

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 962

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Health and Human Services and Commerce and Consumer Protection, to which was referred S.B. No. 962 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Amend the dispensary program licensing fee structure;
- (2) Add or clarify requirements for signage, manufactured cannabis products, packaging, escort, and background checks regarding the medical cannabis dispensary program;
- (3) Establish annual reporting requirements to increase public transparency regarding the medical cannabis registry program; and
- (4) Make various housekeeping amendments to chapter 329D, Hawaii Revised Statutes, regulating medical cannabis dispensaries.

Your Committees received testimony in support of this measure from Aloha Green Holdings Inc.; TCG Retro Market 1, LLC dba Cure Oahu; Aloha Medical Consultants, LLC dba Akamai Cannabis Consulting; and one individual. Your Committees received comments



on this measure from the Department of Health and Department of the Attorney General.

Your Committees find that finds Act 241, Regular Session of 2015, established the State's medical cannabis dispensary law. Although the medical cannabis dispensary system has been successful, amendments to the State's medical use of cannabis law and medical cannabis dispensary program law are necessary to facilitate the administration of the laws, resolve issues that have arisen under existing law, and clarify legislative intent. This measure effectuates these necessary amendments.

Your Committees acknowledge the concerns raised by the Department of Health regarding whether the proposed dispensary program licensing fee structure will adequately maintain existing personnel and the operational cost of licensing, inspecting, and regulating the dispensary industry. Moreover, the existing fee structure that was implemented by the Legislature in 2022, and the correlating revisions to the administrative rules were completed just four months ago. Your Committees also acknowledge the testimony of the Department of the Attorney General raising concerns over the enforceability and vagueness of the packaging requirement and the standards pertaining to the Department of Health's rulemaking authority. Therefore, amendments to this measure are necessary to address these concerns.

Accordingly, amendments to this measure are necessary by:

- (1) Deleting sections 5, 7, and 12 of the measure, thereby retaining the existing dispensary program licensing fee structure, advertising and packaging requirements, and the Department of Health's rulemaking standards, respectively;
- (2) Amending section 1 to reflect its amended purpose;
- (3) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

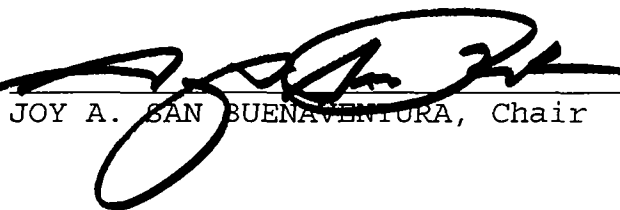


As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 962, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 962, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services and Commerce and
Consumer Protection,



JARRETT KEOHOKALOLE, Chair



JOY A. SAN BUENAVENTURA, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:*	Committee Referral:	Date:		
SB962	HHS/CPN, JDC/WAM	02/15/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
		<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
AQUINO, Henry J.C. (VC)	✓			
MORIWAKI, Sharon Y.				✓
SHIMABUKURO, Maile S.L.	✓			
AWA, Brenton	✓			
TOTAL	4			1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 962	Committee Referral: HHS/CPN, JDC/WAM	Date: 2/15/23
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended
2312

Pass, with amendments
2311

Hold
2310

Recommit
2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	5	0	0	0

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


Distribution: Original Yellow Pink Goldenrod
 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

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