



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony COMMENTING on SCR85
REQUESTING THE DEPARTMENT OF HEALTH TO PROVIDE AN
EXPLANATION AS TO WHY IT HAS NOT ISSUED ANY ADDITIONAL MEDICAL
CANNABIS DISPENSARY LICENSES PURSUANT TO SECTION 329D-2(J),
HAWAII REVISED STATUES.
SENATOR JARRETT KEOHOKALOOLE, CHAIR
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

Hearing Date: Tues., April 4, 2023

Room Number: 229

1 **Fiscal Implications:** N/A.

2 **Department Testimony:** The Department of Health (DOH) provides the following comments
3 in response to SCR85 which asks DOH why it has not issued any additional medical cannabis
4 dispensary licenses pursuant to section 329D-2(j), HRS.

5 **(1) An explanation as to why the Department has not issued any additional medical**
6 **cannabis dispensary licenses pursuant to section 329D-2(j), Hawaii Revised Statues, after**
7 **October 1, 2018.** Section 329D-2(j), HRS, authorizes DOH to offer additional licenses beyond
8 the original eight licenses authorized by section 329D-2(d), HRS, to qualified applicants after
9 October 1, 2018, based on qualifying patient need. The primary reason that DOH has not issued
10 additional licenses is because the current dispensary system is not yet operating at its maximum
11 capacity. Section 329D-2, HRS, allows each licensee up to three production centers (PCs), four
12 retail locations, and a total of 15,000 plants. However, as of March 2023:

- 13
- 3 of 8 licensees have only one PC; 5 have two PCs; and none have three PCs
 - 14 • 2 of 8 licensees have two retail; 6 have three retail; and none have four retail
 - 15 • Only 1 of 8 licensees has had more than 5,000 plants in cultivation at one time

1 **(2) An explanation as to why the Department has stopped accepting applications for**
2 **medical cannabis dispensary licenses.** DOH stopped accepting applications because it was not
3 intending to issue any additional licenses. Certain parts of the dispensary application are time-
4 sensitive and would become void if held beyond their expiration period.

5 **(3) Any recommendations, including any proposed legislation, that would promote the**
6 **Department's issuance of additional medical cannabis dispensary licenses.** DOH is currently
7 working on linking patient registry data with dispensary production and sales data to determine
8 how the dispensary system can best support patient needs. DOH expects to use this information
9 to guide policy changes including the numbers and locations of additional licenses and the siting
10 of retail locations.

11 Thank you for the opportunity to testify.

12 **Offered Amendments:** None.

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