

STAND. COM. REP. NO. 1311

Honolulu, Hawaii

MAR 17 , 2023

RE: S.B. No. 962
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Health & Homelessness, to which was referred S.B. No. 962, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Add or clarify requirements for the Medical Cannabis Dispensary Program related to signage, types of permitted manufactured cannabis products, supervision of certain personnel who are onsite at a retail dispensing location or medical cannabis production center, annual reporting requirements for the Department of Health, and the continuing education and training program conducted by the Department of Health;
- (2) Establish annual reporting requirements for the Department of Health regarding the Medical Cannabis Patient Registry Program;
- (3) Require the Department of Business, Economic Development, and Tourism to submit a report to the Legislature analyzing aggregated de-identified information regarding the Medical Cannabis Patient



Registry Program and Medical Cannabis Dispensary
Program; and

- (4) Make various housekeeping amendments.

Your Committee received testimony in support of this measure from the Department of Health, Maui Grown Therapies, Cure Oahu, Hawai'i Cannabis Industry Association and two individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department Of Business, Economic Development, and Tourism; and Akamai Cannabis Consulting.

Your Committee finds that in addition to structural issues already impacting the cannabis industry nationwide, the medical cannabis market has, like many other industries, been subject to the recent impacts of inflation and labor shortage issues, both within business operations and with its vendors. Your Committee further finds that additional oversight of sites where cannabis is cultivated for medical use by qualifying patients or their primary caregivers is needed to ensure these sites are operating as intended by the Medical Cannabis Registry Program. Your Committee believes that additional amendments to this measure are necessary to improve patient access and education, transparency, and regulation of medical cannabis and medical cannabis dispensaries. These amendments will remove administrative barriers, assist medical cannabis dispensaries with streamlining operations and resources, and establish registration requirements and limitations for medical cannabis cultivation sites.

Accordingly, your Committee has amended this measure by:

- (1) Defining "waiting room" within a medical cannabis retail dispensing location and specifying who may have access to the waiting room;
- (2) Amending the medical cannabis dispensary licensing fee structure;
- (3) Permitting the use of lettering in colors approved by the Department of Health on the labels of cannabis and manufactured cannabis products;



- (4) Establishing a Medical Cannabis Cultivation Site Registry and registration fee for the owners or operators of medical cannabis cultivation sites where qualifying patients or their primary caregivers are cultivating cannabis for medical use and the site is not the residence of either the qualifying patient or their primary caregiver;
- (5) Amending the use of and sources of funding for the Medical Cannabis Registry and Regulation Special Fund by:
 - (A) Authorizing expenditures from the special fund for the regulation of medical cannabis collectives and cooperatives, medical cannabis dispensaries, and for the establishment and regulation of the Medical Cannabis Cultivation Site Registry;
 - (B) Authorizing the Office of Medical Cannabis Control and Regulation, in addition to the Director of Health, to expend monies deposited in the special fund for certain activities;
 - (C) Authorizing the deposit of fees from the Medical Cannabis Cultivation Site Registry into the special fund; and
 - (D) Deleting the Medical Cannabis Registry Program Sub-account and Medical Cannabis Dispensary Program Sub-account;
- (6) Prohibiting the cultivation, production, manufacture, possession, distribution, handling, or dispensation of medical cannabis except by qualifying patients, qualifying out-of-state patients, their authorized primary caregivers, or medical cannabis dispensaries;
- (7) Restricting the number of qualifying patients who may use a grow site to twenty, unless an exemption is obtained from the Department of Health and authorizing the Department to conduct inspections of grow sites to verify compliance;



- (8) Prohibiting the use or receipt of cannabis as compensation for acting as a primary caregiver to a qualifying patient;
- (9) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Consumer Protection & Commerce, should it deliberate on this measure, to consider whether a medical cannabis cultivation site registration fee should be imposed on a qualifying patient who is cultivating cannabis for medical use at a site that is not the residence of either the qualifying patient or their primary caregiver.

As affirmed by the record of votes of the members of your Committee on Health & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 962, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 962, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Health &
Homelessness,



DELLA AU BELATTI, Chair



