

Honolulu, Hawaii

FEB 05 , 2024

RE: H.B. No. 1952
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Judiciary & Hawaiian Affairs and
Agriculture & Food Systems, to which was referred H.B. No. 1952
entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL CANNABIS,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Provide that medical cannabis dispensaries may purchase cannabis and manufactured cannabis products from other dispensaries without any showing that such purchase is:
 - (A) Necessary for a qualifying patient's continuous access; or
 - (B) For medical, scientific, or other legitimate purposes;
- (2) Specify that the Department of Health adopt rules no later than nine months after a medical cannabis product is permitted to be manufactured and distributed by statute; and



- (3) Authorize medical cannabis dispensaries to distribute medical cannabis products if the Department of Health does not adopt rules.

Your Committees received testimony in support of this measure from the Hawaii Cannabis Industry Association; Cure Oahu; Noa Botanicals, LLC; Green Aloha Ltd.; Pono Life Maui; Hawaiian Ethos; Big Island Grown Dispensaries; and one individual. Your Committees received testimony in opposition to this measure from the Department of Health Office of Medical Cannabis Control and Regulation. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that, despite recent legislative attempts to allow the wholesale of medical cannabis between medical cannabis dispensaries, wholesale currently occurs on an emergency basis with an under thirty days request and approval process, or on a proof of need basis requiring over thirty days request and approval process. Your Committees further find that the existing rules also provide the Department of Health with full discretion to reject requests with no specific timeline to respond. This limited approach impairs dispensaries' ability to do future planning, share manufacturing capabilities, or specialize in equipment or products without facing significant risk of potential wholesale request rejections. Wholesale expands patient access to a variety of formulations, products, and strains without sacrificing safety and consistency, and should be more widely supported. This measure provides greater flexibility to dispensaries to purchase cannabis and medical cannabis products from other dispensaries to ensure patient access and mitigate the effects of business fluctuations.

Your Committees have amended this measure by:

- (1) Deleting language that would have authorized dispensaries to distribute medical cannabis products if the Department of Health does not adopt rules;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

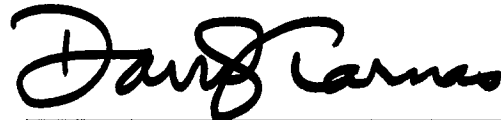


As affirmed by the records of votes of the members of your Committees on Judiciary & Hawaiian Affairs and Agriculture & Food Systems that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1952, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1952, H.D. 1, and be referred to your Committee on Health & Homelessness.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary &
Hawaiian Affairs and
Agriculture & Food Systems,



CEDRIC ASUEGA GATES, Chair



DAVID A. TARNAS, Chair



Record of Votes of the Committee on Agriculture & Food Systems

Bill/Resolution No.: HB1952	Committee Referral: JHA/AGR, HLT, FIN	Date: JAN. 31, 2024		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. GATES, Cedric Asuega (C)	✓			
2. KAHALOA, Kirstin (VC)	✓			
3. COCHRAN, Elle	✓			
4. LOWEN, Nicole E.	✓			
5. PERRUSO, Amy A.				✓
6. WOODSON, Justin H.				✓
7. WARD, Gene	✓			
TOTAL (7)	5			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				