

STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in OPPOSITION to HB1952
RELATING TO MEDICAL CANNABIS..**

REPRESENTATIVE DAVID A. TARNAS, CHAIR
HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

REPRESENTATIVE CEDRIC ASUEGA GATES, CHAIR
HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

Hearing Date: 01/31/2024

Room Number: 325

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

2 **Department Testimony:** The Department of Health (DOH) Office of Medical Cannabis
3 Control and Regulation (OMCCR) opposes HB1952 which proposes to facilitate the
4 administration of the medical cannabis dispensary program and resolve matters that have arisen
5 since the passage of Act 309, Session Laws of Hawaii 2022, and Act 108, Session 6 Laws of
6 Hawaii 2023. The bill proposes amendments to Section 329D-6, HRS, and Section 329D-10,
7 HRS. The amendment to Section 329D-6 will remove the discretion that the Office of Medical
8 Cannabis Control and Regulation (OMCCR) has in regard to dispensary to dispensary sales.
9 OMCCR opposes this amendment as the rules regulating the dispensary to dispensary sales were
10 enacted in July of 2023 and addressed the needs for this type of sales at that time. These rules
11 were enacted to help shield the licensees from undue scrutiny from the federal government. It
12 should be noted that the majority of the dispensary to dispensary sales involve transport between
13 the Hawaiian islands, possibly subjecting them to federal scrutiny.

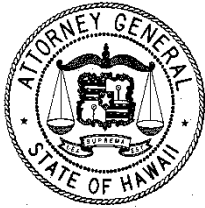
14 The amendment to Section 329D-10 will force OMCCR to adopt all medical cannabis products
15 listed in 329D-10 subsection (a) no later than nine (9) months after said products are permitted to
16 be manufactured and distributed pursuant to subsection (a). If no rules are adopted, dispensaries
17 may distribute medical cannabis products in compliance with this chapter. While OMCCR

1 agrees that dispensaries should be allowed to dispense all products that have been approved by
2 the State government our office does not approve of allowing new products being dispensed
3 without specific rules in place to guarantee that patients are receiving products that have been
4 manufactured according to specific standards and testing.

5 Thank you for the opportunity to testify.

6 **Offered Amendments:**

7



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2024**

ON THE FOLLOWING MEASURE:

H.B. NO. 1952, RELATING TO MEDICAL CANNABIS.

BEFORE THE:

HOUSE COMMITTEES ON JUDICIARY AND HAWAIIAN AFFAIRS AND ON
AGRICULTURE AND FOOD SYSTEMS

DATE: Wednesday, January 31, 2024 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 325 and Videoconference

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Andrew Goff, Deputy Attorney General

Chairs Tarnas and Gates and Members of the Committees:

The Department of the Attorney General (Department) offers the following comments.

The purposes of this bill are to amend the medical cannabis laws in Hawaii to clarify that any medical cannabis dispensary may purchase cannabis and manufactured cannabis products directly from another dispensary as a matter of course, without the need to demonstrate a need for the purchase, and to require the Department of Health (DOH) to adopt rules implementing statutory changes to the types of medical cannabis products that a dispensary may manufacture and distribute within nine months of the statutory change.

Section 329D-10(d), Hawaii Revised Statutes (HRS), is amended by section 3(2) of the bill, page 5, lines 8-13, to require the DOH to adopt rules within nine months of a statutory change permitting new types of medical cannabis products. If DOH does not adopt rules within the specified timeframe, "dispensaries may distribute medical cannabis products in compliance with this chapter." Page 5, lines 11-13. However, the medical cannabis dispensary laws, chapter 329D, HRS, do not allow for a cannabis product to be sold unless adequate testing rules are adopted and complied with.

Section 329D-8, HRS, requires DOH to establish and enforce product standards and testing standards for content, contamination, and consistency of manufactured

cannabis products. Some cannabis products, such as edibles, require very specific standards related to manufacturing, testing, labeling, or dosage. See section 11-850-76, Hawaii Administrative Rules. If DOH does not adopt rules that establish testing standards for the content, contamination, and consistency of a new manufactured cannabis product, a dispensary would not be able to sell the new product and comply with chapter 329D, HRS.

The Department also notes that the amendment to section 329D-10(d) on page 5, lines 8-13, would not have an effect on some of the manufactured cannabis products specified in section 329D-10. For example, 329D-10(a)(9) authorizes “[p]re-rolled cannabis flower products, as specified by the department[.]” Including “as specified by the department” in the product description requires the DOH to specify what types of pre-rolled cannabis flower products are allowed. A dispensary, therefore, would not be able to sell a pre-rolled cannabis flower product in compliance with chapter 329D unless the DOH adopts rules to implement this subsection.

To alleviate these concerns, we recommend deleting the last sentence of the amendment made to section 329D-10(d) by section 3(2), page 5, lines 11-13, that reads: “If no rules are adopted, dispensaries may distribute medical cannabis products in compliance with this chapter.”

Thank you for the opportunity to provide comments.

To: Representative David A. Tarnas, Chair
Representative Gregg Takayama, Vice-Chair
Members of the Judiciary & Hawaiian Affairs Committee

To: Representative Cedric Asuega Gates, Chair
Representative Kirstin Kahaloa, Vice-Chair
Members of the Agriculture & Food Systems Committee

Fr: TY Cheng, Chairman, Hawaii Cannabis Industry Association

Re: Testimony **In SUPPORT** of **House Bill (HB) 1952**

RELATING TO MEDICAL CANNABIS.

Amends the circumstances under which medical cannabis may be transported by and between dispensaries. Requires the Department of Health to adopt rules.

Dear Chairs, Vice-Chairs, and Members of the Joint Committee:

The Hawaii Cannabis Industry Association (HICIA) is an industry group representing medical cannabis dispensary licensee interests in Hawaii. HICIA **SUPPORTS** as this bill may affect the medical cannabis dispensary program expediting wholesale transactions between existing medical cannabis dispensary licensees and allowing the sale of cannabis products previously approved by legislators.

The Department of Health has been reluctant to support the medical cannabis program by implementing rules in accordance with the legislative wishes of lawmakers and previously passed laws. The Department of Health has either implemented rules which are not within the spirit of the law or have wholly disregarded newly passed laws. The Department of Health should not pick and choose what laws to implement when such laws are ratified and pass the democratic legislative process.

Thank you for the opportunity to testify. I am available in person for any questions.

Aloha,

TY Cheng



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: January 30, 2024

TO: Representative David Tarnas
Chair, Committee on Judiciary and Hawaiian Affairs

Representative Cedric Gates
Chair, Committee on Agriculture and Food Systems

Submitted Via Capitol Website

FROM: Jena Matila

RE: **H.B. 1952 – Relating to Medical Cannabis**
Hearing Date: Wednesday, January 31, 2024 at 2:00 p.m.
Conference Room: 325

Dear Chair Tarnas, Chair Gates, and members of the Joint Committees:

We submit this testimony on behalf of Cure Oahu in **support** of H.B. 1952. Cure Oahu is a vertically integrated licensed dispensary that has been operating in the State of Hawaii since 2018, with two retail locations in the Kapahulu and Kapolei areas.

H.B. 1952 amends the dispensary program law to resolve matters that have arisen since the passage of Act 309 (SLH 2022) and Act 108 (SLH 2023). Specifically, the bill seeks to allow dispensary to dispensary sales to move forward and allow for the sale of cannabis products approved by the Legislature by putting a timeline on rulemaking.

Despite the legislative intent of Acts 309 and 108 to allow wholesale between dispensaries more freely, wholesale currently occurs on an emergency basis with an under 30 days request and approval process, or on a prove of need basis requiring over 30 days request and approval process. Current rules also give the Department of Health full discretion to reject requests with no specific timeline to respond. This limited wholesale 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. On a related matter, the sale of pre-rolled cannabis flower products was authorized under Act 108, but the Department has not engaged in rulemaking for the product since the law's passage. As a result, patients do not have access to this option. H.B. 1952 would address these issues by explicitly stating a dispensary may purchase cannabis and

manufactured cannabis products from another dispensary, and placing a time limit on rulemaking to allow distribution of products in a timely manner.

Thank you for the opportunity to submit testimony in support of this bill.

LATE

HB-1952

Submitted on: 1/30/2024 4:23:59 PM

Testimony for JHA on 1/31/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ann Chung	PONO LIFE MAUI	Support	In Person

Comments:

Aloha Chair Tarnas, Chair Gates & members of the joint committees:

On behalf of Pono Life Maui, one of eight medical cannabis dispensaries licensed by the Dept of Health to provide safe, legal access to medical cannabis for Hawaii-registered patients, we write in SUPPORT of HB1952.

We strongly support amendments in HB 1952 that will improve the dispensary program law to resolve matters that have arisen since its passage. These amendments will bill allow dispensary to dispensary sales to move forward and allow for the sale of cannabis products (such as pre-rolled flower cannabis products) approved by the Legislature by putting a timeline on rulemaking.



HawaiianEthos

LATE

Date: January 30, 2024

To: Representative David Tarnas, Chair Committee on Judiciary and Hawaiian Affairs
Representative Cedric Gates, Chair Committee on Agriculture and Food Systems

Fr: Noah Phillips - Hawaiian Ethos

Re: Testimony **In STRONG Support of House Bill (HB) 1952**

RELATING TO MEDICAL CANNABIS Amends the circumstances under which medical cannabis may be transported by and between dispensaries. Requires the Department of Health to adopt rules.

Dear Chair Tarnas, Chair Gates, and Members of the Joint Committees:

Hawaiian Ethos **supports HB1952** as an important bill for enhancement of the State's medical cannabis dispensary program. Hawaiian Ethos is a vertically integrated licensed dispensary operating in the State of Hawai'i since 2018, with three retail locations in the Hilo, Kona, and Waimea areas on the Island of Hawai'i

We strongly support the non-discretionary ability to wholesale amongst the other medical cannabis licenses. Allowing for the wholesale of cannabis products between licensees allows providers to greatly increase the necessary product diversity that patients have access to in the licensed dispensaries of their area. As the only provider of completely solventless medical cannabis products, Hawaiian Ethos is uniquely positioned to provide these clean solventless options to patients across all of the Hawaiian islands. All medical cannabis patients' needs are different and so too are their needs for different product delivery methods and formulations of their medicine i.e. Advil, Tylenol, or Aleve. In order to create a healthy cannabis marketplace where all patients have the choice to select a product most suited to their unique medical needs, licensees must be able to more freely share in the manufacturing proficiencies of each other, as the required manufacturing of these different product types are often costly and difficult for any single company to undertake alone.

Thank you for the opportunity to testify.

Noah Phillips, on Behalf of Hawaiian Ethos



LATE

To: Rep. David A. Tarnas, Chair
Rep. Gregg Takayama, Vice Chair

To: Rep. Cedric Asuega Gates, Chair
Rep. Kirstin Kahaloa, Vice Chair

Members of the Joint Committee on Judiciary and Hawaiian Affairs, and Agriculture and Food Systems

From: Jaclyn Moore, Pharm.D., Co-Founder & CEO Big Island Grown Dispensaries

Re: **Testimony in Support of House Bill (HB) 1952 RELATING TO CANNABIS**

Amends the circumstances under which medical cannabis may be transported by and between dispensaries. Requires the Department of Health to adopt rules.

Dear Chair, Vice-Chair and Members of the Joint Committee:

Big Island Grown Dispensaries is one of eight medical cannabis dispensary licensees in the state. We operate two production facilities and 3 retail locations on the Big Island of Hawaii. As the largest private agricultural employer on the Hamakua Coast, we currently employ 80 Big Island residents. We continue to strengthen our support for our island community by prioritizing locally grown ingredients. In 2023, we sourced over 4,000 lbs of ingredients from Big Island farmers.

Big Island Grown submits testimony in support of HB1952. HB1952 is critical to provide the clarity in statute needed to ensure the continued viability of the MedCan Program via wholesale and product offerings. These amendments streamline the process for wholesale to ensure it serves the intended purpose of supporting enhanced patient access to state-regulated products within the dispensary system. Dispensaries have successfully completed multiple inter-island wholesale transfers to date without incident.

HB1952 also resolves ambiguity in the law related to product types previously approved through the legislative process by specifying a timeline for the adoption of rules via interim rulemaking. Please consider the revision below which would help ensure the amendment proposed to 329D-10(d) (lines 8-13) retains its intended effect for pre-rolled cannabis flower products. Please remove the product description... "as specified by the department" from pre-rolled cannabis flower products to read as follows:

329D-10(a)(9) authorizes "pre-rolled cannabis flower products, ~~as specified by the department.~~"

Please support this measure which accelerates progress for medical cannabis patients by allowing the dispensary system to better serve them.

Thank you for the opportunity to testify.

Jaclyn L. Moore, Pharm.D., Co-Founder & CEO Big Island Grown Dispensaries

Lau Ola LLC, dba Big Island Grown Dispensaries
HILO WAIMEA KONA

HB-1952

Submitted on: 1/30/2024 11:47:19 AM

Testimony for JHA on 1/31/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bill Jarvis	Noa Botanicals, LLC	Support	Written Testimony Only

Comments:

To: Representative David Tarnas, Chair, Representative Gregg Takayama, Vice-Chair, Members of the Judiciary and Hawaiian Affairs Committee

To: Representative Cedric Gates, Chair, Representative Kristin Kahala, Vice-Chair, Members of the Agriculture and Food Systems Committee

Fr: Bill Jarvis, CEO of Noa Botanicals (a medical cannabis licensee on Oahu)

Noa Botanicals supports passage of HB1952 to ensure reliable access to medical cannabis for patients. There are often times when certain licensees are operating with surplus production but cannot sell the product to their existing patients due to the limited distribution scheme required by Hawaii law. Further, there are other licensees that have patients with unmet needs due to crop failure, forecasting that doesn't match up with specific product demand, or any number of challenges that stem from producing a living product. HB1952 removes unnecessary bureaucracy, will distribute the available medical products in a more balanced and patient friendly way, and will do so at the lowest price to a patient.

Further HB1952 will require the Department of Health to more closely follow legislative intent rather than personal ideology, in drafting and expediting administrative rules.

Thank you for the opportunity to testify.

Sincerely, Bill Jarvis

HB-1952

Submitted on: 1/30/2024 1:39:49 PM

Testimony for JHA on 1/31/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Casey Rothstein	Green Aloha Ltd	Support	Written Testimony Only

Comments:

To: Representative David A. Tarnas, Chair

Representative Gregg Takayama, Vice-Chair

Members of the Judiciary & Hawaiian Affairs Committee

To: Representative Cedric Asuega Gates, Chair

Representative Kirstin Kahaloa, Vice-Chair

Members of the Agriculture & Food Systems Committee

Fr: Casey Rothstein, CEO Green Aloha - Kauai Medical Cannabis License

Re: Testimony In SUPPORT of House Bill (HB) 1952

RELATING TO MEDICAL CANNABIS.

Amends the circumstances under which medical cannabis may be transported by and between dispensaries. Requires the Department of Health to adopt rules.

Dear Chairs, Vice-Chairs, and Members of the Joint Committee:

Green Aloha Ltd. is the sole Medical Cannabis Dispensary License for the Island of Kauai. Green Aloha SUPPORTS as this bill may affect the medical cannabis dispensary program expediting wholesale transactions between existing medical cannabis dispensary licensees and allowing the sale of cannabis products previously approved by legislators.

The Department of Health has been reluctant to support the medical cannabis program by implementing rules in accordance with the legislative wishes of lawmakers and previously passed laws. The Department of Health has either implemented rules which are not within the spirit of the law or have wholly disregarded newly passed laws. The Department of Health should not pick and choose what laws to implement when such laws are ratified and pass the democratic legislative process.

Thank you for the opportunity to testify. I am available in person for any questions.

Aloha,

Casey Rothstein, CEO

Green Aloha Ltd.

HB-1952

Submitted on: 1/29/2024 1:30:04 PM

Testimony for JHA on 1/31/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cards Pintor	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support this bill.

Mahalo nui,

Cards Pintor