
A BILL FOR AN ACT

RELATING TO CANNABIS.

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

1 PART I

2 SECTION 1. The legislature finds that cannabis, also known
3 as marijuana, is a plant with psychoactive properties derived
4 primarily from its main psychoactive component
5 tetrahydrocannabinol (THC). Today in the United States, the
6 regulation of the cannabis plant falls into three primary
7 categories: (1) cannabis for medical use; (2) cannabis for
8 non-medical adult use; and (3) hemp that contains low levels of
9 THC.

10 Recognizing the diverse beneficial applications of
11 cannabis, particularly in medicinal use and pain management,
12 many states have enacted laws legalizing and regulating medical
13 use cannabis. In Hawaii, chapter 329D, Hawaii Revised Statutes,
14 establishes the operational guidelines for medical use cannabis
15 dispensaries in the State and creates a safe harbor from state
16 criminal prosecution relating to medical use cannabis.



1 In addition to legalizing medical use cannabis, numerous
2 states and jurisdictions, including Hawaii, have opted to
3 decriminalize the possession of small amounts of non-medical
4 cannabis. These decisions are motivated by a variety of
5 compelling reasons, including the prioritization of more serious
6 crimes, advancements in criminal justice reform, evolving public
7 opinion, and long-standing social equity concerns within the
8 context of cannabis regulation.

9 Moreover, an increasing number of states have legalized and
10 initiated the regulation and taxation of the cultivation,
11 processing, and sale of non-medical cannabis to adults aged
12 twenty-one years and older. Many states have witnessed
13 substantial benefits from the revenue generated through taxes,
14 including use and licensing fees, as well as general excise and
15 sales taxes on the non-medical adult-use cannabis industry.

16 Recognizing these developments in other jurisdictions,
17 pursuant to Act 169, Session Laws of Hawaii 2021, the department
18 of health office of medical cannabis control and regulation
19 convened a task force to explore the development of a dual-
20 system program for cannabis legalization. This task force
21 issued findings and recommendations for future regulation,



1 covering aspects such as taxation, social equity, market
2 structure, medical use, and public health and safety.

3 In light of the task force report, the legislature finds
4 that the legalization of cannabis for personal use is a natural,
5 logical, and reasonable outgrowth of the current science of and
6 attitude towards cannabis. The legislature further finds that
7 cannabis cultivation and sales hold the potential for economic
8 development, increased tax revenues, and reduction in crime.
9 Consequently, the legislature is prepared to move forward with
10 the legalization of non-medical adult-use cannabis.

11 In addition, with the 2018 Farm Act, Congress removed hemp
12 (cannabis with not more than 0.3 per cent delta-9-THC by weight)
13 from schedule I of the Uniform Controlled Substances Act, paving
14 the way for hemp-derived products and the industrial use of
15 hemp. In response, the legislature enacted H.B. No. 1359, H.D.
16 2, S.D. 2, C.D. 1, now known as Act 263, Session Laws of Hawaii
17 2023 (Act 263), to reform hemp industry regulations and
18 acknowledge that hemp is a high-value crop with the potential to
19 generate significant and diverse revenues for Hawaii.

20 In alignment with the federal recognition of hemp as a
21 valuable crop with tens of thousands of uses including for food,



1 fiber, fuel, and remediating soil and capturing carbon, the
2 legislature acknowledges that hemp provides numerous
3 opportunities for diversifying Hawaii's agriculture and rural
4 economic development while furthering Hawaii's food security,
5 energy independence, and sustainability goals. The vision of
6 many of Hawaii's founding hemp farmers was to integrate hemp and
7 food crops so that the higher margins of high-quality craft hemp
8 products might offset the costs of food production, potentially
9 creating greater financial stability for Hawaii's family farms
10 and supporting greater food security. Given the significant
11 potential for hemp, the legislature intends to support hemp
12 farming by establishing a grant program to provide technical
13 assistance and offset the impact to the hemp industry by this
14 Act.

15 The legislature further finds that while hemp holds
16 considerable value for Hawaii's economy and local farmers,
17 certain concerns have surfaced regarding the regulation and
18 enforcement of hemp-derived products that have been processed
19 with the intent to surpass legal THC limits. These items not
20 only contravene the established medical cannabis framework by
21 surpassing permissible THC levels at dispensaries, but have also



1 been marketed towards minors, causing at least one documented
2 case of illness in children who consumed them. Regulating these
3 products is crucial for the State to uphold public health and
4 safety.

5 The issues posed by hemp-derived products, coupled with the
6 growing pains observed in sister states relating to non-medical
7 adult-use cannabis, underscore the necessity to establish
8 uniform regulations for the entire cannabis plant, including
9 hemp. This approach has emerged as the best practice in the
10 legalization of adult-use cannabis.

11 This legislative effort has six main pillars: (1) the
12 enacting of the Hawaii cannabis law - a legal safe harbor from
13 state criminal prosecution concerning activities relating to
14 cannabis for those who strictly comply with its provisions;
15 (2) the creation of a robust, independent body - the Hawaii hemp
16 and cannabis authority - with the power to regulate all aspects
17 of the cannabis plant (whether medical use cannabis, non-medical
18 adult-use cannabis, or hemp) in accordance with the Hawaii
19 cannabis law; (3) the continuing role of law enforcement
20 agencies in addressing illegal cannabis operations not acting in
21 accordance with the Hawaii cannabis law, which pose threats to



1 public order, public health, and business operators who choose
2 to operate in the legal market; (4) a vibrant, well-funded
3 social equity program to be implemented by the Hawaii hemp and
4 cannabis authority with the intent to bring greater economic
5 opportunity to disadvantaged regions of the State and to help
6 transition formerly illicit operators into the legal market; (5)
7 a delayed effective date of approximately eighteen months for
8 the legalization of non-medical adult-use cannabis and the first
9 legal retail sales to allow the Hawaii hemp and cannabis
10 authority, law enforcement, licensees, and the public to
11 prepare; and (6) the implementation of extensive, well-funded
12 public health protections, including a public health and
13 education campaign to inform the public about the new laws, the
14 continuing risks to public health - especially to children -
15 posed by cannabis, and financial assistance for public health
16 services such as addiction and substance abuse treatment.

17 Accordingly, the purpose of this Act is to:

- 18 (1) Establish the Hawaii hemp and cannabis authority, hemp
19 and cannabis control board, and hemp and cannabis
20 control implementation advisory committee;



1 SECTION 2. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER A

5 HAWAII CANNABIS LAW

6 PART I. GENERAL PROVISIONS

7 §A-1 Title. This chapter shall be known and may be cited
8 as the Hawaii Cannabis Law.

9 §A-2 Purpose and intent. The purpose and intent of this
10 chapter is to:

11 (1) Provide a legal safe harbor from state or county
12 criminal prosecution concerning activities relating to
13 cannabis for those who strictly comply with the
14 provisions of this chapter;

15 (2) Establish the Hawaii hemp and cannabis authority as an
16 independent body with the power to administratively
17 regulate all aspects of the cannabis plant in
18 accordance with this chapter;

19 (3) Legalize the sale and possession of cannabis for
20 non-medical adult use beginning January 1, 2026, in
21 accordance with this chapter;



- 1 (4) Provide economic opportunities to disproportionately
2 impacted areas;
- 3 (5) Encourage those currently engaging in illegal,
4 unlicensed commercial cannabis activities to enter the
5 legal market;
- 6 (6) Ensure that state and county law enforcement agencies
7 work closely with the Hawaii hemp and cannabis
8 authority and vigorously investigate and prosecute
9 illegal cannabis activities that fall outside of safe
10 harbor protection; and
- 11 (7) Mandate that the Hawaii hemp and cannabis authority
12 make the protection of public health and safety its
13 highest priorities.

14 **§A-3 Definitions.** As used in this chapter, unless the
15 context otherwise requires:

16 "Adequate supply" means an amount of cannabis, including
17 medical cannabis, jointly possessed between the medical cannabis
18 patient and the patient's caregiver that is not more than is
19 reasonably necessary to ensure the uninterrupted availability of
20 cannabis for the purpose of alleviating the symptoms or effects
21 of a medical cannabis patient's debilitating medical condition;



1 provided that an adequate supply shall not exceed four ounces of
2 cannabis at any given time. The four ounces of cannabis shall
3 include any combination of cannabis flower and cannabis
4 products, with the cannabis in the cannabis products being
5 calculated using information provided pursuant to section
6 A-113(d).

7 "Adult-use cannabis" means cannabis that may be legally
8 possessed or consumed by a person who is at least twenty-one
9 years of age pursuant to this chapter. "Adult-use cannabis"
10 includes adult-use cannabis products and does not include
11 medical cannabis.

12 "Adult-use cannabis product" means any product containing
13 or derived from cannabis, including an edible cannabis product,
14 and cannabis concentrate, that is legally possessed or consumed
15 by a person who is at least twenty-one years of age. "Adult-use
16 cannabis product" does not include medical cannabis products.

17 "Advertise", "advertisement", or "advertising" means any
18 public communication in any medium that offers or solicits a
19 commercial transaction involving the sale, purchase, or delivery
20 of cannabis.



1 "Applicant" means a person that has submitted an
2 application for licensure, permit, or registration, or for
3 renewal of licensure, permit, or registration pursuant to this
4 chapter, that was received by the authority for review but has
5 not been approved or denied by the authority or board, as
6 appropriate. If the context requires, "applicant" includes a
7 person seeking to assume an ownership interest in a licensed
8 business, a new proposed officer, director, manager, and general
9 partner of the licensed business, and anyone who seeks to assume
10 any power to directly or indirectly control the management,
11 policies, and practices of a licensed business under the license
12 transfer, reorganization, or restructuring application process
13 pursuant to section A-77.

14 "Authority" means the Hawaii hemp and cannabis authority
15 established pursuant to section A-11.

16 "Board" means the hemp and cannabis control board
17 established pursuant to section A-12.

18 "Bona fide physician-patient relationship" or "bona fide
19 advanced practice registered nurse-patient relationship" means a
20 relationship in which the physician or advanced practice
21 registered nurse, respectively, has an ongoing responsibility



1 for the assessment, care, and treatment of a patient's medical
2 condition.

3 "Business entity" means a partnership, association,
4 company, corporation, limited liability company, or other
5 entity, whether for profit or nonprofit, incorporated or
6 otherwise formed or organized by law.

7 "Cannabinoid" means any of the various naturally occurring,
8 biologically active, chemical constituents of the plant of the
9 genus Cannabis that bind to or interact with receptors of the
10 endogenous cannabinoid system.

11 "Cannabis" has the same meaning as "marijuana" and
12 "marijuana concentrate" as defined in sections 329-1 and 712-
13 1240; provided that for the purposes of this chapter,
14 "cannabis":

15 (1) Includes:

16 (A) Cannabis flower and cannabis products;

17 (B) Medical cannabis; and

18 (C) Adult-use cannabis; and

19 (2) Does not include:

20 (A) Hemp that is cultivated pursuant to section

21 A-132;



1 (B) Hemp that is processed by a licensed hemp
2 processor pursuant to section A-133; and

3 (C) Hemp products.

4 "Cannabis accessories" means equipment, products, devices,
5 or materials of any kind that are intended or designed for use
6 in planting, propagating, cultivating, growing, harvesting,
7 manufacturing, compounding, converting, producing, processing,
8 preparing, testing, analyzing, packaging, repackaging, storing,
9 containing, ingesting, inhaling, or otherwise introducing
10 cannabis into the human body.

11 "Cannabis business" means any person that holds a license
12 or permit issued by the board pursuant to part VII or any rules
13 adopted pursuant to this chapter.

14 "Cannabis concentrate" means the separated resin, whether
15 crude or purified, obtained, derived, or extracted from
16 cannabis.

17 "Cannabis cultivator" means a person licensed to cultivate
18 cannabis pursuant to section A-112.

19 "Cannabis flower" means the flower of a plant of the genus
20 Cannabis that has been harvested, dried, or cured, before any



1 processing whereby the plant material is transformed into a
2 cannabis product.

3 "Cannabis plant" means the plant of the genus Cannabis in
4 the seedling, vegetative, or flowering stages, with readily
5 observable roots and leaves with serrated edges, but does not
6 include a germinated seed, cutting, or clone without readily
7 observable roots and leaves with serrated edges.

8 "Cannabis processor" means a person licensed to process
9 cannabis pursuant to section A-113.

10 "Cannabis product" means any product containing or derived
11 from cannabis, including an edible cannabis product or cannabis
12 concentrate. "Cannabis product" includes adult-use cannabis
13 products and medical cannabis products.

14 "Cannabis regulation, nuisance abatement, and law
15 enforcement special fund" means the fund established pursuant to
16 section A-18.

17 "Cannabis social equity, public health and education, and
18 public safety special fund" means the fund established pursuant
19 to section A-19.

20 "Caregiver" means a person who is at least eighteen years
21 of age who has agreed to undertake responsibility for managing



1 the well-being of a medical cannabis patient with respect to the
2 medical use of cannabis. In the case of a minor or an adult
3 lacking legal capacity, the caregiver shall be a parent,
4 guardian, or person having legal custody.

5 "Certifying medical professional" means a physician or an
6 advanced practice registered nurse who issues written
7 certifications for the medical use of cannabis to qualifying
8 patients pursuant to section A-49.

9 "Chief compliance officer" means the chief compliance
10 officer of the authority established pursuant to section A-11.

11 "Chief equity officer" means the chief equity officer of
12 the authority established pursuant to section A-11.

13 "Chief public health and environmental officer" means the
14 chief public health and environmental officer of the authority
15 established pursuant to section A-11.

16 "Child care facility" has the same meaning as defined in
17 section 346-151.

18 "Child-resistant" means designed or constructed to be
19 significantly difficult for children under the age of five to
20 open, and not difficult for average adults to use properly.



1 "Consumer" means a natural person who is at least twenty-
2 one years of age purchasing or using cannabis pursuant to this
3 chapter.

4 "Craft cannabis dispensary" means a person licensed to
5 operate a craft cannabis dispensary pursuant to section A-116.

6 "Crude hemp extract" means a hemp extract product for sale
7 strictly to a hemp extract processor with a valid license issued
8 by the authority pursuant to section A-133 or equivalent
9 authorization from a regulatory agency in another jurisdiction,
10 and not intended for use or consumption.

11 "Cultivate" or "cultivation" means growing, cloning,
12 propagating, harvesting, drying, curing, grading, or trimming of
13 cannabis plants or hemp plants.

14 "Debilitating medical condition" means:

15 (1) Cancer, glaucoma, lupus, epilepsy, multiple sclerosis,
16 rheumatoid arthritis, positive status for human
17 immunodeficiency virus, acquired immune deficiency
18 syndrome, or the treatment of these conditions;

19 (2) A chronic or debilitating disease or medical condition
20 or its treatment that produces one or more of the
21 following:



- 1 (A) Cachexia or wasting syndrome;
- 2 (B) Severe pain;
- 3 (C) Severe nausea;
- 4 (D) Seizures, including those characteristic of
- 5 epilepsy;
- 6 (E) Severe and persistent muscle spasms, including
- 7 those characteristic of multiple sclerosis or
- 8 Crohn's disease; or
- 9 (F) Post-traumatic stress disorder; or
- 10 (3) Any other medical condition approved by the board in
- 11 consultation with the department of health pursuant to
- 12 rules adopted pursuant to this chapter.

13 "Decarboxylation" means the completion of the chemical
14 reaction that converts naturally occurring cannabinoid acid into
15 a cannabinoid, including delta-9-tetrahydrocannabinol's acids
16 (THCA) into delta-9-tetrahydrocannabinol.

17 "Delta-9-tetrahydrocannabinol" means one of the
18 cannabinoids that function as the primary psychoactive component
19 of cannabis.

20 "Dispense" or "dispensing" means to sell any cannabis to a
21 consumer or medical cannabis patient pursuant to this chapter.



1 "Disproportionately impacted area" means historically
2 disadvantaged communities, areas of persistent poverty, and
3 medically underserved communities, as determined by the board in
4 rules adopted pursuant to this chapter.

5 "Distribute" or "distribution" means to sell at wholesale
6 any cannabis or hemp to a cannabis business pursuant to this
7 chapter.

8 "Edible cannabis product" means a cannabis product intended
9 to be used orally, in whole or in part, for human consumption,
10 including cannabis products that dissolve or disintegrate in the
11 mouth, but does not include any product otherwise defined as
12 cannabis concentrate.

13 "Employment" has the same meaning as defined in section
14 378-1.

15 "Executive director" means the executive director of the
16 authority established pursuant to section A-11.

17 "Firearm" has the same meaning as defined in section 134-1.

18 "Hemp" means all parts of the plant of the genus Cannabis,
19 whether growing or not, including the seeds thereof and all
20 derivatives, extracts, cannabinoids, isomers, acids, salts, and
21 salts of isomers, with a delta-9-tetrahydrocannabinol



1 concentration of not more than 0.3 per cent on a dry weight
2 basis, as measured post-decarboxylation or other similarly
3 reliable method.

4 "Hemp business" means any person that holds a license
5 issued by the board pursuant to part VIII and any rules adopted
6 pursuant to this chapter.

7 "Hemp coordinator" means the hemp coordinator of the
8 authority established pursuant to section A-11.

9 "Hemp extract product" means any hemp product derived from
10 hemp, including all derivatives, extracts, cannabinoids,
11 isomers, acids, salts, and salts of isomers, with a delta-9-
12 tetrahydrocannabinol concentration of not more than 0.3 per cent
13 on a dry weight basis, as measured post-decarboxylation or other
14 similarly reliable method. "Hemp extract product" does not
15 include industrial hemp products.

16 "Hemp flower" means the flower of a hemp plant that has
17 been harvested, dried, or cured, before any processing, with a
18 delta-9-tetrahydrocannabinol concentration of not more than 0.3
19 per cent on a dry weight basis, as measured post-decarboxylation
20 or other similarly reliable method.



1 "Hemp product" means any product containing or derived from
2 hemp with a delta-9-tetrahydrocannabinol concentration of not
3 more than 0.3 per cent on a dry weight basis, as measured
4 post-decarboxylation or other similarly reliable method.

5 "Independent laboratory" means a person licensed to operate
6 an independent laboratory pursuant to section A-111.

7 "Industrial hemp product" means any hemp product that is
8 either:

9 (1) Intended for industrial use and not for human
10 consumption, including textiles and construction
11 materials; or

12 (2) Intended for human consumption and generally
13 recognized as safe (GRAS) by the United States Food
14 and Drug Administration for use in foods.

15 "Labeling" means any label or other written, printed, or
16 graphic matter upon any container, packaging, or wrapper that
17 contains cannabis or hemp.

18 "Laboratory agent" means an employee of an independent
19 laboratory, who is registered with the authority and possesses,
20 processes, stores, transports, or tests cannabis or hemp
21 pursuant to section A-111.



1 "Licensed business" means any person that holds a license
2 or permit issued by the board or the authority pursuant to this
3 chapter or any rules adopted thereunder. "Licensed business"
4 includes cannabis business and hemp business.

5 "Licensed premises" means the premises authorized to be
6 used for the operation of a licensed business pursuant to
7 section A-80.

8 "Marijuana" has the same meaning as defined in section 712-
9 1240.

10 "Marijuana concentrate" has the same meaning as defined in
11 section 712-1240.

12 "Medical cannabis" means cannabis that is dispensed by a
13 medical cannabis dispensary or a retail cannabis store to a
14 medical cannabis patient or the patient's caregiver or cannabis
15 for the medical use of cannabis pursuant to this chapter.

16 "Medical cannabis" includes medical cannabis product.

17 "Medical cannabis cooperative" means a person licensed to
18 operate a medical cannabis cooperative pursuant to A-117.

19 "Medical cannabis dispensary" means a person licensed to
20 operate a medical cannabis dispensary pursuant to section A-114.



1 "Medical cannabis patient" means a qualifying patient or
2 qualifying out-of-state patient that has registered with the
3 authority pursuant to this chapter.

4 "Medical cannabis product" means any product containing or
5 derived from cannabis, including an edible cannabis product and
6 cannabis concentrate, that is solely for medical use by a
7 medical cannabis patient pursuant to this chapter.

8 "Medical cannabis registration card" means a card issued by
9 the authority that certifies the card holder is a medical
10 cannabis patient.

11 "Medical use" means the acquisition, possession,
12 cultivation, use, or transportation of cannabis or cannabis
13 accessories relating to the administration of cannabis to
14 alleviate the symptoms or effects of a medical cannabis
15 patient's debilitating medical condition.

16 "Minor" has the same meaning as defined in section 712-
17 1240.

18 "Person" means a natural person, firm, corporation,
19 partnership, association, or any form of business or legal
20 entity.



1 "Personal adult use" means the acquisition, possession,
2 cultivation, use, or transportation of adult-use cannabis or
3 cannabis accessories by a person who is at least twenty-one
4 years of age.

5 "Plant canopy" means the square footage dedicated to live
6 plant production, such as maintaining mother plants, propagating
7 plants from seed to plant tissue, clones, and vegetative or
8 flowering area. "Plant canopy" does not include areas such as
9 space used for the storage of fertilizers, pesticides, or other
10 products, quarantine, or office space.

11 "Private residence" means a house, condominium, or
12 apartment, and excludes, unless otherwise authorized by law,
13 dormitories or other on-campus college or university housing;
14 bed-and-breakfast establishments, hotels, motels, or other
15 commercial hospitality operations; and federal public housing,
16 shelters, or residential programs.

17 "Process" or "processing" means to compound, blend,
18 extract, infuse, or otherwise make or prepare a cannabis product
19 or hemp product.

20 "Public housing project or complex" has the same meaning as
21 defined in section 712-1249.6.



1 "Qualifying out-of-state patient" means a person residing
2 outside of the State who has been diagnosed by a physician or
3 advanced practice registered nurse as having a debilitating
4 medical condition and registered pursuant to section A-48.

5 "Qualifying patient" means a person who has been diagnosed
6 by a physician or advanced practice registered nurse as having a
7 debilitating medical condition and registered pursuant to
8 section A-47. "Qualifying patient" does not include qualifying
9 out-of-state patient.

10 "Resealable" means a package that maintains its
11 child-resistant effectiveness, as well as preserving the
12 integrity of cannabis for multiple doses.

13 "Restricted area" means an enclosed and secured area within
14 a licensed premises used to cultivate, process, test, or store
15 cannabis that is only accessible by authorized employees of the
16 licensed business, employees and agents of the authority, state
17 and county law enforcement officers, emergency personnel, and
18 other individuals authorized by law to access.

19 "Restricted cannabinoid" means a cannabinoid on the
20 restricted cannabinoid product list established and maintained
21 by the authority pursuant to section A-131.



1 "Restricted cannabinoid product" means any product
2 containing an amount of any restricted cannabinoid that exceeds
3 the limit allowable for a hemp product, as established by the
4 authority pursuant to section A-131.

5 "Retail cannabis store" means a person licensed to operate
6 a retail cannabis store pursuant to section A-115.

7 "School" has the same meaning as defined in section 712-
8 1249.6.

9 "School vehicle" has the same meaning as defined in section
10 286-181.

11 "Seed-to-sale tracking system" means a system for tracking
12 the inventory of cannabis from either the seed or immature plant
13 stage until the cannabis is dispensed or destroyed.

14 "Smoke" or "smoking" means inhaling, exhaling, burning, or
15 carrying any lighted or heated cannabis or hemp intended for
16 inhalation in any manner or in any form. "Smoke" or "smoking"
17 includes the use of an electronic smoking device.

18 "Sustainability" has the same meaning as defined in section
19 226-2.



1 "Tetrahydrocannabinol" or "THC" means the group of
2 cannabinoids that function as the primary psychoactive component
3 of cannabis.

4 "Under the influence" means in a state of intoxication
5 accompanied by a perceptible act, a series of acts, or the
6 appearance of an individual that clearly demonstrates the state
7 of intoxication.

8 "Vehicle" means an automobile, airplane, motorcycle,
9 motorboat, or other motor-propelled vehicle.

10 "Written certification" means a written statement issued
11 and signed by a certifying medical professional pursuant to
12 section A-46.

13 **§A-4 General exemptions.** (a) Notwithstanding any law to
14 the contrary, including part IV of chapter 329 and part IV of
15 chapter 712, actions authorized pursuant to this chapter shall
16 be lawful if done in strict compliance with the requirements of
17 this chapter and any rules adopted thereunder.

18 (b) A person may assert strict compliance with this
19 chapter or rules adopted thereunder as an affirmative defense to
20 any prosecution involving marijuana or marijuana concentrate,



1 including under part IV of chapter 329 and part IV of chapter
2 712.

3 (c) Actions that do not strictly comply with the
4 requirements of this chapter and any rules adopted thereunder
5 shall be unlawful and subject to civil, criminal, or
6 administrative procedures and penalties, or all of the above, as
7 provided by law.

8 **§A-5 Limitations; construction with other laws.** Nothing
9 in this chapter shall be construed to:

- 10 (1) Supersede any law relating to operating a vehicle
11 under the influence of an intoxicant;
- 12 (2) Supersede any law involving the performance of any
13 task while impaired by cannabis that would constitute
14 negligence or professional malpractice, or prevent the
15 imposition of any civil, criminal, or other penalty
16 for the conduct;
- 17 (3) Supersede any law prohibiting or relating to smoking
18 or vaping, including chapter 328J;
- 19 (4) Authorize the possession or use of cannabis or
20 cannabis accessories on the grounds of or within a
21 child care facility, school, daycare center, youth



1 center, college, university, or other educational
2 institution, including a nursery school or summer
3 camp; school vehicle; or any correctional facility or
4 detoxification facility; or

5 (5) Require any person, corporation, or any other entity
6 that occupies, owns, or controls real property to
7 allow the consumption, cultivation, processing,
8 display, distribution, or dispensing of cannabis on or
9 within that property; provided that in the case of the
10 rental of a residential dwelling, a landlord shall not
11 prohibit the possession of cannabis or the consumption
12 of cannabis that is not inhaled, unless:

13 (A) The tenant is renting a room or rooms in a larger
14 residence;

15 (B) The residence is incidental to detention or the
16 provision of medical, geriatric, educational,
17 counseling, religious, or similar service;

18 (C) The residence is a transitional housing facility;
19 or

20 (D) Failing to prohibit the possession or use of
21 cannabis would violate federal law or regulations



1 or cause the landlord to lose a monetary or
2 licensing-related benefit under federal law or
3 regulations.

4 **PART II. ADMINISTRATION**

5 **§A-11 Hawaii hemp and cannabis authority; established.**

6 (a) There shall be established the Hawaii hemp and cannabis
7 authority, which shall be a public body corporate and politic
8 and an instrumentality and agency of the State for the purpose
9 of implementing this chapter. The authority shall be governed
10 by the hemp and cannabis control board. The authority shall be
11 placed within the department of commerce and consumer affairs
12 for administrative purposes only. The department of commerce
13 and consumer affairs shall not direct or exert authority over
14 the day-to-day operations or functions of the authority.

15 (b) The authority shall exercise its authority, other than
16 powers and duties specifically granted to the board, by and
17 through the executive director. The executive director shall be
18 appointed by the board without regard to chapter 76 or section
19 26-35(a) (4) and serve at the pleasure of the board. The
20 executive director shall have expertise and training in the
21 field of cannabis regulation or public health administration.



1 (c) At a minimum, the staff of the authority shall consist
 2 of one full-time executive secretary to the executive director,
 3 one full-time chief financial officer, one full-time chief
 4 equity officer, one full-time general counsel, one full-time
 5 chief public health and environmental officer, one full-time
 6 chief technology officer, one full-time chief compliance
 7 officer, and one full-time hemp coordinator, each of whom shall
 8 be exempt from chapter 76 and section 26-35(a)(4) and serve at
 9 the pleasure of the executive director.

10 **§A-12 Hemp and cannabis control board; members and terms;**

11 **organization; expenses.** (a) There shall be established the
 12 hemp and cannabis control board that shall carry out the duties
 13 and responsibilities as provided in this chapter. The board
 14 shall consist of seven members to be placed within the
 15 department of commerce and consumer affairs for administrative
 16 purposes only. The board shall govern the Hawaii hemp and
 17 cannabis authority and appoint the executive director of the
 18 authority, who shall be responsible for administering and
 19 enforcing laws related to the authority and each administrative
 20 unit thereof.



1 (b) The protection of public health and safety shall be
2 the highest priorities for the board in exercising licensing,
3 regulatory, and disciplinary functions under this chapter.

4 Whenever the protection of public health and safety is
5 inconsistent with other interests sought to be promoted, the
6 protection of public health and safety shall be paramount.

7 (c) The members of the board shall be appointed by the
8 governor, subject to confirmation by the senate pursuant to
9 section 26-34. The terms and the filling of a vacancy on the
10 board shall be as provided in section 26-34; provided that
11 initial appointments may be for less than four years to maintain
12 the board with staggered terms.

13 At minimum, the composition of the board shall include the
14 following:

15 (1) One member who shall have a professional background in
16 the hemp industry;

17 (2) One member who shall have a professional background in
18 public safety or law enforcement;

19 (3) One member who shall have a professional background in
20 public health, mental health, substance abuse
21 treatment, or toxicology; and



1 (4) One member who shall have professional experience in
2 oversight or industry management, including
3 commodities, production, or distribution, in the
4 cannabis industry.

5 (d) Before appointment to the board, the authority shall
6 conduct a background investigation, which may include the
7 criminal history record check pursuant to section 846-2.7, on
8 prospective members of the board. No person who has been
9 convicted of a felony shall be eligible to serve on the board.

10 (e) A majority of all members to which the board is
11 entitled shall constitute a quorum to do business, and the
12 concurrence of a majority of all members shall be necessary to
13 make an action of the board valid.

14 (f) Regular meetings of the board shall be held not less
15 than once a month. Special meetings may be called by the
16 chairperson at any time by giving notice thereof to each member
17 present in the State at least ten days before the date of the
18 special meeting; provided that notice shall not be required if
19 all members present in the State agree and sign a written waiver
20 of the notice. To promote efficiency in administration, the



1 chairperson shall divide or re-divide the work of the board
2 among the board members as the chairperson deems expedient.

3 (g) Any member of the board may be removed for cause by
4 vote of four of the board's members then in office. For
5 purposes of this subsection, cause shall include without
6 limitation:

7 (1) Malfeasance in office;

8 (2) Failure to attend regularly held meetings;

9 (3) Sentencing for conviction of a felony, to the extent
10 allowed by section 831-2; or

11 (4) Any other cause that may render a member incapable or
12 unfit to discharge the duties of the board required
13 under this chapter.

14 Filing nomination papers for elective office or appointment to
15 elective office, or conviction of a felony consistent with
16 section 831-3.1, shall automatically and immediately disqualify
17 a board member from office.

18 (h) The members of the board shall serve without
19 compensation but shall be entitled to reimbursement for
20 expenses, including travel expenses, necessary for the
21 performance of their duties.



1 (i) At the first meeting where a quorum is established,
 2 the board shall solicit nominees from its members to elect a
 3 chairperson and a vice-chairperson from among its members who
 4 shall be elected by majority vote. In the event of a tie, the
 5 governor shall cast a tie-breaking vote. The chairperson and
 6 vice-chairperson shall serve until their successors are elected.

7 **SA-13 Hemp and cannabis control board; powers and duties.**

8 The board shall have the following powers and duties as provided
 9 for in this chapter to:

- 10 (1) Adopt a seal;
- 11 (2) Administer oaths and affirmations;
- 12 (3) Establish a procedure by which licenses or permits are
 13 awarded pursuant to this chapter, including by
 14 randomized lottery selection;
- 15 (4) Approve or deny applications, including renewal
 16 applications and change in ownership applications, for
 17 licenses or permits pursuant to this chapter;
- 18 (5) Suspend, cancel, or revoke for cause any license,
 19 permit, or registration issued under this chapter;
- 20 (6) Conduct or commission studies regarding market
 21 conditions and, on a periodic basis, determine the



1 maximum number of licenses that may be issued to meet
2 estimated production demand and facilitate a reduction
3 in the unauthorized distribution of cannabis;

4 (7) Establish and amend cannabis district boundaries to
5 ensure equal access to cannabis, especially for
6 medical use, and encourage the full participation in
7 the regulated cannabis industry from
8 disproportionately impacted areas;

9 (8) Adopt rules, which shall have the force and effect of
10 law; provided that unless otherwise provided in this
11 chapter, the rules shall be adopted pursuant to
12 chapter 91;

13 (9) Take appropriate action against a person who, directly
14 or indirectly, cultivates, processes, sells, or
15 purchases any cannabis without being authorized
16 pursuant to this chapter;

17 (10) Establish additional restrictions, requirements, or
18 conditions, consistent with those prescribed in this
19 chapter, relating to the standards and requirements
20 for cultivating, processing, packaging, advertising,
21 distributing, or dispensing cannabis or hemp,



1 including the ability to regulate ingredients, and the
2 types, forms, potency, and concentration of cannabis
3 products or hemp extract products that may be
4 processed or sold, to ensure the health and safety of
5 the public and the use of proper ingredients and
6 methods in the processing of all cannabis and hemp to
7 be sold or consumed in the State and to ensure that
8 products are not packaged, marketed, or otherwise sold
9 in a way that targets minors or promotes excessive use
10 of cannabis or cannabis use disorders;

11 (11) Appoint the executive director, not subject to chapter
12 76 or section 26-35(a)(4), and discharge the executive
13 director with or without cause by a majority vote of
14 all members of the board; provided that removal
15 without cause shall not prejudice any contract rights
16 of the executive director;

17 (12) Establish and amend a plan of organization that the
18 board considers expedient;

19 (13) Conduct hearings as required by law pursuant to
20 chapter 91; provided that the board may examine
21 witnesses and take testimony, receive and determine



1 the relevance of evidence, issue subpoenas, regulate
2 the course and conduct of the hearing, and make a
3 final ruling;

4 (14) Appoint hearing officers to conduct hearings as
5 provided by law and under conditions that the board
6 shall establish by rules. Each hearing officer shall
7 be deemed to be an agent of the board with all powers
8 associated with that designation;

9 (15) Establish a social equity program to encourage the
10 full participation in the regulated cannabis industry
11 from disproportionately impacted areas;

12 (16) Delegate to the chairperson of the board or the
13 executive director, subject to the board's control and
14 responsibility, powers and duties as may be lawful or
15 proper for the performance of the functions vested in
16 the board;

17 (17) Exercise the powers and perform the duties in relation
18 to the administration of the board and authority as
19 necessary but not specifically vested by this chapter,
20 including budgetary and fiscal matters; and



1 (18) Coordinate with state and county law enforcement
2 agencies to effectuate the purposes of this chapter.

3 **SA-14 Hemp and cannabis control implementation advisory**

4 **committee; members; organization.** (a) There shall be

5 established the hemp and cannabis control implementation

6 advisory committee that shall advise and assist the board in

7 developing or revising proposed laws and rules to carry out and

8 effectuate the purposes of this chapter. The hemp and cannabis

9 control implementation advisory committee shall be placed within

10 the department of commerce and consumer affairs for

11 administrative purposes only.

12 (b) The hemp and cannabis control implementation advisory

13 committee shall consist of fifteen members to be appointed by

14 the governor; provided that five of the members shall be

15 representatives of the hemp industry; provided further that at

16 least three of those members shall be hemp cultivators pursuant

17 to section A-132.

18 (c) Members of the hemp and cannabis control

19 implementation advisory committee shall serve without

20 compensation but shall be reimbursed for expenses, including

21 travel expenses, necessary for the performance of their duties.



1 (d) A majority of the members of the hemp and cannabis
2 control implementation advisory committee present and voting
3 shall constitute a quorum to conduct business, and the
4 concurrence of a majority of all members present shall be
5 necessary to make any action of the committee valid.

6 (e) No member of the hemp and cannabis control
7 implementation advisory committee shall be subject to chapter 84
8 solely because of the member's service on the committee.

9 (f) The hemp and cannabis control implementation advisory
10 committee shall be dissolved on December 31, 2025.

11 **§A-15 Executive director; powers and duties.** The
12 executive director shall have the following powers and duties as
13 provided for in this chapter to:

14 (1) Exercise the powers and perform the duties in relation
15 to the administration of the authority that are not
16 specifically vested by this chapter in, or delegated
17 by, the board;

18 (2) Execute all instruments necessary or convenient for
19 accomplishing the purposes of this chapter;

20 (3) Enter into agreements or other transactions with a
21 person, including a public entity or other



- 1 governmental instrumentality or authority in
2 connection with its powers and duties under this
3 chapter;
- 4 (4) Employ, subject to chapter 76, employees, permanent
5 and temporary, as required; provided that when, in the
6 determination of the executive director, the services
7 to be performed are unique and essential to the
8 execution of the functions of the authority, the
9 executive director may employ, not subject to chapter
10 76 or section 26-35(a)(4), officers and employees,
11 prescribe their duties and qualifications, and fix
12 their salaries;
- 13 (5) Apply for and accept, on behalf of the authority,
14 grants, loans, advances, and contributions of money or
15 property, or other things of value from any source, to
16 be held, used, and applied for its purposes;
- 17 (6) Set, charge, impose, and collect fees, fines, and
18 civil penalties as authorized by this chapter or rules
19 adopted thereunder; provided that all fees, fines, and
20 civil penalties received by the authority shall be



- 1 deposited into the cannabis regulation, nuisance
2 abatement, and law enforcement special fund;
- 3 (7) Enforce seizure, confiscation, or forfeiture pursuant
4 to this chapter or chapter 712A of any cannabis or
5 hemp not authorized under this chapter or rules
6 adopted thereunder;
- 7 (8) Provide and pay for advisory services and technical
8 assistance as may be necessary in its judgment to
9 carry out this chapter as provided by law;
- 10 (9) Develop and maintain a seed-to-sale tracking system;
- 11 (10) Be present, through its inspectors and agents, at any
12 time, at the premises of a licensed business for the
13 purposes of exercising its regulatory responsibilities
14 or inspecting the premises and all equipment and
15 supplies located at the premises;
- 16 (11) Seize and remove from the premises of a licensed
17 business any cannabis, hemp, equipment, supplies,
18 documents, and records obtained or possessed in
19 violation of this chapter for the purpose of
20 examination and inspection;



- 1 (12) For cause, demand and be granted access to, for the
2 purposes of inspection, examination, photocopying, or
3 audit, all books, papers, and records of licensed
4 businesses and close associates of any licensed
5 business whom the authority suspects are involved in
6 the financing, operation, or management of the
7 licensed business; provided that the inspection,
8 examination, photocopying, and audit may take place on
9 the licensed business's or its close associate's
10 premises or elsewhere as practicable and in the
11 presence of the licensed business or its close
12 associate or its agent;
- 13 (13) Register medical cannabis patients for medical use of
14 cannabis pursuant to sections A-47 and A-48;
- 15 (14) Investigate violations of this chapter and,
16 notwithstanding any law to the contrary, violations of
17 chapter 322 or 342F that are related to cultivation,
18 processing, distribution, sales, dispensing,
19 consumption, possession, or use of cannabis or hemp,
20 including covert operations, and refer criminal
21 violations to the proper federal, state, or local



- 1 authorities for prosecution as appropriate.
- 2 Investigations of violations of chapter B shall be
- 3 referred to the director of taxation to hear and
- 4 determine complaints against any licensed business;
- 5 (15) Conduct background checks as necessary for the
- 6 purposes of implementing this chapter, including
- 7 criminal history record checks in accordance with
- 8 section 846-2.7;
- 9 (16) Gather facts and information applicable to the
- 10 authority's obligation to investigate applicants,
- 11 permittees, or licensed businesses for:
- 12 (A) A violation of this chapter or any rules adopted
- 13 thereunder; or
- 14 (B) A wilful violation of an order of the board;
- 15 (17) Delegate the powers provided in this section to other
- 16 officers or employees of the authority as may be
- 17 deemed appropriate by the executive director;
- 18 (18) Exercise the powers and perform the duties as
- 19 delegated by the board;
- 20 (19) Advise and assist the board in carrying out any of its
- 21 functions, powers, and duties;



- 1 (20) Coordinate across state departments and agencies to
2 research and study any changes in cannabis use and the
3 impact that cannabis use and the number of licensed
4 businesses may have on access to cannabis, public
5 health, and public safety;
- 6 (21) Prepare, publish, and distribute, with or without
7 charge as the authority may determine, studies,
8 reports, guidance, bulletins, and other materials that
9 the authority considers appropriate;
- 10 (22) Implement the social equity program established by the
11 board;
- 12 (23) Create and maintain a publicly available directory of
13 the names and locations of medical cannabis
14 dispensaries, retail cannabis stores, and craft
15 cannabis dispensaries;
- 16 (24) Create a system whereby a licensed business can verify
17 the status of other licensed businesses;
- 18 (25) Develop forms, licenses, identification cards, and
19 applications as are necessary or convenient in the
20 discretion of the executive director for the



1 administration of this chapter or rules adopted
2 thereunder;

3 (26) Administer and manage a state cannabis testing
4 facility; and

5 (27) Delegate powers and duties of the executive director
6 to other state or county departments or agencies
7 pursuant to memoranda of agreement for the purposes of
8 implementing the provisions of this chapter related to
9 administration, investigation, inspection, fee
10 collection, document management, education and
11 outreach, distribution of individual licenses approved
12 by the board, and technical assistance pertaining to
13 the cultivation of cannabis.

14 **SA-16 Administrative rules; authority.** (a) No later than
15 December 31, 2024, the board shall adopt interim rules, which
16 shall be exempt from chapters 91 and 201M, to effectuate the
17 purposes of this chapter; provided that the interim rules shall
18 remain in effect until December 31, 2029, or until rules are
19 adopted pursuant to subsection (c), whichever occurs sooner.

20 (b) The board may amend the interim rules to effectuate
21 the purposes of this chapter, and the amendments shall be exempt



1 from chapters 91 and 201M; provided that any amended interim
2 rules shall remain in effect until December 31, 2029, or until
3 rules are adopted pursuant to subsection (c), whichever occurs
4 sooner.

5 (c) No later than December 31, 2029, the board shall adopt
6 rules pursuant to chapter 91 to effectuate the purposes of this
7 chapter.

8 **§A-17 Administrative rules; mandatory.** (a) The rules
9 adopted pursuant to section A-16 shall include:

- 10 (1) Procedures for application that an applicant for a
11 license, permit, or registration shall follow and
12 complete before consideration by the board or
13 authority;
- 14 (2) A schedule of fees including application, license,
15 permit, registration, and renewal fees, in amounts
16 necessary to pay for all regulation and enforcement
17 costs of the authority; provided that fees may be
18 relative to the volume of business conducted or to be
19 conducted by the licensed business;
- 20 (3) Qualifications for licensure or permitting and minimum
21 standards for employment that are directly and



- 1 demonstrably related to the operation of a licensed
2 business;
- 3 (4) Procedures and policies to promote and encourage full
4 participation in the regulated cannabis industry by
5 people from disproportionately impacted areas;
- 6 (5) Requirements for licensure, permitting, and
7 registration, including updating and renewing
8 licensure, permitting, and registration;
- 9 (6) Requirements for the information to be furnished by a
10 licensed business relating to the licensed business's
11 employees, any necessary registration requirements for
12 employees working at a licensed business, and
13 requirements that all licensed business employees be
14 properly trained in their respective professions as
15 necessary;
- 16 (7) Requirements for fingerprinting or other method of
17 identification for the purposes of criminal history
18 record checks as authorized by section 846-2.7;
- 19 (8) Procedures and grounds for penalties for violation of
20 this chapter, including the administrative hold,



- 1 suspension, or revocation of a license, permit, or
2 registration;
- 3 (9) Requirements for recordkeeping by a licensed business,
4 including the keeping of books, financial records,
5 statements, or other records of a licensed business;
- 6 (10) Requirements and procedures to track cannabis
7 cultivated, processed, transported, delivered,
8 distributed, dispensed, tested, sold, or destroyed by
9 licensed businesses;
- 10 (11) Requirements and procedures for the seed-to-sale
11 tracking system;
- 12 (12) Security requirements for a licensed business
13 sufficient to deter and prevent theft and unauthorized
14 entrance into restricted areas containing cannabis,
15 which shall include the use of security cameras;
16 provided that the requirements shall not prohibit the
17 cultivation of cannabis outdoors or in greenhouses;
- 18 (13) Requirements for liability insurance coverage for a
19 licensed business or requirements for other adequate
20 security against liabilities, including that a



1 licensed business place a certain sum in escrow to be
2 expended for coverage of liabilities;

3 (14) Requirements and procedures sufficient to ensure the
4 virtual separation of medical cannabis from adult-use
5 cannabis distributed by a cannabis processor or
6 dispensed by a retail cannabis store;

7 (15) Requirements and procedures to prevent the sale,
8 delivery, or transfer of cannabis to persons under the
9 age of twenty-one, or the purchase of cannabis on
10 behalf of a person under the age of twenty-one,
11 including a prohibition on persons under the age of
12 twenty-one entering the premises of a licensed
13 business unless otherwise authorized for medical use
14 pursuant to this chapter;

15 (16) Standards for manufacturing or extracting cannabinoid
16 oil or butane hash oil;

17 (17) The circumstances, manner, and process by which a
18 licensed business may apply for a change in ownership,
19 including procedures and requirements to enable the
20 transfer of a license for a licensed business to



1 another qualified person or to another suitable
2 location subject to the board's approval;

3 (18) Health and safety standards, established in
4 consultation with the department of health and
5 department of agriculture, for the cultivation,
6 processing, distribution, and dispensing of cannabis,
7 including standards regarding sanitation for the
8 preparation, storage, handling, and sale of edible
9 cannabis products; including compliance with chapter
10 321 and health inspections by the department of
11 health; provided that the authority to adopt rules
12 pertaining to the use of pesticides shall remain with
13 the department of agriculture;

14 (19) Requirements for the packaging of cannabis;

15 (20) Requirements for the potency or dosing limitations of
16 cannabis, including separate requirements for the
17 potency or dosing limitations of medical cannabis;

18 (21) Requirements for the labeling of a package containing
19 cannabis;

20 (22) Procedures and policies, in consultation with the
21 department of agriculture, to promote and encourage



- 1 full participation in the regulated cannabis industry
2 by farmers and agricultural businesses with emphasis
3 on promoting small farms, diversified agriculture, and
4 indigenous farming practices;
- 5 (23) Requirements for the safe disposal of excess,
6 contaminated, adulterated, or deteriorated cannabis;
- 7 (24) Requirements for advertising, marketing, and branding
8 cannabis;
- 9 (25) Requirements for a process allowing the executive
10 director to order a prohibition on the sale of
11 cannabis found to be detrimental to health or
12 especially appealing to persons under the age of
13 twenty-one;
- 14 (26) Requirements for a process allowing a cannabis
15 business to voluntarily submit a product, its
16 packaging, and intended marketing to the authority for
17 review of whether the product is especially appealing
18 to persons under the age of twenty-one;
- 19 (27) Energy and environmental standards for licensure and
20 licensure renewal of cannabis cultivators, cannabis



1 processors, craft cannabis dispensaries, medical
2 cannabis cooperatives, and hemp extract processors;

3 (28) Manners in which licensed premises shall be
4 constructed, arranged, furnished, equipped,
5 maintained, and operated;

6 (29) Classification of any cannabis-derived compound,
7 cannabinoid or hemp-derived compound, or cannabinoid;
8 and

9 (30) Prohibitions or restrictions on the use of a synthetic
10 cannabinoid or artificially derived cannabinoid in any
11 cannabis product or hemp product.

12 (b) For the purposes of this section:

13 "Artificially derived cannabinoid" means a chemical
14 substance created by a chemical reaction that changes the
15 molecular structure of any chemical substance derived from the
16 plant of the genus Cannabis. "Artificially derived cannabinoid"
17 does not include:

18 (1) A naturally occurring chemical substance that is
19 separated from the plant of the genus Cannabis by a
20 chemical or mechanical extraction process; or



1 (2) Cannabinoids that are produced by decarboxylation from
2 naturally occurring cannabinoid acid without the use
3 of a chemical catalyst.

4 "Synthetic cannabinoid" means a cannabinoid that is:

5 (1) Produced artificially, whether from chemicals or from
6 recombinant biological agents including yeast and
7 algae; and

8 (2) Not derived from the plant of the genus Cannabis,
9 including biosynthetic cannabinoids.

10 **SA-18 Cannabis regulation, nuisance abatement, and law**

11 **enforcement special fund; established.** (a) There shall be

12 established in the treasury of the State the cannabis

13 regulation, nuisance abatement, and law enforcement special fund

14 to be administered and expended by:

15 (1) The authority, for the implementation, administration,
16 and enforcement of this chapter by the authority;

17 (2) The department of the attorney general, for the
18 implementation and administration of the drug nuisance
19 abatement unit established by section 28-131 to
20 provide for the effective enforcement and prosecution
21 of those violations of the drug nuisance abatement



1 laws under part V of chapter 712 relating to cannabis;
2 and

3 (3) The department of law enforcement, for the
4 implementation and administration of the cannabis
5 enforcement unit established by section A-20.

6 (b) The following shall be deposited into the cannabis
7 regulation, nuisance abatement, and law enforcement special
8 fund:

9 (1) The tax collected pursuant to section B-7(1);

10 (2) Fees, fines, and civil penalties received pursuant to
11 this chapter and rules adopted thereunder;

12 (3) Appropriations made by the legislature to the special
13 fund;

14 (4) Interest earned or accrued on moneys in the special
15 fund; and

16 (5) Contributions, grants, endowments, or gifts in cash or
17 otherwise from any source, including licensed
18 businesses.

19 (c) Moneys on balance in the cannabis regulation, nuisance
20 abatement, and law enforcement special fund at the close of each



1 fiscal year shall remain in the special fund and shall not lapse
2 to the credit of the general fund.

3 **§A-19 Cannabis social equity, public health and education,**
4 **and public safety special fund; established.** (a) There shall
5 be established in the treasury of the State the cannabis social
6 equity, public health and education, and public safety special
7 fund to be administered and expended by the authority, for:

8 (1) The implementation and administration of the social
9 equity program as provided in part IX;

10 (2) Substance abuse prevention and treatment and
11 education, including preventing and treating substance
12 abuse among youth, controlling and treating substance
13 abuse, and educating the public about cannabis use and
14 laws, and for the implementation and administration of
15 the public health and education campaign and public
16 health and education grant program as provided in part
17 X;

18 (3) The implementation and administration of the public
19 safety grant program as provided in part XI; and



1 (4) The implementation and administration of the Hawaii
2 hemp grant program as provided in sections A-174 and
3 A-175.

4 (b) The following shall be deposited into the cannabis
5 social equity, public health and education, and public safety
6 special fund:

7 (1) The tax collected pursuant to section B-7(2);

8 (2) Appropriations made by the legislature to the special
9 fund;

10 (3) Interest earned or accrued on moneys in the special
11 fund; and

12 (4) Contributions, grants, endowments, or gifts in cash or
13 otherwise from any source, including licensed
14 businesses.

15 (c) Moneys on balance in the cannabis social equity,
16 public health and education, and public safety special fund at
17 the close of each fiscal year shall remain in the special fund
18 and shall not lapse to the credit of the general fund.

19 **§A-20 Cannabis enforcement unit; established.** (a) There
20 shall be established in the department of law enforcement the



1 cannabis enforcement unit, which shall have a primary mission to
2 prevent:

- 3 (1) The distribution of cannabis to minors;
- 4 (2) Revenues from the sale of cannabis from going to
5 criminal enterprises, gangs, and cartels;
- 6 (3) The diversion of cannabis from the legal market;
- 7 (4) State-authorized cannabis activity from being used as
8 a cover or pretext for the trafficking of other
9 illegal drugs or activity, including money laundering;
- 10 (5) Violence and the use of firearms in the cultivation
11 and distribution of cannabis; and
- 12 (6) The cultivation of cannabis on public lands and the
13 attendant public safety and environmental dangers
14 posed by cannabis production on public lands.

15 (b) The cannabis enforcement unit shall provide law
16 enforcement assistance to the board and authority in the
17 investigation and enforcement of Hawaii cannabis laws and
18 criminal laws relating to marijuana or marijuana concentrate,
19 particularly those involving the illicit cannabis trade.

20 (c) In providing law enforcement assistance to the board
21 and authority, any law enforcement officer of the cannabis



1 enforcement unit designated by the director of law enforcement
2 as an investigator or detective may:

3 (1) Carry firearms;

4 (2) Execute and serve search warrants, arrest warrants,
5 administrative inspection warrants, subpoenas, and
6 summonses issued under the authority of this State;

7 (3) Make arrests without warrant for any offense under
8 this chapter, chapter 329, and part IV of chapter 712
9 committed in the law enforcement officer's presence,
10 or if the law enforcement officer has probable cause
11 to believe that the person to be arrested has
12 committed or is committing a violation of this
13 chapter, chapter 329, or part IV of chapter 712 that
14 may constitute a crime;

15 (4) Make seizures of property pursuant to this chapter,
16 chapter 329, or chapter 712A; or

17 (5) Perform other law enforcement duties as the director
18 of law enforcement designates.

19 (d) Nothing in this chapter shall be construed to relieve
20 or diminish law enforcement officers of the department of law
21 enforcement of any authority or responsibility to enforce, or



1 prosecute under, criminal laws related to marijuana or marijuana
2 concentrate in the State, including this chapter, chapter 329,
3 and part IV of chapter 712.

4 **§A-21 County law enforcement and prosecution.** Nothing in
5 this chapter shall be construed to relieve or diminish county
6 law enforcement officers and prosecutors of any authority or
7 responsibility to enforce, or prosecute under, criminal laws
8 related to marijuana or marijuana concentrate, including this
9 chapter, chapter 329, and part IV of chapter 712, in their
10 respective counties.

11 **§A-22 Investigation by a law enforcement agency of**
12 **unlawful activity.** Notwithstanding any other law, the executive
13 director shall disclose any information, documents, and other
14 records regarding licensed businesses, upon request, to any
15 federal, state, or county agency engaged in the criminal
16 investigation or prosecution of violations of applicable
17 federal, state, or county laws or regulations related to the
18 operations or activities of licensed businesses.

19 **§A-23 Inspection; audits; reporting; authority.** (a) Any
20 licensed business shall:



1 (1) Be subject to an annual announced inspection and
2 unlimited unannounced inspections of its operations by
3 the authority; provided that inspections for license
4 renewals shall be unannounced;

5 (2) Submit reports on at least a quarterly basis, or as
6 otherwise required, and in the format specified by the
7 executive director; and

8 (3) Annually cause an independent financial audit, at the
9 licensed business's own expense, to be conducted of
10 the accounts, funds, programs, activities, and
11 functions of the licensed business. The licensed
12 business shall submit the audit's findings to the
13 executive director. All audits shall be conducted in
14 accordance with generally accepted auditing standards
15 established by the American Institute of Certified
16 Public Accountants. The executive director may
17 require a response, in writing, to the audit results.
18 The response shall be made to the executive director
19 within fifteen calendar days of notification.

20 (b) The authority and attorney general may examine all
21 records required to be kept or filed under this chapter, and



1 books, papers, and records of any person engaged in the business
2 of cultivating, processing, distributing, dispensing, selling,
3 or transferring cannabis or restricted cannabinoid products, to
4 verify compliance with this chapter and chapter B. Every person
5 in possession of any books, papers, and records, and the
6 person's agents and employees, shall be directed and required to
7 give the authority and attorney general the means, facilities,
8 and opportunities for the examinations.

9 (c) The authority and attorney general may inspect the
10 operations, premises, and storage areas of any entity engaged in
11 cultivating, processing, distributing, dispensing, selling, or
12 transferring of cannabis or restricted cannabinoid products,
13 during regular business hours. This inspection shall include
14 inspection of all statements, books, papers, and records in
15 whatever format, including electronic format, pertaining to the
16 cultivation, processing, acquisition, possession,
17 transportation, sale, or use of cannabis or restricted
18 cannabinoid products, to verify compliance with this chapter and
19 chapter B. This inspection may also be conducted to verify that
20 all cannabis or restricted cannabinoid products were cultivated
21 or processed in compliance with this chapter. Every entity in



1 possession of any books, papers, and records, and the entity's
2 agents and employees, shall be directed and required to give the
3 authority and attorney general the means, facilities, and
4 opportunities for the inspections.

5 (d) If the authority or attorney general has reasonable
6 cause to believe and does believe that cannabis or restricted
7 cannabinoid products are being cultivated, processed, acquired,
8 possessed, transported, kept, sold, or offered for sale in
9 violation of this chapter, the authority or the attorney general
10 may investigate or search the premises or vehicle in which the
11 cannabis or restricted cannabinoid products are believed to be
12 located. If cannabis or restricted cannabinoid products are
13 found in the premises or vehicle in violation of this chapter,
14 the cannabis or restricted cannabinoid products, or other
15 tangible personal property containing the cannabis or restricted
16 cannabinoid products and any books and records in possession of
17 the entity in control or possession of the cannabis or
18 restricted cannabinoid products, may be seized by the authority
19 or attorney general and shall be subject to forfeiture as
20 provided in this chapter and chapter 712A.



1 **§A-24 Forfeiture; confiscation and seizure; disposition.**

2 (a) Any cannabis or restricted cannabinoid product unlawfully
3 cultivated, processed, possessed, kept, stored, retained, held,
4 owned, received, transported, imported, or caused to be
5 imported, acquired, distributed, sold, or offered for sale in
6 violation of this chapter may be seized and confiscated by the
7 attorney general and ordered forfeited pursuant to chapter 712A.

8 (b) The attorney general, department of law enforcement,
9 and police department of each of the counties may seize and
10 confiscate any cannabis or restricted cannabinoid product that
11 is cultivated, processed, possessed, kept, stored, retained,
12 held, owned, received, transported, imported, or caused to be
13 imported, acquired, distributed, sold, or offered for sale in
14 violation of this chapter. Law enforcement agencies seizing
15 live plants as evidence shall not be responsible for the care
16 and maintenance of the plants.

17 (c) Any cannabis or restricted cannabinoid product
18 forfeited as provided in this section shall be ordered
19 destroyed.

20 **§A-25 County authority.** (a) Each county may, by
21 amendment of their zoning ordinances, pursuant to the powers



1 granted under section 46-4, place reasonable restrictions on the
2 location of licensed businesses.

3 (b) Nothing in this chapter shall be construed to
4 supersede or in any manner affect a county smoking ordinance;
5 provided that the ordinance is at least as protective of the
6 rights of nonsmokers as this chapter.

7 **§A-26 Contracts pertaining to lawful operation of cannabis**
8 **business; enforceable.** Notwithstanding any other law to the
9 contrary, contracts related to lawful activities authorized by
10 this chapter shall be enforceable. A contract entered into by a
11 cannabis business, or by those who allow property to be used by
12 a cannabis business, shall not be unenforceable or void solely
13 for the reason that the activity permitted by this chapter is
14 prohibited by federal law.

15 **§A-27 Provision of professional services to cannabis**
16 **business.** A person engaged in a profession or occupation
17 subject to state or county licensure shall not be subject to
18 disciplinary action by a professional licensing authority solely
19 for providing professional services to a cannabis business
20 related to activity permitted by this chapter.



1 **SA-28 Authority employees; background checks.** (a) The
2 authority shall conduct background checks, which may include
3 criminal history record checks in accordance with section
4 846-2.7, on:

- 5 (1) Current or prospective members of the board;
- 6 (2) Current or prospective employees of the authority; and
- 7 (3) Current or prospective contractors or subcontractors
8 and employees of current or prospective contractors or
9 subcontractors of the authority.

10 The authority shall develop procedures for conducting
11 background checks.

12 (b) The authority may refuse to employ or deny employment
13 to an applicant or terminate or refuse to secure the services of
14 any contractor or subcontractor if the person has been convicted
15 of a crime, and if the executive director finds by reason of the
16 nature and circumstances of the crime that the person poses a
17 risk to the integrity of the authority.

18 (c) Refusal, revocation, or termination may occur only
19 after appropriate investigation and notification to the current
20 or prospective employee, contractor, or subcontractor of results
21 and planned action, and after the current or prospective



1 employee, contractor, or subcontractor is given an opportunity
2 to meet and rebut the finding. Nothing in this section shall
3 abrogate any applicable appeal rights under chapter 76 or 89.

4 **SA-29 Annual report; report on criminal offenses.** No
5 later than twenty days prior to the convening of the regular
6 session of 2026, and every year thereafter, the executive
7 director shall submit a report to the governor and legislature
8 on the establishment and regulation of cannabis businesses. The
9 report shall cover the information during the prior fiscal year
10 and, at a minimum, include the following information:

11 (1) The number of applications for each type of license
12 and permit submitted to the authority pursuant to this
13 chapter, including, if applicable, the number of
14 applications for license and permit renewals;

15 (2) The total number of each type of license and permit
16 issued pursuant to this chapter that is actively held
17 by a licensed business;

18 (3) The total square footage of plant canopy approved by
19 the board for cannabis cultivation and the percentage
20 of active cannabis cultivation by cultivation tier;



- 1 (4) The total amount of application fees and license,
2 permit, and registration fees collected pursuant to
3 this chapter and the total amount of the tax revenue
4 collected on the sale of cannabis;
- 5 (5) The total reported volume and value of cannabis
6 cultivated by all cannabis cultivators;
- 7 (6) The total reported volume and value of cannabis
8 distributed and dispensed by all licensed businesses;
- 9 (7) The number of inspections of licensed businesses
10 performed by the authority and the results of those
11 inspections, including the number of inspections
12 resulting in license violations and the percentage of
13 all licensed businesses inspected;
- 14 (8) The number of license violations committed by licensed
15 businesses and a breakdown of those violations into
16 specific categories based on the type of violation and
17 the outcome of the violation, including the total
18 amount of monetary penalties imposed and collected by
19 the authority and the percentage of total license
20 violations resulting in the imposition of a monetary



1 penalty, administrative hold, license suspension, or
2 license revocation;

3 (9) Public health and safety data, including accidental
4 ingestion by minors and cannabis-related driving
5 accidents, collected, received, or analyzed by the
6 authority; and

7 (10) Recommendations, including any proposed legislation,
8 to address any issues with the regulation of the
9 cannabis industry in the State encountered by the
10 authority, departments, or agencies.

11 **PART III. AUTHORIZED CONDUCT; MEDICAL USE OF CANNABIS**

12 **SA-41 Possession of cannabis for medical use. (a)**

13 Notwithstanding any law to the contrary, except as limited by
14 this chapter, it shall be lawful for a medical cannabis patient
15 or the patient's caregiver to:

16 (1) Purchase, transport, or possess jointly between the
17 medical cannabis patient and the patient's caregiver,
18 an adequate supply of cannabis; and

19 (2) Transfer an adequate supply of cannabis, without
20 compensation of any kind, from a caregiver to the
21 caregiver's medical cannabis patient.



1 (b) For medical use only, it shall be lawful for a medical
2 cannabis patient to smoke, ingest, or consume cannabis.

3 (c) Notwithstanding any law to the contrary, in addition
4 to an adequate supply of cannabis, a qualifying patient or the
5 patient's caregiver may lawfully possess jointly between them,
6 in their private residence or at the licensed premises of a
7 medical cannabis cooperative of which the qualifying patient is
8 a member, up to one pound of cannabis produced by their
9 cultivation of cannabis for medical use pursuant to section
10 A-42; provided that not more than two pounds of any cannabis in
11 total, whether for medical use or personal adult use, shall be
12 stored at any private residence, regardless of the number of
13 people residing there.

14 (d) All cannabis shall be stored in a sealed
15 child-resistant and resealable packaging with original labels
16 and not easily accessible to any person under the age of
17 twenty-one unless that person is a medical cannabis patient.

18 (e) All cannabis shall be transported in a sealed
19 container, shall not be visible to the public, and shall not be
20 removed from its sealed container or consumed or used in any way
21 while in a public place or vehicle.



1 (f) The medical use of cannabis alone shall not disqualify
 2 a person from any needed medical procedure or treatment,
 3 including organ and tissue transplants, unless in the judgment
 4 of the health care provider the use of cannabis increases the
 5 risk for an adverse outcome from the procedure or treatment.

6 (g) The authorization of a medical cannabis patient to use
 7 medical cannabis shall be inclusive of, and not in addition to,
 8 the authorization for personal adult use of cannabis.

9 **SA-42 Cultivation of cannabis for medical use.** (a)
 10 Notwithstanding any other law to the contrary, a qualifying
 11 patient or the patient's caregiver may:

12 (1) Possess, plant, or cultivate not more than ten
 13 cannabis plants, whether mature or immature, for
 14 medical use only; and

15 (2) Harvest, dry, and process the cannabis produced by the
 16 plants under paragraph (1) for the qualifying
 17 patient's medical use only.

18 (b) The personal cultivation of cannabis for medical use
 19 shall only be permitted within, or on the grounds of, the
 20 private residence of a qualifying patient or the patient's
 21 caregiver, or on the licensed premises of a medical cannabis



1 cooperative of which the qualifying patient is a member;
2 provided that not more than ten plants, whether mature or
3 immature and whether for medical use or personal adult use,
4 shall be cultivated at a private residence at any time
5 regardless of the number of qualifying patients, caregivers, or
6 other people residing at the private residence.

7 (c) Cannabis plants cultivated for medical use shall be
8 kept in a secured place not easily accessible to any person
9 under the age of twenty-one unless that person is a qualifying
10 patient.

11 (d) Cannabis plants cultivated for medical use shall not
12 be visible to the public without the use of technology.

13 (e) A landlord, condominium association, planned community
14 association, or similar association may limit or prohibit the
15 personal cultivation of cannabis for medical use through
16 contracts, lease or rental agreements, bylaws, or rules.

17 (f) The board shall adopt rules pursuant to this chapter
18 to establish requirements and restrictions for the personal
19 cultivation of cannabis for medical use, including manners in
20 which cannabis may be cultivated or processed and further
21 restrictions necessary to ensure that the personal cultivation



1 of cannabis for medical use is not utilized for unlicensed
2 illicit activity; provided that any rules adopted by the board
3 shall not completely or essentially prohibit the personal
4 cultivation of cannabis for medical use.

5 **§A-43 Conditions of medical use of cannabis by a**
6 **qualifying patient.** (a) The medical use of cannabis shall only
7 be authorized if:

8 (1) The qualifying patient has been diagnosed by, and is
9 under the continuing care of, a certifying medical
10 professional as having a debilitating medical
11 condition;

12 (2) The qualifying patient's certifying medical
13 professional has issued a written certification for
14 the qualifying patient;

15 (3) The qualifying patient has paid the required fee for
16 registration;

17 (4) The qualifying patient has registered with the
18 authority; and

19 (5) The amount of cannabis possessed by the qualifying
20 patient does not exceed the amount authorized in
21 section A-41.



1 (b) Subsection (a) shall not apply to a qualifying patient
2 under the age of eighteen, unless:

3 (1) The qualifying patient's certifying medical
4 professional has explained the potential risks and
5 benefits of the medical use of cannabis to the
6 qualifying patient and a parent, guardian, or person
7 having legal custody of the qualifying patient; and

8 (2) A parent, guardian, or person having legal custody of
9 the qualifying patient consents in writing to:

10 (A) Allow the qualifying patient's medical use of
11 cannabis;

12 (B) Serve as the qualifying patient's caregiver; and

13 (C) Control the acquisition, dosage, and frequency of
14 the medical use of cannabis by the qualifying
15 patient.

16 **SA-44 Reciprocity with other states.** (a) Notwithstanding
17 any law to the contrary, the medical use of cannabis by a
18 qualifying out-of-state patient who is at least eighteen years
19 of age shall be authorized only if the qualifying out-of-state
20 patient:



- 1 (1) Is legally authorized to use cannabis for medical
2 purposes in another state, a United States territory,
3 or the District of Columbia;
- 4 (2) Attests under penalty of law pursuant to section
5 710-1063 that the condition for which the qualifying
6 out-of-state patient is legally authorized to use
7 cannabis for medical purposes is a debilitating
8 medical condition;
- 9 (3) Provides consent for the authority to obtain
10 information from the qualifying out-of-state patient's
11 certifying medical provider and from the entity that
12 issued the medical cannabis authorization for the
13 purpose of allowing the authority to verify the
14 information provided in the registration process;
- 15 (4) Pays the required fee for out-of-state registration;
- 16 (5) Registers with the authority pursuant to section A-48
17 for the medical use of cannabis in the State;
- 18 (6) Receives a medical cannabis registration card from the
19 authority; and



1 (7) Abides by all laws relating to the medical use of
2 cannabis, including not possessing amounts of cannabis
3 that exceed an adequate supply.

4 (b) The medical use of cannabis by a qualifying
5 out-of-state patient under the age of eighteen shall be
6 permitted only if:

7 (1) The caregiver of the qualifying out-of-state patient
8 provides the information required pursuant to
9 subsection (a); and

10 (2) The caregiver of the qualifying out-of-state patient
11 consents in writing to:

12 (A) Allow the qualifying out-of-state patient's
13 medical use of cannabis;

14 (B) Undertake the responsibility for managing the
15 well-being of the qualifying out-of-state patient
16 with respect to the medical use of cannabis; and

17 (C) Control the acquisition, dosage, and frequency of
18 the medical use of cannabis by the qualifying
19 out-of-state patient.



1 **SA-45 Limitation; scope of medical use of cannabis.** The
2 authorization for the medical use of cannabis in this part shall
3 not apply to:

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

6 (2) The medical use of cannabis:

7 (A) In a school vehicle, public transportation, or
8 any vehicle;

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

10 (C) On any school grounds;

11 (D) At any public park, beach, or recreation or youth
12 center;

13 (E) In or on any land, facility, building, or vehicle
14 owned, controlled, or operated by the State or
15 any county;

16 (F) In or on any federal fort or arsenal, national
17 park or forest, any other federal enclave, or any
18 other property owned, controlled, or operated by
19 the federal government; or



1 (G) At any other place open to the public, including
2 smoking or vaping cannabis in public as
3 prohibited by chapter 328J; and

4 (3) The medical use of cannabis by any person that is not
5 a medical cannabis patient, including a parent or
6 caregiver.

7 **SA-46 Written certifications.** (a) A qualifying patient
8 shall have a valid written certification from a certifying
9 medical professional stating that in the certifying medical
10 professional's professional opinion:

11 (1) The qualifying patient has a debilitating medical
12 condition; and

13 (2) The potential benefits of the medical use of cannabis
14 would likely outweigh the health risks of cannabis use
15 for the qualifying patient.

16 (b) The board shall adopt rules pursuant to this chapter
17 to establish procedures and requirements for a written
18 certification; provided that a written certification shall:

19 (1) Include the name, address, patient identification
20 number, and other identifying information of the
21 qualifying patient;



1 (2) Be valid for one year from the time of signing;
 2 provided that the board may allow for the validity of
 3 any written certification for up to three years if the
 4 qualifying patient's certifying medical professional
 5 states that the qualifying patient's debilitating
 6 medical condition is chronic in nature;

7 (3) Be in a form prescribed by the authority and completed
 8 by or on behalf of a qualifying patient; and

9 (4) Be issued and certified by a certifying medical
 10 professional who has a bona fide physician-patient
 11 relationship or bona fide advanced practice registered
 12 nurse-patient relationship, as applicable, with the
 13 qualifying patient.

14 **§A-47 Registration; qualifying patients; caregivers. (a)**

15 Qualifying patients shall register with the authority. The
 16 board shall adopt rules to establish procedures and requirements
 17 for the registration of qualifying patients; provided that:

18 (1) Every qualifying patient shall:

19 (A) Provide sufficient identifying information to
 20 establish their personal identity;



- 1 (B) Provide the address of the location where the
2 qualifying patient or the patient's caregiver
3 intends to cultivate cannabis for medical use
4 pursuant to section A-42; provided that if the
5 qualifying patient or patient's caregiver intends
6 to cultivate cannabis for medical use at a
7 medical cannabis cooperative pursuant to section
8 A-117, the license number and documentation
9 verifying that the qualifying patient is a valid
10 member of the medical cannabis cooperative shall
11 be required; and
- 12 (C) Report a change in any information provided to
13 the authority for registration within ten working
14 days of the change;
- 15 (2) The registration form prescribed by the authority
16 shall require information from the qualifying patient,
17 the patient's caregiver, and the patient's certifying
18 medical professional as specifically required by this
19 chapter or rules adopted thereunder;
- 20 (3) The authority shall issue to the qualifying patient a
21 medical cannabis registration card and may charge a



1 fee for the registration in an amount set in rules by
2 the board; and

3 (4) The registration shall be effective until the
4 expiration of the written certification provided by
5 the certifying medical professional.

6 (b) The caregiver of a qualifying patient shall register
7 with the authority. The board shall adopt rules to establish
8 procedures and requirements for the registration of caregivers;
9 provided that:

10 (1) Every caregiver shall provide sufficient identifying
11 information to establish their personal identity;

12 (2) No caregiver shall be registered for more than one
13 qualifying patient at any given time; provided that
14 the authority may permit the parent, guardian, or
15 person having legal custody of more than one
16 qualifying patient who is under the age of eighteen to
17 be the caregiver for each of the qualifying patients
18 who are under the age of eighteen and in their legal
19 custody; and

20 (3) Every qualifying patient shall have only one
21 caregiver; provided that the authority may permit the



1 parents, guardians, or persons having legal custody of
2 a qualifying patient who is under the age of eighteen
3 to each register as caregivers.

4 (c) Upon inquiry by a law enforcement agency, the
5 authority shall immediately verify whether a person who is the
6 subject of the inquiry has registered with the authority and the
7 location of the person's registered cultivation site and shall
8 provide reasonable access to the registry information for
9 official law enforcement purposes. An inquiry and verification
10 under this subsection may be made twenty-four hours a day, seven
11 days a week.

12 (d) This section shall not apply to registration of a
13 qualifying out-of-state patient or a caregiver of a qualifying
14 out-of-state patient.

15 **SA-48 Registration; qualifying out-of-state patients;**

16 **caregivers.** (a) A qualifying out-of-state patient shall
17 register with the authority. The board shall adopt rules to
18 establish procedures and requirements for registration of
19 qualifying out-of-state patients; provided that:

20 (1) Every qualifying out-of-state patient shall:



- 1 (A) Provide a valid government-issued medical
2 cannabis card or any equivalent certificate
3 issued by another state, a United States
4 territory, or the District of Columbia;
- 5 (B) Provide a valid photographic identification card
6 or driver's license issued by the same
7 jurisdiction that issued the medical cannabis
8 card; and
- 9 (C) Have a debilitating medical condition;
- 10 (2) The registration shall be effective for not more than
11 sixty days and may be renewed for not more than one
12 additional sixty-day period that begins no later than
13 twelve months after the preceding registration date;
14 provided that the authority shall not register any
15 qualifying out-of-state patient for a period that
16 exceeds the term of validity of the qualifying
17 out-of-state patient's authority for the medical use
18 of cannabis in their home jurisdiction; and
- 19 (3) The authority shall issue to the qualifying
20 out-of-state patient a medical cannabis registration



1 card and shall charge a fee for the registration in an
2 amount set in rules by the board.

3 (b) The caregiver of a qualifying out-of-state patient
4 shall register with the authority. The board shall adopt rules
5 to establish procedures and requirements for registration of
6 caregivers; provided that:

7 (1) Every caregiver shall provide sufficient identifying
8 information to establish their personal identity; and

9 (2) In the case of any qualifying out-of-state patient who
10 is under the age of eighteen, the authority shall
11 register the qualifying out-of-state patient and the
12 patient's caregiver; provided that the authority may
13 register two caregivers for a qualifying out-of-state
14 patient if each caregiver is the parent, guardian, or
15 person having legal custody of the qualifying
16 out-of-state patient who is under the age of eighteen.

17 (c) Upon inquiry by a law enforcement agency, the
18 authority shall immediately verify whether a person who is the
19 subject of the inquiry has registered with the authority and
20 shall provide reasonable access to the registry information for
21 official law enforcement purposes. An inquiry and verification



1 under this subsection may be made twenty-four hours a day, seven
2 days a week.

3 (d) The board may temporarily suspend the registration of
4 qualifying out-of-state patients or their caregivers for a
5 period of up to thirty days if the board determines that the
6 registration process for qualifying patients or their caregivers
7 is being adversely affected or the supply of cannabis for
8 medical use available in medical cannabis dispensaries and
9 retail cannabis stores is insufficient to serve both qualifying
10 patients and qualifying out-of-state patients. A temporary
11 suspension may be extended by thirty-day periods until the board
12 determines that:

13 (1) Adequate capacity exists to register qualifying out-
14 of-state patients and their caregivers in addition to
15 qualifying patients and their caregivers; and

16 (2) The medical cannabis dispensaries and retail cannabis
17 stores are able to meet the demands of both qualifying
18 patients and qualifying out-of-state patients.

19 **§A-49 Certifying medical professionals.** (a) The board
20 shall adopt rules to establish requirements for certifying
21 medical professionals.



1 (b) No certifying medical professional shall be subject to
2 arrest or prosecution, penalized in any manner, or denied any
3 right or privilege for providing a written certification for the
4 medical use of cannabis for a qualifying patient; provided that:

5 (1) The certifying medical professional has diagnosed the
6 patient as having a debilitating medical condition;

7 (2) The certifying medical professional has explained the
8 potential risks and benefits of the medical use of
9 cannabis; and

10 (3) The written certification is based upon the certifying
11 medical professional's professional opinion after
12 having completed a full assessment of the qualifying
13 patient's medical history and current medical
14 condition made in the course of a bona fide
15 physician-patient relationship or bona fide advanced
16 practice registered nurse-patient relationship, as
17 applicable.

18 (c) For purposes of this part, a bona fide
19 physician-patient relationship may be established via
20 telehealth, as defined in section 453-1.3(j), and a bona fide
21 advanced practice registered nurse-patient relationship may be



1 established via telehealth, as defined in section 457-2;
2 provided that certifying a patient for the medical use of
3 cannabis via telehealth shall be allowed only after an initial
4 in-person consultation between the certifying medical
5 professional and patient.

6 **PART IV. AUTHORIZED CONDUCT; PERSONAL ADULT USE OF CANNABIS**

7 **§A-51 Personal adult use of cannabis. (a)**

8 Notwithstanding any other provision of law to the contrary,
9 except as limited by this chapter, beginning January 1, 2026, it
10 shall be lawful for persons who are at least twenty-one years of
11 age to:

- 12 (1) Smoke, ingest, or consume adult-use cannabis;
- 13 (2) Purchase, transport, or possess up to one ounce of
14 cannabis flower and up to five grams of adult-use
15 cannabis products as calculated using information
16 provided pursuant to section A-113(d);
- 17 (3) Within a person's private residence only, possess up
18 to ten ounces of adult-use cannabis produced by their
19 personal cultivation of cannabis pursuant to section
20 A-52; provided that not more than two pounds of
21 cannabis in total, whether for medical use or personal



1 adult use, shall be stored at any private residence,
2 regardless of the number of people residing there; and

3 (4) Purchase, obtain, transport, or possess cannabis
4 accessories.

5 (b) All adult-use cannabis shall be stored in a sealed
6 child-resistant and resealable packaging with original labels
7 and not easily accessible to any person under the age of
8 twenty-one.

9 (c) All adult-use cannabis shall be transported in a
10 sealed container, shall not be visible to the public, and shall
11 not be removed from its sealed container or consumed or used in
12 any way while in a public place or vehicle.

13 (d) The use of adult-use cannabis alone shall not
14 disqualify a person from any needed medical procedure or
15 treatment, including organ and tissue transplants, unless in the
16 judgment of the health care provider the use of cannabis
17 increases the risk for an adverse outcome from the procedure or
18 treatment.

19 (e) No person shall be denied custody, visitation, or
20 parenting time with a minor for conduct allowed under this
21 chapter and no presumption of neglect or child endangerment



1 shall arise therefrom; provided that this subsection shall not
2 apply if the person's conduct creates a danger to the safety of
3 the minor as established by a preponderance of the evidence.

4 (f) Notwithstanding any other provision of law to the
5 contrary, it shall not be a violation of any condition of
6 parole, probation, or pre-trial release to:

7 (1) Engage in conduct allowed under this chapter; or

8 (2) Test positive for cannabis, tetrahydrocannabinol, or
9 any other cannabinoid or metabolite of cannabis,

10 unless there is a specific finding that the individual's use,
11 cultivation, or possession of cannabis could create a danger to
12 the individual or another person.

13 (g) Except as provided in this section, the State and any
14 of its political subdivisions shall not impose any penalty or
15 deny any benefit or entitlement for conduct permitted under this
16 chapter or for the presence of cannabinoids or cannabinoid
17 metabolites in the urine, blood, saliva, breath, hair, or other
18 tissue or fluid of a person who is at least twenty-one years of
19 age.

20 **§A-52 Personal cultivation of adult-use cannabis.** (a)

21 Notwithstanding any other provision of law to the contrary,



1 except as limited by this part, beginning January 1, 2026, it
2 shall be lawful for persons who are at least twenty-one years of
3 age to:

4 (1) Possess, plant, or cultivate not more than six living
5 cannabis plants, whether mature or immature, for
6 personal adult use only; and

7 (2) Harvest, dry, and process the cannabis produced by the
8 plants under paragraph (1) for personal adult use
9 only.

10 (b) Personal cultivation of adult-use cannabis shall only
11 be permitted within, or on the grounds of, a person's private
12 residence; provided that not more than ten plants, whether
13 mature or immature and whether for medical use or for personal
14 adult use, shall be cultivated at a private residence at any
15 time regardless of the number of people residing at the private
16 residence.

17 (c) Cannabis plants cultivated for personal adult use
18 shall be kept in a secured place not easily accessible to any
19 person under the age of twenty-one.



1 (d) Cannabis plants cultivated for personal adult use
2 shall not be visible to the public without the use of
3 technology.

4 (e) A landlord, condominium association, planned community
5 association, or similar association may limit or prohibit the
6 personal cultivation of adult-use cannabis through contracts,
7 lease or rental agreements, bylaws, or rules.

8 (f) The board shall adopt rules pursuant to this chapter
9 to establish requirements and restrictions for the personal
10 cultivation of adult-use cannabis, including manners in which
11 the adult-use cannabis may be cultivated or processed and
12 further restrictions necessary to ensure that the personal
13 cultivation of adult-use cannabis is not utilized for unlicensed
14 illicit activity.

15 **SA-53 Limitation; scope of personal adult use.** The
16 authorization for the use of adult-use cannabis in this part
17 shall not apply to:

18 (1) Any use of cannabis that endangers the health or
19 well-being of another person;

20 (2) Any use of cannabis:



- 1 (A) In a school vehicle, public transportation, or
- 2 any vehicle;
- 3 (B) In the workplace of one's employment;
- 4 (C) On any school grounds;
- 5 (D) At any public park, beach, or recreation or youth
- 6 center;
- 7 (E) In or on any land, facility, building, or vehicle
- 8 owned, controlled, or operated by the State or
- 9 any county;
- 10 (F) In or on any federal fort or arsenal, national
- 11 park or forest, any other federal enclave, or any
- 12 other property owned, controlled, or operated by
- 13 the federal government; or
- 14 (G) At any other place open to the public, including
- 15 smoking or vaping cannabis in public as
- 16 prohibited by chapter 328J; and
- 17 (3) The use of cannabis by anyone under the age of twenty-
- 18 one.

§A-54 Cannabis paraphernalia; authorized. (a)

20 Notwithstanding any other provision of law to the contrary, it
21 shall be lawful for persons who are at least twenty-one years of



1 age to manufacture, possess, possess with intent to distribute,
2 or purchase cannabis paraphernalia, or distribute or sell
3 cannabis paraphernalia to persons who are at least twenty-one
4 years of age.

5 (b) Except as provided in this section, a person who is at
6 least twenty-one years of age is authorized to manufacture,
7 possess, and purchase cannabis accessories, and distribute or
8 sell cannabis accessories to a person who is at least twenty-one
9 years of age.

10 (c) This section is intended to meet the requirements of
11 title 21 United States Code section 863(f) by authorizing, under
12 state law, any person in compliance with this chapter to
13 manufacture, possess, or distribute cannabis accessories.

14 **PART V. UNLAWFUL CONDUCT**

15 **§A-61 Prohibited acts; flammable solvents; criminal**
16 **offense.** (a) No person shall intentionally or knowingly use
17 butane to extract cannabinoids or any compound from cannabis or
18 hemp.

19 (b) This section shall not apply to licensed businesses
20 acting pursuant to this chapter.



1 (c) Any person who violates this section shall be guilty
2 of a class C felony.

3 **§A-62 Unlawful sale of cannabis; persons under the age of**
4 **twenty-one; criminal offense.** (a) It shall be unlawful to sell
5 cannabis to a person under the age of twenty-one unless that
6 person is a medical cannabis patient.

7 (b) All persons engaged in the retail sale of cannabis, as
8 authorized under this chapter, shall check the government-issued
9 photographic identification of a cannabis purchaser to establish
10 the age of the purchaser before the sale of cannabis.

11 (c) It shall be an affirmative defense to subsection (a)
12 that the licensed seller of cannabis had requested, examined,
13 and reasonably relied upon a government-issued photographic
14 identification establishing the cannabis purchaser's age as at
15 least twenty-one years of age before selling cannabis to the
16 person. The failure of a seller to request and examine a
17 government-issued photographic identification pursuant to
18 subsection (b) shall be construed against the seller and form a
19 conclusive basis for the seller's violation of subsection (a).



1 (d) Any person who violates subsection (a) shall be guilty
2 of the offense under section 712-1244 or 712-1249.5, as
3 appropriate.

4 **§A-63 Criminal offenses; records; expungement.** (a)
5 Records relating to the arrest, criminal charge, or conviction
6 of a person for an offense under chapter 329, part IV of chapter
7 712, or any other offense, the basis of which is an act
8 permitted by this chapter or decriminalized under Act ,
9 Session Laws of Hawaii 2024, including the possession of
10 marijuana, shall be ordered to be expunged in accordance with
11 the provisions of this section.

12 (b) Beginning January 1, 2026:

13 (1) A person arrested for or charged with an offense under
14 chapter 329, part IV of chapter 712, or any other
15 offense, the basis of which is an act permitted by
16 this chapter or decriminalized under Act ,
17 Session Laws of Hawaii 2024, including the possession
18 or distribution of marijuana, shall have the right to
19 petition the attorney general at any time and without
20 limitation to the number of petitions a person may
21 file, for the expungement of the person's records



1 relating to the arrest or criminal charge pursuant to
 2 procedures established by the attorney general; and
 3 (2) A person convicted for an offense under chapter 329,
 4 part IV of chapter 712, or any other offense, the
 5 basis of which is an act permitted by this chapter or
 6 decriminalized under Act _____, Session Laws of Hawaii
 7 2024, shall have the right to petition the appropriate
 8 court of record at any time and without limitation to
 9 the number of petitions a person may file, for the
 10 expungement of the person's records relating to the
 11 conviction and review and adjustment of the sentence
 12 pursuant to procedures established by the judiciary.

PART VI. CANNABIS AND HEMP BUSINESSES; GENERAL

§A-71 Cannabis business; hemp business; authorized. (a)

15 Notwithstanding any law to the contrary, a cannabis business or
 16 hemp business may operate only as authorized by this chapter.

17 (b) No person shall operate a cannabis business or hemp
 18 business unless that person holds a valid license or permit
 19 issued by the board pursuant to this chapter or rules adopted
 20 thereunder; provided that a hemp cultivator shall hold a valid
 21 license to produce hemp, issued by the Secretary of the United



1 States Department of Agriculture, and be in compliance with
2 section A-132.

3 (c) Each license or permit issued by the board or
4 authority to a cannabis business or hemp business shall be
5 separate and distinct from any other license or permit issued to
6 the same cannabis business or hemp business pursuant to this
7 chapter or rules adopted thereunder.

8 (d) In addition to any other penalties allowed by law,
9 operating a cannabis business, including distributing, selling,
10 or offering for sale a restricted cannabinoid product, or a hemp
11 business without a valid license or permit issued by the board
12 pursuant to this chapter or rules adopted thereunder shall
13 constitute an unfair method of competition and unfair or
14 deceptive act or practice pursuant to section 480-2 and shall be
15 subject to a civil penalty as provided in section 480-3.1. Each
16 package of cannabis or restricted cannabinoid product sold in
17 violation of this part shall constitute a separate violation.

18 **SA-72 Applicant criteria.** (a) An applicant for a license
19 under this chapter shall meet each of the following criteria, if
20 applicable.



1 (b) If the applicant is a natural person, the applicant
2 shall establish at a minimum that the applicant:

3 (1) Is at least twenty-one years of age;

4 (2) Has been a legal resident of the State for not less
5 than five years preceding the date of application;
6 provided that this paragraph shall not apply to an
7 applicant for a license pursuant to part VIII;

8 (3) Has a Hawaii tax identification number and is
9 compliant with the tax laws of the State;

10 (4) Has not been convicted of a felony; provided that a
11 conviction:

12 (A) That is pardoned or expunged;

13 (B) That resulted in a term of probation,
14 incarceration, or supervised release that was
15 completed more than ten years ago; or

16 (C) Solely for a marijuana-related offense, unless
17 the offense involved a minor, including the
18 offense under section 712-1249.6, or a firearm,
19 including the offense under section 134-7(b),
20 shall not disqualify a person from applying for a
21 license; and



1 (5) Has not had any license, permit, certificate,
2 registration, or other government-issued authorization
3 related to cannabis or hemp revoked in any
4 jurisdiction.

5 (c) If the applicant is a business entity, the applying
6 business entity shall establish at a minimum that:

7 (1) Every officer, director, manager, and general partner
8 of the applying business entity or any person who has
9 the power to direct the management, policies, and
10 practices of the applying business entity:

11 (A) Is at least twenty-one years of age;

12 (B) Is a natural person who has been a legal resident
13 of the State for not less than five years
14 preceding the date of application; provided that
15 this subparagraph shall not apply to an applicant
16 for a license pursuant to part VIII;

17 (C) Has not been convicted of a felony; provided that
18 a conviction:

19 (i) That is pardoned or expunged;



- 1 (ii) That resulted in a term of probation,
- 2 incarceration, or supervised release that
- 3 was completed more than ten years ago; or
- 4 (iii) Solely for a marijuana-related offense,
- 5 unless the offense involved a minor,
- 6 including the offense under section
- 7 712-1249.6, or a firearm, including the
- 8 offense under section 134-7(b),
- 9 shall not disqualify a person from applying for a
- 10 license; and
- 11 (D) Has not had any license, permit, certificate,
- 12 registration, or other government-issued
- 13 authorization related to cannabis or hemp revoked
- 14 in any jurisdiction; and
- 15 (2) The applying business entity:
- 16 (A) Is controlled by a majority of the shares,
- 17 membership interests, partnership interests, or
- 18 other equity ownership interests that is held or
- 19 owned by natural persons who are legal residents
- 20 of the State or by business entities whose owners
- 21 are all natural persons who are legal residents



1 of the State; provided that this subparagraph
2 shall not apply to an applicant for a license
3 pursuant to part VIII;

4 (B) Has been organized under the laws of the State;

5 (C) Has a Hawaii tax identification number and is
6 compliant with the tax laws of the State;

7 (D) Has a department of commerce and consumer affairs
8 business registration number and suffix; and

9 (E) Has a federal employer identification number.

10 (d) An applicant shall disclose in or include with its
11 application the names and addresses of the applicant and all
12 persons having a direct or indirect financial interest in the
13 applied-for license and the nature and extent of the financial
14 interest held by each person and the nature and extent of any
15 financial interest the person has in any other license applied
16 for or issued under this chapter.

17 (e) An applicant shall complete all application forms
18 prescribed by the authority fully and truthfully and comply with
19 all information requests by the authority relating to the
20 license application.



1 (f) A license shall be denied or revoked if an applicant
2 knowingly or recklessly makes any false statement of material
3 fact to the authority in applying for a license under this
4 chapter.

5 (g) The board may adopt rules to require additional
6 criteria for licensure for the purposes of protecting the public
7 health and safety, promoting sustainability and agriculture, and
8 encouraging the full participation in the regulated cannabis
9 industry from disproportionately impacted areas.

10 **§A-73 Ownership restrictions.** No person shall be issued
11 or have any direct or indirect interest in more than three
12 licenses for each class of license, but not more than nine
13 licenses in total; provided that no person:

14 (1) Holding a license pursuant to this chapter, or having
15 a direct or indirect interest in a cannabis
16 cultivator, cannabis processor, hemp cultivator, hemp
17 extract processor, medical cannabis dispensary, or
18 retail cannabis store, shall be issued a license for,
19 or have any direct or indirect interest in, an
20 independent laboratory, a craft cannabis dispensary,
21 or a medical cannabis cooperative;



1 (2) Holding a license for, or having a direct or indirect
2 interest in, an independent laboratory shall be issued
3 a license for, or have any direct or indirect interest
4 in, any other licensed business authorized under this
5 chapter or rules adopted thereunder;

6 (3) Holding a license for, or having a direct or indirect
7 interest in, a craft cannabis dispensary shall be
8 issued a license for, or have any direct or indirect
9 interest in, any other licensed business authorized
10 under this chapter or rules adopted thereunder; and

11 (4) Holding a license for, or having a direct or indirect
12 interest in, a medical cannabis cooperative shall be
13 issued a license for, or have any direct or indirect
14 interest in, any other licensed business authorized
15 under this chapter or rules adopted thereunder.

16 **SA-74 Criminal history background check.** (a) The
17 following shall be subject to background checks conducted by the
18 authority or its designee, which may include criminal history
19 record checks in accordance with section 846-2.7:

20 (1) Each applicant for a license or permit, including
21 every officer, director, manager, and general partner



1 of an applying business entity or any person who has
2 the power to direct the management, policies, and
3 practices of the applying business entity;

4 (2) Each current or prospective employee of a licensed
5 business;

6 (3) Each current or prospective contractor of a licensed
7 business; and

8 (4) Each current or prospective laboratory agent of an
9 independent laboratory.

10 (b) A person who is required to undergo the background
11 check shall provide written consent and all applicable
12 processing fees to the authority or its designee to conduct the
13 background check.

14 **§A-75 License; application; approval; denial; appeal.** (a)
15 The board shall adopt rules to establish procedures for
16 licensure application, review, approval, and denial, including
17 an application fee for each license.

18 (b) The board shall set an open application period for
19 each available license. The authority shall not accept an
20 application outside the open application period.



1 (c) The authority shall publish a notice of the open
2 application period on its website not less than thirty calendar
3 days before the start of the application period. The notice
4 shall contain:

5 (1) The class or classes of licenses available;

6 (2) The number of licenses available for each class of
7 license;

8 (3) The application criteria for each class of license
9 available; and

10 (4) The procedure to select applications for approval from
11 among the applicants that meet the criteria required
12 for each class of license available.

13 (d) The authority shall review and investigate whether the
14 information submitted in the application is complete and valid
15 and meets the criteria required pursuant to this chapter or
16 rules adopted thereunder, and whether the applicant is otherwise
17 disqualified pursuant to this chapter or rules adopted
18 thereunder.

19 (e) If an application form is incomplete or invalid, the
20 authority may request additional information or documentation;
21 provided that if an applicant fails to cure an incomplete or



1 invalid application within a timeframe prescribed by the
2 authority, the application shall be deemed withdrawn, and the
3 application fee shall be forfeited to the authority.

4 (f) Upon completion of the review and investigation of the
5 applications submitted for each open application period, the
6 authority shall refer any application that meets the criteria
7 required under this chapter or rules adopted thereunder and is
8 not otherwise disqualified pursuant to this chapter or rules
9 adopted thereunder to the board with its findings.

10 (g) The board shall approve or deny the applications in
11 accordance with this chapter and rules adopted thereunder;
12 provided that the board may deny an application that meets all
13 of the criteria required for a license if the application was
14 not selected to be approved pursuant to the selection procedure
15 published in the notice pursuant to subsection (c).

16 (h) Upon the board's determination to deny a license
17 application, the board shall notify the applicant in writing of
18 the denial and the basis for the denial.

19 (i) Any person aggrieved by the board's denial of a
20 license application may request a contested case hearing
21 pursuant to chapter 91. To request a contested case hearing,



1 the person shall submit a written request to the board within
2 thirty calendar days of the date of the written notice of
3 denial. Appeal to the circuit court under section 91-14, or any
4 other applicable statute, shall only be taken from the board's
5 final order pursuant to a contested case.

6 **SA-76 License term; renewal.** (a) All licenses under this
7 chapter shall be effective for one year from the date of
8 issuance and may be renewed annually pursuant to this section.
9 The board shall adopt rules to set forth requirements and
10 procedures for the submission, processing, and approval of a
11 renewal application, including a renewal application fee.

12 (b) An applicant for renewal shall submit to the authority
13 information, on the form prescribed by the authority, and
14 documentation necessary to verify that the applicant continues
15 to meet the criteria required pursuant to this chapter and rules
16 adopted thereunder and is in compliance with all the
17 requirements pursuant to this chapter and rules adopted
18 thereunder, including compliance with chapter B and all other
19 laws governing entities doing business in the State, including
20 chapters 237, 383, 386, 392, and 393.



1 (c) In addition to the review and verification of the
2 information and documentation submitted by the applicant, the
3 authority shall conduct an unannounced inspection of the
4 applicant to verify compliance as required by subsection (b).

5 (d) Upon submission of the renewal application fee and
6 verification that the applicant meets the requirements under
7 subsection (b), the authority shall renew the applicant's
8 license.

9 (e) If the authority determines that the applicant is
10 disqualified for renewal for any reason, the authority shall
11 refer the renewal application to the board with its findings.
12 Upon the board's determination to deny the renewal application,
13 the board shall notify the applicant in writing of the denial
14 and the basis for the denial or, if held for further action, the
15 conditions for approval. The failure to meet the conditions set
16 by the board shall result in denial of the renewal application.

17 (f) Any person aggrieved by the board's denial of license
18 renewal may request a contested case hearing pursuant to chapter
19 91. To request a contested case hearing, the person shall
20 submit a written request to the board within thirty calendar
21 days of the date of the written notice of denial. Appeal to the



1 circuit court under section 91-14, or any other applicable
2 statute, shall only be taken from the board's final order
3 pursuant to a contested case.

4 (g) A licensee that files a renewal application and pays
5 all required fees under this section before the expiration of
6 the license may continue to operate under that license
7 notwithstanding its expiration until the authority or board
8 takes final action on the renewal application, unless the board
9 suspends or revokes the license before taking final action on
10 the renewal application.

11 (h) Except as provided in subsection (g), upon expiration
12 of a license, the licensed business shall immediately cease all
13 activities previously authorized by the license and ensure that
14 all cannabis in the licensed business's possession is forfeited
15 to the authority for destruction pursuant to section A-91.

16 **SA-77 Transfer of ownership; structural reorganization.**

17 (a) A licensed business shall not sell or otherwise transfer
18 any license issued under this chapter to another person,
19 reorganize its ownership structure, or restructure its business
20 entity, unless otherwise authorized under this section.



1 (b) The board shall adopt rules to establish procedures
2 and requirements for the submission of a license transfer,
3 reorganization, or restructuring application and standards for
4 the approval or denial of the application.

5 (c) A licensed business may apply to the authority, on the
6 form prescribed by the authority, for approval to transfer
7 ownership interests in the license, reorganize its ownership
8 structure, or restructure its business entity.

9 (d) A person seeking to assume an ownership interest in
10 the licensed business, a new proposed officer, director,
11 manager, or general partner of the licensed business, or anyone
12 who seeks to assume any power to directly or indirectly control
13 the management, policies, and practices of the licensed business
14 shall demonstrate that the person meets all applicable criteria
15 and requirements for licensure pursuant to this chapter and
16 rules adopted thereunder, including the background checks and
17 ownership restrictions.

18 (e) Any license transfer, reorganization, or restructuring
19 done without board approval, or that results in a violation of
20 the ownership restrictions pursuant to section A-73, shall be
21 void and the license shall be subject to immediate revocation.



1 **SA-78 Fees; disposition of fees.** All fees charged
2 pursuant to this chapter or rules adopted thereunder shall be
3 paid to the authority in the form required by the authority.
4 All fees collected under this chapter or rules adopted
5 thereunder shall be deposited in the cannabis regulation,
6 nuisance abatement, and law enforcement special fund established
7 in section A-18.

8 **SA-79 Licensed business operations.** (a) The board shall
9 adopt rules to establish requirements for the operation of a
10 licensed business.

11 (b) In addition to requirements established by any other
12 provision of this chapter and rules adopted thereunder, a
13 licensed business shall secure:

14 (1) Every entrance to the restricted areas of licensed
15 premises so that access to restricted areas is
16 restricted to employees and others permitted by law to
17 access the restricted area; and

18 (2) Its inventory and equipment during and after operating
19 hours to deter and prevent theft of cannabis.

20 (c) No licensed business shall cultivate, process, test,
21 or store cannabis at any location other than within an area that



1 is enclosed and secured in a manner that prevents access by
2 persons not authorized to access the restricted area. A
3 greenhouse or outdoor cannabis cultivation area shall have
4 sufficient security measures to demonstrate that outdoor areas
5 are not readily accessible by unauthorized individuals,
6 including perimeter security fencing designed to prevent
7 unauthorized entry.

8 (d) No licensed business shall refuse employees or agents
9 of the authority the right at any time of operation to inspect
10 the entire licensed premises or to audit the books, papers, and
11 records of the licensed business.

12 (e) No licensed business shall allow any person under the
13 age of twenty-one to work for the licensed business.

14 (f) No licensed business shall allow any person that has
15 been convicted of a felony to work for the licensed business;
16 provided that a conviction:

17 (1) That is pardoned or expunged;

18 (2) That resulted in a term of probation, incarceration,
19 or supervised release that was completed more than ten
20 years ago; or



1 (3) Solely for a marijuana-related offense, unless the
2 offense involved a minor, including the offense under
3 section 712-1249.6, or a firearm, including the
4 offense under section 134-7(b),
5 shall not disqualify a person from working for the licensed
6 business.

7 (g) A licensed business shall:

8 (1) Register each employee with the authority; and

9 (2) Notify the authority within one working day if an
10 employee ceases to be associated with the licensed
11 business.

12 (h) A person under the age of twenty-one shall not enter a
13 licensed business; provided that a medical cannabis patient who
14 is at least eighteen years of age may enter a medical cannabis
15 dispensary, retail cannabis store, or medical cannabis
16 cooperative of which the patient is a member.

17 (i) A licensed business shall ensure that unauthorized
18 persons under the age of twenty-one do not enter the licensed
19 premises; provided that the board may adopt rules to allow a
20 medical cannabis dispensary or retail cannabis store to use a
21 controlled, indoor entry area in the medical cannabis dispensary



1 or retail cannabis store to verify the identification and age of
2 persons before allowing access beyond the entry area.

3 (j) No licensed business shall cultivate, process,
4 distribute, dispense, or otherwise transact business with any
5 products containing cannabis other than those that were
6 cultivated, processed, distributed, and taxed in accordance with
7 this chapter and chapter B.

8 **SA-80 Licensed premises; where.** (a) Each license issued
9 under this chapter shall authorize the operation of the licensed
10 business only at the single place described in the license.

11 (b) Licensed premises shall not be located within a seven
12 hundred fifty foot radius of an existing school, public park, or
13 public housing project or complex.

14 **SA-81 Laboratory standards and testing.** (a) No person or
15 licensed business shall distribute, dispense, or otherwise sell
16 cannabis or hemp unless the cannabis or hemp has been tested and
17 shown to meet the requirements and standards established under
18 this chapter and rules adopted thereunder for content,
19 contamination, and consistency.

20 (b) The board shall adopt rules to establish requirements
21 and standards for the mandatory laboratory testing of cannabis



1 and hemp that conform with the best practices generally used
2 within the cannabis industry, including:

3 (1) The processes, protocols, and standards regarding the
4 collection of samples of cannabis and hemp;

5 (2) Mandatory laboratory testing for cannabis flower and
6 hemp flower that shall include testing for:

7 (A) Dangerous molds and mildew;

8 (B) Harmful microbes, including *Escherichia coli* and
9 salmonella;

10 (C) Pesticides, fungicides, and insecticides; and

11 (D) THC potency, homogeneity, and cannabinoid
12 profiles to ensure correct labeling;

13 (3) Mandatory laboratory testing for cannabis products,
14 medical cannabis products, and hemp extract products,
15 except for crude hemp extract, that shall include
16 testing for:

17 (A) Residual solvents, poisons, and toxins;

18 (B) Harmful chemicals;

19 (C) Dangerous molds and mildew;

20 (D) Harmful microbes, including *Escherichia coli* and
21 salmonella;



1 (E) Pesticides, fungicides, and insecticides; and

2 (F) THC potency, homogeneity, and cannabinoid

3 profiles to ensure correct labeling; and

4 (4) Mandatory laboratory testing for crude hemp extract
5 that shall include:

6 (A) Residual solvents, poisons, and toxins; and

7 (B) THC potency, homogeneity, and cannabinoid
8 profiles to ensure correct labeling.

9 (c) A licensed business shall maintain a record of all
10 laboratory testing that includes a description of the cannabis
11 or hemp provided to the independent laboratory, the identity of
12 the independent laboratory, and the results of the test.

13 (d) The board may adopt rules to establish other quality
14 assurance mechanisms that may include the designation or
15 creation of a state cannabis testing facility, creation of a
16 secret shopper program, round-robin testing, or any other
17 mechanism to ensure the accuracy of product testing and
18 labeling.

19 **§A-82 Packaging.** (a) No cannabis or hemp shall be
20 distributed, dispensed, or otherwise sold unless it is packaged



1 in accordance with this section and rules adopted pursuant to
2 this chapter.

3 (b) The board shall adopt rules to establish requirements
4 for the packaging of cannabis and hemp; provided that the rules
5 for the packaging of cannabis shall:

6 (1) Require the packaging to be opaque and certified
7 child-resistant and resealable;

8 (2) Restrict packaging containing cannabis for medical use
9 to black lettering on a white background with no
10 pictures or graphics;

11 (3) Restrict packaging containing cannabis for personal
12 adult use to black lettering on a background of a
13 singular, solid color approved by the authority with
14 no pictures or graphics;

15 (4) Restrict the use of colors, pictures, graphics, or
16 designs on or inside packaging to ensure that
17 packaging is not designed to appeal particularly to a
18 person under the age of twenty-one;

19 (5) Require the division of each serving within a package
20 containing multiple servings in a manner that allows



1 consumers and medical cannabis patients to easily
2 identify a single serving; and

3 (6) Prohibit packaging that imitates or resembles any
4 existing branded consumer products, including foods
5 and beverages, that do not contain cannabis.

6 (c) No licensed business shall offer, at no cost or at
7 cost, any packaging that does not meet the requirements under
8 this chapter or rules adopted thereunder.

9 **SA-83 Labeling.** (a) No cannabis or hemp shall be
10 distributed, dispensed, or otherwise sold unless it is labeled
11 in accordance with this section and rules adopted pursuant to
12 this chapter.

13 (b) The board shall adopt rules to establish labeling
14 requirements for cannabis and hemp; provided that labeling on
15 each cannabis package shall, at a minimum, contain:

16 (1) A universal symbol prescribed by the authority that
17 indicates that the package contains cannabis;

18 (2) The name and contact information of the cultivator or
19 processor who produced the cannabis;

20 (3) The results of sampling, testing, and analysis
21 conducted by an independent laboratory;



- 1 (4) A list of pharmacologically active ingredients and
2 possible allergens;
- 3 (5) The number of servings in the package if there are
4 multiple servings;
- 5 (6) The amount of cannabinoids in the package and in each
6 serving as expressed in absolute terms and as a
7 percentage of volume;
- 8 (7) The appellation of origin;
- 9 (8) If the product is medical cannabis, the statement "For
10 medical use only"; and
- 11 (9) The following statement in bold print, including
12 capitalization: "This product has not been analyzed
13 or approved by the FDA. There is limited information
14 on the side effects of using this product, and there
15 may be associated health risks. Cannabis use during
16 pregnancy and breast-feeding may pose potential harms.
17 It is against the law to drive when under the
18 influence of this product. **KEEP THIS PRODUCT AWAY**
19 **FROM CHILDREN**".



1 (c) For the purposes of this section, "universal symbol"
2 means an image developed by the authority that indicates that a
3 container, package, or product contains cannabis.

4 **§A-84 Cannabis and cannabis product standards.** (a) The
5 board shall adopt rules to establish requirements, restrictions,
6 and standards regarding the types, ingredients, and designs of
7 cannabis, including potency limits and limits on servings per
8 package; provided that each cannabis product shall be registered
9 with the authority on forms prescribed by the authority.

10 (b) Edible cannabis products shall not be designed to
11 resemble commercially available candy or other products marketed
12 to children. The words "candy" and "candies" shall not be used
13 on packaging, labeling, advertising, product lists, or product
14 menus. Edible cannabis products shall not be in the shape of or
15 contain a depiction of a human, animal, or fruit, or a shape or
16 depiction that bears the likeness or contains characteristics of
17 a realistic or fictional human, animal, or fruit, including
18 artistic, caricature, or cartoon renderings.

19 (c) Except for a cannabis product intended for external
20 topical application to the skin or hair, no person shall
21 distribute, dispense, sell, or offer for sale any cannabis



1 product intended to be introduced via non-oral routes of entry
2 to the body, including use in eyes, ears, and nasal cavities.

3 **SA-85 Advertising; marketing; branding.** (a) The board
4 shall adopt rules to establish requirements for advertising,
5 marketing, and branding of cannabis or hemp, and any licensed
6 business, that include at a minimum:

- 7 (1) A prohibition on advertising, marketing, and branding
8 in a manner that is deemed to be deceptive, false, or
9 misleading;
- 10 (2) A prohibition or restriction on advertising,
11 marketing, and branding through or on a certain
12 medium, method, or location, as determined by the
13 authority, to minimize advertising, marketing, and
14 brand exposure of licensed businesses to a person
15 under the age of twenty-one;
- 16 (3) A prohibition on advertising, marketing, and branding
17 that utilizes statements, designs, representations,
18 pictures, or illustrations that portray anyone under
19 the age of twenty-one;
- 20 (4) A prohibition on advertising, marketing, and branding,
21 including mascots, cartoons, candies, toys, fruits,



1 brand sponsorships, and celebrity endorsements, that
2 is deemed to appeal to a person under the age of
3 twenty-one;

4 (5) A prohibition on advertising, marketing, and branding,
5 including statements by a licensed business, that
6 makes any false or misleading statements concerning
7 other licensed businesses and the conduct and products
8 of the other licensed businesses;

9 (6) A prohibition on advertising, marketing, and branding
10 through certain identified promotional items as
11 determined by the authority, including giveaways,
12 coupons, samples, prizes, or "free", "donated", or
13 "premium" cannabis or restricted cannabinoid products;

14 (7) A prohibition on advertising, marketing, and branding
15 by a licensed business that asserts its products are
16 safe, other than labeling required pursuant to this
17 chapter or rules adopted thereunder;

18 (8) A reasonable restriction on timing and use of
19 illuminated external signage, which shall comply with
20 any other provisions of law applicable thereto,



1 including local ordinances and requirements, and a
2 prohibition on neon signage;

3 (9) A requirement that any website or social media account
4 of a licensed business shall verify that the entrant
5 is at least twenty-one years of age;

6 (10) A prohibition on the use of unsolicited pop-up
7 advertisements on the Internet;

8 (11) A requirement that all advertising, marketing, and
9 branding materials for cannabis or hemp contain a
10 standard health warning developed by the authority in
11 consultation with the department of health; and

12 (12) A requirement that all advertising, marketing, and
13 branding materials for cannabis accurately and legibly
14 identify the licensed business responsible for its
15 content, by adding, at a minimum, the licensed
16 business's name and license number.

17 (b) No person, other than the holder of a license or
18 permit issued pursuant to this chapter or rules adopted
19 thereunder or a person who provides professional services
20 related to a licensed business, shall advertise any cannabis or
21 services related to cannabis in the State.



1 (c) No person shall place or maintain, or cause to be
2 placed or maintained, any sign or other advertisement for a
3 business or product related to cannabis, in any form or through
4 any medium whatsoever, within seven hundred fifty feet of the
5 real property comprising of a school, public park, or public
6 housing project or complex.

7 **§A-86 Signage.** The board shall adopt rules to establish
8 requirements for signage at the licensed premises that shall, at
9 a minimum, require that:

- 10 (1) All cannabis businesses that are open to the public
11 conspicuously post a notice at each entry to all
12 licensed premises that persons under the age of
13 twenty-one are not allowed on the premises unless they
14 are a medical cannabis patient who is at least
15 eighteen years of age;
- 16 (2) All cannabis businesses that are open to the public
17 conspicuously post a sign in or about the premises
18 notifying all customers and other persons of the
19 dangers of, and possible sanctions that may be imposed
20 for, operating a vehicle under the influence of
21 cannabis;



1 (3) All cannabis businesses that are open to the public
2 conspicuously post a sign in or about the premises
3 notifying all customers and other persons that the
4 possession and sale of cannabis is illegal under
5 federal law and a person is subject to federal law
6 while traveling interisland; and

7 (4) Every license issued and in effect under this chapter
8 shall at all times be conspicuously posted to view,
9 convenient for inspection, on the licensed premises.

10 **SA-87 Seed-to-sale tracking system.** (a) The authority
11 shall establish, maintain, and control a seed-to-sale tracking
12 system that shall have real-time, twenty-four-hour access to the
13 data of all licensed businesses. The board shall adopt rules
14 pursuant to this chapter to establish procedures and
15 requirements for the seed-to-sale tracking system.

16 (b) The seed-to-sale tracking system shall collect data,
17 including:

18 (1) The total amount of cannabis in possession of all
19 cannabis businesses from either the seed or immature
20 plant state, including all plants that are derived



- 1 from cuttings or cloning, until the cannabis is
2 sampled, dispensed, or destroyed;
- 3 (2) The total amount of cannabis products and medical
4 cannabis products inventory, as appropriate, including
5 the equivalent physical weight of cannabis that is
6 used to produce the products;
- 7 (3) The amount of waste produced by each plant at harvest;
8 and
- 9 (4) The transport of cannabis between cannabis businesses,
10 including tracking the quantity and type of cannabis,
11 the identity of the person transporting the cannabis,
12 and the make, model, and license number of the vehicle
13 being used for the transport.
- 14 (c) The procurement of the seed-to-sale tracking system
15 established pursuant to this section shall be exempt from
16 chapter 103D; provided that:
- 17 (1) The authority shall publicly solicit at least three
18 proposals for the seed-to-sale tracking system; and
- 19 (2) The selection of the seed-to-sale tracking system
20 shall be approved by the board and chief information
21 officer.



1 (d) Notwithstanding any other provision of this section to
2 the contrary, if the authority's seed-to-sale tracking system is
3 inoperable, as an alternative to requiring a cannabis business
4 to temporarily cease operations, the authority may implement an
5 alternate tracking system that will enable a cannabis business
6 to operate on a temporary basis.

7 (e) A cannabis business shall purchase, operate, and
8 maintain a computer software tracking system that shall
9 interface with the authority's seed-to-sale tracking system
10 established pursuant to subsection (a) and allow each cannabis
11 business to submit to the authority any required data.

12 **§A-88 Violations; penalties.** (a) In addition to any
13 other penalties allowed by law, any person who violates this
14 chapter or rules adopted thereunder shall be fined not more than
15 \$1,000 for each separate violation. Unless otherwise provided
16 by applicable law, each day on which a violation occurs or
17 continues shall be counted as a separate violation.

18 (b) Upon the authority's determination to impose an
19 administrative penalty on a person pursuant to subsection (a),
20 the authority shall provide the person with written notice of
21 the administrative penalty and the basis for the administrative



1 penalty. Any notice of an administrative penalty may be
2 accompanied by a cease-and-desist order or corrective action
3 order. The violation of the cease-and-desist order or
4 corrective action order shall constitute a further violation of
5 this chapter.

6 (c) Any person aggrieved by the imposition of an
7 administrative penalty may request a contested case hearing
8 pursuant to chapter 91. To request a contested case hearing,
9 the person shall submit a written request to the board within
10 thirty calendar days of the date of the written notice. Appeal
11 to the circuit court under section 91-14, or any other
12 applicable statute, shall only be taken from the board's final
13 order pursuant to a contested case.

14 (d) Any action taken to recover, collect, or enforce the
15 penalty provided for in this section shall be considered a civil
16 action. For any judicial proceeding to recover or collect an
17 administrative penalty imposed pursuant to subsection (a) or to
18 enforce a cease-and-desist order or corrective action order
19 issued pursuant to subsection (b), the authority may petition
20 any court of appropriate jurisdiction and need only show that:

21 (1) Notice was given;



1 (2) A hearing was held, or the time granted for requesting
2 a hearing has expired without a request;

3 (3) The administrative penalty, cease-and-desist order, or
4 corrective action order was imposed on the person; and

5 (4) The penalty remains unpaid, or the order was not
6 complied with.

7 (e) All monetary penalties imposed pursuant to this
8 chapter shall be paid by the person to the authority in the form
9 required by the authority. All monetary penalties paid to the
10 authority pursuant to this chapter shall be deposited into the
11 cannabis regulation, nuisance abatement, and law enforcement
12 special fund established in section A-18.

13 **§A-89 License; permit; suspension; revocation.** (a) In
14 addition to any other actions authorized by law, the board may
15 suspend or revoke any license or permit issued by the board or
16 authority under this chapter or rules adopted thereunder for
17 violating this chapter, rules adopted thereunder, chapter B, or
18 for any good cause, including:

19 (1) Procuring a license or permit through fraud,
20 misrepresentation, or deceit;



- 1 (2) Professional misconduct, gross carelessness, or
2 manifest incapacity;
- 3 (3) False, fraudulent, or deceptive advertising;
- 4 (4) Any other conduct constituting fraudulent or dishonest
5 dealings;
- 6 (5) Failure to comply with an order from the board or
7 authority; and
- 8 (6) Making a false statement on any document submitted or
9 required to be filed by this chapter, including
10 furnishing false or fraudulent material information in
11 any application.
- 12 (b) The board shall adopt rules to establish procedures
13 and standards for the suspension and revocation of a license or
14 permit.
- 15 (c) If the authority determines that conduct by a licensed
16 business warrants suspension or revocation, the authority shall
17 refer the matter to the board with its findings. Upon the
18 board's determination to suspend or revoke a license or permit,
19 the board shall provide the licensed business with written
20 notice and order describing the basis for the suspension or
21 revocation.



1 (d) Any person aggrieved by the board's suspension or
2 revocation determination may request a contested case hearing
3 pursuant to chapter 91. To request a contested case hearing,
4 the person shall submit a written request to the board within
5 thirty calendar days of the date of the written notice and order
6 of the suspension or revocation. Appeal to the circuit court
7 under section 91-14, or any other applicable statute, shall only
8 be taken from the board's final order pursuant to a contested
9 case.

10 (e) A licensed business whose license or permit has been
11 suspended shall not, for the duration of the period of
12 suspension, engage in any activities relating to the operation
13 of the licensed business, including:

14 (1) Distributing, dispensing, selling, transferring,
15 transporting, or otherwise disposing of any cannabis
16 or hemp owned by or in the possession of the licensed
17 business; or

18 (2) Processing any cannabis or hemp.

19 (f) A person whose license or permit has been revoked
20 shall immediately cease all activities relating to the operation
21 of the licensed business and ensure that all cannabis or hemp



1 owned by or in the possession of the person pursuant to that
2 license or permit shall be forfeited to the authority for
3 destruction pursuant to section A-91.

4 (g) If any license or permit is revoked or otherwise
5 terminated by the board, any fees paid for the license or permit
6 shall be forfeited to the State.

7 **§A-90 Relinquishment no bar to jurisdiction.** The
8 forfeiture, nonrenewal, surrender, voluntary relinquishment, or
9 abandonment of a license or permit issued by the board or
10 authority under this chapter or rules adopted thereunder shall
11 not bar jurisdiction by the board or authority to proceed with
12 any investigation, action, or proceeding to restrict, condition,
13 limit, suspend, or revoke the license or permit, or otherwise
14 penalize a licensed business or an individual licensee, or both.

15 **§A-91 Forfeiture; destruction.** (a) In addition to any
16 other actions authorized by law, the board may order the
17 forfeiture and destruction of all or a portion of the cannabis
18 or hemp, owned by or in the possession of a licensed business,
19 if it makes a determination that the cannabis or hemp is not
20 authorized by, or is in violation of, this chapter.



1 (b) The board shall adopt rules to establish procedures
2 and standards for the forfeiture and destruction of cannabis or
3 hemp.

4 (c) If the authority determines that a violation by a
5 licensed business warrants forfeiture and destruction of all or
6 a portion of the cannabis or hemp owned by or in the possession
7 of that licensed business, the authority shall refer the matter
8 to the board with its findings. Upon the board's determination
9 to order the forfeiture and destruction of cannabis or hemp, the
10 board shall provide the licensed business with a written notice
11 and order describing the basis for the forfeiture and
12 destruction, a description of the cannabis or hemp subject to
13 forfeiture and destruction, and a timeframe in which the
14 cannabis or hemp must be forfeited.

15 (d) A licensed business subject to an order directing the
16 destruction of any cannabis or hemp owned by or in the
17 possession of the licensed business shall forfeit the cannabis
18 or hemp described in the order to the authority for destruction
19 within the timeframe described in the order.

20 (e) Any person aggrieved by the board's forfeiture and
21 destruction determination may request a contested case hearing



1 pursuant to chapter 91. To request a contested case hearing,
2 the person shall submit a written request to the board within
3 thirty calendar days of the date of the written notice and order
4 of the forfeiture and destruction. Appeal to the circuit court
5 under section 91-14, or any other applicable statute, shall only
6 be taken from the board's final order pursuant to a contested
7 case.

8 (f) If the authority is notified by a law enforcement
9 agency that there is a pending investigation of a licensed
10 business subject to an order for forfeiture and destruction of
11 cannabis or hemp, the authority shall not destroy any cannabis
12 or hemp of that licensed business until the destruction is
13 approved by the law enforcement agency.

14 **§A-92 Administrative holds.** (a) In addition to any other
15 actions authorized by law, the authority may impose an
16 administrative hold on a licensed business if there are
17 reasonable grounds to believe the licensed business has
18 committed or is committing a violation of this chapter or rules
19 adopted thereunder.



1 (b) The authority shall provide a licensed business
2 subject to an administrative hold with written notice of the
3 imposition of that hold, which shall:

4 (1) Include a statement of the basis for the
5 administrative hold;

6 (2) Detail the cannabis or hemp subject to the
7 administrative hold;

8 (3) Describe any operational restrictions to be placed on
9 the licensed business during the duration of the
10 administrative hold; and

11 (4) Indicate actions that must be taken by the licensed
12 business as a result of the administrative hold.

13 (c) An administrative hold shall take effect at the time
14 that the written notice is provided to the licensed business.

15 (d) A licensed business subject to an administrative hold
16 shall physically segregate, in a limited access area approved by
17 the authority, any cannabis or hemp subject to the
18 administrative hold from any other cannabis or hemp not subject
19 to the administrative hold.

20 (e) For the duration of the administrative hold, the
21 licensed business shall not sell, transfer, transport,



1 distribute, dispense, dispose of, or destroy any cannabis or
2 hemp subject to the administrative hold, but may, as applicable,
3 cultivate or otherwise maintain any cannabis plants or hemp
4 plants subject to the administrative hold unless specifically
5 restricted by the authority.

6 (f) A licensed business subject to an administrative hold,
7 for the duration of the administrative hold, shall maintain the
8 licensed premises and may otherwise continue to operate the
9 licensed business in compliance with this chapter, rules adopted
10 thereunder, and the provisions of the administrative hold.
11 Except as specifically restricted by the authority, the licensed
12 business may, for the duration of the administrative hold,
13 cultivate, process, distribute, or dispense any cannabis or hemp
14 not subject to the administrative hold pursuant to its license.

15 (g) The authority may terminate an administrative hold at
16 any time following the imposition of the administrative hold;
17 provided that an administrative hold under this section shall
18 not be imposed for a period exceeding thirty business days from
19 the date the written notice is issued. The authority shall
20 provide the licensed business with written notice of the
21 termination of an administrative hold.



1 **§A-93 Liability to the State under this chapter as debt.**

2 (a) Any liability to the State under this chapter shall
3 constitute a debt to the State. Once a statement naming a
4 licensed business as a debtor is recorded, registered, or filed,
5 the debt shall constitute a lien on all commercial property
6 owned by the business in the State and shall have priority over
7 an encumbrance recorded, registered, or filed with respect to
8 any property.

9 (b) If a lien imposed by subsection (a) is properly
10 recorded, registered, or filed, and three hundred sixty-five
11 calendar days have elapsed from the date of recording,
12 registration, or filing with no response or action by the debtor
13 against whom the lien was recorded, registered, or filed, the
14 executive director may apply to the circuit court to have the
15 lien converted into a civil judgment. The circuit court shall
16 issue a civil judgment for an amount equivalent to the value of
17 the lien.

18 **§A-94 Unauthorized access to a restricted area; criminal**
19 **offense.** (a) No person shall intentionally or knowingly enter
20 or remain in a restricted area unless the person is:



- 1 (1) An individual licensee or registered employee of the
2 licensed business;
- 3 (2) A government employee or official acting in the
4 person's official capacity; or
- 5 (3) Escorted by an individual licensee or registered
6 employee of the licensed business at all times while
7 in the restricted area; provided that:
- 8 (A) The person is at least twenty-one years of age,
9 as verified by a valid government-issued
10 identification card;
- 11 (B) The person is only permitted within those
12 portions of the restricted area as necessary to
13 fulfill the person's purpose for entering;
- 14 (C) The person is only permitted within the
15 restricted area during the times and for the
16 duration necessary to fulfill the person's
17 purpose for entering; and
- 18 (D) The licensed business shall keep a photographic
19 copy of the valid government-issued
20 identification card and an accurate record of the
21 date and times upon the person's entering and



1 exiting the restricted area, the purpose for
2 entering, and the identity of the escort.

3 (b) No individual licensee or registered employee of the
4 licensed business with control over or responsibility for the
5 licensed premises shall intentionally or knowingly allow another
6 person to enter or remain in a restricted area, unless that
7 person is permitted to enter and remain as specified in
8 subsection (a).

9 (c) Any person who violates this section shall be guilty
10 of a petty misdemeanor.

11 **§A-95 Diversion from a licensed business; criminal**
12 **offense.** (a) A person commits the offense of diversion from a
13 licensed business if the person is a licensed business or an
14 operator, agent, or employee of a licensed business and
15 intentionally or knowingly diverts to the person's own use or
16 other unauthorized or illegal use, or takes, makes away with, or
17 secretes, with intent to divert to the person's own use or other
18 unauthorized or illegal use, any cannabis under the person's
19 possession, care, or custody as a licensed business or an
20 operator, agent, or employee of a licensed business.



1 (b) Any person who violates this section shall be guilty
2 of a class C felony.

3 **SA-96 Alteration or falsification of licensed business**

4 **records; criminal offense.** (a) A person commits the offense of
5 alteration or falsification of licensed business records if the
6 person intentionally or knowingly:

7 (1) Makes or causes a false entry in licensed business
8 records;

9 (2) Alters, erases, obliterates, deletes, removes, or
10 destroys a true entry in licensed business records;

11 (3) Omits to make a true entry in licensed business
12 records in violation of a duty that the person knows
13 to be imposed upon the person by law or by the nature
14 of the person's position; or

15 (4) Prevents the making of a true entry or causes the
16 omission thereof in licensed business records.

17 (b) Alteration or falsification of licensed business
18 records shall be a class C felony.

19 (c) For the purposes of this section:



1 "Electronic" means relating to technology having
2 electrical, digital, magnetic, wireless, optical,
3 electromagnetic, or other similar capabilities.

4 "Information" includes data, text, images, sounds, codes,
5 computer programs, software, or databases.

6 "Licensed business records" means any inventory tracking
7 records and other records maintained by a licensed business that
8 are required by law to be created and retained or provided to
9 the authority or department of taxation.

10 "Record" means information that is written or printed or
11 that is stored in an electronic or other medium and is
12 retrievable in a perceivable form.

13 **§A-97 Unlawful restricted cannabinoid product retailing.**

14 (a) A person required to obtain a restricted cannabinoid
15 product permit commits the offense of unlawful restricted
16 cannabinoid product retailing if the person recklessly fails to
17 obtain a valid permit required under section A-119 and
18 recklessly distributes, sells, or offers for sale any restricted
19 cannabinoid product or possesses, stores, or acquires any
20 restricted cannabinoid product for the purpose of distribution,
21 sale, or offering for sale.



1 (b) Unlawful restricted cannabinoid product retailing
2 shall be a petty misdemeanor; provided that any offense under
3 subsection (a) that occurs within five years of a prior
4 conviction for unlawful restricted cannabinoid product retailing
5 shall be a misdemeanor.

6 **§A-98 Law enforcement access to licensed business records.**

7 Notwithstanding any other law, a licensed business shall
8 disclose information, documents, tax records, and other records
9 regarding its licensed business operation, upon request, to any
10 federal, state, or county agency engaged in the administrative
11 regulation, criminal investigation, or prosecution of violations
12 of applicable federal, state, or county laws or regulations
13 related to the operations or activities of a licensed business.

14 **PART VII. CANNABIS BUSINESSES; AUTHORIZED**

15 **§A-111 Independent laboratory; license required.** (a) An
16 independent laboratory license shall authorize the sampling,
17 limited possession, and testing of cannabis and hemp pursuant to
18 this chapter and rules adopted thereunder.

19 (b) The board shall adopt rules for the licensure,
20 operations, and oversight of independent laboratories, including
21 protocols for the sampling, testing, and analysis of cannabis



1 and hemp. The rules shall address sampling and analysis related
2 to cannabinoid profiles and biological and chemical
3 contaminants, including terpenoids, pesticides, plant growth
4 regulators, metals, microbiological contaminants, mycotoxins,
5 and residual solvents introduced through cultivation of cannabis
6 plants or hemp plants and post-harvest processing and handling
7 of cannabis, hemp, or any related ingredients.

8 (c) An independent laboratory shall report any results
9 indicating contamination to the authority within seventy-two
10 hours of identification of contamination.

11 (d) No independent laboratory shall have a direct or
12 indirect interest, including by stock ownership, interlocking
13 directors, mortgage or lien, personal or real property,
14 management agreement, shared parent companies or affiliated
15 organizations, or any other means, in any other type of licensed
16 business authorized by this chapter or rules adopted thereunder.

17 (e) No other licensed business shall have a direct or
18 indirect interest, including by stock ownership, interlocking
19 directors, mortgage or lien, personal or real property,
20 management agreement, shared parent companies or affiliated
21 organizations, or any other means, in an independent laboratory.



1 (f) No individual who possesses an interest in or is a
2 laboratory agent employed by an independent laboratory, and no
3 immediate family member of that individual, shall possess an
4 interest in or be employed by any other licensed business
5 authorized by this chapter or rules adopted thereunder.

6 (g) No independent laboratory, laboratory agent, or
7 employee of an independent laboratory shall receive direct or
8 indirect compensation, other than reasonable contractual fees to
9 conduct testing, from any entity for which it is conducting
10 testing pursuant to this chapter or rules adopted thereunder.

11 (h) An independent laboratory shall:

12 (1) Register each laboratory agent with the authority; and

13 (2) Notify the authority within one working day if a
14 laboratory agent ceases to be associated with the
15 independent laboratory.

16 (i) No one who has been convicted of a felony drug offense
17 shall be a laboratory agent or an employee of an independent
18 laboratory. The authority shall conduct criminal history record
19 checks of laboratory agents and employees of an independent
20 laboratory in accordance with section 846-2.7, and the board may



1 adopt rules to establish standards and procedures to enforce
2 this subsection.

3 (j) A laboratory agent shall not be subject to arrest,
4 prosecution, civil penalty, sanctions, or disqualifications, and
5 shall not be subject to seizure or forfeiture of assets under
6 laws of the State, for actions taken under the authority of an
7 independent laboratory, including possessing, processing,
8 storing, transferring, or testing cannabis; provided that the
9 laboratory agent is:

- 10 (1) Registered with the authority; and
11 (2) Acting in accordance with all the requirements under
12 this chapter and rules adopted thereunder.

13 **§A-112 Cannabis cultivator; license required.** (a) A
14 cannabis cultivator license shall authorize:

- 15 (1) The acquisition and cultivation of cannabis plants,
16 seeds, cuttings, or clones; and
17 (2) The distribution of cannabis plants and cannabis
18 flower to:
19 (A) A cannabis cultivator;
20 (B) A cannabis processor;
21 (C) A medical cannabis dispensary; and



1 (D) A retail cannabis store.

2 (b) A cannabis cultivator shall track the cannabis it
3 cultivates from acquisition to testing, distribution, or
4 destruction.

5 (c) A cannabis cultivator shall maintain a record of all
6 samples provided to an independent laboratory, the identity of
7 the independent laboratory, and the testing results.

8 (d) The maximum size of plant canopy the board may
9 authorize for each cannabis cultivator license shall be two
10 thousand square feet of plant canopy for indoor cultivations and
11 five thousand square feet of plant canopy for outdoor
12 cultivations.

13 (e) A cannabis cultivator shall comply with all laws and
14 rules applicable to an agricultural operation, including laws
15 and rules regarding pesticide use, water use, and the
16 environment, and all other requirements and standards as
17 prescribed by rules adopted by the board. The requirements and
18 standards prescribed by the board shall be guided by sustainable
19 farming principles and practices such as organic, regenerative,
20 and integrated pest management models to the extent possible;



1 limit the use of pesticides, whenever possible; and encourage
2 the use of renewable energies or resources.

3 **§A-113 Cannabis processor; license required.** (a) A
4 cannabis processor license shall authorize the acquisition,
5 possession, and processing of cannabis into cannabis products,
6 and distribution of cannabis to:

- 7 (1) A cannabis processor;
8 (2) A medical cannabis dispensary; and
9 (3) A retail cannabis store.

10 (b) A cannabis processor shall track the cannabis it
11 processes from acquisition to testing, distribution, or
12 destruction.

13 (c) A cannabis processor shall maintain a record of all
14 samples provided to an independent laboratory, the identity of
15 the independent laboratory, and the testing results.

16 (d) A cannabis processor shall calculate the equivalent
17 physical weight of the cannabis flower that is used to process
18 the cannabis product and shall make the equivalency calculations
19 available to the authority, consumer, and medical cannabis
20 patient.



1 **§A-114 Medical cannabis dispensary; license required.** (a)

2 A medical cannabis dispensary license shall authorize:

- 3 (1) The acquisition and possession of cannabis;
- 4 (2) The distribution of cannabis to a retail cannabis
- 5 store or medical cannabis dispensary; and
- 6 (3) The dispensing of cannabis from the licensed premises
- 7 only to medical cannabis patients or their caregivers.

8 (b) A medical cannabis dispensary shall track all cannabis

9 it possesses from acquisition to testing, distribution,

10 dispensing, or destruction.

11 (c) A medical cannabis dispensary shall maintain a record

12 of all samples provided to an independent laboratory, the

13 identity of the independent laboratory, and the testing results.

14 (d) Notwithstanding any other law to the contrary, a

15 medical cannabis dispensary shall not be subject to the

16 prescription requirement of section 329-38 or the board of

17 pharmacy licensure or regulatory requirements under chapter 461.

18 **§A-115 Retail cannabis store; license required.** (a) A

19 retail cannabis store license shall authorize:

- 20 (1) The acquisition and possession of cannabis;



- 1 (2) The distribution of cannabis to a retail cannabis
2 store or medical cannabis dispensary;
- 3 (3) The dispensing of adult-use cannabis from the licensed
4 premises to consumers; and
- 5 (4) The dispensing of cannabis from the licensed premises
6 to medical cannabis patients or their caregivers.
- 7 (b) A retail cannabis store shall ensure adequate access
8 and product supply to accommodate medical cannabis patients.
9 The board shall adopt rules to implement this section, including
10 requirements for:
 - 11 (1) Priority access or business hours, or both, for
12 medical cannabis patients; and
 - 13 (2) Product supply to ensure medical cannabis patients
14 have access to the cannabis used to treat their
15 debilitating medical condition.
 - 16 (c) A retail cannabis store shall track all cannabis it
17 possesses from acquisition to testing, distribution, dispensing,
18 or destruction.
 - 19 (d) A retail cannabis store shall maintain a record of all
20 samples provided to an independent laboratory, the identity of
21 the independent laboratory, and the testing results.



1 (e) Notwithstanding any other law to the contrary, a
2 retail cannabis store shall not be subject to the prescription
3 requirement of section 329-38 or the board of pharmacy licensure
4 or regulatory requirements under chapter 461.

5 **§A-116 Craft cannabis dispensary; license required.** (a)

6 A craft cannabis dispensary license shall authorize the limited:

7 (1) Acquisition and cultivation of cannabis plants, seeds,
8 cuttings, or clones, and possession and processing of
9 adult-use cannabis;

10 (2) Distribution of adult-use cannabis to:

11 (A) A cannabis processor;

12 (B) A medical cannabis dispensary; and

13 (C) A retail cannabis store; and

14 (3) Dispensing of adult-use cannabis from the licensed
15 premises to consumers.

16 (b) A craft cannabis dispensary shall distribute only its
17 own cannabis.

18 (c) A craft cannabis dispensary shall dispense only its
19 own cannabis directly to consumers.

20 (d) A craft cannabis dispensary shall not process,
21 distribute, or dispense medical cannabis products.



1 (e) No craft cannabis dispensary shall have a direct or
2 indirect interest, including by stock ownership, interlocking
3 directors, mortgage or lien, personal or real property, or any
4 other means, in any other licensed business authorized by this
5 chapter or rules adopted thereunder, including another craft
6 cannabis dispensary.

7 (f) No licensed business shall have a direct or indirect
8 interest, including by stock ownership, interlocking directors,
9 mortgage or lien, personal or real property, or any other means,
10 in any craft cannabis dispensary.

11 (g) A craft cannabis dispensary shall track all cannabis
12 it possesses from acquisition to testing, distribution,
13 dispensing, or destruction.

14 (h) A craft cannabis dispensary shall maintain a record of
15 all samples provided to an independent laboratory, the identity
16 of the independent laboratory, and the testing results.

17 (i) The size, scope, and eligibility criteria of a craft
18 cannabis dispensary shall be determined by rules adopted
19 pursuant to this chapter; provided that the granting of a craft
20 cannabis dispensary license shall promote social equity



1 applicants as provided for in this chapter and small farms with
2 a focus on indigenous crops or farming practices.

3 **§A-117 Medical cannabis cooperative; license required.**

4 (a) A medical cannabis cooperative license shall authorize the
5 cultivation, possession, and processing of cannabis for medical
6 use only on the licensed premises, and limited dispensing of
7 medical cannabis only by and between the members of the medical
8 cannabis cooperative.

9 (b) A medical cannabis cooperative shall be comprised of
10 up to five qualifying patients. A medical cannabis cooperative
11 member shall be a natural person and shall not be a member of
12 more than one medical cannabis cooperative. A qualifying
13 out-of-state patient shall not be a member of a medical cannabis
14 cooperative.

15 (c) A medical cannabis cooperative shall not acquire,
16 cultivate, possess, or process cannabis for medical use that
17 exceeds the quantities allowed for each of its members combined.

18 (d) A medical cannabis cooperative shall not dispense any
19 cannabis for medical use to any of its members that exceeds the
20 quantities allowed for that member.



1 (e) Each medical cannabis cooperative member shall
2 designate the licensed premises as their grow site and shall not
3 cultivate cannabis on any other premises.

4 (f) No medical cannabis cooperative shall operate on the
5 same premises as any other licensed business, including another
6 medical cannabis cooperative.

7 (g) No medical cannabis cooperative member shall have a
8 direct or indirect financial or controlling interest in any
9 other licensed business authorized by this chapter or rules
10 adopted thereunder, including another medical cannabis
11 cooperative.

12 (h) No medical cannabis cooperative shall have a direct or
13 indirect interest, including by stock ownership, interlocking
14 directors, mortgage or lien, personal or real property, or any
15 other means, in any other licensed business authorized by this
16 chapter or rules adopted thereunder, including another medical
17 cannabis cooperative.

18 (i) No other licensed business authorized by this chapter
19 or rules adopted thereunder shall have a direct or indirect
20 interest, including by stock ownership, interlocking directors,



1 mortgage or lien, personal or real property, or any other means,
2 in any medical cannabis cooperative.

3 (j) The board shall adopt rules related to medical
4 cannabis cooperatives, including the size and scope of medical
5 cannabis cooperatives and other measures designed to incentivize
6 the use and licensure of medical cannabis cooperatives.

7 **SA-118 Other licenses authorized.** The board may establish
8 additional license types and grant temporary licenses of any
9 type specified in this part, in accordance with conditions set
10 forth in rules adopted pursuant to this chapter.

11 **SA-119 Special use permits.** (a) The board may issue
12 permits for carrying on activities consistent with the policy
13 and purpose of this chapter with respect to cannabis and hemp.

14 (b) The board may adopt rules to implement this section,
15 including reasonable fees, eligibility criteria, types of
16 permits, and time limits for any permit issued. The types of
17 permits may include:

- 18 (1) Special event and social consumption permits;
19 (2) Trucking permits to allow for the trucking or
20 transportation of cannabis by a person other than a
21 licensed business; and



1 (3) Restricted cannabinoid product permits that allow for
2 the distribution, dispensing, or sale of a restricted
3 cannabinoid product.

4 **PART VIII. HEMP**

5 **§A-131 Restricted cannabinoid product list.** (a) The
6 authority shall create and maintain a list of restricted
7 cannabinoid products, derived from hemp, that shall only be sold
8 pursuant to a permit issued by the board under section A-119;
9 provided that the authority may establish an amount of any
10 restricted cannabinoid that may be allowed in a hemp product;
11 provided further that the authority may prohibit any restricted
12 cannabinoid product from being distributed, sold, or offered for
13 sale entirely. The authority shall publish and make available
14 the list of restricted cannabinoid products.

15 (b) The board shall adopt rules establishing a process and
16 procedure for the authority to create and maintain the
17 restricted cannabinoid product list; provided that the
18 procedures shall include at a minimum:

19 (1) Criteria based on public health and safety for the
20 authority to determine what constitutes a restricted
21 cannabinoid product;



1 (2) Criteria based on public health and safety for the
2 authority to establish allowable limits for restricted
3 cannabinoids in hemp products; provided further that
4 the authority may prohibit the restricted cannabinoid
5 entirely; and

6 (3) A process for petitioning the board to add or remove a
7 cannabinoid or restricted cannabinoid product from the
8 restricted cannabinoid product list.

9 (c) The restricted cannabinoid product list shall not
10 include hemp extract products that are:

11 (1) Intended only for external topical application to the
12 skin or hair; and

13 (2) Tinctures; provided that the tincture does not contain
14 more than thirty servings per bottle, one milligram of
15 THC per serving, and thirty milligrams of THC per
16 bottle; provided further that tinctures with over five
17 milligrams of THC per bottle shall not be sold to
18 persons under twenty-one years of age.

19 (d) For the purposes of this section, "tincture" means a
20 liquid hemp extract product consisting of hemp extract dissolved
21 in glycerin or a plant-based oil, that is intended for oral



1 consumption in small amounts using a dropper, and that has a
2 total volume of one ounce or less.

3 **SA-132 Hemp cultivator; license required.** (a) No person
4 shall cultivate hemp except in accordance with this section.
5 Cultivating hemp without a license to produce hemp issued by the
6 Secretary of the United States Department of Agriculture
7 pursuant to title 7 United States Code section 1639q shall be
8 considered unlicensed cultivation of cannabis.

9 (b) Notwithstanding any law to the contrary, it shall be
10 legal for a person to cultivate hemp only if they hold a license
11 to produce hemp, issued by the Secretary of the United States
12 Department of Agriculture pursuant to title 7 United States Code
13 section 1639q; provided that hemp shall not be:

- 14 (1) Cultivated within three hundred feet of pre-existing
15 real property comprising a playground, child care
16 facility, or school;
- 17 (2) Cultivated within one hundred feet of any pre-existing
18 house, dwelling unit, residential apartment, or other
19 residential structure that is not owned or controlled
20 by the license holder;
- 21 (3) Cultivated, stored, or comingled with cannabis; and



1 (4) Cultivated on any premises licensed under this
2 chapter, except on the licensed premises of a hemp
3 extract processor.

4 (c) A hemp cultivator may distribute or sell hemp flower;
5 provided that the hemp flower:

6 (1) Has passed all compliance testing required by the
7 United States Department of Agriculture; and

8 (2) Meets all other requirements for selling hemp,
9 including testing, packaging, and labeling, as
10 provided in this chapter and rules adopted thereunder.

11 (d) A hemp cultivator licensed by the United States
12 Department of Agriculture to cultivate hemp in the State shall
13 comply with all regulations established by the United States
14 Department of Agriculture, including all inspection, sampling,
15 and compliance testing requirements.

16 (e) The board shall adopt rules pursuant to this chapter
17 to implement this section; provided that the rules adopted by
18 the board shall not require pre-harvest inspections, pre-harvest
19 sampling, or pre-harvest compliance testing with respect to the
20 cultivation of hemp as regulated by the United States Department
21 of Agriculture.



1 (f) In addition to any other penalties allowed by law, any
2 person who violates this section or any rule adopted pursuant to
3 this section shall be fined not more than \$1,000 for each
4 separate violation. Each day on which a violation occurs or
5 continues shall be counted as a separate violation.

6 (g) Any notice of violation of this section may be
7 accompanied by a cease-and-desist order. The violation of the
8 cease-and-desist order shall constitute a further violation of
9 this section.

10 (h) Any person aggrieved by a notice of violation issued
11 under this section may request a contested case hearing pursuant
12 to chapter 91. To request a contested case hearing, the person
13 shall submit a written request to the board within thirty
14 calendar days of the date of the notice of violation. Appeal to
15 the circuit court under section 91-14, or any other applicable
16 statute, shall only be taken from the board's final order
17 pursuant to a contested case.

18 (i) Any action taken to recover, collect, or enforce the
19 administrative penalty provided for in this section shall be
20 considered a civil action. For any judicial proceeding to
21 recover an administrative penalty imposed pursuant to subsection



1 (f) or to enforce a cease-and-desist order issued pursuant to
2 subsection (g), the authority may petition any court of
3 appropriate jurisdiction and need only show that:

- 4 (1) Notice was given;
- 5 (2) A hearing was held, or the time granted for requesting
6 a hearing has expired without a request;
- 7 (3) The administrative penalty or cease-and-desist order
8 was imposed on the person cultivating hemp; and
- 9 (4) The penalty remains unpaid, or there was no compliance
10 with the order.

11 **SA-133 Hemp extract processor; license required.** (a) No
12 person shall process hemp into a hemp extract product without a
13 hemp extract processor license issued pursuant to this chapter
14 and any rules adopted thereunder. This section shall not apply
15 to processing hemp into an industrial hemp product.

16 (b) A hemp extract processor license shall authorize the
17 acquisition, possession, and processing of hemp into hemp
18 extract products and the distribution of hemp extract products
19 in compliance with this chapter.



1 (c) A hemp extract processor license shall not authorize
2 the distribution, dispensing, or sale of any cannabis or
3 restricted cannabinoid product.

4 (d) Hemp shall be processed into a hemp extract product
5 within an indoor facility or within an agricultural building or
6 structure pursuant to section 46-88; provided that the hemp is
7 processed without the use of heat, volatile compounds, or gases
8 under pressure except for carbon dioxide (CO2). Hemp extract
9 processors shall comply with all applicable state laws and
10 county ordinances, including zoning ordinances, building
11 ordinances, and fire codes.

12 **SA-134 Hemp products.** (a) The board shall adopt rules
13 pursuant to this chapter to establish requirements,
14 restrictions, and standards regarding the types, ingredients,
15 and designs of hemp products, including potency limits and
16 cannabinoid limits on hemp extract products.

17 (b) No person shall distribute, sell, or offer for sale
18 crude hemp extract to any person; provided that crude hemp
19 extract may be sold only to a hemp extract processor with a
20 valid license issued by the authority pursuant to section A-133



1 or equivalent authorization from a regulatory agency in another
2 jurisdiction.

3 (c) No person shall distribute, sell, or offer for sale
4 any restricted cannabinoid product unless that person holds a
5 permit to distribute, sell, or offer for sale restricted
6 cannabinoid products issued by the board pursuant to section
7 A-119. A permit shall not be required to sell hemp products
8 that are not restricted cannabinoid products.

9 (d) No person shall distribute, sell, or offer for sale
10 any hemp extract product used to aerosolize for respiratory
11 routes of delivery, such as an inhaler, a vape pen, or other
12 device designed for that purpose.

13 (e) Except for a hemp extract product intended for
14 external topical application to the skin or hair, no person
15 shall distribute, sell, or offer for sale any hemp extract
16 product intended to be introduced via non-oral routes of entry
17 to the body, including use in eyes, ears, and nasal cavities.

18 (f) This section shall not apply to industrial hemp
19 products; provided that any industrial hemp products shall
20 comply with all other applicable laws, rules, and regulations.

21 **PART IX. SOCIAL EQUITY**



1 **§A-141 Definitions.** As used in this part, unless the
2 context otherwise requires, "social equity applicant" means an
3 applicant for licensure or permit under this chapter, or for a
4 grant pursuant to the social equity program established under
5 section A-142, who is a resident of the State that meets one or
6 more of the following criteria:

7 (1) An applicant with at least fifty-one per cent
8 ownership and control by one or more individuals who
9 have resided for at least five of the preceding ten
10 years in a disproportionately impacted area;

11 (2) For applicants with a minimum of ten full-time
12 employees, an applicant with at least fifty-one per
13 cent of current employees who currently reside in a
14 disproportionately impacted area; or

15 (3) An applicant satisfying any other criteria determined
16 by the board and adopted as rules under this chapter.

17 **§A-142 Social equity program.** (a) The board shall
18 establish a social equity program for the purposes of providing
19 grants to social equity applicants.

20 (b) The authority, through the chief equity officer or
21 executive director, shall have the power to:



- 1 (1) Provide grants to assist social equity applicants in
2 gaining entry to, and successfully operating in, the
3 State's regulated cannabis industry, including grants
4 for financial assistance, industry training, and
5 technical assistance;
- 6 (2) Provide grants to assist social equity applicants that
7 are community-based organizations for the purpose of
8 developing, implementing, and supporting nonprofit
9 projects, services, and programs that address
10 community needs of disproportionately impacted areas,
11 including housing and child care programs;
- 12 (3) Provide staff, administration, and related support
13 required to administer this section;
- 14 (4) Enter into agreements that set forth terms and
15 conditions of the grants, accept funds or grants, and
16 cooperate with private entities and state or county
17 agencies to carry out the purposes of this section;
- 18 (5) Fix, determine, charge, and collect any premiums,
19 fees, charges, costs, and expenses, including
20 application fees, commitment fees, program fees,



1 financing charges, and publication fees in connection
2 with the social equity program;

3 (6) Take whatever actions are necessary or appropriate to
4 protect the State's interest in the event of
5 bankruptcy, default, foreclosure, or noncompliance
6 with the terms and conditions of grants provided under
7 this section, including the ability to recapture funds
8 if the grant recipient is found to be noncompliant
9 with the terms and conditions of the grant agreement;

10 (7) Establish application, notification, contract, and
11 other forms and procedures deemed necessary and
12 appropriate to implement the social equity program;
13 and

14 (8) Utilize vendors or contract work to carry out the
15 purposes of this part.

16 (c) The board shall adopt rules pursuant to this chapter
17 to implement this part, including:

18 (1) Additional requirements and qualifications for
19 determining eligibility of social equity applicants
20 for grants;



- 1 (2) Preferences and priorities in determining eligibility
- 2 for grants;
- 3 (3) Conditions, consistent with the purpose of this
- 4 chapter, for the awarding of grants;
- 5 (4) Requirements for the inspection at reasonable hours of
- 6 facilities, books, and records of a social equity
- 7 applicant or grant recipient;
- 8 (5) Requirements for the submission of progress and final
- 9 reports by grant recipients; and
- 10 (6) Appropriate management counseling and monitoring of
- 11 business activities for grant recipients.
- 12 (d) The authority shall submit an annual report on the
- 13 social equity program to the governor and legislature no later
- 14 than twenty days prior to the convening of each regular session.
- 15 The report shall detail the outcomes and effectiveness of this
- 16 section during the prior fiscal year, including the following:
- 17 (1) The number of social equity applicants who received
- 18 financial assistance under this section;
- 19 (2) The amount of grants awarded in the aggregate;
- 20 (3) The location of the project engaged in by each grant
- 21 recipient; and



1 (4) If applicable, the number of new jobs and other forms
2 of economic output created as a result of the grants.

3 (e) The authority shall include engagement with
4 individuals with limited English proficiency as part of the
5 social equity program.

6 (f) The authority shall make available to the public its
7 rubric for determining eligibility for social equity grants.

8 **§A-143 Social equity grants; standards and conditions.**

9 (a) Grants made under this part shall be awarded on a
10 competitive and annual basis. Grants made under this part shall
11 further and promote the goals of the social equity program.

12 (b) Applications for grants shall be made to the authority
13 and contain information as shall be required by rules adopted
14 thereunder. At a minimum, an applicant shall show:

15 (1) The name of the applying business entity or
16 individual;

17 (2) That the applicant meets the criteria for a social
18 equity applicant;

19 (3) The intended use of the grant; and

20 (4) The target group or community to be benefited by the
21 grant.



1 (c) Recipients of grants shall be subject to the following
2 conditions:

3 (1) The recipient of a grant shall not use public funds
4 for purposes of entertainment or perquisites,
5 including lobbying activities;

6 (2) The recipient of a grant shall comply with state laws
7 and county ordinances;

8 (3) The recipient of a grant shall comply with any other
9 requirements that may be prescribed by rules adopted
10 pursuant to this chapter;

11 (4) The recipient of a grant shall allow the authority,
12 legislative bodies, and legislative auditor full
13 access to records, reports, files, and other related
14 documents so that the program, management, and fiscal
15 practices of the grant recipient may be monitored and
16 evaluated to assure the proper and effective
17 expenditure of public funds;

18 (5) Every grant shall be monitored according to rules
19 adopted pursuant to this chapter to ensure compliance
20 with this part; and



1 (6) Any recipient of a grant under this part who withholds
2 or omits any material fact or deliberately
3 misrepresents facts to the authority or who violates
4 the terms of the grant agreement shall be in violation
5 of this section and, in addition to any other
6 penalties provided by law, shall be prohibited from
7 applying for a grant or any other benefits under this
8 part for a period of five years from the date of
9 termination.

10 **SA-144 Fee waivers.** (a) For social equity applicants,
11 the authority shall waive fifty per cent of any license
12 application fees and any fees associated with purchasing a
13 license to operate a licensed business for the initial five
14 years of the social equity applicant's operations; provided that
15 the social equity applicant meets the following qualifications
16 at the time the payment is due:

17 (1) The applicant, including all persons with a direct or
18 indirect interest in the applicant, has less than a
19 total of \$750,000 of income in the previous calendar
20 year; and



1 (2) The applicant, including all persons with a direct or
2 indirect interest in the applicant, has not more than
3 three other licenses issued under this chapter.

4 (b) The authority shall require social equity applicants
5 to attest that they meet the requirements for a fee waiver as
6 provided in subsection (a) and to provide evidence of annual
7 total income in the previous calendar year.

8 (c) If the authority determines that an applicant who
9 applied for a fee waiver is not eligible as a social equity
10 applicant, the applicant shall be provided an additional ten
11 calendar days to provide alternative evidence that the applicant
12 qualifies as a social equity applicant. Alternatively, the
13 applicant may pay the remainder of the waived fee and be
14 considered as a non-social equity applicant. If the applicant
15 fails to do either, the authority may retain the initial
16 application fee and the application shall be deemed withdrawn.

17 **PART X. PUBLIC HEALTH AND EDUCATION**

18 **§A-151 Public health and education campaign.** No later
19 than July 1, 2025, the authority shall develop and implement a
20 comprehensive public health and education campaign regarding the
21 legalization of cannabis and the impact of cannabis use on



1 public health and safety, including the health risks associated
 2 with cannabis and ways to protect children. The public health
 3 and education campaign shall also include education to the
 4 public about the Hawaii cannabis law, including the potential
 5 risks associated with patronizing unlicensed dispensary
 6 locations, or otherwise procuring cannabis through persons not
 7 authorized by the authority. After the initial campaign, the
 8 authority shall continue to periodically develop and implement a
 9 comprehensive public health and education campaign on issues
 10 related to cannabis, as necessary.

11 **§A-152 Public health and education grant program. (a)**

12 The board shall establish a public health and education grant
 13 program for the purposes of providing grants to substance abuse
 14 prevention and treatment programs and programs dedicated to
 15 preventing and treating substance abuse, especially among youth,
 16 and educating the public about cannabis use and laws.

17 (b) The authority, through the chief public health and
 18 environmental officer or executive director, shall have the
 19 power to:

- 20 (1) Provide grants to assist substance abuse prevention
- 21 and treatment programs in the State;



- 1 (2) Provide grants to assist community-based organizations
2 with developing, implementing, and supporting youth
3 services, including youth recreational centers,
4 services for housing, counseling, and preventing or
5 treating youth substance abuse;
- 6 (3) Provide grants to assist community-based organizations
7 with developing, implementing, and supporting programs
8 for individuals with a dual diagnosis of mental
9 disorder and substance abuse disorder, including
10 services for housing, residential treatment,
11 outpatient treatment, counseling, and other related
12 services;
- 13 (4) Provide staff, administration, and related support
14 required to administer this part;
- 15 (5) Enter into agreements that set forth terms and
16 conditions of the grants, accept funds or grants, and
17 cooperate with private entities and state or county
18 agencies to carry out the purposes of this part;
- 19 (6) Fix, determine, charge, and collect any premiums,
20 fees, charges, costs, and expenses, including
21 application fees, commitment fees, program fees,



1 financing charges, or publication fees in connection
2 with its activities under this section;

3 (7) Take whatever actions are necessary or appropriate to
4 protect the State's interest in the event of
5 bankruptcy, default, foreclosure, or noncompliance
6 with the terms and conditions of grants provided under
7 this section, including the ability to recapture funds
8 if the grant recipient is found to be noncompliant
9 with the terms and conditions of the grant agreement;

10 (8) Establish application, notification, contract, and
11 other forms and procedures deemed necessary and
12 appropriate to administer this part; and

13 (9) Utilize vendors or contract work to carry out the
14 purposes of this part.

15 (c) The board shall adopt rules pursuant to this chapter
16 to implement this part, including:

17 (1) Additional requirements and qualifications for
18 determining eligibility of applicants for grants;

19 (2) Preferences and priorities in determining eligibility
20 for grants;



- 1 (3) Conditions, consistent with the purpose of this
2 chapter, for the awarding of grants;
- 3 (4) Requirements for the inspection at reasonable hours of
4 facilities, books, and records of a grant applicant or
5 grant recipient;
- 6 (5) Requirements for the submission of progress and final
7 reports by grant recipients; and
- 8 (6) Appropriate management counseling and monitoring of
9 business activities for grant recipients.
- 10 (d) The authority shall submit an annual report on the
11 public health and education grant program to the governor and
12 legislature no later than twenty days prior to the convening of
13 each regular session. The report shall detail the outcomes and
14 effectiveness of this section during the prior fiscal year,
15 including the following:
- 16 (1) The number of persons or businesses who received
17 financial assistance under this section;
- 18 (2) The amount of grants awarded in the aggregate;
- 19 (3) The location of the project engaged in by each grant
20 recipient; and



1 (4) If applicable, the number of new jobs and other forms
2 of economic output created as a result of the grants.

3 **§A-153 Public health and education grants; standards and**
4 **conditions.** (a) Grants made under this part shall be awarded
5 on a competitive and annual basis. Grants made under this part
6 shall further and promote the goals of this chapter.

7 (b) Applications for grants shall be made to the authority
8 and contain information as shall be required by rules adopted
9 thereunder. At a minimum, an applicant shall show:

10 (1) The name of the applying organization or individual;

11 (2) That the applicant meets the criteria for the grant;

12 (3) The intended use of the grant; and

13 (4) The target group or community to be benefited by the
14 grant.

15 (c) Recipients of grants shall be subject to the following
16 conditions:

17 (1) The recipient of a grant shall not use public funds
18 for purposes of entertainment or perquisites,
19 including lobbying activities;

20 (2) The recipient of a grant shall comply with state laws
21 and county ordinances;



- 1 (3) The recipient of a grant shall comply with any other
2 requirements that may be prescribed by rules adopted
3 pursuant to this chapter;
- 4 (4) The recipient of a grant shall allow the authority,
5 legislative bodies, and legislative auditor full
6 access to records, reports, files, and other related
7 documents so that the program, management, and fiscal
8 practices of the grant recipient may be monitored and
9 evaluated to assure the proper and effective
10 expenditure of public funds;
- 11 (5) Every grant shall be monitored according to rules
12 adopted pursuant to this chapter to ensure compliance
13 with this part; and
- 14 (6) Any recipient of a grant under this part who withholds
15 or omits any material fact or deliberately
16 misrepresents facts to the authority or who violates
17 the terms of the grant agreement shall be in violation
18 of this section and, in addition to any other
19 penalties provided by law, shall be prohibited from
20 applying for a grant or any other benefits under this



1 part for a period of five years from the date of
2 termination.

3 **PART XI. PUBLIC SAFETY**

4 **SA-161 Public safety grant program.** (a) The board shall
5 establish a public safety grant program for the purposes of
6 providing grants to state and county agencies and private
7 entities to assist with public safety resources relating to
8 cannabis, including law enforcement resources.

9 (b) The authority, through the chief compliance officer or
10 executive director, shall have the power to:

11 (1) Provide grants to train and certify state and county
12 law enforcement officers as drug recognition experts
13 for detecting, identifying, and apprehending
14 individuals operating a vehicle under the influence of
15 an intoxicant or otherwise impaired;

16 (2) Provide grants to develop, implement, and support
17 crisis intervention services, including alternative
18 response programs and co-response programs that
19 provide trained social service providers or mental
20 health counselors to respond to, or assist law
21 enforcement agencies with responding to, nonviolent



- 1 emergencies, including welfare checks, public
2 intoxication, and mental health episodes;
- 3 (3) Provide grants to train state and county law
4 enforcement officers in mental health first aid;
- 5 (4) Provide grants for the effective enforcement and
6 prosecution of violations of the nuisance abatement
7 laws under part V of chapter 712;
- 8 (5) Provide grants to harm reduction programs, including
9 crisis outreach programs, food banks, mental health
10 support programs, homeless outreach programs,
11 outpatient treatment programs, and housing assistance
12 programs;
- 13 (6) Provide grants to improve data sharing across law
14 enforcement agencies and the judiciary;
- 15 (7) Provide grants to state and county law enforcement
16 agencies for equipment and training to assist with
17 investigating and prosecuting illegal activities
18 related to cannabis;
- 19 (8) Provide staff, administration, and related support
20 required to administer this part;



- 1 (9) Enter into agreements that set forth terms and
2 conditions of the grants, accept funds or grants, and
3 cooperate with private entities and state or county
4 agencies to carry out the purposes of this part;
- 5 (10) Fix, determine, charge, and collect any premiums,
6 fees, charges, costs, and expenses, including
7 application fees, commitment fees, program fees,
8 financing charges, or publication fees in connection
9 with its activities under this section;
- 10 (11) Take whatever actions are necessary or appropriate to
11 protect the State's interest in the event of
12 bankruptcy, default, foreclosure, or noncompliance
13 with the terms and conditions of grants provided under
14 this section, including the ability to recapture funds
15 if the grant recipient is found to be noncompliant
16 with the terms and conditions of the grant agreement;
- 17 (12) Establish application, notification, contract, and
18 other forms and procedures deemed necessary and
19 appropriate to administer this part; and
- 20 (13) Utilize vendors or contract work to carry out the
21 purposes of this part.



1 (c) The board shall adopt rules pursuant to this chapter
2 to implement this part, including:

3 (1) Additional requirements and qualifications for
4 determining eligibility of applicants for grants;

5 (2) Preferences and priorities in determining eligibility
6 for grants;

7 (3) Conditions, consistent with the purpose of this
8 chapter, for the awarding of grants;

9 (4) Requirements for the inspection at reasonable hours of
10 facilities, books, and records of a grant applicant or
11 grant recipient;

12 (5) Requirements for the submission of progress and final
13 reports by grant recipients; and

14 (6) Appropriate management counseling and monitoring of
15 business activities for grant recipients.

16 (d) The authority shall submit an annual report on the
17 public safety grant program to the governor and legislature no
18 later than twenty days prior to the convening of each regular
19 session. The report shall detail the outcomes and effectiveness
20 of this section during the prior fiscal year, including the
21 following:



- 1 (1) The number of persons, businesses, or agencies
2 receiving financial assistance under this section;
- 3 (2) The amount of grants awarded in the aggregate;
- 4 (3) The location of the project engaged in by the person,
5 business, or agency; and
- 6 (4) If applicable, the number of new jobs and other forms
7 of economic output created as a result of the grants.

8 **§A-162 Public safety grants; standards and conditions.**

9 (a) Grants made under this part shall be awarded on a
10 competitive and annual basis. Grants made under this part shall
11 further and promote the goals of this chapter.

12 (b) Applications for grants shall be made to the authority
13 and contain information as shall be required by rules adopted
14 thereunder. At a minimum, an applicant shall show:

- 15 (1) The name of the applying organization or individual;
- 16 (2) That the applicant meets the criteria for the grant;
- 17 (3) The intended use of the grant; and
- 18 (4) The target group or community to be benefited by the
19 grant.

20 (c) Recipients of grants shall be subject to the following
21 conditions:



- 1 (1) The recipient of a grant shall not use public funds
2 for purposes of entertainment or perquisites,
3 including lobbying activities;
- 4 (2) The recipient of a grant shall comply with state laws
5 and county ordinances;
- 6 (3) The recipient of a grant shall comply with any other
7 requirements that may be prescribed by rules adopted
8 pursuant to this chapter;
- 9 (4) The recipient of a grant shall allow the authority,
10 legislative bodies, and legislative auditor full
11 access to records, reports, files, and other related
12 documents so that the program, management, and fiscal
13 practices of the grant recipient may be monitored and
14 evaluated to assure the proper and effective
15 expenditure of public funds;
- 16 (5) Every grant shall be monitored according to rules
17 adopted pursuant to this chapter to ensure compliance
18 with this part; and
- 19 (6) Any recipient of a grant under this part who withholds
20 or omits any material fact or deliberately
21 misrepresents facts to the authority or who violates



1 the terms of the grant agreement shall be in violation
2 of this section and, in addition to any other
3 penalties provided by law, shall be prohibited from
4 applying for a grant or any other benefits under this
5 part for a period of five years from the date of
6 termination.

7 **PART XII. MISCELLANEOUS**

8 **§A-171 Banking.** (a) A financial institution that
9 receives deposits, extends credit, conducts fund transfers,
10 transports cash or financial instruments, or provides other
11 financial services customarily provided by financial
12 institutions shall not be penalized or punished under any
13 criminal law, including chapter 708A, or under any provision of
14 the Code of Financial Institutions, chapter 412, solely by
15 virtue of the fact that the person receiving the benefit of any
16 of those services engages in commercial cannabis activity as a
17 cannabis business licensed pursuant to this chapter.

18 (b) A cannabis business may request in writing that the
19 authority share the cannabis business's application, license,
20 and other regulatory and financial information with a financial
21 institution of the cannabis business's designation. The



1 cannabis business shall include in that written request a waiver
2 authorizing the transfer of that information and waiving any
3 confidentiality or privilege that applies to that information.

4 (c) Notwithstanding any other law to the contrary, upon
5 receipt of a written request and waiver pursuant to subsection
6 (b), the authority may share the cannabis business's
7 application, license, and other regulatory and financial
8 information with the financial institution designated by the
9 cannabis business in that request for the purpose of
10 facilitating the provision of financial services for that
11 cannabis business.

12 (d) A cannabis business that provides a waiver may
13 withdraw that waiver in writing at any time. Upon receipt of
14 the written withdrawal of the waiver, the authority shall cease
15 to share application, license, or other regulatory or financial
16 information with the financial institution.

17 (e) This section shall be construed to refer only to the
18 disclosure of information by the authority reasonably necessary
19 to facilitate the provision of financial services for the
20 cannabis business making a request pursuant to this section.
21 Nothing in this section shall be construed to authorize the



1 disclosure of confidential or privileged information, nor waive
2 a cannabis business's rights to assert confidentiality or
3 privilege, except to a financial institution as provided herein
4 and except as reasonably necessary to facilitate the provision
5 of financial services for the cannabis business making the
6 request.

7 (f) For the purpose of this section:

8 "Application, license, and other regulatory and financial
9 information" includes but is not limited to information in the
10 tracking system established pursuant to section A-87.

11 "Financial institution" has the same meaning as defined in
12 section 412:1-109.

13 **§A-172 Hawaii-grown labeling.** In addition to all other
14 labeling requirements, the identity statement used for labeling
15 or advertising cannabis or hemp shall identify the percentage of
16 Hawaii-grown cannabis or hemp; provided that any hemp product
17 containing hemp not grown or processed in Hawaii shall identify
18 the origin and percentage of the hemp from outside Hawaii in the
19 hemp product; provided further that if the hemp product contains
20 hemp from multiple origins, the hemp product shall identify the
21 percentage of hemp origin as "United States" or "Foreign" if the



1 hemp product includes hemp from a source outside of the United
2 States.

3 **SA-173 Data collection and research.** (a) The authority
4 shall collect data and develop a research agenda to understand
5 the social and economic trends of cannabis in the State, to
6 inform future decisions that would aid in the closure of the
7 illicit marketplace, and to inform the authority on the public
8 health impacts of cannabis. The research agenda shall include:

- 9 (1) Patterns of use, methods of consumption, sources of
10 purchase, and general perceptions of cannabis among
11 minors, college and university students, and adults;
- 12 (2) Incidents of driving under the influence,
13 hospitalization, and use of other health care services
14 related to cannabis use;
- 15 (3) Economic and fiscal impacts for the State, including
16 the impact of legalization on the production and
17 distribution of cannabis in the illicit market and the
18 costs and benefits to state revenue;
- 19 (4) Ownership and employment trends in the cannabis
20 industry;



1 (5) A market analysis examining the expansion or
2 contraction of the illicit and legal marketplaces,
3 including estimates and comparisons of pricing and
4 product availability in both markets;

5 (6) A compilation of data on the number of incidents of
6 discipline in schools, including suspensions or
7 expulsions, resulting from the use or possession of
8 cannabis; and

9 (7) A compilation of data on the number of civil
10 penalties, arrests, prosecutions, incarcerations, and
11 sanctions imposed for violations of this chapter for
12 possession, distribution, or trafficking of cannabis.

13 (b) The authority shall incorporate available data into
14 its research agenda, including baseline studies, and coordinate
15 and form partnerships with the department of health, department
16 of education, department of agriculture, department of the
17 attorney general, department of law enforcement, and police
18 department of each county. The departments listed in this
19 subsection shall:

20 (1) Provide the authority with any existing data requested
21 by the authority, subject to any applicable



1 confidentiality laws and rules regarding personally
2 identifiable information and personal health
3 information; and

4 (2) Collect data, as reasonably requested by the
5 authority, to complete the authority's research
6 agenda.

7 (c) Any personally identifiable information or personal
8 health information contained in data acquired through this
9 section shall not be considered a public record and shall not be
10 subject to disclosure.

11 (d) The authority shall annually report on the results of
12 its research agenda and, when appropriate, make recommendations
13 for further research or policy changes. The annual reports
14 shall be posted online in a machine-readable format on the
15 authority's website.

16 **SA-174 Hawaii hemp grant program.** (a) The board shall
17 establish the Hawaii hemp grant program for the purposes of
18 providing grants to local hemp farmers and hemp projects.

19 (b) The authority, through the hemp coordinator or
20 executive director, shall have the power to:



- 1 (1) Provide grants to assist small hemp cultivators and
2 hemp businesses in gaining entry to, and successfully
3 operating in, the State's hemp industry, including
4 grants for financial assistance, industry training,
5 and technical assistance;
- 6 (2) Provide grants to assist research projects related to
7 industrial uses of hemp and marketability of hemp
8 products;
- 9 (3) Provide staff, administration, and related support
10 required to administer the Hawaii hemp grant program;
- 11 (4) Enter into agreements that set forth terms and
12 conditions of the grants, accept funds or grants, and
13 cooperate with private entities and state or county
14 agencies to carry out the purposes of the Hawaii hemp
15 grant program;
- 16 (5) Fix, determine, charge, and collect any premiums,
17 fees, charges, costs, and expenses, including
18 application fees, commitment fees, program fees,
19 financing charges, or publication fees in connection
20 with its activities under this section;



- 1 (6) Take whatever actions are necessary or appropriate to
2 protect the State's interest in the event of
3 bankruptcy, default, foreclosure, or noncompliance
4 with the terms and conditions of grants provided under
5 this section, including the ability to recapture funds
6 if the grant recipient is found to be noncompliant
7 with the terms and conditions of the grant agreement;
- 8 (7) Establish application, notification, contract, and
9 other forms and procedures deemed necessary and
10 appropriate to administer the Hawaii hemp grant
11 program; and
- 12 (8) Utilize vendors or contract work to carry out the
13 purposes of the Hawaii hemp grant program.
- 14 (c) The board shall adopt rules pursuant to this chapter
15 to implement the Hawaii hemp grant program, including:
- 16 (1) Additional requirements and qualifications for
17 determining eligibility of applicants for grants;
- 18 (2) Preferences and priorities in determining eligibility
19 for grants;
- 20 (3) Conditions, consistent with the purpose of this
21 chapter, for the awarding of grants;



1 (4) Requirements for the inspection at reasonable hours of
2 facilities, books, and records of a grant applicant or
3 grant recipient;

4 (5) Requirements for the submission of progress and final
5 reports by grant recipients; and

6 (6) Appropriate management counseling and monitoring of
7 business activities for grant recipients.

8 (d) The authority shall submit an annual report on the
9 hemp grant program to the governor and legislature no later than
10 twenty days prior to the convening of each regular session. The
11 report shall detail the outcomes and effectiveness of this
12 section during the prior fiscal year, including the following:

13 (1) The number of persons or businesses who received
14 financial assistance under this section;

15 (2) The amount of grants awarded in the aggregate;

16 (3) The location of the project engaged in by each grant
17 recipient; and

18 (4) If applicable, the number of new jobs and other forms
19 of economic output created as a result of the grants.

20 **§A-175 Hawaii hemp grants; standards and conditions.** (a)

21 Grants made under the Hawaii hemp grant program shall be awarded



1 on a competitive and annual basis. Grants made under the Hawaii
2 hemp grant program shall further and promote the goals of this
3 chapter.

4 (b) Applications for grants shall be made to the authority
5 and contain information as shall be required by rules adopted
6 thereunder. At a minimum, an applicant shall show:

7 (1) The name of the applying organization or individual;

8 (2) That the applicant meets the criteria for the grant;

9 (3) The intended use of the grant; and

10 (4) The target group or community to be benefited by the
11 grant.

12 (c) Recipients of grants shall be subject to the following
13 conditions:

14 (1) The recipient of a grant shall not use public funds
15 for purposes of entertainment or perquisites,
16 including lobbying activities;

17 (2) The recipient of a grant shall comply with state laws
18 and county ordinances;

19 (3) The recipient of a grant shall comply with any other
20 requirements that may be prescribed by rules adopted
21 pursuant to this chapter;



- 1 (4) The recipient of a grant shall allow the authority,
2 legislative bodies, and legislative auditor full
3 access to records, reports, files, and other related
4 documents so that the program, management, and fiscal
5 practices of the grant recipient may be monitored and
6 evaluated to assure the proper and effective
7 expenditure of public funds;
- 8 (5) Every grant shall be monitored according to rules
9 adopted pursuant to this chapter to ensure compliance
10 with the Hawaii hemp grant program; and
- 11 (6) Any recipient of a grant under the Hawaii hemp grant
12 program who withholds or omits any material fact or
13 deliberately misrepresents facts to the authority or
14 who violates the terms of the grant agreement shall be
15 in violation of this section and, in addition to any
16 other penalties provided by law, shall be prohibited
17 from applying for a grant or any other benefits under
18 the Hawaii hemp grant program for a period of five
19 years from the date of termination."

20

PART III



1 SECTION 3. The purpose of this part is to impose a tax on
2 the retail sale of cannabis.

3 SECTION 4. The Hawaii Revised Statutes is amended by
4 adding a new chapter to title 14 to be appropriately designated
5 and to read as follows:

6 **"CHAPTER B**

7 **HAWAII CANNABIS TAX LAW**

8 **§B-1 Definitions.** As used in this chapter, unless the
9 context otherwise requires:

10 "Cannabis" has the same meaning as defined in section A-3.

11 "Cannabis retailer" means a person who engages in the
12 retail sale of cannabis pursuant to a license or permit issued
13 under chapter A. "Cannabis retailer" includes a retail cannabis
14 store, a craft cannabis dispensary, and any permit holder who
15 engages in the retail sale of cannabis pursuant to a permit
16 issued under chapter A and does not include a medical cannabis
17 dispensary.

18 "Craft cannabis dispensary" has the same meaning as defined
19 in section A-3.

20 "Department" means the department of taxation.

21 "Director" means the director of taxation.



1 "Medical cannabis" has the same meaning as defined in
2 section A-3.

3 "Medical cannabis dispensary" has the same meaning as
4 defined in section A-3.

5 "Person" includes one or more individuals, a company, a
6 corporation, a partnership, an association, or any other type of
7 legal entity, and also includes an officer or employee of a
8 corporation, a partner or employee of a partnership, a trustee
9 of a trust, a fiduciary of an estate, or a member, employee, or
10 principal of any other entity, who as an officer, employee,
11 partner, trustee, fiduciary, member, or principal is under a
12 duty to perform and is principally responsible for performing
13 the act.

14 "Retail cannabis store" has the same meaning as defined in
15 section A-3.

16 "Retail sale" has the same meaning as "retailing" or "sales
17 at retail" as defined in section 237-1.

18 **§B-2 Cannabis tax permit.** (a) No person shall engage in
19 the retail sale of cannabis or sale of medical cannabis unless a
20 permit has been issued to the person as hereinafter prescribed;



1 provided that this section shall not apply to persons who make
2 sales at wholesale.

3 (b) The cannabis tax permit shall be issued by the
4 department upon application and payment of an application fee of
5 \$25. Whenever a cannabis tax permit is defaced, destroyed, or
6 lost, or the permittee relocates the permittee's business, the
7 department may issue a duplicate cannabis tax permit to the
8 permittee for a fee of \$5 per copy. The permit provided for by
9 this section shall be effective until canceled in writing. The
10 director may revoke or cancel any permit issued under this
11 chapter for cause as provided by rules adopted pursuant to
12 chapter 91.

13 (c) A separate cannabis tax permit shall be obtained for
14 each place of business owned, controlled, or operated by a
15 taxpayer. A taxpayer who owns or controls more than one place
16 of business may submit a single application for more than one
17 cannabis tax permit; provided that the application fee of \$25
18 shall be required for each permit. Each cannabis tax permit
19 issued shall clearly describe the place of business where the
20 retail sale of cannabis or sale of medical cannabis is
21 conducted.



1 (d) A cannabis tax permit shall be non-assignable and non-
2 transferable. A cannabis tax permit may be transferred from one
3 business location to another business location after an
4 application has been filed with the department requesting the
5 transfer, the applicant has paid a transfer fee of \$25, and
6 approval has been obtained from the department.

7 (e) Any cannabis tax permit issued under this chapter
8 shall be displayed at all times in a conspicuous place at each
9 of the licensed premises of the taxpayer.

10 **SB-3 Tax.** (a) Upon every person engaging or continuing
11 within the State in the retail sale of cannabis, beginning
12 January 1, 2026, and continuing thereafter, there is hereby
13 levied and shall be assessed and collected a tax equal to
14 fourteen per cent of the gross proceeds of sales from cannabis;
15 provided that this subsection shall not apply to the sale of
16 medical cannabis.

17 (b) Upon every person engaging or continuing within the
18 State in the sale of medical cannabis, beginning January 1,
19 2026, and continuing thereafter, there is hereby levied and
20 shall be assessed and collected a tax equal to four per cent of



1 the gross proceeds of sales from medical cannabis; provided that
2 this subsection shall not apply to sales at wholesale.

3 **§B-4 Return; forms; contents.** (a) Every person subject
4 to tax under this chapter shall, on or before the twentieth day
5 of each month, file with the department, a return showing all
6 sales of cannabis and of the taxes chargeable against the person
7 under section B-3 made by the person during the preceding month.
8 The form of return shall be prescribed by the department and
9 shall contain information that the department may deem necessary
10 for the proper administration of this chapter.

11 (b) On or before the twentieth day of the fourth month
12 following the close of the taxable year, each taxpayer who has
13 become liable for the payment of taxes under this chapter during
14 the preceding tax year shall file a return showing all sales of
15 cannabis made by the person during the taxable year, in the form
16 and manner prescribed by the department, and shall transmit with
17 the return a remittance covering the residue of the tax due, if
18 any.

19 **§B-5 Payment of tax; penalties.** (a) At the time of the
20 filing of the return required under section B-4 and within the
21 time prescribed therefor, each person subject to the tax imposed



1 by this chapter shall pay to the department the tax required to
2 be shown by the return.

3 (b) Penalties and interest shall be added to and become a
4 part of the tax, when and as provided by section 231-39.

5 **SB-6 Limitation period for assessment levy, collection, or**

6 **credit.** (a) General rule. The amount of taxes imposed by this

7 chapter shall be assessed or levied within three years after

8 filing of the annual return, or within three years of the due

9 date prescribed for the filing of the return, whichever is

10 later. No proceeding in court without assessment for the

11 collection of the taxes or the enforcement of the liability

12 shall be commenced after the expiration of the period. Where

13 the assessment of the tax imposed by this chapter has been made

14 within the period of limitation applicable thereto, the tax may

15 be collected by levy or by a proceeding in court under chapter

16 231; provided that the levy is made, or the proceeding was

17 begun, within fifteen years after the assessment of the tax.

18 Notwithstanding any other provision to the contrary in this

19 section, the limitation on collection after assessment in this

20 section shall be suspended for the period:

21 (1) The taxpayer agrees to suspend the period;



1 (2) The assets of the taxpayer are in control or custody
2 of a court in any proceeding before any court of the
3 United States or any state, and for six months
4 thereafter;

5 (3) An offer in compromise under section 231-3(10) is
6 pending; and

7 (4) During which the taxpayer is outside the State for a
8 continuous period of at least six months; provided
9 that if at the time of the taxpayer's return to the
10 State the period of limitations on collection after
11 assessment would expire before the expiration of six
12 months from the date of the taxpayer's return, the
13 period shall not expire before the expiration of the
14 six months.

15 (b) Limitations on credit or refund. No credit or refund
16 shall be allowed for any tax imposed by this chapter unless a
17 claim for credit or refund is filed as follows:

18 (1) If an annual return is timely filed, or is filed
19 within three years after the date prescribed for
20 filing the annual return, then the credit or refund
21 shall be claimed within three years after the date the



1 annual return was filed or the date prescribed for
2 filing the annual return, whichever is later; or

3 (2) If an annual return is not filed, or is filed more
4 than three years after the date prescribed for filing
5 the annual return, a claim for credit or refund shall
6 be filed within:

7 (A) Three years after the payment of the tax; or

8 (B) Three years after the date prescribed for the
9 filing of the annual return, whichever is later;

10 provided that paragraphs (1) and (2) shall be mutually
11 exclusive.

12 (c) Exceptions; fraudulent return or no return. In the
13 case of a false or fraudulent return with intent to evade tax or
14 liability, or of a failure to file the annual return, the tax or
15 liability may be assessed or levied at any time; provided that
16 the burden of proof with respect to the issues of falsity or
17 fraud and intent to evade tax shall be upon the State.

18 (d) Extension by agreement. Where, before the expiration
19 of the period prescribed in subsection (a) or (b), both the
20 department and the taxpayer have consented in writing to the
21 assessment or levy of the tax after the date fixed by subsection



1 (a) or the credit or refund of the tax after the date fixed by
2 subsection (b), the tax may be assessed or levied or the
3 overpayment, if any, may be credited or refunded at any time
4 before the expiration of the period agreed upon. The period so
5 agreed upon may be extended by subsequent agreements in writing
6 made before the expiration of the period previously agreed upon.

7 **§B-7 Disposition of revenues.** The tax collected pursuant
8 to this chapter shall be paid into the state treasury as a state
9 realization to be kept and accounted for as provided by law;
10 provided that revenues collected under this chapter shall be
11 distributed in the following priority:

12 (1) Fifty per cent of the tax collected shall be deposited
13 into the cannabis regulation, nuisance abatement, and
14 law enforcement special fund established by section
15 A-18; and

16 (2) Fifty per cent of the tax collected shall be deposited
17 into the cannabis social equity, public health and
18 education, and public safety special fund established
19 by section A-19.

20 **§B-8 Records to be kept.** (a) Every person subject to tax
21 under this chapter shall keep records of all sales of cannabis,



1 in a form prescribed by the department. All records shall be
2 offered for inspection and examination at any time upon demand
3 by the department or Hawaii hemp and cannabis authority and
4 shall be preserved for a period of five years; provided that the
5 department may, in writing, consent to the records' destruction
6 within that period or may adopt rules that require the records
7 to be kept longer.

8 The department may, by rule, require the person subject to
9 tax under this chapter to keep other records as it may deem
10 necessary for the proper enforcement of this chapter.

11 (b) If any person subject to tax under this chapter fails
12 to keep records from which a proper determination of the tax due
13 under this chapter may be made, the department may fix the
14 amount of tax for any period from the best information the
15 department obtains, and assess the tax as provided in this
16 section.

17 (c) Every person subject to tax under this chapter shall
18 keep a complete and accurate record of that person's cannabis
19 inventory. The records shall:

20 (1) Include:



- 1 (A) A written statement containing the name and
- 2 address of the source of cannabis;
- 3 (B) The date of delivery, quantity, weight, and price
- 4 of the cannabis; and
- 5 (C) Documentation in the form of any purchase orders;
- 6 invoices; bills of lading; or other written
- 7 statements, books, papers, or records in whatever
- 8 format, including electronic format, that
- 9 substantiate the purchase or acquisition of the
- 10 cannabis stored or offered for sale; and
- 11 (2) Be offered for inspection and examination within
- 12 twenty-four hours of demand by the department or
- 13 Hawaii hemp and cannabis authority and shall be
- 14 preserved for a period of five years; provided that
- 15 the department may, in writing, consent to the
- 16 records' destruction within that period or may adopt
- 17 rules that require the records to be kept longer.

18 **§B-9 Inspection.** (a) A person subject to tax under this
19 chapter shall be subject to the inspection and investigation
20 provisions in chapter 231 and shall provide the department with



1 any information deemed necessary to verify compliance with the
2 requirements of this chapter.

3 (b) The department and Hawaii hemp and cannabis authority
4 may examine all records required to be kept under this chapter,
5 and books, papers, and records of any person subject to tax
6 under this chapter to verify the accuracy of the payment of the
7 tax imposed by this chapter and other compliance with this
8 chapter and rules adopted pursuant thereto. Every person in
9 possession of the books, papers, and records and the person's
10 agents and employees shall give the department and Hawaii hemp
11 and cannabis authority the means, facilities, and opportunities
12 for examination.

13 (c) Returns, return information, or reports under this
14 chapter, and relating only to this chapter, may be provided to
15 the Hawaii hemp and cannabis authority by the department for the
16 purpose of enforcing or ensuring compliance with chapter A.

17 Notwithstanding the foregoing, the inspection, review, or
18 production of any and all federal tax return and return
19 information shall only be provided as permitted in accordance
20 with applicable federal law.



1 **§B-10 Tax in addition to other taxes.** The tax imposed by
 2 this chapter, unless expressly prohibited, shall be in addition
 3 to any other tax imposed upon the business of selling cannabis
 4 or upon any of the transactions, acts, or activities taxed by
 5 law.

6 **§B-11 Appeals.** Any person aggrieved by any assessment of
 7 the tax imposed by this chapter may appeal from the assessment
 8 in the manner and within the time and in all other respects as
 9 provided in the case of income tax appeals by section 235-114.
 10 The hearing and disposition of the appeal, including the
 11 distribution of costs, shall be as provided in chapter 232.

12 **§B-12 Other provisions applicable.** All of the provisions
 13 of chapters 231, 235, and 237 not inconsistent with this chapter
 14 and that may appropriately be applied to the taxes, persons,
 15 circumstances, and situations involved in this chapter,
 16 including (without prejudice to the generality of the foregoing)
 17 provisions as to penalties and interest, granting administrative
 18 powers to the director, and for the assessment, levy, and
 19 collection of taxes, shall be applicable to the taxes imposed by
 20 this chapter, and to the assessment, levy, and collection
 21 thereof.



1 **§B-13 Audits, investigations, hearings, and subpoenas.**

2 The director, and any agent authorized by the director, may
3 conduct any inquiry, civil audit, criminal investigation,
4 investigation, or hearing relating to any assessment, the amount
5 of any tax, or the collection of any delinquent tax, including
6 any audit or investigation into the financial resources of any
7 delinquent taxpayer or the collectability of any delinquent tax,
8 in the manner provided in section 231-7.

9 **§B-14 Administration by director; rules.** The

10 administration of this chapter is vested in the director who may
11 adopt and enforce rules for the enforcement and administration
12 of this chapter.

13 The director shall adopt rules pursuant to chapter 91.

14 **§B-15 Penalties.** (a) The penalties provided by this
15 chapter shall apply to any person, whether acting as principal,
16 agent, officer, or director, for oneself, itself, or for another
17 person and shall apply to each single violation.

18 (b) In addition to the penalties imposed under title 14,
19 including this chapter, and under chapter A, any person or
20 cannabis retailer who sells cannabis, or medical cannabis
21 dispensary who sells medical cannabis, without a permit as



1 required by this chapter shall be fined not more than \$1,000 per
2 violation. Each day a violation continues shall constitute a
3 separate violation."

4 PART IV

5 SECTION 5. The purpose of this part is to prohibit:

6 (1) Consuming or possessing marijuana, an open container
7 of marijuana, or marijuana concentrate while
8 operating, or while a passenger in, a motor vehicle or
9 moped; and

10 (2) Operating a vehicle under the influence of marijuana
11 or marijuana concentrate.

12 SECTION 6. Chapter 291, Hawaii Revised Statutes, is
13 amended by adding three new sections to part I to be
14 appropriately designated and to read as follows:

15 "§291- Consuming or possessing marijuana or marijuana
16 concentrate while operating motor vehicle or moped. (a) No
17 person shall consume, including through secondhand or passive
18 smoking, any marijuana or marijuana concentrate while operating
19 a motor vehicle or moped upon any public street, road, or
20 highway.



1 (b) No person shall possess within any passenger area of a
2 motor vehicle or moped, while operating the motor vehicle or
3 moped upon any public street, road, or highway, any bottle, can,
4 package, wrapper, smoking device, cartridge, or other receptacle
5 containing any marijuana or marijuana concentrate that has been
6 opened, or a seal broken, or the contents of which have been
7 partially removed, or loose marijuana or marijuana concentrate
8 not in a container.

9 (c) Any person violating this section shall be guilty of a
10 petty misdemeanor and shall be fined not more than \$2,000 or
11 imprisoned not more than thirty days, or both.

12 **§291- Consuming or possessing marijuana or marijuana**
13 **concentrate while a passenger in a motor vehicle or on a moped.**

14 (a) No person shall consume any marijuana or marijuana
15 concentrate while a passenger in any motor vehicle or on any
16 moped upon any public street, road, or highway.

17 (b) No person shall possess within any passenger area of a
18 motor vehicle or moped, while a passenger in the motor vehicle
19 or on the moped upon any public street, road, or highway, any
20 bottle, can, package, wrapper, smoking device, cartridge, or
21 other receptacle containing any marijuana or marijuana



1 concentrate that has been opened, or a seal broken, or the
2 contents of which have been partially removed, or loose
3 marijuana or marijuana concentrate not in a container.

4 (c) Any person violating this section shall be guilty of a
5 petty misdemeanor and shall be fined not more than \$2,000 or
6 imprisoned not more than thirty days, or both.

7 **§291- Marijuana or marijuana concentrate; prima facie**
8 **evidence.** Any bottle, can, package, wrapper, smoking device,
9 cartridge, or other receptacle that displays or is imprinted
10 with a label indicating that the contents contain marijuana or
11 marijuana concentrate shall be prima facie evidence that the
12 contents of the bottle, can, package, wrapper, smoking device,
13 cartridge, or other receptacle contains marijuana or marijuana
14 concentrate."

15 SECTION 7. Chapter 291E, Hawaii Revised Statutes, is
16 amended as follows:

17 1. By adding a new section to part II to be appropriately
18 designated and to read:

19 **"§291E-A Refusal to submit to testing for measurable**
20 **amount of THC; district court hearing; sanctions; appeals;**
21 **admissibility.** (a) If a person under arrest for operating a



1 vehicle after consuming a measurable amount of THC or, if the
2 person is a medical cannabis patient, THC at a concentration of
3 ten or more nanograms per milliliter of blood, pursuant to
4 section 291E-B, refuses to submit to a blood test, none shall be
5 given, except as provided in section 291E-21, but the arresting
6 law enforcement officer, as soon as practicable, shall submit an
7 affidavit to a district judge of the circuit in which the arrest
8 was made stating that:

9 (1) At the time of the arrest, the arresting officer had
10 probable cause to believe the person arrested was
11 under the age of twenty-one and had been operating a
12 vehicle upon a public way, street, road, or highway,
13 or on or in the waters of the State, with a measurable
14 amount of THC or, if the person arrested is a medical
15 cannabis patient, THC at a concentration of ten or
16 more nanograms per milliliter of blood;

17 (2) The person arrested was informed that they may refuse
18 to submit to a blood test, in compliance with section
19 291E-11;

20 (3) The person arrested had refused to submit to a blood
21 test;



- 1 (4) The person arrested was:
- 2 (A) Informed of the sanctions of this section; and
- 3 (B) Secondly queried if they still refuse to submit
- 4 to a blood test, in compliance with the
- 5 requirements of section 291E-15; and
- 6 (5) The person arrested continued to refuse to submit to a
- 7 blood test.
- 8 (b) Upon receipt of the affidavit, the district judge
- 9 shall hold a hearing within twenty days. The district judge
- 10 shall hear and determine whether:
- 11 (1) The arresting law enforcement officer had probable
- 12 cause to believe that the person was under the age of
- 13 twenty-one and had been operating a vehicle upon a
- 14 public way, street, road, or highway, or on or in the
- 15 waters of the State, with a measurable amount of THC
- 16 or, if the person is the medical cannabis patient, THC
- 17 at a concentration of ten or more nanograms per
- 18 milliliter of blood;
- 19 (2) The person was lawfully arrested;



- 1 (3) The person was informed that the person may refuse to
2 submit to a blood test, in compliance with section
3 291E-11;
- 4 (4) The person refused to submit to a test of the person's
5 blood;
- 6 (5) The person was:
- 7 (A) Informed of the sanctions of this section; and
8 (B) Was then asked if the person still refuses to
9 submit to a blood test, in compliance with the
10 requirements of section 291E-15; and
- 11 (6) The person continued to refuse to submit to a blood
12 test.
- 13 (c) If the district judge finds the statements contained
14 in the affidavit are true, the judge shall suspend the arrested
15 person's license and privilege to operate a vehicle as follows:
- 16 (1) For a first suspension, or any suspension not preceded
17 within a five-year period by a suspension under this
18 section, for a period of twelve months; and
- 19 (2) For any subsequent suspension under this section, for
20 a period not less than two years and no more than five
21 years.



1 (d) An order of a district court issued under this section
2 may be appealed to the supreme court."

3 2. By adding a new section to part IV to be appropriately
4 designated and to read:

5 "**§291E-B Operating a vehicle after consuming a measurable**
6 **amount of THC; persons under the age of twenty-one; exception.**

7 (a) It shall be unlawful for any person under the age of
8 twenty-one to operate any vehicle with a measurable amount of
9 THC; provided that if the person under the age of twenty-one is
10 a medical cannabis patient as defined in section A-3, it shall
11 be unlawful to operate any vehicle with THC at a concentration
12 of ten or more nanograms per milliliter of blood. A law
13 enforcement officer may arrest a person under this section when
14 the officer has probable cause to believe the person arrested is
15 under the age of twenty-one and had been operating a vehicle
16 upon a public way, street, road, or highway, or on or in the
17 waters of the State, with a measurable amount of THC or with THC
18 at a concentration of ten or more nanograms per milliliter of
19 blood for a medical cannabis patient who provides valid proof
20 that the person is a medical cannabis patient. The valid proof
21 shall include a current and valid medical cannabis registration



1 card issued by the Hawaii hemp and cannabis authority under
2 section A-47 or A-48.

3 (b) A person who violates this section shall be sentenced
4 as follows:

5 (1) For a first violation or any violation not preceded
6 within a five-year period by a prior drug enforcement
7 contact:

8 (A) The court shall impose:

9 (i) A requirement that the person and, if the
10 person is under the age of eighteen, the
11 person's parent or guardian, attend a
12 substance abuse education and counseling
13 program for not more than ten hours; and

14 (ii) A one hundred eighty-day prompt suspension
15 of license and privilege to operate a
16 vehicle with absolute prohibition from
17 operating a vehicle during the suspension
18 period; provided that in the case of a
19 person who is at least eighteen years of
20 age, the court may impose, in lieu of the
21 one hundred eighty-day prompt suspension of



1 license, a minimum thirty-day prompt
2 suspension of license with absolute
3 prohibition from operating a vehicle and,
4 for the remainder of the one hundred eighty-
5 day period, a restriction on the license
6 that allows the person to drive for limited
7 work-related purposes and to participate in
8 substance abuse education and treatment
9 programs; and

10 (B) In addition, the court may impose any one or more
11 of the following:

12 (i) Not more than thirty-six hours of community
13 service work; or

14 (ii) A fine of not less than \$150 but no more
15 than \$500;

16 (2) For a violation that occurs within five years of a
17 prior drug enforcement contact:

18 (A) The court shall impose prompt suspension of
19 license and privilege to operate a vehicle for a
20 period of one year with absolute prohibition from



1 operating a vehicle during the suspension period;

2 and

3 (B) In addition, the court may impose any of the

4 following:

5 (i) Not more than fifty hours of community

6 service work; or

7 (ii) A fine of not less than \$300 but no more

8 than \$1,000; and

9 (3) For a violation that occurs within five years of two

10 or more prior drug enforcement contacts:

11 (A) The court shall impose revocation of license and

12 privilege to operate a vehicle for a period of

13 two years; and

14 (B) In addition, the court may impose any of the

15 following:

16 (i) Not more than one hundred hours of community

17 service work; or

18 (ii) A fine of not less than \$300 but no more

19 than \$1,000.



1 (c) Notwithstanding any other law to the contrary, any
2 conviction or plea under this section shall be considered a
3 prior drug enforcement contact.

4 (d) Whenever a court sentences a person pursuant to
5 subsection (b)(2) or (3), it also shall require that the person
6 be referred to the driver's education program for an assessment,
7 by a certified substance abuse counselor, of the person's
8 substance abuse or dependence and the need for appropriate
9 treatment. The counselor shall submit a report with
10 recommendations to the court. The court shall require the
11 person to obtain appropriate treatment if the counselor's
12 assessment establishes the person's substance abuse or
13 dependence. All costs for assessment and treatment shall be
14 borne by the person or by the person's parent or guardian, if
15 the person is under the age of eighteen.

16 (e) Notwithstanding section 831-3.2 or any other law to
17 the contrary, a person convicted of a first-time violation under
18 subsection (b)(1), who had no prior drug enforcement contacts,
19 may apply to the court for an expungement order upon attaining
20 the age of twenty-one, or thereafter, if the person has



1 fulfilled the terms of the sentence imposed by the court and has
2 had no subsequent alcohol or drug related enforcement contacts.

3 (f) Notwithstanding any other law to the contrary,
4 whenever a court revokes a person's driver's license pursuant to
5 this section, the examiner of drivers shall not grant to the
6 person an application for a new driver's license for a period to
7 be determined by the court.

8 (g) Any person sentenced under this section may be ordered
9 to reimburse the county for the cost of any blood tests
10 conducted pursuant to section 291E-11. The court shall order
11 the person to make restitution in a lump sum, or in a series of
12 prorated installments, to the police department or other agency
13 incurring the expense of the blood test.

14 (h) The requirement to provide proof of financial
15 responsibility pursuant to section 287-20 shall not be based
16 upon a sentence imposed under subsection (b)(1).

17 (i) Any person who violates this section shall be guilty
18 of a violation.

19 (j) As used in this section, the terms "driver's license"
20 and "examiner of drivers" have the same meanings as defined in
21 section 286-2."



1 SECTION 8. Section 291-1, Hawaii Revised Statutes, is
2 amended by adding two new definitions to be appropriately
3 inserted and to read as follows:

4 "Marijuana" has the same meaning as defined in section
5 712-1240.

6 "Marijuana concentrate" has the same meaning as defined in
7 section 712-1240."

8 SECTION 9. Section 291E-1, Hawaii Revised Statutes, is
9 amended by adding five new definitions to be appropriately
10 inserted and to read as follows:

11 "Marijuana" has the same meaning as defined in section
12 712-1240.

13 "Marijuana concentrate" has the same meaning as defined in
14 section 712-1240.

15 "Medical cannabis patient" has the same meaning as defined
16 in section A-3.

17 "Medical cannabis registration card" has the same meaning
18 as defined in section A-3.

19 "THC" means the cannabinoids that function as the primary
20 psychoactive component of marijuana or marijuana concentrate."



1 SECTION 10. Section 291E-3, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) In any criminal prosecution for a violation of
4 section 291E-61 or 291E-61.5 or in any proceeding under part
5 III:

6 (1) .08 or more grams of alcohol per one hundred
7 milliliters or cubic centimeters of the person's
8 blood;

9 (2) .08 or more grams of alcohol per two hundred ten
10 liters of the person's breath; [~~or~~]

11 (3) THC at a concentration of ten or more nanograms per
12 milliliter of blood; or

13 [~~(3)~~] (4) The presence of one or more drugs in an amount
14 sufficient to impair the person's ability to operate a
15 vehicle in a careful and prudent manner,

16 within three hours after the time of the alleged violation as
17 shown by chemical analysis or other approved analytical
18 techniques of the person's blood, breath, or urine shall be
19 competent evidence that the person was under the influence of an
20 intoxicant at the time of the alleged violation."



1 SECTION 11. Section 291E-11, Hawaii Revised Statutes, is
2 amended by amending subsections (d) and (e) to read as follows:

3 "(d) If there is probable cause to believe that a person
4 is in violation of section 291E-61 or 291E-61.5, as a result of
5 having consumed any drug~~[7]~~ except for THC, then the person
6 shall elect to take a blood or urine test, or both, for the
7 purpose of determining the drug content. Drug content shall be
8 measured by the presence of any drug or its metabolic products,
9 or both. If there is probable cause to believe that a person is
10 in violation of section 291E-B, as a result of being under the
11 age of twenty-one and having consumed a measurable amount of THC
12 or, if the person is a medical cannabis patient, having consumed
13 THC at a concentration of ten or more nanograms per milliliter
14 of blood, or section 291E-61 or 291E-61.5, as a result of having
15 consumed THC at a concentration of ten or more nanograms per
16 milliliter of blood, then the person shall take a blood test,
17 and may also elect to take a urine test in addition to the blood
18 test.

19 (e) A person who chooses to submit to a breath test under
20 subsection (c) also may be requested to submit to a blood or
21 urine test, if the law enforcement officer has probable cause to



1 believe that the person was operating a vehicle while under the
2 influence of any drug under section 291E-61 or 291E-61.5 and the
3 officer has probable cause to believe that a blood or urine test
4 will reveal evidence of the person being under the influence of
5 any drug. The law enforcement officer shall state in the
6 officer's report the facts upon which that belief is based. The
7 person shall elect to take a blood or urine test, or both, for
8 the purpose of determining the person's drug content~~[+]~~, unless
9 the drug being tested for is THC in which case the person shall
10 take a blood test and may also elect to take a urine test in
11 addition to the blood test. Results of a blood or urine test
12 conducted to determine drug content also shall be admissible for
13 the purpose of determining the person's alcohol concentration.
14 Submission to testing for drugs under subsection (d) or this
15 subsection shall not be a substitute for alcohol tests requested
16 under subsection (c)."

17 SECTION 12. Section 291E-21, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) If a health care provider who is providing medical
20 care, in a health care facility, to any person involved in a
21 vehicle collision:



1 (1) Becomes aware, as a result of any blood or urine test
2 performed in the course of medical treatment, that:

3 (A) The alcohol concentration in the person's blood
4 meets or exceeds the amount specified in section
5 291E-61(a)(4) or 291E-61.5(a)(2)(D); ~~[or]~~

6 (B) The THC concentration in the person's blood meets
7 or exceeds the amount specified in section
8 291E-61(a)(5) or 291E-61.5(a)(2)(E); or

9 ~~[(B)]~~ (C) The person's blood or urine contains one or
10 more drugs that are capable of impairing a
11 person's ability to operate a vehicle in a
12 careful and prudent manner; and

13 (2) Has a reasonable belief that the person was the
14 operator of a vehicle involved in the collision,
15 the health care provider shall notify, as soon as reasonably
16 possible, any law enforcement officer present at the health care
17 facility to investigate the collision. If no law enforcement
18 officer is present, the health care provider shall notify the
19 county police department in the county where the collision
20 occurred. If the health care provider is aware of any blood or
21 urine test result, as provided in paragraph (1), but lacks



1 information to form a reasonable belief as to the identity of
2 the operator involved in a vehicle collision, as provided in
3 paragraph (2), then the health care provider shall give notice
4 to a law enforcement officer present or [~~to~~] the county police
5 department, as applicable, for each person involved in a vehicle
6 collision whose alcohol concentration in the person's blood
7 meets or exceeds the amount specified in section 291E-61(a)(4)
8 or 291E-61.5(a)(2)(D), whose THC concentration in the person's
9 blood meets or exceeds the amount specified in section
10 291E-61(a)(5) or 291E-61.5(a)(2)(E), or whose blood or urine
11 contains one or more drugs. The notice by the health care
12 provider shall consist of the name of the person being treated,
13 the blood alcohol concentration, THC concentration in the
14 person's blood, or drug content disclosed by the test, and the
15 date and time of the administration of the test. This notice
16 shall be deemed to satisfy the intoxication element necessary to
17 establish the probable cause requirement set forth in subsection
18 (c)."

19 SECTION 13. Section 291E-33, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) Whenever a person is arrested for a violation of
2 section 291E-61 or 291E-61.5 on a determination by the arresting
3 law enforcement officer that[+] there was:

4 (1) [~~There was reasonable~~] Reasonable suspicion to stop
5 the vehicle or the vehicle was stopped at an
6 intoxicant control roadblock established and operated
7 in compliance with sections 291E-19 and 291E-20; and

8 (2) [~~There was probable~~] Probable cause to believe that
9 the person was operating the vehicle while under the
10 influence of an intoxicant[+],

11 the law enforcement officer shall take possession of any license
12 held by the person and request the person to take a test for
13 alcohol concentration, in the case of an alcohol related
14 offense, or a test for drug content in the blood or urine, in
15 the case of a drug related offense. The law enforcement officer
16 shall inform the person that, in the case of an alcohol related
17 offense, the person shall elect to take a breath test, a blood
18 test, or both, pursuant to section 291E-11, but that the person
19 may refuse to submit to testing under this chapter. In the case
20 of a drug related offense, the person shall elect to take a
21 blood test, a urine test, or both, unless the drug being tested



1 for is THC in which case the person shall take a blood test and
2 may also elect to take a urine test in addition to the blood
3 test pursuant to section 291E-11, after being informed that the
4 person may refuse to submit to testing under this chapter."

5 SECTION 14. Section 291E-35, Hawaii Revised Statutes, is
6 amended by amending subsection (b) to read as follows:

7 "(b) In cases involving a drug related offense, if a test
8 conducted in accordance with part II and section 321-161 and the
9 rules adopted thereunder shows that a respondent had a THC
10 concentration of less than ten nanograms per milliliter of
11 blood, or fails to show the presence, in the respondent's blood
12 or urine, of any drug that is capable of impairing the
13 respondent's ability to operate a vehicle in a careful and
14 prudent manner, the director or [the] arresting law enforcement
15 agency [~~immediately~~] shall immediately return the respondent's
16 license along with a certified statement that administrative
17 revocation proceedings have been terminated with prejudice."

18 SECTION 15. Section 291E-36, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) Whenever a respondent has been arrested for a
21 violation of section 291E-61 or 291E-61.5 and submits to a test



1 that establishes: the respondent's alcohol concentration was
2 .08 or more; the respondent's THC concentration was ten or more
3 nanograms per milliliter of blood; the presence, in the
4 respondent's blood or urine, of any drug that is capable of
5 impairing the respondent's ability to operate a vehicle in a
6 careful and prudent manner; or whenever a respondent has been
7 involved in a collision resulting in injury or death and a blood
8 or urine test performed pursuant to section 291E-21 establishes
9 that the respondent's alcohol concentration was .08 or more, the
10 respondent's THC concentration was ten or more nanograms per
11 milliliter of blood, or establishes the presence in the
12 respondent's blood or urine of any drug that is capable of
13 impairing the respondent's ability to operate a vehicle in a
14 careful and prudent manner, the following shall be forwarded
15 immediately to the director:

- 16 (1) A copy of the arrest report or the report of the law
17 enforcement officer who issued the notice of
18 administrative revocation to the person involved in a
19 collision resulting in injury or death and the sworn
20 statement of the arresting law enforcement officer or



1 the officer who issued the notice of administrative
2 revocation, stating facts that establish that:

3 (A) There was reasonable suspicion to stop the
4 vehicle, the vehicle was stopped at an intoxicant
5 control roadblock established and operated in
6 compliance with sections 291E-19 and 291E-20, or
7 the respondent was tested pursuant to section
8 291E-21;

9 (B) There was probable cause to believe that the
10 respondent had been operating the vehicle while
11 under the influence of an intoxicant; and

12 (C) The respondent agreed to be tested or the person
13 was tested pursuant to section 291E-21;

14 (2) In a case involving an alcohol related offense, the
15 sworn statement of the person responsible for
16 maintenance of the testing equipment, stating facts
17 that establish that, pursuant to section 321-161 and
18 rules adopted thereunder:

19 (A) The equipment used to conduct the test was
20 approved for use as an alcohol testing device in
21 this State;



1 (B) The person had been trained and at the time the
2 test was conducted was certified and capable of
3 maintaining the testing equipment; and

4 (C) The testing equipment used had been properly
5 maintained and was in good working condition when
6 the test was conducted;

7 (3) In a case involving an alcohol related offense, the
8 sworn statement of the person who conducted the test,
9 stating facts that establish that, pursuant to section
10 321-161 and rules adopted thereunder:

11 (A) The person was trained and at the time the test
12 was conducted was certified and capable of
13 operating the testing equipment;

14 (B) The person followed the procedures established
15 for conducting the test;

16 (C) The equipment used to conduct the test functioned
17 in accordance with operating procedures and
18 indicated that the respondent's alcohol
19 concentration was at, or above, the prohibited
20 level; and



1 (D) The person whose breath or blood was tested is
2 the respondent;

3 (4) In a case involving a drug related offense, including
4 THC, the sworn statement of the person responsible for
5 maintenance of the testing equipment, stating facts
6 that establish that, pursuant to section 321-161 and
7 rules adopted thereunder:

8 (A) The equipment used to conduct the test was
9 approved for use in drug testing;

10 (B) The person conducting the test had been trained
11 and, at the time of the test, was certified and
12 capable of maintaining the testing equipment; and

13 (C) The testing equipment used had been properly
14 maintained and was in good working condition when
15 the test was conducted;

16 (5) In a case involving a drug related offense, including
17 THC, the sworn statement of the person who conducted
18 the test, stating facts that establish that, pursuant
19 to section 321-161 and rules adopted thereunder:



- 1 (A) At the time the test was conducted, the person
- 2 was trained and capable of operating the testing
- 3 equipment;
- 4 (B) The person followed the procedures established
- 5 for conducting the test;
- 6 (C) The equipment used to conduct the test functioned
- 7 in accordance with operating procedures and
- 8 indicated the presence of one or more drugs or
- 9 their metabolites in the respondent's blood or
- 10 urine; and
- 11 (D) The person whose blood or urine was tested is the
- 12 respondent;
- 13 (6) A copy of the notice of administrative revocation
- 14 issued by the law enforcement officer to the
- 15 respondent;
- 16 (7) Any license taken into possession by the law
- 17 enforcement officer; and
- 18 (8) A listing of any prior alcohol or drug enforcement
- 19 contacts involving the respondent."

20 SECTION 16. Section 291E-61, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 "(a) A person commits the offense of operating a vehicle
2 under the influence of an intoxicant if the person operates or
3 assumes actual physical control of a vehicle:

4 (1) While under the influence of alcohol in an amount
5 sufficient to impair the person's normal mental
6 faculties or ability to care for the person and guard
7 against casualty;

8 (2) While under the influence of any drug that impairs the
9 person's ability to operate the vehicle in a careful
10 and prudent manner;

11 (3) With .08 or more grams of alcohol per two hundred ten
12 liters of breath; [~~or~~]

13 (4) With .08 or more grams of alcohol per one hundred
14 milliliters or cubic centimeters of blood[~~-~~]; or

15 (5) With THC at a concentration of ten or more nanograms
16 per milliliter of blood."

17 SECTION 17. Section 291E-61.5, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) A person commits the offense of habitually operating
20 a vehicle under the influence of an intoxicant if:



- 1 (1) The person is a habitual operator of a vehicle while
- 2 under the influence of an intoxicant; and
- 3 (2) The person operates or assumes actual physical control
- 4 of a vehicle:
- 5 (A) While under the influence of alcohol in an amount
- 6 sufficient to impair the person's normal mental
- 7 faculties or ability to care for the person and
- 8 guard against casualty;
- 9 (B) While under the influence of any drug that
- 10 impairs the person's ability to operate the
- 11 vehicle in a careful and prudent manner;
- 12 (C) With .08 or more grams of alcohol per two hundred
- 13 ten liters of breath; [~~or~~]
- 14 (D) With .08 or more grams of alcohol per one hundred
- 15 milliliters or cubic centimeters of blood[~~-~~]; or
- 16 (E) With THC at a concentration of ten or more
- 17 nanograms per milliliter of blood."

PART V

19 SECTION 18. Section 26-35.5, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) For purposes of this section, "member" means any
2 person who is appointed, in accordance with the law, to serve on
3 a temporary or permanent state board, including members of the
4 board of education, the governing board of any charter school
5 established under chapter 302D, council, authority, committee,
6 or commission, established by law or elected to the board of
7 trustees of the employees' retirement system under section
8 88-24, the hemp and cannabis control board under section A-12,
9 or the corporation board of the Hawaii health systems
10 corporation under section 323F-3 and its regional system boards
11 under section 323F-3.5; provided that "member" shall not include
12 any person elected to serve on a board or commission in
13 accordance with chapter 11."

14 SECTION 19. Section 28-8.3, Hawaii Revised Statutes, is
15 amended as follows:

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

17 "(a) No department of the State other than the attorney
18 general may employ or retain any attorney, by contract or
19 otherwise, for the purpose of representing the State or the
20 department in any litigation, rendering legal counsel to the
21 department, or drafting legal documents for the department;



1 provided that the foregoing provision shall not apply to the
2 employment or retention of attorneys:

3 (1) By the public utilities commission, [~~the~~] labor and
4 industrial relations appeals board, and [~~the~~] Hawaii
5 labor relations board;

6 (2) By any court or judicial or legislative office of the
7 State; provided further that if the attorney general
8 is requested to provide representation to a court or
9 judicial office by the chief justice or the chief
10 justice's designee, or to a legislative office by the
11 speaker of the house of representatives and [~~the~~]
12 president of the senate jointly, and the attorney
13 general declines to provide [~~such~~] the representation
14 on the grounds of conflict of interest, the attorney
15 general shall retain an attorney for the court,
16 judicial[~~7~~] office, or legislative office, subject to
17 approval by the court, judicial[~~7~~] office, or
18 legislative office;

19 (3) By the legislative reference bureau;

20 (4) By any compilation commission that may be constituted
21 from time to time;



- 1 (5) By the real estate commission for any action involving
- 2 the real estate recovery fund;
- 3 (6) By the contractors license board for any action
- 4 involving the contractors recovery fund;
- 5 (7) By the office of Hawaiian affairs;
- 6 (8) By the department of commerce and consumer affairs for
- 7 the enforcement of violations of chapters 480 and
- 8 485A;
- 9 (9) As grand jury counsel;
- 10 (10) By the Hawaii health systems corporation, or its
- 11 regional system boards, or any of their facilities;
- 12 (11) By the auditor;
- 13 (12) By the office of ombudsman;
- 14 (13) By the insurance division;
- 15 (14) By the University of Hawaii;
- 16 (15) By the Kahoolawe island reserve commission;
- 17 (16) By the division of consumer advocacy;
- 18 (17) By the office of elections;
- 19 (18) By the campaign spending commission;
- 20 (19) By the Hawaii tourism authority, as provided in
- 21 section 201B-2.5;



1 (20) By the division of financial institutions;
2 (21) By the office of information practices;
3 (22) By the school facilities authority;
4 (23) By the Mauna Kea stewardship and oversight authority;
5 [☒]
6 (24) By the Hawaii hemp and cannabis authority; or
7 ~~[-(24)]~~ (25) By a department, if the attorney general, for
8 reasons deemed by the attorney general to be good and
9 sufficient, declines to employ or retain an attorney
10 for a department; provided further that the governor
11 waives the provision of this section."

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

13 "(c) Every attorney employed by any department on a full-
14 time basis, except an attorney employed by the public utilities
15 commission, the labor and industrial relations appeals board,
16 the Hawaii labor relations board, the office of Hawaiian
17 affairs, the Hawaii health systems corporation or its regional
18 system boards, the department of commerce and consumer affairs
19 in prosecution of consumer complaints, the insurance division,
20 the division of consumer advocacy, the University of Hawaii, the
21 Hawaii tourism authority as provided in section 201B-2.5, the



1 Mauna Kea stewardship and oversight authority, the Hawaii hemp
2 and cannabis authority, the office of information practices, or
3 as grand jury counsel, shall be a deputy attorney general."

4 SECTION 20. Section 46-4, Hawaii Revised Statutes, is
5 amended by amending subsection (f) to read as follows:

6 "(f) Neither this section nor any other law, county
7 ordinance, or rule shall prohibit the use of land for [~~medical~~]
8 cannabis [~~production centers or medical cannabis dispensaries~~]
9 businesses established and licensed pursuant to chapter [~~329D,~~
10 ~~provided that the land is otherwise zoned for agriculture,~~
11 ~~manufacturing, or retail purposes.~~] A, except as provided in
12 section A-25."

13 SECTION 21. Section 76-16, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

15 "(b) The civil service to which this chapter applies shall
16 comprise all positions in the State now existing or hereafter
17 established and embrace all personal services performed for the
18 State, except the following:

- 19 (1) Commissioned and enlisted personnel of the Hawaii
20 National Guard as such, and positions in the Hawaii
21 National Guard that are required by state or federal



1 laws or regulations or orders of the National Guard to
2 be filled from those commissioned or enlisted
3 personnel;

4 (2) Positions filled by persons employed by contract where
5 the director of human resources development has
6 certified that the service is special or unique or is
7 essential to the public interest and that, because of
8 circumstances surrounding its fulfillment, personnel
9 to perform the service cannot be obtained through
10 normal civil service recruitment procedures. Any such
11 contract may be for any period not exceeding one year;

12 (3) Positions that must be filled without delay to comply
13 with a court order or decree if the director
14 determines that recruitment through normal recruitment
15 civil service procedures would result in delay or
16 noncompliance, such as the Felix-Cayetano consent
17 decree;

18 (4) Positions filled by the legislature or by either house
19 or any committee thereof;



- 1 (5) Employees in the office of the governor and office of
2 the lieutenant governor, and household employees at
3 Washington Place;
- 4 (6) Positions filled by popular vote;
- 5 (7) Department heads, officers, and members of any board,
6 commission, or other state agency whose appointments
7 are made by the governor or are required by law to be
8 confirmed by the senate;
- 9 (8) Judges, referees, receivers, masters, jurors, notaries
10 public, land court examiners, court commissioners, and
11 attorneys appointed by a state court for a special
12 temporary service;
- 13 (9) One bailiff for the chief justice of the supreme court
14 who shall have the powers and duties of a court
15 officer and bailiff under section 606-14; one
16 secretary or clerk for each justice of the supreme
17 court, each judge of the intermediate appellate court,
18 and each judge of the circuit court; one secretary for
19 the judicial council; one deputy administrative
20 director of the courts; three law clerks for the chief
21 justice of the supreme court, two law clerks for each



1 associate justice of the supreme court and each judge
2 of the intermediate appellate court, one law clerk for
3 each judge of the circuit court, two additional law
4 clerks for the civil administrative judge of the
5 circuit court of the first circuit, two additional law
6 clerks for the criminal administrative judge of the
7 circuit court of the first circuit, one additional law
8 clerk for the senior judge of the family court of the
9 first circuit, two additional law clerks for the civil
10 motions judge of the circuit court of the first
11 circuit, two additional law clerks for the criminal
12 motions judge of the circuit court of the first
13 circuit, and two law clerks for the administrative
14 judge of the district court of the first circuit; and
15 one private secretary for the administrative director
16 of the courts, the deputy administrative director of
17 the courts, each department head, each deputy or first
18 assistant, and each additional deputy, or assistant
19 deputy, or assistant defined in paragraph (16);
20 (10) First deputy and deputy attorneys general, the
21 administrative services manager of the department of



1 the attorney general, one secretary for the
2 administrative services manager, an administrator and
3 any support staff for the criminal and juvenile
4 justice resources coordination functions, and law
5 clerks;

6 (11) (A) Teachers, principals, vice-principals, complex
7 area superintendents, deputy and assistant
8 superintendents, other certificated personnel, no
9 more than twenty noncertificated administrative,
10 professional, and technical personnel not engaged
11 in instructional work;

12 (B) Effective July 1, 2003, teaching assistants,
13 educational assistants, bilingual/bicultural
14 school-home assistants, school psychologists,
15 psychological examiners, speech pathologists,
16 athletic health care trainers, alternative school
17 work study assistants, alternative school
18 educational/supportive services specialists,
19 alternative school project coordinators, and
20 communications aides in the department of
21 education;



- 1 (C) The special assistant to the state librarian and
2 one secretary for the special assistant to the
3 state librarian; and
- 4 (D) Members of the faculty of the University of
5 Hawaii, including research workers, extension
6 agents, personnel engaged in instructional work,
7 and administrative, professional, and technical
8 personnel of the university;
- 9 (12) Employees engaged in special, research, or
10 demonstration projects approved by the governor;
- 11 (13) (A) Positions filled by inmates, patients of state
12 institutions, and persons with severe physical or
13 mental disabilities participating in the work
14 experience training programs;
- 15 (B) Positions filled with students in accordance with
16 guidelines for established state employment
17 programs; and
- 18 (C) Positions that provide work experience training
19 or temporary public service employment that are
20 filled by persons entering the workforce or
21 persons transitioning into other careers under



1 programs such as the federal Workforce Investment
2 Act of 1998, as amended, or the Senior Community
3 Service Employment Program of the Employment and
4 Training Administration of the United States
5 Department of Labor, or under other similar state
6 programs;

7 (14) A custodian or guide at Iolani Palace, the Royal
8 Mausoleum, and Hulihee Palace;

9 (15) Positions filled by persons employed on a fee,
10 contract, or piecework basis, who may lawfully perform
11 their duties concurrently with their private business
12 or profession or other private employment and whose
13 duties require only a portion of their time, if it is
14 impracticable to ascertain or anticipate the portion
15 of time to be devoted to the service of the State;

16 (16) Positions of first deputies or first assistants of
17 each department head appointed under or in the manner
18 provided in section 6, article V, of the Hawaii State
19 Constitution; three additional deputies or assistants
20 either in charge of the highways, harbors, and
21 airports divisions or other functions within the



1 department of transportation as may be assigned by the
2 director of transportation, with the approval of the
3 governor; one additional deputy in the department of
4 human services either in charge of welfare or other
5 functions within the department as may be assigned by
6 the director of human services; four additional
7 deputies in the department of health, each in charge
8 of one of the following: behavioral health,
9 environmental health, hospitals, and health resources
10 administration, including other functions within the
11 department as may be assigned by the director of
12 health, with the approval of the governor; two
13 additional deputies in charge of the law enforcement
14 programs, administration, or other functions within
15 the department of law enforcement as may be assigned
16 by the director of law enforcement, with the approval
17 of the governor; three additional deputies each in
18 charge of the correctional institutions,
19 rehabilitation services and programs, and
20 administration or other functions within the
21 department of corrections and rehabilitation as may be



- 1 assigned by the director of corrections and
2 rehabilitation, with the approval of the governor; an
3 administrative assistant to the state librarian; and
4 an administrative assistant to the superintendent of
5 education;
- 6 (17) Positions specifically exempted from this part by any
7 other law; provided that:
- 8 (A) Any exemption created after July 1, 2014, shall
9 expire three years after its enactment unless
10 affirmatively extended by an act of the
11 legislature; and
- 12 (B) All of the positions defined by paragraph (9)
13 shall be included in the position classification
14 plan;
- 15 (18) Positions in the state foster grandparent program and
16 positions for temporary employment of senior citizens
17 in occupations in which there is a severe personnel
18 shortage or in special projects;
- 19 (19) Household employees at the official residence of the
20 president of the University of Hawaii;



1 (20) Employees in the department of education engaged in
2 the supervision of students during meal periods in the
3 distribution, collection, and counting of meal
4 tickets, and in the cleaning of classrooms after
5 school hours on a less than half-time basis;

6 (21) Employees hired under the tenant hire program of the
7 Hawaii public housing authority; provided that [~~not~~]
8 no more than twenty-six per cent of the authority's
9 workforce in any housing project maintained or
10 operated by the authority shall be hired under the
11 tenant hire program;

12 (22) Positions of the federally funded expanded food and
13 nutrition program of the University of Hawaii that
14 require the hiring of nutrition program assistants who
15 live in the areas they serve;

16 (23) Positions filled by persons with severe disabilities
17 who are certified by the state vocational
18 rehabilitation office that they are able to perform
19 safely the duties of the positions;

20 (24) The sheriff;



- 1 (25) A gender and other fairness coordinator hired by the
2 judiciary;
- 3 (26) Positions in the Hawaii National Guard youth and adult
4 education programs;
- 5 (27) In the Hawaii state energy office in the department of
6 business, economic development, and tourism, all
7 energy program managers, energy program specialists,
8 energy program assistants, and energy analysts;
- 9 (28) Administrative appeals hearing officers in the
10 department of human services;
- 11 (29) In the Med-QUEST division of the department of human
12 services, the division administrator, finance officer,
13 health care services branch administrator, medical
14 director, and clinical standards administrator;
- 15 (30) In the director's office of the department of human
16 services, the enterprise officer, information security
17 and privacy compliance officer, security and privacy
18 compliance engineer, security and privacy compliance
19 analyst, information technology implementation
20 manager, assistant information technology
21 implementation manager, resource manager,



1 community/project development director, policy
2 director, special assistant to the director, and
3 limited English proficiency project
4 manager/coordinator;

5 (31) The Alzheimer's disease and related dementia services
6 coordinator in the executive office on aging;

7 (32) In the Hawaii emergency management agency, the
8 executive officer, public information officer, civil
9 defense administrative officer, branch chiefs, and
10 emergency operations center state warning point
11 personnel; provided that for state warning point
12 personnel, the director shall determine that
13 recruitment through normal civil service recruitment
14 procedures would result in delay or noncompliance;

15 (33) The executive director and seven full-time
16 administrative positions of the school facilities
17 authority;

18 (34) Positions in the Mauna Kea stewardship and oversight
19 authority;



1 (35) In the office of homeland security of the department
2 of law enforcement, the statewide interoperable
3 communications coordinator; [~~and~~]

4 (36) In the social services division of the department of
5 human services, the business technology analyst[~~-~~];

6 (37) In the Hawaii hemp and cannabis authority, the
7 executive director, executive secretary to the
8 executive director, chief financial officer, chief
9 equity officer, general counsel, chief public health
10 and environmental officer, chief technology officer,
11 chief compliance officer, and hemp coordinator; and

12 (38) In the department of taxation, the tax law change
13 specialist to assist with the implementation of
14 chapter B.

15 The director shall determine the applicability of this
16 section to specific positions.

17 Nothing in this section shall be deemed to affect the civil
18 service status of any incumbent as it existed on July 1, 1955."

19 SECTION 22. Section 91-13.5, Hawaii Revised Statutes, is
20 amended by amending subsection (f) to read as follows:

21 "(f) This section shall not apply to:



- 1 (1) Any proceedings of the public utilities commission;
- 2 [e#]
- 3 (2) Any proceedings of the hemp and cannabis control board
- 4 or Hawaii hemp and cannabis authority; or
- 5 [+2] (3) Any county or county agency that is exempted by
- 6 county ordinance from this section."

7 SECTION 23. Section 209E-2, Hawaii Revised Statutes, is
 8 amended by amending the definition of "eligible business
 9 activity" to read as follows:

10 ""Eligible business activity" means the:

- 11 (1) Manufacture of tangible personal property, the
- 12 wholesale sale of tangible personal property as
- 13 described in section 237-4, or a service business as
- 14 defined in this section;
- 15 (2) Production of agricultural products where the business
- 16 is a producer as defined in section 237-5, or the
- 17 processing of agricultural products, all or some of
- 18 which were grown within an enterprise zone;
- 19 (3) Research, development, sale, or production of all
- 20 types of genetically-engineered medical, agricultural,
- 21 or maritime biotechnology products; or



1 (4) Production of electric power from wind energy for sale
2 primarily to a public utility company for resale to
3 the public;

4 provided that [~~medical cannabis dispensary~~] the activities of a
5 cannabis business pursuant to chapter [329D] A shall not be
6 considered an eligible business activity for the purposes of
7 this chapter."

8 SECTION 24. Section 231-8.5, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) If the requirements of subsection (c) are satisfied,
11 the department may require electronic filing of any tax return,
12 application, report, or other document required under the
13 provisions of title 14 administered by the department for the
14 following taxpayers:

15 (1) For withholding tax filings required under chapter
16 235, only employers whose total tax liability under
17 sections 235-61 and 235-62 for the calendar or fiscal
18 year exceeds \$40,000;

19 (2) For income tax filings required under chapter 235,
20 only taxpayers who are subject to tax under section
21 235-71, 235-71.5, or 235-72;



- 1 (3) For general excise tax filings required under chapter
2 237, only taxpayers whose total tax liability under
3 chapter 237 for the calendar or fiscal year exceeds
4 \$4,000;
- 5 (4) For transient accommodations tax filings required
6 under chapter 237D, only operators and plan managers
7 whose total tax liability under chapter 237D for the
8 calendar or fiscal year exceeds \$4,000; and
- 9 (5) For filings required under the following chapters, all
10 taxpayers subject to tax under those chapters:
- 11 (A) 236E;
- 12 (B) 239;
- 13 (C) 241;
- 14 (D) 243;
- 15 (E) 244D;
- 16 (F) 245; [and]
- 17 (G) 251[-]; and
- 18 (H) B."

19 SECTION 25. Section 235-1, Hawaii Revised Statutes, is
20 amended by adding a new definition to be appropriately inserted
21 and to read as follows:



1 "Cannabis" has the same meaning as defined in section
2 A-3."

3 SECTION 26. Section 235-2.4, Hawaii Revised Statutes, is
4 amended by amending subsection (v) to read as follows:

5 "(v) Section 280E (with respect to expenditures in
6 connection with the illegal sale of drugs) of the Internal
7 Revenue Code shall be operative for the purposes of this
8 chapter~~[, except];~~ provided that section 280E shall not be
9 operative with respect to the ~~[production]~~ cultivation,
10 processing, and sale of ~~[medical]~~ cannabis ~~[and manufactured~~
11 ~~cannabis products]~~ by ~~[dispensaries]~~ cannabis businesses
12 licensed or permitted under chapter ~~[329D and their~~
13 ~~subcontractors, as defined in section 329D-1.]~~ A."

14 SECTION 27. Section 237-24.3, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§237-24.3 Additional amounts not taxable.** In addition to
17 the amounts not taxable under section 237-24, this chapter shall
18 not apply to:

- 19 (1) Amounts received from the loading, transportation, and
20 unloading of agricultural commodities shipped for a
21 producer or produce dealer on one island of this State



1 to a person, firm, or organization on another island
 2 of this State. The terms "agricultural commodity",
 3 "producer", and "produce dealer" shall be defined in
 4 the same manner as they are defined in section 147-1;
 5 provided that agricultural commodities need not have
 6 been produced in the State;

7 (2) Amounts received by the manager, submanager, or board
 8 of directors of:

9 (A) An association of a condominium property regime
 10 established in accordance with chapter 514B or
 11 any predecessor thereto; or

12 (B) A nonprofit homeowners or community association
 13 incorporated in accordance with chapter 414D or
 14 any predecessor thereto and existing pursuant to
 15 covenants running with the land,
 16 in reimbursement of sums paid for common expenses;

17 (3) Amounts received or accrued from:

18 (A) The loading or unloading of cargo from ships,
 19 barges, vessels, or aircraft, including
 20 stevedoring services as defined in section 382-1,
 21 whether or not the ships, barges, vessels, or



1 aircraft travel between the State and other
2 states or countries or between the islands of the
3 State;

4 (B) Tugboat services including pilotage fees
5 performed within the State, and the towage of
6 ships, barges, or vessels in and out of state
7 harbors, or from one pier to another;

8 (C) The transportation of pilots or governmental
9 officials to ships, barges, or vessels offshore;
10 rigging gear; checking freight and similar
11 services; standby charges; and use of moorings
12 and running mooring lines; and

13 (D) Wharfage and demurrage imposed under chapter 266
14 that is paid to the department of transportation;

15 (4) Amounts received by an employee benefit plan by way of
16 contributions, dividends, interest, and other income;
17 and amounts received by a nonprofit organization or
18 office, as payments for costs and expenses incurred
19 for the administration of an employee benefit plan;
20 provided that this exemption shall not apply to any
21 gross rental income or gross rental proceeds received



1 after June 30, 1994, as income from investments in
 2 real property in this State; ~~and~~ provided further
 3 that gross rental income or gross rental proceeds from
 4 investments in real property received by an employee
 5 benefit plan after June 30, 1994, under written
 6 contracts executed ~~[prior to]~~ before July 1, 1994,
 7 shall not be taxed until the contracts are
 8 renegotiated, renewed, or extended, or until after
 9 December 31, 1998, whichever is earlier. For the
 10 purposes of this paragraph, "employee benefit plan"
 11 means any plan as defined in title 29 United States
 12 Code section 1002(3), as amended;

13 (5) Amounts received for purchases made with United States
 14 Department of Agriculture food coupons under the
 15 federal food stamp program, and amounts received for
 16 purchases made with United States Department of
 17 Agriculture food vouchers under the Special
 18 Supplemental Foods Program for Women, Infants and
 19 Children;

20 (6) Amounts received by a hospital, infirmary, medical
 21 clinic, health care facility, pharmacy, or a



1 practitioner licensed to administer the drug to an
 2 individual for selling prescription drugs or
 3 prosthetic devices to an individual; provided that
 4 this paragraph shall not apply to any amounts received
 5 for services provided in selling prescription drugs or
 6 prosthetic devices. As used in this paragraph:

7 "Prescription drugs" are those drugs defined
 8 under section 328-1 and dispensed by filling or
 9 refilling a written or oral prescription by a
 10 practitioner licensed under law to administer the drug
 11 and sold by a licensed pharmacist under section 328-16
 12 or practitioners licensed to administer drugs;
 13 provided that "prescription drugs" shall not include
 14 any cannabis [~~or manufactured cannabis products~~]
 15 authorized pursuant to [~~chapters 329 and 329D;~~]
 16 chapter A; and

17 "Prosthetic device" means any artificial device
 18 or appliance, instrument, apparatus, or contrivance,
 19 including their components, parts, accessories, and
 20 replacements thereof, used to replace a missing or
 21 surgically removed part of the human body, which is



1 prescribed by a licensed practitioner of medicine,
2 osteopathy, or podiatry and that is sold by the
3 practitioner or that is dispensed and sold by a dealer
4 of prosthetic devices; provided that "prosthetic
5 device" shall not mean any auditory, ophthalmic,
6 dental, or ocular device or appliance, instrument,
7 apparatus, or contrivance;

8 (7) Taxes on transient accommodations imposed by chapter
9 237D and passed on and collected by operators holding
10 certificates of registration under that chapter;

11 (8) Amounts received as dues by an unincorporated
12 merchants association from its membership for
13 advertising media, promotional, and advertising costs
14 for the promotion of the association for the benefit
15 of its members as a whole and not for the benefit of
16 an individual member or group of members less than the
17 entire membership;

18 (9) Amounts received by a labor organization for real
19 property leased to:

20 (A) A labor organization; or



1 (B) A trust fund established by a labor organization
2 for the benefit of its members, families, and
3 dependents for medical or hospital care, pensions
4 on retirement or death of employees,
5 apprenticeship and training, and other membership
6 service programs.

7 As used in this paragraph, "labor organization" means
8 a labor organization exempt from federal income tax
9 under section 501(c)(5) of the Internal Revenue Code,
10 as amended;

11 (10) Amounts received from foreign diplomats and consular
12 officials who are holding cards issued or authorized
13 by the United States Department of State granting them
14 an exemption from state taxes; [~~and~~]

15 (11) Amounts received as rent for the rental or leasing of
16 aircraft or aircraft engines used by the lessees or
17 renters for interstate air transportation of
18 passengers and goods. For purposes of this paragraph,
19 payments made pursuant to a lease shall be considered
20 rent regardless of whether the lease is an operating
21 lease or a financing lease. The definition of



1 "interstate air transportation" is the same as in 49
2 U.S.C. section 40102[-]; and

3 (12) Amounts received from:

4 (A) Sales of cannabis, whether made at retail or
5 wholesale;

6 (B) Sales of medical cannabis; and

7 (C) Taxes on the retail sale of cannabis or sale of
8 medical cannabis imposed by chapter B and passed
9 on and collected by persons holding permits under
10 chapter B."

11 SECTION 28. Section 245-1, Hawaii Revised Statutes, is
12 amended by amending the definition of "e-liquid" to read as
13 follows:

14 "'E-liquid" means any liquid or like substance, which may
15 or may not contain nicotine, that is designed or intended to be
16 used in an electronic smoking device, whether or not packaged in
17 a cartridge or other container.

18 "E-liquid" does not include:

19 (1) Prescription drugs;

20 (2) Cannabis [~~for medical use pursuant to chapter 329 or~~
21 manufactured], cannabis products, or cannabis



1 accessories authorized pursuant to chapter [~~329D~~] A;
 2 or
 3 (3) Medical devices used to aerosolize, inhale, or ingest
 4 prescription drugs [~~, including manufactured cannabis~~
 5 ~~products described in section 329D-10~~]."

6 SECTION 29. Section 322-1, Hawaii Revised Statutes, is
 7 amended to read as follows:

8 "**§322-1 Removal, prevention.** The department of health and
 9 its agents shall examine into all nuisances, foul or noxious
 10 odors, gases or vapors, water in which mosquito larvae exist,
 11 sources of filth, and all causes of sickness or disease, on
 12 shore, and in any vessel, which may be known to [~~them~~] the
 13 department or brought to [~~their~~] the department's attention,
 14 which in [~~their~~] the department's opinion are dangerous or
 15 injurious to health, and into any and all conditions created or
 16 existing which cause or tend to cause sickness or disease or to
 17 be dangerous or injurious to health, and shall cause the same to
 18 be abated, destroyed, removed, or prevented.

19 For purposes of this part, a nuisance shall include:

20 (1) Toxic materials that are used in or by-products of the
 21 manufacture or conversion of methamphetamine, and



1 clandestine drug labs that manufacture
2 methamphetamine; and
3 (2) Odors and filth resulting from a person feeding feral
4 birds.

5 For purposes of this part, a nuisance does not include a
6 hemp or cannabis product or any foul or noxious odor, gas, or
7 vapor derived from a hemp or cannabis product."

8 SECTION 30. Section 329-43.5, Hawaii Revised Statutes, is
9 amended by amending subsection (e) to read as follows:

10 "(e) Subsections (a) and (b) shall not apply to a person
11 who is ~~[authorized to:~~

12 ~~(1) Acquire, possess, cultivate, use, distribute, or~~
13 ~~transport cannabis pursuant to the definition of~~
14 ~~"medical use" under section 329-121, while the person~~
15 ~~is facilitating the medical use of cannabis by a~~
16 ~~qualifying patient; or~~

17 ~~(2) Dispense, manufacture, or produce cannabis or~~
18 ~~manufactured cannabis products pursuant to and in~~
19 ~~compliance with chapter 329D, while the person is~~
20 ~~facilitating the medical use of cannabis by a~~
21 ~~qualifying patient pursuant to part IX of chapter~~



1 ~~329.]~~ acting in strict compliance with chapter A with
2 respect to marijuana."

3 SECTION 31. Section 378-2.5, Hawaii Revised Statutes, is
4 amended by amending subsection (d) to read as follows:

5 "(d) Notwithstanding subsections (b) and (c), the
6 requirement that inquiry into and consideration of a prospective
7 employee's conviction record may take place only after the
8 individual has received a conditional job offer, and the
9 limitation to the most recent seven-year period for felony
10 convictions and the most recent five-year period for misdemeanor
11 convictions, excluding the period of incarceration, shall not
12 apply to employers who are expressly permitted to inquire into
13 an individual's criminal history for employment purposes
14 pursuant to any federal or state law other than subsection (a),
15 including:

- 16 (1) The State or any of its branches, political
17 subdivisions, or agencies pursuant to sections 78-2.7
18 and 831-3.1; provided that any state law permitting
19 the State and any of its branches, political
20 subdivisions, agencies, or semi-autonomous public
21 bodies corporate and politic to conduct more extensive



- 1 inquiries into an individual's criminal history for
2 employment purposes than those permitted under this
3 section shall prevail;
- 4 (2) The department of education pursuant to section
5 302A-601.5;
- 6 (3) The department of health with respect to employees,
7 providers, or subcontractors in positions that place
8 them in direct contact with clients when providing
9 non-witnessed direct mental health services pursuant
10 to section 321-171.5;
- 11 (4) The judiciary pursuant to section 571-34;
- 12 (5) The counties pursuant to section 846-2.7(b)(5), (33),
13 (34), (35), (36), and (38);
- 14 (6) Armed security services pursuant to section 261-17(b);
- 15 (7) Providers of a developmental disabilities domiciliary
16 home pursuant to section 321-15.2;
- 17 (8) Private schools pursuant to sections 302C-1 and
18 378-3(8);
- 19 (9) Financial institutions in which deposits are insured
20 by a federal agency having jurisdiction over the
21 financial institution pursuant to section 378-3(9);



- 1 (10) Detective agencies and security guard agencies
2 pursuant to sections 463-6(b) and 463-8(b);
- 3 (11) Employers in the business of insurance pursuant to
4 section 431:2-201.3;
- 5 (12) Employers of individuals or supervisors of individuals
6 responsible for screening passengers or property under
7 title 49 United States Code section 44901 or
8 individuals with unescorted access to an aircraft of
9 an air carrier or foreign carrier or in a secured area
10 of an airport in the United States pursuant to title
11 49 United States Code section 44936(a);
- 12 (13) The department of human services pursuant to sections
13 346-2.5, 346-97, and 352-5.5;
- 14 (14) The public library system pursuant to section
15 302A-601.5;
- 16 (15) The department of law enforcement pursuant to section
17 353C-5;
- 18 (16) The board of directors of a cooperative housing
19 corporation or the manager of a cooperative housing
20 project pursuant to section 421I-12;



- 1 (17) The board of directors of an association under chapter
2 514B, or the managing agent or resident manager of a
3 condominium pursuant to section 514B-133;
- 4 (18) The department of health pursuant to section 321-15.2;
5 [and]
- 6 (19) The department of corrections and rehabilitation
7 pursuant to section 353-1.5[-];
- 8 (20) A licensed business pursuant to section A-74; and
- 9 (21) The hemp and cannabis control board and Hawaii hemp
10 and cannabis authority pursuant to sections A-12 and
11 A-28."

12 SECTION 32. Section 421J-16, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§421J-16 Medical cannabis; discrimination.** A provision
15 in any association document allowing for any of the
16 discriminatory practices listed in section 515-3(a)(1) to (7)
17 against a person residing in a unit who has a valid
18 [~~certificate~~] medical cannabis registration card for the medical
19 use of cannabis as provided in section [~~329-123~~] A-47 in any
20 form is void, unless the association document prohibits the
21 smoking of tobacco and the medical cannabis is used by means of



1 smoking. Nothing in this section shall be construed to diminish
2 the obligation of a planned community association to provide
3 reasonable accommodations for persons with disabilities pursuant
4 to section 515-3(a)(9)."

5 SECTION 33. Section 453-8, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) In addition to any other actions authorized by law,
8 any license to practice medicine and surgery may be revoked,
9 limited, or suspended by the board at any time in a proceeding
10 before the board, or may be denied, for any cause authorized by
11 law, including but not limited to the following:

12 (1) Procuring, or aiding or abetting in procuring, an
13 abortion that is unlawful under the laws of this State
14 or that would be unlawful under the laws of this State
15 if performed within this State;

16 (2) Employing any person to solicit patients for one's
17 self;

18 (3) Engaging in false, fraudulent, or deceptive
19 advertising, including but not limited to:

20 (A) Making excessive claims of expertise in one or
21 more medical specialty fields;



- 1 (B) Assuring a permanent cure for an incurable
- 2 disease; or
- 3 (C) Making any untruthful and improbable statement in
- 4 advertising one's medical or surgical practice or
- 5 business;
- 6 (4) Being habituated to the excessive use of drugs or
- 7 alcohol; or being addicted to, dependent on, or a
- 8 habitual user of a narcotic, barbiturate, amphetamine,
- 9 hallucinogen, or other drug having similar effects;
- 10 (5) Practicing medicine while the ability to practice is
- 11 impaired by alcohol, drugs, physical disability, or
- 12 mental instability;
- 13 (6) Procuring a license through fraud, misrepresentation,
- 14 or deceit, or knowingly permitting an unlicensed
- 15 person to perform activities requiring a license;
- 16 (7) Professional misconduct, hazardous negligence causing
- 17 bodily injury to another, or manifest incapacity in
- 18 the practice of medicine or surgery;
- 19 (8) Incompetence or multiple instances of negligence,
- 20 including but not limited to the consistent use of



- 1 medical service, which is inappropriate or
2 unnecessary;
- 3 (9) Conduct or practice contrary to recognized standards
4 of ethics of the medical profession as adopted by the
5 Hawaii Medical Association, the American Medical
6 Association, the Hawaii Association of Osteopathic
7 Physicians and Surgeons, or the American Osteopathic
8 Association;
- 9 (10) Violation of the conditions or limitations upon which
10 a limited or temporary license is issued;
- 11 (11) Revocation, suspension, or other disciplinary action
12 by another state or federal agency of a license,
13 certificate, or medical privilege, except when the
14 revocation, suspension, or other disciplinary action
15 was based on the provision or assistance in receipt or
16 provision of medical, surgical, pharmaceutical,
17 counseling, or referral services relating to the human
18 reproductive system, including but not limited to
19 services relating to pregnancy, contraception, or the
20 termination of a pregnancy, so long as the provision
21 or assistance in receipt or provision of the services



1 was in accordance with the laws of this State or would
2 have been in accordance with the laws of this State if
3 it occurred within this State;

4 (12) Conviction, whether by nolo contendere or otherwise,
5 of a penal offense substantially related to the
6 qualifications, functions, or duties of a physician or
7 osteopathic physician, notwithstanding any statutory
8 provision to the contrary, except when the conviction
9 was based on the provision or assistance in receipt or
10 provision of medical, surgical, pharmaceutical,
11 counseling, or referral services relating to the human
12 reproductive system, including but not limited to
13 services relating to pregnancy, contraception, or the
14 termination of a pregnancy, so long as the provision
15 or assistance in receipt or provision of the services
16 was in accordance with the laws of this State or would
17 have been in accordance with the laws of this State if
18 it occurred within this State;

19 (13) Violation of chapter 329, the uniform controlled
20 substances act, or any rule adopted thereunder except
21 as provided in section [~~329-122~~] A-49;



- 1 (14) Failure to report to the board, in writing, any
2 disciplinary decision issued against the licensee or
3 the applicant in another jurisdiction within thirty
4 days after the disciplinary decision is issued; or
5 (15) Submitting to or filing with the board any notice,
6 statement, or other document required under this
7 chapter, which is false or untrue or contains any
8 material misstatement or omission of fact."

9 SECTION 34. Section 514B-113, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§514B-113 Medical cannabis; discrimination.** A provision
12 in any articles of incorporation, declaration, bylaws,
13 administrative rules, house rules, or association documents of a
14 condominium allowing for any of the discriminatory practices
15 listed in section 515-3(a)(1) to (7) against a person residing
16 in a unit who has a valid [~~certificate~~] medical cannabis
17 registration card for the medical use of cannabis as provided in
18 section [~~329-123~~] A-47 in any form is void, unless the documents
19 prohibit the smoking of tobacco and the medical cannabis is used
20 by means of smoking. Nothing in this section shall be construed
21 to diminish the obligation of a condominium association to



1 provide reasonable accommodations for persons with disabilities
2 pursuant to section 515-3(a)(9)."

3 SECTION 35. Section 521-39, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "~~§521-39~~ **Medical cannabis; tenant use; eviction.** A
6 provision in a rental agreement allowing for eviction of a
7 tenant who has a valid [~~certificate~~] medical cannabis
8 registration card for the medical use of cannabis as provided in
9 section [~~329-123~~] A-47 in any form is void, unless the rental
10 agreement allows for eviction for smoking tobacco and the
11 medical cannabis is used by means of smoking; provided that this
12 section shall not apply where the articles of incorporation,
13 declaration, bylaws, administrative rules, house rules,
14 association documents, or a similar document of a condominium
15 property regime or planned community association prohibits the
16 [~~medical~~] use of cannabis."

17 SECTION 36. Section 709-903.5, Hawaii Revised Statutes, is
18 amended by amending subsection (1) to read as follows:

19 "(1) Except as provided in subsection (2), a person
20 commits the offense of endangering the welfare of a minor in the
21 first degree if, having care or custody of a minor, the person:



1 (a) Intentionally or knowingly allows another person to
2 inflict serious or substantial bodily injury on the
3 minor; or

4 (b) Intentionally or knowingly causes or permits the minor
5 to inject, ingest, inhale, or otherwise introduce into
6 the minor's body any controlled substance listed in
7 sections 329-14, 329-16, 329-18, and 329-20 that has
8 not been prescribed by a physician for the minor,
9 except as permitted under section [~~329-122.~~] A-41."

10 SECTION 37. Section 709-904, Hawaii Revised Statutes, is
11 amended by amending subsection (1) to read as follows:

12 "(1) Except as provided in section 709-903.5(2), a person
13 commits the offense of endangering the welfare of a minor in the
14 second degree if, having care or custody of a minor, the person:

15 (a) Recklessly allows another person to inflict serious or
16 substantial bodily injury on the minor; or

17 (b) Recklessly causes or permits the minor to inject,
18 ingest, inhale, or otherwise introduce into the
19 minor's body any controlled substance listed in
20 sections 329-14, 329-16, 329-18, and 329-20 that has
21 not been prescribed by a physician for the minor,



1 except as permitted under section [~~329-122.~~] A-41.
 2 This subsection shall not apply to nursing mothers who
 3 may cause the ingestion or introduction of detectable
 4 amounts of any controlled substance listed in sections
 5 329-14, 329-16, 329-18, and 329-20 to their minor
 6 children through breastfeeding."

7 SECTION 38. Section 712-1240.1, Hawaii Revised Statutes,
 8 is amended by amending subsection (2) to read as follows:

9 "(2) It is an affirmative defense to prosecution for any
 10 marijuana-related offense defined in this part that the person
 11 who possessed or distributed the marijuana was authorized to
 12 possess or distribute the marijuana [~~for medical purposes~~
 13 pursuant to part IX of chapter 329.] pursuant to chapter A."

14 SECTION 39. Section 712-1244, Hawaii Revised Statutes, is
 15 amended by amending subsection (1) to read as follows:

16 "(1) A person commits the offense of promoting a harmful
 17 drug in the first degree if the person knowingly:

- 18 (a) Possesses one hundred or more capsules or tablets or
- 19 dosage units containing one or more of the harmful
- 20 drugs or one or more of the marijuana concentrates, or
- 21 any combination thereof;



1 (b) Possesses one or more preparations, compounds,
2 mixtures, or substances, of an aggregate weight of one
3 ounce or more containing one or more of the harmful
4 drugs or one or more of the marijuana concentrates, or
5 any combination thereof;

6 (c) Distributes twenty-five or more capsules or tablets or
7 dosage units containing one or more of the harmful
8 drugs or one or more of the marijuana concentrates, or
9 any combination thereof;

10 (d) Distributes one or more preparations, compounds,
11 mixtures, or substances, of an aggregate weight of
12 one-eighth ounce or more, containing one or more of
13 the harmful drugs or one or more of the marijuana
14 concentrates, or any combination thereof; [~~or~~]

15 (e) Distributes any harmful drug [~~or any marijuana~~
16 ~~concentrate~~] in any amount to a minor[~~+~~]; or

17 (f) Distributes any marijuana concentrate in any amount to
18 a person under the age of twenty-one."

19 SECTION 40. Section 712-1249, Hawaii Revised Statutes, is
20 amended to read as follows:



1 **"§712-1249 Promoting a detrimental drug in the third**
2 **degree.** (1) A person commits the offense of promoting a
3 detrimental drug in the third degree if the person knowingly
4 possesses any marijuana or any Schedule V substance in any
5 amount.

6 (2) Promoting a detrimental drug in the third degree [~~is~~]
7 shall be a petty misdemeanor; provided that possession of three
8 grams or less of marijuana [~~is~~] by a person at least twenty-one
9 years of age shall be a violation, punishable by a fine of \$130.

10 (3) Any person under the age of eighteen who violates this
11 section based on the possession of three grams or less of
12 marijuana shall be subject to the jurisdiction of the family
13 court.

14 (4) Whenever any person is charged with a violation of
15 this section based on the possession of three grams or less of
16 marijuana and the person was under the age of twenty-one at the
17 time of the offense, the court, without entering a judgment of
18 guilt or adjudication of the matter and with the consent of the
19 accused, may defer further proceedings and place the accused on
20 probation upon terms and conditions. Upon a violation of a term
21 or condition of probation, the court may enter an adjudication



1 of guilt or law violation and proceed as otherwise provided. In
2 cases in which the court has deferred further proceedings:

3 (a) The court shall order as a term of probation that the
4 person complete a drug education program or substance
5 abuse assessment or substance abuse treatment;

6 (b) Upon fulfillment of the terms and conditions ordered
7 by the court, the court shall discharge and dismiss
8 the proceedings against the person; and

9 (c) Discharge and dismissal under this section shall be
10 without adjudication of guilt or law violation and is
11 not a conviction for purposes of this section or for
12 purposes of disqualifications or disabilities imposed
13 by law upon conviction of a crime.

14 (5) Upon the dismissal of the person and discharge of the
15 proceeding against the person pursuant to subsection (4), the
16 person may apply to the court for an order to expunge from all
17 official records all recordation relating to the person's
18 arrest, indictment, complaint, information, trial, adjudication,
19 finding of guilt, and dismissal and discharge pursuant to this
20 section; provided that:



1 (a) If the court determines, after hearing, that the
2 person was dismissed and the proceedings against the
3 person discharged and that the person was under the
4 age of twenty-one at the time of the offense, it shall
5 enter the order;

6 (b) The effect of the order shall be to restore the
7 person, in the contemplation of the law, to the status
8 the person occupied before the arrest, indictment,
9 complaint, or information; and

10 (c) No person as to whom the order has been entered shall
11 be held thereafter under any provision of any law to
12 be guilty of perjury or otherwise giving a false
13 statement by reason of the person's failures to recite
14 or acknowledge the arrest, indictment, complaint,
15 information, trial, adjudication, finding of guilt,
16 and dismissal and discharge in response to any inquiry
17 made of the person for any purpose.

18 (6) Nothing contained in subsections (4) and (5) shall
19 prohibit a person from seeking a conditional discharge pursuant
20 to section 712-1255 or a deferral of the person's plea pursuant
21 to section 853-1."



1 SECTION 41. Section 712-1249.5, Hawaii Revised Statutes,
2 is amended by amending subsection (1) to read as follows:

3 "(1) A person commits the offense of commercial promotion
4 of marijuana in the second degree if the person knowingly:

5 (a) Possesses marijuana having an aggregate weight of two
6 pounds or more;

7 (b) Distributes marijuana having an aggregate weight of
8 one pound or more;

9 (c) Possesses, cultivates, or has under the person's
10 control fifty or more marijuana plants;

11 (d) Cultivates on land owned by another person, including
12 land owned by the government or other legal entity,
13 any marijuana plant, unless the person has the express
14 permission from the owner of the land to cultivate the
15 marijuana or the person has a legal or an equitable
16 ownership interest in the land or the person has a
17 legal right to occupy the land; or

18 (e) Sells or barter[s] ~~[any marijuana or]~~ any Schedule V
19 substance in any amount to a minor~~[-]~~; or

20 (f) Distributes any marijuana in any amount to a person
21 under the age of twenty-one."



1 SECTION 42. Section 712-1252, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§712-1252 Knowledge of character, nature, or quantity of**
4 **substance, or age of transferee; prima facie evidence.** (1) The
5 fact that a person engaged in the conduct specified by any
6 section in this part is prima facie evidence that the person
7 engaged in that conduct with knowledge of the character, nature,
8 and quantity of the dangerous drug, harmful drug, detrimental
9 drug, or intoxicating compounds possessed, distributed, or sold.

10 (2) The fact that the defendant distributed or sold a
11 dangerous drug, harmful drug, detrimental drug, or intoxicating
12 compound to a minor is prima facie evidence that the defendant
13 knew the transferee to be a minor.

14 (3) The fact that the defendant distributed or sold
15 marijuana or marijuana concentrate to a person under the age of
16 twenty-one is prima facie evidence that the defendant knew the
17 transferee to be a person under the age of twenty-one."

18 SECTION 43. Section 712A-4, Hawaii Revised Statutes, is
19 amended to read as follows:

20 **"§712A-4 Covered offenses.** Offenses for which property is
21 subject to forfeiture under this chapter are:



- 1 (a) All offenses that specifically authorize forfeiture;
- 2 (b) Murder; kidnapping; labor trafficking; unlicensed sale
- 3 of liquor; unlicensed manufacture of liquor; gambling;
- 4 criminal property damage; robbery; bribery; extortion;
- 5 theft; unauthorized entry into motor vehicle;
- 6 burglary; money laundering; trademark counterfeiting;
- 7 insurance fraud; promoting a dangerous, harmful, or
- 8 detrimental drug; commercial promotion of marijuana;
- 9 methamphetamine trafficking; manufacturing of a
- 10 controlled substance with a child present; promoting
- 11 child abuse; promoting prostitution; sex trafficking;
- 12 commercial sexual exploitation of a minor; habitual
- 13 commercial sexual exploitation; or electronic
- 14 enticement of a child that is chargeable as a felony
- 15 offense under state law;
- 16 (c) The manufacture, sale, or distribution of a controlled
- 17 substance in violation of chapter 329, promoting
- 18 detrimental drugs or intoxicating compounds, promoting
- 19 pornography, promoting pornography for minors, or
- 20 commercial sexual exploitation near schools or public
- 21 parks, which is chargeable as a felony or misdemeanor



1 offense, but not as a petty misdemeanor, under state
2 law; provided that the activities authorized under
3 chapter A shall not be subject to forfeiture under
4 this chapter; and

5 (d) The attempt, conspiracy, solicitation, coercion, or
6 intimidation of another to commit any offense for
7 which property is subject to forfeiture."

8 SECTION 44. Section 846-2.7, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) Criminal history record checks may be conducted by:

11 (1) The department of health or its designee on operators
12 of adult foster homes for individuals with
13 developmental disabilities or developmental
14 disabilities domiciliary homes and their employees, as
15 provided by section 321-15.2;

16 (2) The department of health or its designee on
17 prospective employees, persons seeking to serve as
18 providers, or subcontractors in positions that place
19 them in direct contact with clients when providing
20 non-witnessed direct mental health or health care
21 services as provided by section 321-171.5;



- 1 (3) The department of health or its designee on all
2 applicants for licensure or certification for,
3 operators for, prospective employees, adult
4 volunteers, and all adults, except adults in care, at
5 healthcare facilities as defined in section 321-15.2;
- 6 (4) The department of education on employees, prospective
7 employees, and teacher trainees in any public school
8 in positions that necessitate close proximity to
9 children as provided by section 302A-601.5;
- 10 (5) The counties on employees and prospective employees
11 who may be in positions that place them in close
12 proximity to children in recreation or child care
13 programs and services;
- 14 (6) The county liquor commissions on applicants for liquor
15 licenses as provided by section 281-53.5;
- 16 (7) The county liquor commissions on employees and
17 prospective employees involved in liquor
18 administration, law enforcement, and liquor control
19 investigations;
- 20 (8) The department of human services on operators and
21 employees of child caring institutions, child placing



1 organizations, and resource family homes as provided
2 by section 346-17;

3 (9) The department of human services on prospective
4 adoptive parents as established under section
5 346-19.7;

6 (10) The department of human services or its designee on
7 applicants to operate child care facilities, household
8 members of the applicant, prospective employees of the
9 applicant, and new employees and household members of
10 the provider after registration or licensure as
11 provided by section 346-154, and persons subject to
12 section 346-152.5;

13 (11) The department of human services on persons exempt
14 pursuant to section 346-152 to be eligible to provide
15 child care and receive child care subsidies as
16 provided by section 346-152.5;

17 (12) The department of health on operators and employees of
18 home and community-based case management agencies and
19 operators and other adults, except for adults in care,
20 residing in community care foster family homes as
21 provided by section 321-15.2;



- 1 (13) The department of human services on staff members of
2 the Hawaii youth correctional facility as provided by
3 section 352-5.5;
- 4 (14) The department of human services on employees,
5 prospective employees, and volunteers of contracted
6 providers and subcontractors in positions that place
7 them in close proximity to youth when providing
8 services on behalf of the office or the Hawaii youth
9 correctional facility as provided by section 352D-4.3;
- 10 (15) The judiciary on employees and applicants at detention
11 and shelter facilities as provided by section 571-34;
- 12 (16) The department of corrections and rehabilitation on
13 employees and prospective employees who are directly
14 involved with the treatment and care of persons
15 committed to a correctional facility as provided by
16 section 353-1.5 and the department of law enforcement
17 on employees and prospective employees whose duties
18 involve or may involve the exercise of police powers
19 including the power of arrest as provided by section
20 353C-5;



- 1 (17) The board of private detectives and guards on
2 applicants for private detective or private guard
3 licensure as provided by section 463-9;
- 4 (18) Private schools and designated organizations on
5 employees and prospective employees who may be in
6 positions that necessitate close proximity to
7 children; provided that private schools and designated
8 organizations receive only indications of the states
9 from which the national criminal history record
10 information was provided pursuant to section 302C-1;
- 11 (19) The public library system on employees and prospective
12 employees whose positions place them in close
13 proximity to children as provided by section
14 302A-601.5;
- 15 (20) The State or any of its branches, political
16 subdivisions, or agencies on applicants and employees
17 holding a position that has the same type of contact
18 with children, vulnerable adults, or persons committed
19 to a correctional facility as other public employees
20 who hold positions that are authorized by law to



1 require criminal history record checks as a condition
2 of employment as provided by section 78-2.7;

3 (21) The department of health on licensed adult day care
4 center operators, employees, new employees,
5 subcontracted service providers and their employees,
6 and adult volunteers as provided by section 321-15.2;

7 (22) The department of human services on purchase of
8 service contracted and subcontracted service providers
9 and their employees and volunteers, as provided by
10 sections 346-2.5 and 346-97;

11 (23) The department of human services on foster grandparent
12 program, senior companion program, and respite
13 companion program participants as provided by section
14 346-97;

15 (24) The department of human services on contracted and
16 subcontracted service providers and their current and
17 prospective employees that provide home and community-
18 based services under section 1915(c) of the Social
19 Security Act, title 42 United States Code section
20 1396n(c), or under any other applicable section or
21 sections of the Social Security Act for the purposes



1 of providing home and community-based services, as
2 provided by section 346-97;

3 (25) The department of commerce and consumer affairs on
4 proposed directors and executive officers of a bank,
5 savings bank, savings and loan association, trust
6 company, and depository financial services loan
7 company as provided by section 412:3-201;

8 (26) The department of commerce and consumer affairs on
9 proposed directors and executive officers of a
10 nondepository financial services loan company as
11 provided by section 412:3-301;

12 (27) The department of commerce and consumer affairs on the
13 original chartering applicants and proposed executive
14 officers of a credit union as provided by section
15 412:10-103;

16 (28) The department of commerce and consumer affairs on:
17 (A) Each principal of every non-corporate applicant
18 for a money transmitter license;
19 (B) Each person who upon approval of an application
20 by a corporate applicant for a money transmitter
21 license will be a principal of the licensee; and



1 (C) Each person who upon approval of an application
2 requesting approval of a proposed change in
3 control of licensee will be a principal of the
4 licensee,

5 as provided by sections 489D-9 and 489D-15;

6 (29) The department of commerce and consumer affairs on
7 applicants for licensure and persons licensed under
8 title 24;

9 (30) The Hawaii health systems corporation on:

10 (A) Employees;

11 (B) Applicants seeking employment;

12 (C) Current or prospective members of the corporation
13 board or regional system board; or

14 (D) Current or prospective volunteers, providers, or
15 contractors,

16 in any of the corporation's health facilities as
17 provided by section 323F-5.5;

18 (31) The department of commerce and consumer affairs on:

19 (A) An applicant for a mortgage loan originator
20 license, or license renewal; and



- 1 (B) Each control person, executive officer, director,
2 general partner, and managing member of an
3 applicant for a mortgage loan originator company
4 license or license renewal,
5 as provided by chapter 454F;
- 6 (32) The state public charter school commission or public
7 charter schools on employees, teacher trainees,
8 prospective employees, and prospective teacher
9 trainees in any public charter school for any position
10 that places them in close proximity to children, as
11 provided in section 302D-33;
- 12 (33) The counties on prospective employees who work with
13 children, vulnerable adults, or senior citizens in
14 community-based programs;
- 15 (34) The counties on prospective employees for fire
16 department positions that involve contact with
17 children or vulnerable adults;
- 18 (35) The counties on prospective employees for emergency
19 medical services positions that involve contact with
20 children or vulnerable adults;



- 1 (36) The counties on prospective employees for emergency
2 management positions and community volunteers whose
3 responsibilities involve planning and executing
4 homeland security measures including viewing,
5 handling, and engaging in law enforcement or
6 classified meetings and assisting vulnerable citizens
7 during emergencies or crises;
- 8 (37) The State and counties on employees, prospective
9 employees, volunteers, and contractors whose position
10 responsibilities require unescorted access to secured
11 areas and equipment related to a traffic management
12 center;
- 13 (38) The State and counties on employees and prospective
14 employees whose positions involve the handling or use
15 of firearms for other than law enforcement purposes;
- 16 (39) The State and counties on current and prospective
17 systems analysts and others involved in an agency's
18 information technology operation whose position
19 responsibilities provide them with access to
20 proprietary, confidential, or sensitive information;
- 21 (40) The department of commerce and consumer affairs on:



- 1 (A) Applicants for real estate appraiser licensure or
- 2 certification as provided by chapter 466K;
- 3 (B) Each person who owns more than ten per cent of an
- 4 appraisal management company who is applying for
- 5 registration as an appraisal management company,
- 6 as provided by section 466L-7; and
- 7 (C) Each of the controlling persons of an applicant
- 8 for registration as an appraisal management
- 9 company, as provided by section 466L-7;
- 10 (41) The [~~department of health~~] Hawaii hemp and cannabis
- 11 authority or its designee on all license and permit
- 12 applicants, [~~licensees,~~] current or prospective
- 13 employees[~~,~~] and contractors[~~,~~ and prospective
- 14 employees of medical cannabis dispensaries, and
- 15 individuals permitted to enter and remain in medical
- 16 cannabis dispensary facilities as provided under
- 17 sections ~~329D-15(a)(4) and 329D-16(a)(3);~~] of licensed
- 18 businesses, and current and prospective laboratory
- 19 agents of independent laboratories, as provided by
- 20 section A-74; current or prospective members of the
- 21 hemp and cannabis control board, as provided by



section A-12; and current or prospective employees,
contractors, and subcontractors of the Hawaii hemp and
cannabis authority, as provided by section A-28;

(42) The department of commerce and consumer affairs on
applicants for nurse licensure or license renewal,
reactivation, or restoration as provided by sections
457-7, 457-8, 457-8.5, and 457-9;

(43) The county police departments on applicants for
permits to acquire firearms pursuant to section 134-2,
on individuals registering their firearms pursuant to
section 134-3, and on applicants for new or renewed
licenses to carry a pistol or revolver and ammunition
pursuant to section 134-9;

(44) The department of commerce and consumer affairs on:
(A) Each of the controlling persons of the applicant
for licensure as an escrow depository, and each
of the officers, directors, and principals who
will be in charge of the escrow depository's
activities upon licensure; and

(B) Each of the controlling persons of an applicant
for proposed change in control of an escrow



1 depository licensee, and each of the officers,
2 directors, and principals who will be in charge
3 of the licensee's activities upon approval of the
4 application,

5 as provided by chapter 449;

6 (45) The department of taxation on current or prospective
7 employees or contractors who have access to federal
8 tax information [~~in order~~] to comply with requirements
9 of federal law, regulation, or procedure, as provided
10 by section 231-1.6;

11 (46) The department of labor and industrial relations on
12 current or prospective employees or contractors who
13 have access to federal tax information [~~in order~~] to
14 comply with requirements of federal law, regulation,
15 or procedure, as provided by section 383-110;

16 (47) The department of human services on current or
17 prospective employees or contractors who have access
18 to federal tax information [~~in order~~] to comply with
19 requirements of federal law, regulation, or procedure,
20 and on current or prospective employees, volunteers,
21 contractors, or contractors' employees or volunteers,



1 subcontractors, or subcontractors' employees or
2 volunteers, whose position places or would place them
3 in close proximity to minors, young adults, or
4 vulnerable adults, as provided by section 346-2.5;

5 (48) The child support enforcement agency on current or
6 prospective employees, or contractors who have access
7 to federal tax information [~~in order~~] to comply with
8 federal law, regulation, or procedure, as provided by
9 section 576D-11.5;

10 (49) The department of the attorney general on current or
11 prospective employees or employees or agents of
12 contractors who have access to federal tax information
13 to comply with requirements of federal law,
14 regulation, or procedure, as provided by section
15 28-17;

16 (50) The department of commerce and consumer affairs on
17 each control person, executive officer, director,
18 general partner, and managing member of an installment
19 loan licensee, or an applicant for an installment loan
20 license, as provided in chapter 480J;



1 (51) The University of Hawaii on current and prospective
2 employees and contractors whose duties include
3 ensuring the security of campus facilities and
4 persons; and

5 (52) Any other organization, entity, or the State, its
6 branches, political subdivisions, or agencies as may
7 be authorized by state law."

8 SECTION 45. Act 14, Session Laws of Hawaii 2020, as
9 amended by section 2 of Act 137, Session Laws of Hawaii 2022, as
10 amended by section 15 of Act 263, Session Laws of Hawaii 2023,
11 is amended by amending section 9 to read as follows:

12 "SECTION 9. This Act shall take effect upon its approval,
13 and shall be repealed on July 1, [~~2027~~] 2024; provided that the
14 definition of "marijuana" in section 329-1, Hawaii Revised
15 Statutes, and the definitions of "marijuana" and "marijuana
16 concentrate" in section 712-1240, Hawaii Revised Statutes, shall
17 be reenacted in the form in which they read on the day prior to
18 the effective date of this Act."

19 SECTION 46. Act 263, Session Laws of Hawaii 2023, is
20 amended by amending section 19 to read as follows:



1 licenses, three medical cannabis dispensary licenses, and three
2 retail cannabis store licenses, but not to exceed nine licenses
3 in total, in accordance with chapter A, Hawaii Revised Statutes,
4 and rules adopted thereunder.

5 (b) To convert an existing medical cannabis dispensary
6 license into a license or licenses under chapter A, Hawaii
7 Revised Statutes, before the expiration of the existing license,
8 but no later than October 1, 2025, the existing medical cannabis
9 dispensary shall apply to the Hawaii hemp and cannabis
10 authority, on forms prescribed by the authority, and shall
11 establish to the authority's satisfaction:

12 (1) The existing medical cannabis dispensary's existing
13 ownership structure;

14 (2) All persons with a direct or indirect interest in the
15 existing medical cannabis dispensary;

16 (3) The existing medical cannabis dispensary is currently
17 in full compliance with the terms and conditions under
18 which the license was issued;

19 (4) The existing medical cannabis dispensary meets the
20 application criteria required by chapter A, Hawaii
21 Revised Statutes, and rules adopted thereunder;



1 (5) The existing medical cannabis dispensary is in
2 compliance with any other requirements of chapter A,
3 Hawaii Revised Statutes, including the ownership
4 restrictions; and

5 (6) The existing medical cannabis dispensary is capable of
6 sustaining the product supply and access for the
7 registered qualifying patients they serve.

8 (c) An existing medical cannabis dispensary shall pay a
9 one-time conversion fee of \$50,000 per retail dispensing
10 location being converted and \$25,000 per production facility
11 being converted. The one-time conversion fee may be paid in
12 separate installments; provided that the conversion fee shall be
13 paid in full on or before January 1, 2026. If the conversion
14 fee is not paid by January 1, 2026, any license held by the
15 licensee shall be subject to revocation in accordance with
16 chapter A, Hawaii Revised Statutes, and rules adopted
17 thereunder.

18 (d) The Hawaii hemp and cannabis authority shall audit the
19 existing medical cannabis dispensary ownership to ensure
20 compliance with the ownership restrictions in chapter A, Hawaii
21 Revised Statutes.



1 (e) Upon full or partial payment of the conversion fee,
2 and a complete and valid conversion application, the Hawaii hemp
3 and cannabis authority shall issue licenses under chapter A,
4 Hawaii Revised Statutes, for the premises and operations of the
5 existing medical cannabis dispensary that have been approved for
6 conversion by the authority. The converted licenses shall be
7 issued no later than January 1, 2025.

8 SECTION 51. All functions of the department of health
9 office of medical cannabis control and regulation shall be
10 transferred to the Hawaii hemp and cannabis authority.

11 All employees who occupy civil service positions and whose
12 functions are transferred by this Act shall retain their civil
13 service status, whether permanent or temporary. Employees shall
14 be transferred without loss of salary, seniority (except as
15 prescribed by collective bargaining agreements), retention
16 points, prior service credit, any vacation and sick leave
17 credits previously earned, and other rights, benefits, and
18 privileges, in accordance with state personnel laws and this
19 Act; provided that the employees possess the minimum
20 qualifications and public employment requirements for the class
21 or position to which transferred or appointed, as applicable;



1 provided further that subsequent changes in status may be made
2 pursuant to applicable civil service and compensation laws.

3 Any employee who, before this Act, is exempt from civil
4 service and is transferred as a consequence of this Act may
5 continue to retain the employee's exempt status but shall not be
6 appointed to a civil service position because of this Act. An
7 exempt employee who is transferred by this Act shall not suffer
8 any loss of prior service credit, any vacation and sick leave
9 credits previously earned, or other employee benefits or
10 privileges as a consequence of this Act; provided that the
11 employee possesses legal and public employment requirements for
12 the position to which transferred or appointed, as applicable;
13 provided further that subsequent changes in status may be made
14 pursuant to applicable employment and compensation laws. The
15 Hawaii hemp and cannabis authority to which the employee is
16 transferred may prescribe the duties and qualifications of the
17 employees and fix their salaries without regard to chapter 76,
18 Hawaii Revised Statutes.

19 SECTION 52. All leases, contracts, loans, agreements,
20 permits, or other documents executed or entered into by or on
21 behalf of the department of health or department of agriculture



1 pursuant to the provisions of the Hawaii Revised Statutes that
2 are reenacted or made applicable to the Hawaii hemp and cannabis
3 authority by this Act shall remain in full force and effect. On
4 the effective date of this Act, every reference to the
5 department of health, director of health, department of
6 agriculture, or chairperson of the board of agriculture in those
7 leases, contracts, loans, agreements, permits, or other
8 documents shall be construed as a reference to the Hawaii hemp
9 and cannabis authority or executive director of the Hawaii hemp
10 and cannabis authority, as appropriate.

11 SECTION 53. All appropriations, records, equipment,
12 machines, files, supplies, contracts, books, papers, documents,
13 maps, and other personal property heretofore made, used,
14 acquired, or held by the department of health or department of
15 agriculture relating to the functions transferred to the Hawaii
16 hemp and cannabis authority shall be transferred with the
17 functions to which they relate.

18 SECTION 54. All rules, policies, procedures, guidelines,
19 and other material adopted or developed by the department of
20 health or department of agriculture to implement provisions of
21 the Hawaii Revised Statutes that are reenacted or made



1 applicable to the hemp and cannabis control board, Hawaii hemp
2 and cannabis authority, or executive director of the Hawaii hemp
3 and cannabis authority by this Act, as appropriate, shall remain
4 in full force and effect until amended or repealed by the hemp
5 and cannabis control board. In the interim, every reference to
6 the department of health, director of health, department of
7 agriculture, or chairperson of the board of agriculture in those
8 rules, policies, procedures, guidelines, and other material is
9 amended to refer to the hemp and cannabis control board, Hawaii
10 hemp and cannabis authority, or executive director of the Hawaii
11 hemp and cannabis authority, as appropriate.

12 SECTION 55. The right of appeal from administrative
13 actions or determinations as provided by law shall not be
14 impaired by this Act. Except as otherwise provided by this Act,
15 whenever a right of appeal from administrative actions or
16 determinations is provided by law to or from any officer, board,
17 department, bureau, commission, administrative agency, or
18 instrumentality of the State, or any of the programs of which,
19 that is transferred by this Act to the hemp and cannabis control
20 board, Hawaii hemp and cannabis authority, or executive director
21 of the Hawaii hemp and cannabis authority, as the case may be,



1 the right of appeal shall lie to or from the hemp and cannabis
2 control board, Hawaii hemp and cannabis authority, or executive
3 director of the Hawaii hemp and cannabis authority, as the case
4 may be, when the transfer is made. The right of appeal shall
5 exist to the same extent and in accordance with the applicable
6 procedures that are in effect immediately before the effective
7 date of the applicable part.

8 If the provisions of the preceding paragraph relating to
9 appeals cannot be effected by reason of abolishment, splitting,
10 or shifting of functions or otherwise, the right of appeal shall
11 lie to the circuit court of the State pursuant to the Hawaii
12 rules of civil procedure.

13 SECTION 56. Notwithstanding any other provision of law to
14 the contrary, from the effective date of this Act to
15 December 31, 2027, the Hawaii hemp and cannabis authority shall
16 be exempt from procurement requirements under chapter 103D,
17 Hawaii Revised Statutes, if the procurement is for:

18 (1) Banking services for the Hawaii hemp and cannabis
19 authority or department of taxation, or both, to
20 collect fees and tax revenue;



- 1 (2) Banking services to help support cannabis businesses
2 to transition from an all-cash system;
- 3 (3) A consultant to support the Hawaii hemp and cannabis
4 authority in the process for cannabis licensure,
5 including services related to investigations and the
6 financial or criminal history review of applicants or
7 licensed businesses;
- 8 (4) A consultant to support the Hawaii hemp and cannabis
9 authority to draft rules to implement this chapter;
- 10 (5) A consultant to provide technical assistance regarding
11 the social equity program;
- 12 (6) Communication services for public and consumer
13 education campaigns on cannabis laws and rules and
14 potential health and safety risks associated with
15 cannabis use;
- 16 (7) Establishing a state cannabis testing facility; and
- 17 (8) A consultant to support the Hawaii hemp and cannabis
18 authority in administering grant programs.

19 SECTION 57. The following positions are established within
20 the Hawaii hemp and cannabis authority:

- 21 (1) Executive director;



- 1 (2) Executive secretary to the executive director;
- 2 (3) Chief financial officer;
- 3 (4) Chief equity officer;
- 4 (5) General counsel;
- 5 (6) Chief public health and environmental officer;
- 6 (7) Chief technology officer;
- 7 (8) Chief compliance officer; and
- 8 (9) Hemp coordinator.

9 SECTION 58. There is appropriated out of the general
 10 revenues of the State of Hawaii the sum of \$ or so
 11 much thereof as may be necessary for fiscal year 2024-2025 to be
 12 deposited into the cannabis regulation, nuisance abatement, and
 13 law enforcement special fund.

14 SECTION 59. There is appropriated out of the cannabis
 15 regulation, nuisance abatement, and law enforcement special fund
 16 the sum of \$ or so much thereof as may be necessary
 17 for fiscal year 2024-2025 for the hiring and filling of
 18 the full-time equivalent (FTE) positions established
 19 by this Act and full-time equivalent (FTE) positions
 20 within the Hawaii hemp and cannabis authority established by
 21 this Act, the administration and enforcement of the Hawaii



1 cannabis law by the Hawaii hemp and cannabis authority, and
2 other associated administrative costs.

3 The sum appropriated shall be expended by the Hawaii hemp
4 and cannabis authority for the purposes of this Act.

5 SECTION 60. The following positions are established within
6 the department of taxation to implement part III of this Act:

7 (1) full-time equivalent (FTE) auditor
8 positions;

9 (2) full-time equivalent (FTE) cashier
10 position;

11 (3) full-time equivalent (FTE) special
12 enforcement section investigator positions;

13 (4) full-time equivalent (FTE) tax information
14 technician positions; and

15 (5) full-time equivalent (FTE) tax law change
16 specialist positions.

17 In filling these positions, the director of taxation may
18 appoint tax law change specialists who shall be exempt from
19 chapter 76, Hawaii Revised Statutes.

20 SECTION 61. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2024-2025 for
 2 the department of taxation to implement part III of this Act,
 3 including the hiring and filling of the full-time
 4 equivalent (FTE) positions within the department of
 5 taxation established by this Act, costs for project management
 6 services, costs for building and security improvements, and
 7 other associated administrative costs.

8 The sum appropriated shall be expended by the department of
 9 taxation for the purposes of this Act.

10 SECTION 62. The following positions are established within
 11 the department of the attorney general for the drug nuisance
 12 abatement unit pursuant to section 28-131, Hawaii Revised
 13 Statutes, to carry out part II of this Act:

- 14 (1) full-time equivalent (FTE) supervising
 15 deputy attorney general position;
- 16 (2) full-time equivalent (FTE) deputy attorney
 17 general position;
- 18 (3) full-time equivalent (FTE) administrative
 19 assistant position;
- 20 (4) full-time equivalent (FTE) supervisory
 21 special agent (investigator VI) position; and



1 (5) full-time equivalent (FTE) special agent
2 (investigator V) positions.

3 In filling these positions, the director of taxation may
4 appoint tax law change specialists that shall be exempt from
5 chapter 76.

6 SECTION 63. There is appropriated out of the cannabis
7 regulation, nuisance abatement, and law enforcement special fund
8 the sum of \$ or so much thereof as may be necessary
9 for fiscal year 2024-2025 for the department of the attorney
10 general to implement part II of this Act, including the hiring
11 and filling of the full-time equivalent (FTE)
12 positions within the department of the attorney general
13 established by this Act, equipment costs, and other associated
14 administrative costs.

15 The sum appropriated shall be expended by the department of
16 the attorney general for the purposes of this Act.

17 SECTION 64. The following positions are established within
18 the department of law enforcement for the cannabis enforcement
19 unit pursuant to part II of this Act:

20 (1) full-time equivalent (FTE) permanent
21 supervisory positions;



1 (2) full-time equivalent (FTE) permanent
2 investigator or detective positions; and

3 (3) full-time equivalent (FTE) permanent
4 administrative support positions.

5 SECTION 65. There is appropriated out of the cannabis
6 regulation, nuisance abatement, and law enforcement special fund
7 the sum of \$ or so much thereof as may be necessary
8 for fiscal year 2024-2025 for the department of law enforcement
9 to implement part II of this Act, including the hiring and
10 filling of the full-time equivalent (FTE) positions
11 within the department of law enforcement established by this
12 Act, and other associated administrative costs.

13 The sum appropriated shall be expended by the department of
14 law enforcement for the purposes of this Act.

15 SECTION 66. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$ or so
17 much thereof as may be necessary for fiscal year 2024-2025 to be
18 deposited into the cannabis social equity, public health and
19 education, and public safety special fund.

20 SECTION 67. There is appropriated out of the cannabis
21 social equity, public health and education, and public safety



1 special fund the sum of \$ or so much thereof as may be
2 necessary for fiscal year 2024-2025 for the implementation and
3 administration of the social equity program established by this
4 Act.

5 The sum appropriated shall be expended by the Hawaii hemp
6 and cannabis authority for the purposes of this Act.

7 SECTION 68. There is appropriated out of the cannabis
8 social equity, public health and education, and public safety
9 special fund the sum of \$ or so much thereof as may be
10 necessary for fiscal year 2024-2025 for the implementation and
11 administration of the public health and education grant program.

12 The sum appropriated shall be expended by the Hawaii hemp
13 and cannabis authority for the purposes of this Act.

14 SECTION 69. There is appropriated out of the cannabis
15 social equity, public health and education, and public safety
16 special fund the sum of \$ or so much thereof as may be
17 necessary for fiscal year 2024-2025 for the implementation and
18 administration of the public safety grant program.

19 The sum appropriated shall be expended by the Hawaii hemp
20 and cannabis authority for the purposes of this Act.



1 SECTION 70. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$ or so
 3 much thereof as may be necessary for fiscal year 2024-2025 for
 4 the purposes of establishing a state cannabis testing facility
 5 within the Hawaii hemp and cannabis authority.

6 The sum appropriated shall be expended by the Hawaii hemp
 7 and cannabis authority for the purposes of this Act.

8 SECTION 71. The appropriations made by this Act shall not
 9 lapse at the end of the fiscal biennium for which the
 10 appropriations are made; provided that all moneys from the
 11 appropriations unencumbered as of June 30, 2026, shall lapse as
 12 of that date.

13 SECTION 72. Any unexpended or unencumbered balance in the:

- 14 (1) Industrial hemp special fund, established by section
 15 141-14, Hawaii Revised Statutes;
- 16 (2) Medical cannabis registry and regulation special fund,
 17 established by section 321-30.1, Hawaii Revised
 18 Statutes; and
- 19 (3) Hawaii hemp processing special fund, established by
 20 section 328G-7, Hawaii Revised Statutes,



1 shall be transferred as of the close of business on the
 2 effective date of this Act as follows: one half to the cannabis
 3 regulation, nuisance abatement, and law enforcement special
 4 fund, established by section A-18, Hawaii Revised Statutes; and
 5 one half to the cannabis social equity, public health and
 6 education, and public safety special fund, established by
 7 section A-19, Hawaii Revised Statutes.

8 SECTION 73. In accordance with section 9 of article VII of
 9 the Hawaii State Constitution and sections 37-91 and 37-93,
 10 Hawaii Revised Statutes, the legislature has determined that the
 11 appropriations contained in H.B. No. , will cause the state
 12 general fund expenditure ceiling for fiscal year 2024-2025 to be
 13 exceeded by \$ or per cent. In addition, the
 14 appropriation contained in this Act will cause the general fund
 15 expenditure ceiling for fiscal year 2024-2025 to be further
 16 exceeded by \$ or per cent. The combined total
 17 amount of general fund appropriations contained in only these
 18 two Acts will cause the state general fund expenditure ceiling
 19 for fiscal year 2024-2025 to be exceeded by
 20 \$ or per cent. The reasons for exceeding the
 21 general fund expenditure ceiling are that:



1 (1) The appropriation made in this Act is necessary to
2 serve the public interest; and

3 (2) The appropriation made in this Act meets the needs
4 addressed by this Act.

5 SECTION 74. This Act shall not be applied to impair any
6 contract existing as of the effective date of this Act in a
7 manner violative of either the Hawaii State Constitution or
8 Article I, section 10, of the United States Constitution.

9 SECTION 75. This Act shall not affect rights and duties
10 that matured, penalties and forfeitures that were incurred, and
11 proceedings that were begun before its effective date.

12 SECTION 76. If any provision of this Act or the
13 application thereof to any person or circumstance is held
14 invalid, the invalidity does not affect other provisions or
15 applications of the Act that can be given effect without the
16 invalid provision or application, and to this end the provisions
17 of this Act are severable.

18 SECTION 77. If any part of this Act is found to be in
19 conflict with federal requirements that are a prescribed
20 condition for the allocation of federal funds to the State, the
21 conflicting part of this Act is inoperative solely to the extent



1 of the conflict and with respect to the agencies directly
2 affected, and this finding does not affect the operation of the
3 remainder of this Act in its application to the agencies
4 concerned. The rules under this Act shall meet federal
5 requirements that are a necessary condition to the receipt of
6 federal funds by the State.

7 SECTION 78. In codifying the new sections added by
8 sections 2, 4, and 7 of the Act, the revisor of statutes shall
9 substitute appropriate section numbers for the letters used in
10 designating the new sections in this Act.

11 SECTION 79. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 80. This Act shall take effect on December 31,
14 2050; provided that:

15 (1) Sections A-51 through A-54, Hawaii Revised Statutes,
16 of section 2 of this Act and part III of this Act
17 shall take effect on January 1, 2026;

18 (2) Amendments made to section 291E-61, Hawaii Revised
19 Statutes, by section 16 of this Act and section 291E-
20 61.5, Hawaii Revised Statutes, by section 17 of this
21 Act shall not be repealed when those sections are



1 reenacted on June 30, 2028, pursuant to section 11 of
2 Act 196, Session Laws of Hawaii 2021, as amended by
3 section 8 of Act 148, Session Laws of Hawaii 2023.



Report Title:

DCCA; DOH; DOA; Department of Taxation; Hawaii Hemp and Cannabis Authority; Hemp and Cannabis Control Board; Hemp and Cannabis Control Implementation Advisory Committee; Adult-Use Cannabis; Medical Cannabis; Hemp; Expenditure Ceiling; Appropriations

Description:

Establishes the Hawaii Hemp and Cannabis Authority and Hemp and Cannabis Control Board within the Department of Commerce and Consumer Affairs to regulate all aspects of the cannabis plant. Establishes the Hemp and Cannabis Control Implementation Advisory Committee. Beginning January 1, 2026, legalizes the personal adult use of cannabis. Establishes taxes for adult-use cannabis and medical use cannabis sales. Transfers the personnel and assets of the Department of Health and assets of the Department of Agriculture relating to cannabis to the Hawaii Hemp and Cannabis Authority. Declares that the general fund expenditure ceiling is exceeded. Makes appropriations. Takes effect 12/31/2050. (SD2)

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

