
A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

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

1 PART I

2 SECTION 1. The legislature finds that amendments to the
3 State's medical use of cannabis law and medical cannabis
4 dispensary program law are necessary to facilitate the
5 administration of the laws, resolve issues that have arisen
6 under existing law, and clarify legislative intent.

7 PART II

8 SECTION 2. The purpose of this part is to:

- 9 (1) Define "waiting room" within a medical cannabis retail
10 dispensing location and specify who may have access to
11 the waiting room;
- 12 (2) Amend the medical cannabis dispensary program
13 licensing fee structure;
- 14 (3) Add or clarify requirements for the medical cannabis
15 dispensary program related to signage, types of
16 permitted manufactured cannabis products, standards
17 for packaging of cannabis and manufactured cannabis



1 products, supervision of certain personnel who are
2 onsite at a retail dispensing location or medical
3 cannabis production center, annual reporting
4 requirements for the department of health, and the
5 continuing education and training program conducted by
6 the department of health; and

7 (4) Make various housekeeping amendments.

8 SECTION 3. Section 329D-1, Hawaii Revised Statutes, is
9 amended as follows:

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

12 ""Waiting room" means a designated area at the public
13 entrance of a retail dispensing location that may be accessed by
14 a member of the general public who is waiting for, assisting, or
15 accompanying a qualifying patient, primary caregiver, qualifying
16 out-of-state patient, or caregiver of a qualifying out-of-state
17 patient who enters or remains on the premises of a retail
18 dispensing location for the purpose of a transaction conducted
19 pursuant to sections 329D-6 and 329D-13; provided that the
20 storage, display, and retail sale of cannabis and manufactured



1 cannabis products shall be prohibited within the waiting room
2 area."

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

5 ""Manufactured cannabis product" means any capsule,
6 lozenge, oil or oil extract, tincture, ointment or skin lotion,
7 pill, transdermal patch, or pre-filled and sealed container used
8 to aerosolize and deliver cannabis orally~~[7]~~ or by inhalation,
9 such as an inhaler ~~[e#]~~, nebulizer, or device that provides safe
10 pulmonary administration, that has been manufactured using
11 cannabis, edible cannabis products, pre-rolled cannabis flower
12 products, or any other products as specified by the department
13 pursuant to section 329D-10(a)(11)."

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

16 1. By amending subsection (o) to read:

17 "(o) A dispensary shall not:

18 (1) Display cannabis or manufactured cannabis products in
19 windows or in public view; or

20 (2) Post any signage other than ~~[a single sign]~~ one or two
21 signs, each no greater than one thousand six hundred



1 square inches bearing only the business or trade name
2 in text without any pictures or illustrations;
3 provided that if any applicable law or ordinance
4 restricting outdoor signage is more restrictive, that
5 law or ordinance shall govern."

6 2. By amending subsection (r) to read:

7 "(r) The department may authorize a dispensary to purchase
8 cannabis and manufactured cannabis products from another
9 dispensary in a manner prescribed by the department by rules
10 adopted pursuant to this chapter [~~and chapter 91~~]; provided
11 that:

12 (1) The purchasing dispensary establishes to the
13 department's satisfaction that:

14 (A) The purchase is necessary to ensure that
15 qualifying patients have continuous access to
16 cannabis for medical use; or

17 (B) The cannabis and manufactured cannabis products
18 are for medical, scientific, or other legitimate
19 purposes approved by the State;

20 (2) The selling dispensary may transport no more than
21 eight hundred ounces of cannabis or manufactured



1 cannabis products to the purchasing dispensary within
2 a thirty-day period;

3 (3) The cannabis and manufactured cannabis products are
4 transported between the dispensaries for medical,
5 scientific, or other legitimate purposes approved by
6 the State; and

7 (4) Nothing in this subsection shall relieve any
8 dispensary of its responsibilities and obligations
9 under this chapter and chapter 329."

10 SECTION 5. Section 329D-7, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§329D-7 Medical cannabis dispensary rules.** The
13 department shall establish standards with respect to:

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

16 (2) A fee structure, set by rules adopted pursuant to
17 chapter 91, for:

18 (A) The submission of applications and renewals of
19 licenses to dispensaries; provided that [~~the~~]:

20 (i) A dispensary license may be renewed for an
21 annual fee of no more than \$ _____ for



1 the first three retail dispensing locations
2 and two production centers, with no more
3 than five thousand cannabis plants and
4 associated manufacturing operations for each
5 production center;
6 (ii) Each additional retail dispensing location
7 thereafter shall pay an annual fee of no
8 more than \$; and
9 (iii) The department shall consider the market
10 conditions in each county in determining the
11 license renewal fee amounts;
12 (B) The submission of applications and renewals for
13 each additional production center[?] or a
14 production center's additional plant count or
15 manufacturing operation not included in
16 subparagraph (A) shall be no more than \$1 per
17 plant; and
18 (C) Dispensary-to-dispensary sales authorized by
19 section 329D-6(r);
20 provided that no designated fee shall increase by more
21 than two and one-half per cent annually;



- 1 (3) Criteria and procedures for the consideration and
2 selection, based on merit, of applications for
3 licensure of dispensaries; provided that the criteria
4 shall include but not be limited to an applicant's:
5 (A) Ability to operate a business;
6 (B) Financial stability and access to financial
7 resources; provided that applicants for medical
8 cannabis dispensary licenses shall provide
9 documentation that demonstrates control of not
10 less than \$1,000,000 in the form of escrow
11 accounts, letters of credit, surety bonds, bank
12 statements, lines of credit, or the equivalent to
13 begin operating the dispensary;
14 (C) Ability to comply with the security requirements
15 developed pursuant to paragraph (6);
16 (D) Capacity to meet the needs of qualifying patients
17 and qualifying out-of-state patients;
18 (E) Ability to comply with criminal background check
19 requirements developed pursuant to paragraph (8);
20 and



- 1 (F) Ability to comply with inventory controls
- 2 developed pursuant to paragraph (13);
- 3 (4) Specific requirements regarding annual audits and
- 4 reports required from each production center and
- 5 dispensary licensed pursuant to this chapter;
- 6 (5) Procedures for announced and unannounced inspections
- 7 by the department or its agents of production centers
- 8 and dispensaries licensed pursuant to this chapter;
- 9 provided that inspections for license renewals shall
- 10 be unannounced;
- 11 (6) Security requirements for the operation of production
- 12 centers and retail dispensing locations; provided
- 13 that, at a minimum, the following shall be required:
- 14 (A) For production centers:
- 15 (i) Video monitoring and recording of the
- 16 premises; provided that recordings shall be
- 17 retained for fifty days;
- 18 (ii) Fencing that surrounds the premises and that
- 19 is sufficient to reasonably deter intruders
- 20 and prevent anyone outside the premises from
- 21 viewing any cannabis in any form;



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



- 1 (7) Security requirements for the transportation of
2 cannabis and manufactured cannabis products between
3 production centers and retail dispensing locations and
4 between a production center, retail dispensing
5 location, qualifying patient, primary caregiver,
6 qualifying out-of-state patient, or caregiver of a
7 qualifying out-of-state patient and a certified
8 laboratory, pursuant to section 329-122(f);
- 9 (8) Standards and criminal background checks to ensure the
10 reputable and responsible character and fitness of all
11 license applicants, licensees, employees,
12 subcontractors and their employees, and prospective
13 employees of medical cannabis dispensaries to operate
14 a dispensary; provided that the standards, at a
15 minimum, shall exclude from licensure or employment
16 any person convicted of any felony;
- 17 (9) The training and certification of operators and
18 employees of production centers and dispensaries;
- 19 (10) The types of manufactured cannabis products that
20 dispensaries shall be authorized to manufacture and
21 sell pursuant to sections 329D-9 and 329D-10;



- 1 (11) Laboratory standards related to testing cannabis and
2 manufactured cannabis products for content,
3 contamination, and consistency;
- 4 (12) The quantities of cannabis and manufactured cannabis
5 products that a dispensary may sell or provide to a
6 qualifying patient, primary caregiver, qualifying out-
7 of-state patient, or caregiver of a qualifying out-of-
8 state patient; provided that no dispensary shall sell
9 or provide to a qualifying patient, primary caregiver,
10 qualifying out-of-state patient, or caregiver of a
11 qualifying out-of-state patient any combination of
12 cannabis and manufactured cannabis products that:
13 (A) During a period of fifteen consecutive days,
14 exceeds the equivalent of four ounces of
15 cannabis; or
16 (B) During a period of thirty consecutive days,
17 exceeds the equivalent of eight ounces of
18 cannabis;
- 19 (13) Dispensary and production center inventory controls to
20 prevent the unauthorized diversion of cannabis or
21 manufactured cannabis products or the distribution of



1 cannabis or manufactured cannabis products to a
2 qualifying patient, primary caregiver, qualifying out-
3 of-state patient, or caregiver of a qualifying out-of-
4 state patient in quantities that exceed limits
5 established by this chapter; provided that the
6 controls, at a minimum, shall include:

7 (A) A computer software tracking system as specified
8 in section 329D-6(j) and (k); and

9 (B) Product packaging standards sufficient to allow
10 law enforcement personnel to reasonably determine
11 the contents of an unopened package;

12 (14) Limitation to the size or format of signs placed
13 outside a retail dispensing location or production
14 center; provided that the signage limitations, at a
15 minimum, shall comply with section 329D-6(o) (2) and
16 shall not include the image of a cartoon character or
17 other design intended to appeal to children;

18 (15) The disposal or destruction of unwanted or unused
19 cannabis and manufactured cannabis products;

20 (16) The enforcement of the following prohibitions against:



- 1 (A) The sale or provision of cannabis or manufactured
- 2 cannabis products to unauthorized persons;
- 3 (B) The sale or provision of cannabis or manufactured
- 4 cannabis products to a qualifying patient,
- 5 primary caregiver, qualifying out-of-state
- 6 patient, or caregiver of a qualifying out-of-
- 7 state patient in quantities that exceed limits
- 8 established by this chapter;
- 9 (C) Any use or consumption of cannabis or
- 10 manufactured cannabis products on the premises of
- 11 a retail dispensing location or production
- 12 center; and
- 13 (D) The distribution of cannabis or manufactured
- 14 cannabis products, for free, on the premises of a
- 15 retail dispensing location or production center;
- 16 (17) The establishment of a range of penalties for
- 17 violations of this chapter or rule adopted thereto;
- 18 [and]
- 19 (18) A process to recognize and register patients who are
- 20 authorized to purchase, possess, and use medical
- 21 cannabis in another state, a United States territory,



1 or the District of Columbia as qualifying out-of-state
2 patients [~~; provided that this registration process may~~
3 ~~commence no sooner than January 1, 2018.~~]; and

4 (19) Security requirements and restrictions regarding
5 waiting rooms, including but not limited to:

6 (A) Security measures to prevent unauthorized access
7 to any area within a retail dispensing location
8 outside of the waiting room;

9 (B) Restrictions on marketing and advertising within
10 the waiting room;

11 (C) Restrictions on signage within the waiting room;
12 and

13 (D) Other reasonable security measures or
14 restrictions as deemed necessary by the
15 department."

16 SECTION 6. Section 329D-10, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:

18 "(a) The types of medical cannabis products that may be
19 manufactured and distributed pursuant to this chapter shall be
20 limited to:

21 (1) Capsules;



- 1 (2) Lozenges;
- 2 (3) Pills;
- 3 (4) Oils and oil extracts;
- 4 (5) Tinctures;
- 5 (6) Ointments and skin lotions;
- 6 (7) Transdermal patches;
- 7 (8) Pre-filled and sealed containers used to aerosolize
- 8 and deliver cannabis orally, or by inhalation, such as
- 9 with an inhaler ~~[or]~~, nebulizer[+], or device that
- 10 provides safe pulmonary administration; provided that
- 11 [containers]:
- 12 (A) Containers need not be manufactured by the
- 13 licensed dispensary but shall be filled with
- 14 cannabis, cannabis oils, or cannabis extracts
- 15 manufactured by the licensed dispensary~~[+]~~ or as
- 16 permitted by section 329D-6(r); but shall not
- 17 contain nicotine, tobacco-related products, or
- 18 any other non-cannabis derived products; and
- 19 ~~[shall be designed to be used with devices used~~
- 20 ~~to provide safe pulmonary administration of~~
- 21 ~~manufactured cannabis products;~~



- 1 ~~(9)~~ Devices]
- 2 (B) For devices that provide safe pulmonary
- 3 administration~~[, provided that]~~:
- 4 ~~(A)~~ (i) The heating element of the device, if any,
- 5 ~~[is]~~ shall be made of inert materials such as
- 6 glass, ceramic, or stainless steel, and not of
- 7 plastic or rubber;
- 8 ~~(B)~~ (ii) The device ~~[is]~~ shall be distributed solely
- 9 for use with single-use, pre-filled, tamper-
- 10 resistant, sealed containers that do not contain
- 11 nicotine or other tobacco products;
- 12 ~~(C)~~ ~~The device is used to aerosolize and deliver~~
- 13 ~~cannabis by inhalation, such as an inhaler,~~
- 14 ~~medical-grade nebulizer, or other similar medical~~
- 15 ~~grade volitization device;~~
- 16 ~~(D)~~ (iii) There ~~[is]~~ shall be a temperature control
- 17 on the device that is regulated to prevent the
- 18 combustion of cannabis oil; and
- 19 ~~(E)~~ (iv) The device need not be manufactured by the
- 20 licensed dispensary;



- 1 (9) Pre-rolled cannabis flower products, as specified by
- 2 the department;
- 3 (10) [~~Other products, including edible~~] Edible cannabis
- 4 products, as specified by the department; and
- 5 (11) Other products as specified by the department."

6 SECTION 7. Section 329D-11, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) The department shall establish standards regarding
9 the advertising and packaging of cannabis and manufactured
10 cannabis products; provided that the standards, at a minimum,
11 shall require the use of packaging that:

- 12 (1) Is child-resistant and opaque so that the product
- 13 cannot be seen from outside the packaging;
- 14 (2) Uses only [~~black~~] lettering in colors approved by the
- 15 department on a white background with no pictures or
- 16 graphics;
- 17 (3) Is clearly labeled with the phrase "For medical use
- 18 only";
- 19 (4) Is clearly labeled with the phrase "Not for resale or
- 20 transfer to another person";
- 21 (5) Includes instructions for use and "use by date";



- 1 (6) Contains information about the contents and potency of
- 2 the product;
- 3 (7) Includes the name of the production center where
- 4 cannabis in the product was produced, including the
- 5 batch number and date of packaging;
- 6 (8) Includes a barcode generated by tracking software; and
- 7 (9) In the case of a manufactured cannabis product,
- 8 includes a:
 - 9 (A) Listing of the equivalent physical weight of the
 - 10 cannabis used to manufacture the amount of the
 - 11 product that is within the packaging, pursuant to
 - 12 section 329D-9(c);
 - 13 (B) Clearly labeled warning stating that the product:
 - 14 (i) Is a medication that contains cannabis, and
 - 15 is not a food; and
 - 16 (ii) Should be kept away from children; and
 - 17 (C) Date of manufacture."

18 SECTION 8. Section 329D-12, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) The following shall be subject to background checks
21 conducted by the department or its designee, including but not



1 limited to criminal history record checks in accordance with
2 section 846-2.7:

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



1 The person undergoing the background check shall provide written
2 consent and all applicable processing fees to the department or
3 its designee to conduct the background checks."

4 SECTION 9. Section 329D-15, Hawaii Revised Statutes, is
5 amended by amending subsections (a) and (b) to read as follows:

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

9 (1) An individual licensee or registered employee of the
10 dispensary;

11 (2) A qualifying patient, primary caregiver, qualifying
12 out-of-state patient, or caregiver of a qualifying
13 out-of-state patient;

14 (3) A government employee or official acting in the
15 person's official capacity; or

16 (4) Previously included on a current department-approved
17 list provided to the department by the licensee of
18 those persons who are allowed into that [~~dispensary's~~
19 ~~facilities~~] retail dispensing location for a specific
20 purpose for that dispensary, including but not limited
21 to construction, maintenance, repairs, legal counsel,



1 providers of paratransit or other assistive services
2 required by a qualifying patient to access a retail
3 [~~dispensary~~] dispensing location, or investors;

4 provided that:

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

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

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

12 (D) The person is escorted by an individual licensee
13 or registered employee of the dispensary at all
14 times while in the [~~dispensary facility;~~] retail
15 dispensing location; provided that construction
16 and maintenance personnel who are not normally
17 engaged in the business of cultivating,
18 processing, or selling medical cannabis need not
19 be accompanied on a full-time basis, but shall be
20 reasonably monitored by an individual licensee or
21 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 for
15 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 (b) No individual licensee or registered employee of a
19 medical cannabis dispensary with control over or responsibility
20 for a retail dispensing location shall intentionally or
21 knowingly allow another to enter or remain upon the premises of



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

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

10 "[+]§329D-16[+] **Criminal offense; unauthorized access to**
11 **production centers.** (a) No person shall intentionally or
12 knowingly enter or remain upon the premises of a medical
13 cannabis production center unless the person is:

14 (1) An individual licensee or registered employee of the
15 production center;

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

18 (3) Previously included on a current department-approved
19 list provided to the department by the licensee of
20 those persons who are allowed into that ~~[dispensary's~~
21 ~~facilities]~~ production center for a specific purpose



1 for that [~~dispensary,~~] production center, including
2 but not limited to construction, maintenance, repairs,
3 legal counsel, or investors; 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]~~
13 production center at all times while in the
14 [~~dispensary facility;~~] production center;
15 provided that construction and maintenance
16 personnel not normally engaged in the business of
17 cultivating, processing, or selling medical
18 cannabis need not be accompanied on a full-time
19 basis, but only reasonably monitored by an
20 individual licensee or registered employee of the



1 production center while in areas not containing
2 any cannabis or manufactured cannabis products;

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

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

11 (G) The [~~dispensary~~] production center shall keep an
12 accurate record of each person's identity, date
13 and times upon entering and exiting the
14 [~~dispensary facility~~] production center, 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 department approval.

18 (b) No individual licensee or registered employee of a
19 medical cannabis dispensary with control over or responsibility
20 for a production center shall intentionally or knowingly allow
21 another to enter or remain upon the premises of the production



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

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

9 SECTION 11. Section 329D-23, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) The department shall report annually to the governor
12 and the legislature on the establishment and regulation of
13 medical cannabis production centers and dispensaries [~~including~~
14 ~~but not limited to the number and location of production centers~~
15 ~~and dispensaries licensed, the total licensing fees collected,~~
16 ~~the total amount of taxes collected from production centers and~~
17 ~~dispensaries, and any licensing violations determined by the~~
18 ~~department]~~. The report shall include, at minimum:

- 19 (1) Three consistent key performance indicators to measure
20 program performance, as initially created and defined
21 by the department;



- 1 (2) The number and location of production centers and
- 2 dispensaries licensed;
- 3 (3) The total licensing fees collected and the total
- 4 amount of taxes collected from production centers and
- 5 dispensaries;
- 6 (4) The number of inspections conducted, licensing
- 7 violations determined by the department, and fines
- 8 collected from violations, by category; and
- 9 (5) The description and number of education activities
- 10 undertaken pursuant to section 329D-26."

11 SECTION 12. Section 329D-26, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) The department shall conduct a continuing education
14 and training program to explain and clarify the purposes and
15 requirements of this chapter or to provide substance abuse
16 prevention and education. The program shall target community
17 partner agencies, physicians and other health care providers,
18 patients and caregivers, law enforcement agencies, law and
19 policy makers, and the general public. The program shall
20 include, at minimum, education and outreach regarding:



- 1 (2) Amend the use of and sources of funding for the
- 2 medical cannabis registry and regulation special fund
- 3 by:
- 4 (A) Authorizing the office of medical cannabis
- 5 control and regulation to make expenditures from
- 6 the fund for certain purposes;
- 7 (B) Authorizing the use of the fund for expenditures
- 8 relating to the establishment and regulation of
- 9 the medical cannabis cultivation site registry,
- 10 the regulation of medical cannabis collectives
- 11 and cooperatives, and the regulation of medical
- 12 cannabis dispensaries;
- 13 (C) Authorizing the deposit of fees from the medical
- 14 cannabis cultivation site registry to be
- 15 deposited into the fund; and
- 16 (D) Deleting the medical cannabis registry program
- 17 sub-account and medical cannabis dispensary
- 18 program sub-account;
- 19 (3) Prohibit the cultivation, production, manufacture,
- 20 possession, distribution, handling, or dispensation of
- 21 medical cannabis except by qualifying patients,



- 1 qualifying out-of-state patients, their authorized
- 2 primary caregivers, or medical cannabis dispensaries;
- 3 (4) Restrict the number of qualifying patients who may use
- 4 a grow site to twenty, unless an exemption is obtained
- 5 from the department of health; and
- 6 (5) Prohibit the use or receipt of cannabis as
- 7 compensation for acting as a primary caregiver to a
- 8 qualifying patient.

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

12 "§329- **Medical cannabis cultivation site registry;**
 13 **fees; penalties.** (a) All persons owning or operating a medical
 14 cannabis cultivation site shall register with the department of
 15 health. The department of health shall issue each owner or
 16 operator of a medical cannabis cultivation site a registration
 17 certificate, which shall be valid for twelve months from the
 18 date of approval, and shall charge a fee for the certificate.
 19 The registration shall be effective until the expiration of the
 20 certificate issued by the department of health.



1 (b) In registering with the department of health, each
2 owner or operator shall provide in a form designated by the
3 department the following information:

4 (1) The name of the owner or operator of the medical
5 cannabis cultivation site;

6 (2) The physical location of the medical cannabis
7 cultivation site; and

8 (3) The name of each qualifying patient or primary
9 caregiver cultivating cannabis for medical use at the
10 medical cannabis cultivation site.

11 (c) The department of health shall adopt rules pursuant to
12 chapter 91 for the purposes of this section.

13 (d) For the purposes of this section, "medical cannabis
14 cultivation site" means a location where cannabis is grown for
15 medical use by a qualifying patient or primary caregiver and is
16 not the residence of the qualifying patient or the primary
17 caregiver."

18 SECTION 15. Section 321-30.1, Hawaii Revised Statutes, is
19 amended to read as follows:

20 **"§321-30.1 Medical cannabis registry and regulation**
21 **special fund; established.** (a) There is established within the



1 state treasury the medical cannabis registry and regulation
2 special fund. The fund shall be [~~expended at the discretion of~~
3 ~~the director of health~~] used for the following purposes:

4 (1) To establish and regulate a system of medical cannabis
5 dispensaries in the State;

6 (2) To offset the cost of the processing and issuance of
7 patient registry identification certificates and
8 primary caregiver registration certificates;

9 (3) To fund positions and operating costs authorized by
10 the legislature;

11 (4) To establish and manage a secure and confidential
12 database;

13 (5) To fund public education as required by section 329D-
14 26;

15 (6) To fund substance abuse prevention and education
16 programs; [and]

17 (7) To regulate medical cannabis collectives and
18 cooperatives;

19 (8) To establish and regulate a medical cannabis
20 cultivation site registry; and



1 ~~[(7)]~~ (9) For any other expenditure necessary, consistent
2 with this chapter and ~~[chapter]~~ chapters 329 and 329D,
3 to implement medical cannabis registry and regulation
4 programs.

5 For the purposes of this subsection, "medical cannabis
6 cultivation site" shall have the same meaning as defined in
7 section 329-_____.

8 (b) The fund shall be expended at the discretion of the
9 director of health; provided that the office of medical cannabis
10 control and regulation shall have discretion to expend the fund
11 for the purposes of subsection (a) (1), (7), and (8).

12 ~~[(b)]~~ (c) The fund shall consist of all moneys derived
13 from fees collected pursuant to subsection ~~[(e)]~~ (d) and
14 ~~[section]~~ sections 329-_____ and 329D-4. ~~[There is established~~
15 ~~within the medical cannabis registry and regulation special~~
16 ~~fund:~~

17 ~~(1) A medical cannabis registry program sub-account, into~~
18 ~~which shall be deposited all fees collected pursuant~~
19 ~~to subsection (c); and~~



1 ~~(2) A medical cannabis dispensary program sub-account,~~
2 ~~into which shall be deposited all fees collected~~
3 ~~pursuant to section 329D-4.~~

4 ~~(e)]~~ (d) The department, upon completion of the transfer
5 of the medical use of cannabis program, shall charge a medical
6 cannabis registration fee to each qualifying patient, other than
7 a qualifying out-of-state patient, of no more than \$35 per
8 year."

9 SECTION 16. Section 329-41, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) It is unlawful for any person:

12 (1) Who is subject to part III to distribute, administer,
13 prescribe, or dispense a controlled substance in
14 violation of section 329-38 or rules authorized under
15 section 329-31; however, a licensed manufacturer or
16 wholesaler may sell or dispense a controlled substance
17 to a master of a transpacific ship or a person in
18 charge of a transpacific aircraft upon which no
19 physician is regularly employed, for the actual
20 medical needs of persons on board such ship or
21 aircraft when not in port; provided schedule I or II



1 controlled substances shall be sold to the master of
2 such ship or person in charge of such aircraft only in
3 accordance with the provisions set forth in title 21
4 Code of Federal Regulations[7] sections 1301, 1305,
5 and 1307, adopted pursuant to [~~Title~~] title 21[7]
6 United States Code[7] section 821;

7 (2) Who is a registrant to manufacture a controlled
8 substance not authorized by the registrant's
9 registration or to distribute or dispense a controlled
10 substance not authorized by the registrant's
11 registration to another registrant or another
12 authorized person;

13 (3) To refuse or fail to make available, keep, or furnish
14 any record, notification, order form, prescription,
15 statement, invoice, or information in patient charts
16 relating to the administration, dispensing, or
17 prescribing of controlled substances;

18 (4) To refuse any lawful entry into any premises for any
19 inspection authorized by this chapter;

20 (5) Knowingly to keep or maintain any store, shop,
21 warehouse, dwelling, building, vehicle, boat,



1 aircraft, or other structure or place for the purpose
2 of using these substances or which is used for keeping
3 or selling them in violation of this chapter or
4 chapter 712, part IV;

5 (6) Who is a practitioner or pharmacist to dispense a
6 controlled substance to any individual not known to
7 the practitioner or pharmacist, except under the
8 following circumstances:

9 (A) When dispensing a controlled substance directly
10 to an individual, the practitioner or pharmacist
11 shall first obtain and document, in a log book or
12 an electronic database, the full name,
13 identification number, identification type, and
14 signature, whether by actual signature or by
15 electronic signature capture device, of the
16 individual obtaining the controlled substance.

17 If the individual does not have any form of
18 proper identification, the pharmacist shall
19 verify the validity of the prescription and
20 identity of the patient with the prescriber, or



1 their authorized agent, before dispensing the
2 controlled substance; and

3 (B) For mail order prescriptions, the practitioner or
4 pharmacist shall not be subject to subparagraph
5 (A); provided that all other requirements of
6 chapter 329 shall apply and that the practitioner
7 or pharmacist, as part of the initial
8 registration process of an individual in a mail
9 order prescription drug plan and prior to the
10 controlled substance being dispensed, shall
11 obtain all identification information, including
12 the full name, identification number,
13 identification type, signature, and a photocopy
14 of a form of proper identification of the
15 individual obtaining the controlled substance.
16 The practitioner or pharmacist shall also comply
17 with other requirements set forth by rule.

18 For the purpose of this section, "proper
19 identification" means government-issued identification
20 containing the photograph, printed name,



1 identification number, and signature of the individual
2 obtaining the controlled substance;

3 (7) Who is a practitioner to predate or pre-sign
4 prescriptions to facilitate the obtaining or attempted
5 obtaining of controlled substances; [~~or~~]

6 (8) Who is a practitioner to facilitate the issuance or
7 distribution of a written prescription or to issue an
8 oral prescription for a controlled substance when not
9 physically in the State[~~-~~]; or

10 (9) To cultivate, produce, manufacture, distribute, or
11 dispense cannabis for medical use if the person is not
12 authorized pursuant to chapter 329, part IX, or
13 chapter 329D."

14 SECTION 17. Section 329-121, Hawaii Revised Statutes, is
15 amended by amending the definition of "medical use" to read as
16 follows:

17 ""Medical use" means the acquisition, possession,
18 cultivation, use, distribution, or transportation of cannabis or
19 paraphernalia relating to the administration of cannabis to
20 alleviate the symptoms or effects of a qualifying patient's
21 debilitating medical condition; provided that "medical use" does



1 not include the cultivation or distribution of cannabis or
2 paraphernalia by a qualifying out-of-state patient or the
3 caregiver of a qualifying out-of-state patient. For the
4 purposes of "medical use", the term "distribution" is limited to
5 the transfer of cannabis and paraphernalia[-] from the
6 qualifying patient's registered primary caregiver to the
7 qualifying patient."

8 SECTION 18. Section 329-122, Hawaii Revised Statutes, is
9 amended by amending subsection (e) to read as follows:

10 "(e) The authorization for the medical use of cannabis in
11 this section shall not apply to:

12 (1) The medical use of cannabis that endangers the health
13 or well-being of another person;

14 (2) The medical use of cannabis:

15 (A) In a school bus, public bus, or any moving
16 vehicle;

17 (B) In the workplace of one's employment;

18 (C) On any school grounds;

19 (D) At any public park, public beach, public
20 recreation center, recreation or youth center; or



- 1 (E) At any other place open to the public; provided
2 that a qualifying patient, primary caregiver,
3 qualifying out-of-state patient, caregiver of a
4 qualifying out-of-state patient, or an owner or
5 employee of a medical cannabis dispensary
6 licensed under chapter 329D shall not be
7 prohibited from transporting cannabis or any
8 manufactured cannabis product, as that term is
9 defined in section 329D-1, in any public place;
10 provided further that the cannabis or
11 manufactured cannabis product shall be
12 transported in a sealed container, not be visible
13 to the public, and shall not be removed from its
14 sealed container or consumed or used in any way
15 while it is in the public place; [~~and~~]
- 16 (3) The use of cannabis by a qualifying patient, parent,
17 primary caregiver, qualifying out-of-state patient, or
18 caregiver of a qualifying out-of-state patient, for
19 purposes other than medical use permitted by this
20 part [~~+~~]; and



1 (4) The cultivation, handling, or possession of a
2 qualifying patient's cannabis for medical use, unless
3 the person is the qualifying patient or the qualifying
4 patient's registered primary caregiver."

5 SECTION 19. Section 329-123, Hawaii Revised Statutes, is
6 amended as follows:

7 1. By amending subsection (a) to read:

8 "(a) Physicians or advanced practice registered nurses who
9 issue written certifications shall provide, in each written
10 certification, the name, address, patient identification number,
11 and other identifying information of the qualifying patient.
12 The department of health shall require, in rules adopted
13 pursuant to chapter 91, that all written certifications comply
14 with a designated form completed by or on behalf of a qualifying
15 patient. The form shall require information from the applicant,
16 primary caregiver, and physician or advanced practice registered
17 nurse as specifically required or permitted by this chapter.
18 The form shall require the address of the location where the
19 cannabis is grown and shall appear on the registry card issued
20 by the department of health. No more than twenty qualifying
21 patients may use any particular location to cultivate cannabis;



1 provided that this limitation shall not apply to qualifying
2 patients who obtain a written exemption from the department of
3 health. The certifying physician or advanced practice
4 registered nurse shall be required to have a bona fide
5 physician-patient relationship or bona fide advanced practice
6 registered nurse-patient relationship, as applicable, with the
7 qualifying patient. All current active medical cannabis permits
8 shall be honored through their expiration date."

9 2. By amending subsection (c) to read:

10 "(c) Primary caregivers shall register with the department
11 of health. Every primary caregiver shall be responsible for the
12 care of only one qualifying patient at any given time, unless
13 the primary caregiver is the parent, guardian, or person having
14 legal custody of more than one minor qualifying patient, in
15 which case the primary caregiver may be responsible for the care
16 of more than one minor qualifying patient at any given time;
17 provided that the primary caregiver is the parent, guardian, or
18 person having legal custody of all of the primary caregiver's
19 qualifying patients. The department of health may permit
20 registration of up to two primary caregivers for a minor
21 qualifying patient; provided that both primary caregivers are



1 the parent, guardian, or person having legal custody of the
2 minor qualifying patient. A primary caregiver shall not use a
3 qualifying patient's cannabis, nor shall the primary caregiver
4 accept a qualifying patient's cannabis as compensation for the
5 primary caregiver's services."

6 SECTION 20. Section 329-125, Hawaii Revised Statutes, is
7 amended by amending subsection (b) to read as follows:

8 "(b) Any qualifying patient, primary caregiver, qualifying
9 out-of-state patient, or caregiver of a qualifying out-of-state
10 patient not complying with the permitted scope of the medical
11 use of cannabis shall not be afforded the protections against
12 searches and seizures pertaining to the misapplication of the
13 medical use of cannabis. To the extent the department is
14 authorized by this chapter, the department may conduct
15 inspections of grow sites to verify a person's compliance with
16 this chapter."

17 SECTION 21. Section 329-130, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) After December 31, 2024, a qualifying patient shall
20 obtain medical cannabis or manufactured cannabis products only:



1 (1) From a dispensary licensed pursuant to chapter 329D;
2 provided that the cannabis shall be purchased and paid
3 for at the time of purchase; or

4 (2) By cultivating cannabis in an amount that does not
5 exceed an adequate supply for the qualifying patient,
6 pursuant to section 329-122; provided that each
7 location used to cultivate cannabis shall be used by
8 no more than [~~five~~] twenty qualifying patients.

9 After December 31, 2024, no primary caregiver shall be
10 authorized to cultivate cannabis for any qualifying patient."

11 PART IV

12 SECTION 22. The purpose of this part is to establish
13 annual reporting requirements for the department of health
14 regarding the medical cannabis patient registry program.

15 SECTION 23. Chapter 329, Hawaii Revised Statutes, is
16 amended by adding a new section to part IX to be appropriately
17 designated and to read as follows:

18 "§329- **Medical use of cannabis; reports.** The department
19 shall report annually to the governor and the legislature on the
20 medical use of cannabis. Each report, at minimum, shall
21 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 dispensary programs established pursuant to chapters 329 and
2 329D, Hawaii Revised Statutes.

3 PART VI

4 SECTION 26. This Act does not affect rights and duties
5 that matured, penalties that were incurred, and proceedings that
6 were begun before its effective date.

7 SECTION 27. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 28. This Act shall take effect on June 30, 3000.



Report Title:

Medical Cannabis Dispensary System; Waiting Rooms; Fee Structure; Signage; Medical Cannabis; Cultivation Sites; Registry; Caregivers; Reporting Requirements; Violations

Description:

Defines "waiting room" within a medical cannabis retail dispensing location and clarifies public access to the waiting room. 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, fee structure, annual reporting requirements for DOH, and DOH's education and training program. Clarifies penalties for violations. Establishes the medical cannabis cultivation site registry and imposes fees. Amends the uses of the medical cannabis registry and regulation special fund. Prohibits the cultivation, production, manufacture, possession, distribution, handling, or dispensation of medical cannabis except by specific persons or entities. Restricts the number of qualifying patients who may use a grow site to twenty, unless an exemption is obtained from DOH. Prohibits the use or receipt of cannabis as compensation for acting as a primary caregiver to a qualifying patient. Establishes annual reporting requirements for DOH regarding the medical cannabis patient registry program. Requires a report from DBEDT. Makes various housekeeping amendments. Effective 6/30/3000. (HD1)

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

