session of 2024, a
14 report that provides an analysis of aggregated de-identified
15 information regarding the medical cannabis registry and
16 dispensary programs established pursuant to chapters 329 and
17 329D, Hawaii Revised Statutes.

PART V

19 SECTION 15. This Act does not affect rights and duties
20 that matured, penalties that were incurred, and proceedings that
21 were begun before its effective date.



1 SECTION 16. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 17. This Act shall take effect upon its approval.



Report Title:

Medical Cannabis Dispensary System; Waiting Rooms; Rule Making Authority; Computer Software Tracking System; Access and System Integration Requirements; Fee Structure; Signage; Reporting Requirements; Violations

Description:

Defines "waiting room" within a medical cannabis retail dispensing location and clarifies public access to the waiting room. Clarifies DOH's rule-making authority. Establishes system access and system integration requirements for the computer software tracking system for medical cannabis dispensaries. Requires DOH to submit an annual report to the legislature on data captured using the computer software tracking system. Amends the dispensary program licensing fee structure. Adds or clarifies requirements for the dispensary program related to signage, permitted types of manufactured cannabis products, supervision of certain personnel while onsite at retail dispensing locations or medical cannabis production centers, and DOH's education and training program. Clarifies penalties for violations. Establishes annual reporting requirements for DOH. Requires a report from DBEDT. Makes various housekeeping amendments. (HD2)

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

