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 access for
3	qualifying patients and primary caregivers to medical cannabis
4	and particularly licensed medical cannabis dispensaries remains
5	challenging due to limited access to medical providers, delays
6	in obtaining allowed access to enter and purchase medical
7	cannabis, and the availability of cannabis through a thriving
8	illicit market.
9	The legislature further finds that registration for the
10	medical cannabis program has decreased in the last few years.
11	While the number of registered medical cannabis patients reached
12	its peak in August 2021, with 35,444 card-holding patients,
13	since then, the number of patients has decreased over fifteen
14	per cent to 30,035 by November 2024. This appears to indicate
15	that residents are shifting away from licensed medical cannabis
16	dispensaries, and instead are obtaining their medical cannabis
17	from elsewhere due to administrative barriers, delays in

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- 1 registering, and the ease and lower costs in obtaining cannabis
- 2 elsewhere.
- 3 The legislature also finds that this apparent shift away
- 4 from licensed medical cannabis dispensaries toward the illicit
- 5 market undermines the purposes of the medical cannabis program
- 6 in ensuring patient safety, product safety, and public safety.
- 7 The legislature additionally finds that Act 34, Session
- 8 Laws of Hawaii 2021, amended existing law governing physicians
- 9 by eliminating the requirement for a physician-patient
- 10 relationship to be established by an initial in-person
- 11 consultation, and authorized the relationship to be established
- 12 via telehealth.
- The purpose of this part is to make various amendments to
- 14 the medical use of cannabis and medical cannabis dispensaries
- 15 laws by:
- 16 (1) Authorizing the department of health to inspect a
- qualifying patient's medical records that are held by
- 18 the physician, advanced practice registered nurse, or
- hospice provider who issued a written certification
- for the qualifying patient;

1	(2)	Amending definitions of "qualifying patient" and
2		"written certification" and adding a definition of
3		"primary treating medical provider";
4	(3)	Clarifying the conditions of use for the medical use
5		of cannabis;
6	(4)	Authorizing the establishment of a provider-patient
7		relationship via telehealth for purposes of issuing
8		written certifications and limiting the maximum fee a
9		provider may assess for issuing a written
10		certification;
11	(5)	Authorizing the sale of hemp products and accessories
12		to the medical use of cannabis at retail dispensing
13		locations, except in the waiting room; and
14	(6)	Clarifying the transportation requirements for certain
15		types of dispensary-to-dispensary purchases of
16		cannabis or manufactured cannabis products.
17	SECT	ION 2. Chapter 329, Hawaii Revised Statutes, is
18	amended by	y adding a new section to part IX to be appropriately
19	designate	d and to read as follows:
20	" <u>§</u> 32	9- Qualifying patient medical records; inspection
21	and enfor	cement; authority. (a) The department may inspect a

- 1 qualifying patient's medical records held by the physician,
- 2 advanced practice registered nurse, or hospice provider who
- 3 issued a written certification for the qualifying patient.
- 4 (b) The department may suspend or revoke the ability to
- 5 issue a written certification for any physician, advanced
- 6 practice registered nurse, or hospice provider who refuses
- 7 inspection of a qualifying patient's medical records by the
- 8 department pursuant to this section.
- 9 (c) The department may suspend or revoke the ability to
- 10 issue a written certification for any physician, advanced
- 11 practice registered nurse, or hospice provider whose medical
- 12 records do not comply with the requirements of this chapter."
- SECTION 3. Section 329-121, Hawaii Revised Statutes, is
- 14 amended as follows:
- 1. By adding a new definition to be appropriate inserted
- 16 and to read:
- ""Primary treating medical provider" means a physician or
- 18 an advanced practice registered nurse located in, and with an
- 19 active unrestricted license to practice in, the State who,
- 20 within the physician's or advanced practice registered nurse's
- 21 scope of practice and individual competency, is primarily

1	responsib	ole for the treatment and ongoing care of the qualifying
2	patient a	nd has determined that the potential benefits of the
3	medical u	se of cannabis are likely to outweigh the associated
4	<u>health ri</u>	sks for the qualifying patient."
5	2.	By amending the definition of "qualifying patient" to
6	read:	
7	""Qu	alifying patient" means a person who [has]:
8	(1)	Has been diagnosed [by a physician or advanced
9		practice registered nurse] as having a debilitating
10		medical condition[-] by a physician or advanced
11		practice registered nurse who has certified in writing
12		that, in the physician's or advanced practice
13		registered nurse's professional opinion, the benefit
14		of the medical use of cannabis would likely outweigh
15		the health risks for the person;
16	(2)	Has been diagnosed as having a condition other than a
17		debilitating medical condition by the person's primary
18		treating medical provider who has certified in writing
19		that, in the primary treating medical provider's
20		professional opinion, the potential benefits of the

1	medical use of cannabis would likely outweigh the
2	health risks for the person; or
3	(3) Is receiving hospice care and the hospice provider
4	licensed in the State has certified in writing that
5	the person is receiving hospice care."
6	3. By amending the definition of "written certification"
7	to read:
8	""Written certification" means the qualifying patient's
9	medical records or a statement signed by a qualifying patient's
10	physician [or], advanced practice registered nurse, or hospice
11	provider, stating that in the physician's [or], advanced
12	practice registered nurse's, or hospice provider's professional
13	opinion, the qualifying patient has a [debilitating medical
14	condition and condition for which the potential benefits of
15	the medical use of cannabis would likely outweigh the health
16	risks for the qualifying patient. The department of health may
17	require, through its rulemaking authority, that all written
18	certifications comply with a designated form. "Written
19	certifications" are valid for one year from the time of signing
20	provided that the department of health may allow for the
21	validity of any written certification for three years if the

1	qualifyin	g patient's physician or advanced practice registered
2	nurse sta	tes that the patient's [debilitating medical] condition
3	is chroni	c in nature."
4	SECT	ION 4. Section 329-122, Hawaii Revised Statutes, is
5	amended by	y amending subsections (a) and (b) to read as follows:
6	"(a)	Notwithstanding any law to the contrary, the medical
7	use of car	nnabis by a qualifying patient eighteen years of age or
8	older sha	ll be permitted only if:
9	[(1)	The qualifying patient has been diagnosed by a
10		physician or advanced practice registered nurse as
11		having a debilitating medical condition;
12	(2)	The qualifying patient's physician or advanced
13		practice registered nurse has certified in writing
14		that, in the physician's or advanced practice
15		registered nurse's professional opinion, the potential
16		benefits of the medical-use of cannabis would likely
17		outweigh the health risks for the particular
18		qualifying patient; and
19	(3)]	(1) The physician, advanced practice registered
20		nurse, or hospice provider who has determined the
21		patient to be a qualifying patient has explained the

1		potential risks and benefits of the medical use of
2		cannabis to the qualifying patient and documented in
3		the qualifying patient's medical record that the
4		qualifying patient understands the potential risks and
5		benefits of the medical use of cannabis; and
6	(2)	The amount of cannabis possessed by the qualifying
7		patient does not exceed an adequate supply.
8	(b)	[Subsection (a) shall not apply to] Notwithstanding
9	any law t	o the contrary, the medical use of cannabis by a
10	qualifyin	g patient under the age of eighteen years[, unless:]
11	shall be	permitted only if:
12	(1)	The [qualifying patient's] physician [or], advanced
13		practice registered nurse, or hospice provider who has
14		determined the patient to be a qualifying patient has
15		explained the potential risks and benefits of the
16		medical use of cannabis to the qualifying patient and
17		to a parent, guardian, or person having legal custody
18		of the qualifying patient[$\dot{ au}$] and documented in the
19		qualifying patient's medical record that the
20		qualifying patient and the parent, guardian, or person
21		having legal custody of the qualifying patient

1		unde	istand the potential risks and benefits of the
2		medi	cal use of cannabis; and
3	(2)	A pa	rent, guardian, or person having legal custody
4		cons	ents in writing to:
5		(A)	Allow the qualifying patient's medical use of
6			cannabis;
7		(B)	Serve as the qualifying patient's primary
8			caregiver; and
9		(C)	Control the acquisition of the cannabis, the
10			dosage, and the frequency of the medical use of
11			cannabis by the qualifying patient."
12	SECT	ION 5	. Section 329-123, Hawaii Revised Statutes, is
13	amended b	y ame	nding subsection (a) to read as follows:
14	"(a)	Phy	sicians or advanced practice registered nurses who
15	issue wri	tten	certifications shall provide, in each written
16	certifica	tion,	the name, address, patient identification number,
17	and other	iden	tifying information of the qualifying patient. $\underline{\mathtt{A}}$
18	written c	ertif	ication issued pursuant to this subsection shall
19	originate	from	within the State. The department of health shall
20	require,	in ru	les adopted pursuant to chapter 91, that all
21	written c	ertif	ications comply with a designated form completed

- 1 by or on behalf of a qualifying patient. The form shall require
- 2 information from the applicant, primary caregiver, and physician
- 3 or advanced practice registered nurse as specifically required
- 4 or permitted by this chapter. The form shall require the
- 5 address of the location where the cannabis is grown and shall
- 6 appear on the registry card issued by the department of health.
- 7 The certifying physician or advanced practice registered nurse
- 8 shall be required to have a bona fide physician-patient
- 9 relationship or bona fide advanced practice registered nurse-
- 10 patient relationship, as applicable, with the qualifying
- 11 patient[-]; provided that nothing under this part shall require
- 12 that the bona fide physician-patient relationship or bona fide
- 13 advanced practice registered nurse-patient relationship be
- 14 established by conducting an initial in-person consultation.
- 15 Any fees assessed by a certifying physician or advanced practice
- 16 registered nurse to issue a written certification pursuant to
- 17 this subsection shall not exceed an amount equal to three times
- 18 the amount of the fee charged by the department of health to
- 19 issue a registration certificate pursuant to subsection (b).
- 20 All current active medical cannabis permits shall be honored
- 21 through their expiration date."

- 1 SECTION 6. Section 329-126, Hawaii Revised Statutes, is
- 2 amended by amending subsection (b) to read as follows:
- 3 "(b) For purposes of this section, a bona fide
- 4 physician-patient relationship may be established via
- 5 telehealth, as defined in section 453-1.3(j), and a bona fide
- 6 advanced practice registered nurse-patient relationship may be
- 7 established via telehealth, as defined in section 457-2;
- 8 provided that nothing under this part shall require that
- 9 treatment recommendations that include certifying a patient for
- 10 the medical use of cannabis via telehealth [shall] be allowed
- 11 only after an initial in-person consultation between the
- 12 certifying physician or advanced practice registered nurse and
- 13 the patient."
- 14 SECTION 7. Section 329D-1, Hawaii Revised Statutes, is
- 15 amended as follows:
- 1. By amending the definition of "retail dispensing
- 17 location" to read:
- ""Retail dispensing location" means an establishment owned,
- 19 operated, or subcontracted by a medical cannabis dispensary
- 20 where cannabis [and], manufactured cannabis products, hemp
- 21 products, and accessories to the medical use of cannabis,

- 1 including but not limited to rolling papers, rolling trays,
- 2 grinders, and vaporizers, are made available for retail sale to
- 3 a qualifying patient, primary caregiver, qualifying out-of-state
- 4 patient, or caregiver of a qualifying out-of-state patient."
- 5 2. By amending the definition of "waiting room" to read:
- 6 ""Waiting room" means a designated area at the public
- 7 entrance of a retail dispensing location that may be accessed by
- 8 a member of the general public who is waiting for, assisting, or
- 9 accompanying a qualifying patient, primary caregiver, qualifying
- 10 out-of-state patient, or caregiver of a qualifying out-of-state
- 11 patient who enters or remains on the premises of a retail
- 12 dispensing location for the purpose of a transaction conducted
- 13 pursuant to sections 329D-6 and 329D-13; provided that the
- 14 storage, display, and retail sale of cannabis [and],
- 15 manufactured cannabis products, hemp products, and accessories
- 16 to the medical use of cannabis, including but not limited to
- 17 rolling papers, rolling trays, grinders, and vaporizers, shall
- 18 be prohibited within the waiting room area."
- 19 SECTION 8. Section 329D-6, Hawaii Revised Statutes, is
- 20 amended by amending subsection (r) to read as follows:

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1	"(r) A dispensary may purchase cannabis and manufactured
2	cannabis products from another dispensary. The department shall
3	authorize a dispensary to purchase cannabis and manufactured
4	cannabis products from another dispensary in a manner prescribed
5	by the department by rules adopted pursuant to section 329D-27;
6	provided that:
7	(1) The selling dispensary may transport not more than
8	eight hundred ounces, or other amounts with prior
9	approval by the department, of cannabis or
10	manufactured cannabis products to the purchasing
11	dispensary within a thirty-day period; provided
12	further that cannabis and manufactured cannabis
13	products purchased pursuant to this section intended
14	<pre>for:</pre>
15	(A) Direct retail sale to qualifying patients shall
16	meet all applicable packaging, labeling, and
17	testing requirements at the time of transport to
18	the purchasing dispensary's production center or
19	one of its retail dispensing locations; and

(B) Further manufacturing by the purchasing

dispensary at the time of transportation shall be

1		transported to the purchasing dispensary's
2		production center;
3	(2)	The cannabis and manufactured cannabis products are
4		transported between the dispensaries for medical
5		sales, scientific use, or other legitimate purposes
6		approved by the State; [and]
7	<u>(3)</u>	The selling dispensary shall submit a transport
8		manifest of the cannabis or manufactured cannabis
9		products to be sold to the department before the sale
10		is made, after which the selling dispensary may
11		immediately proceed with the transfer of the cannabis
12		or manufactured cannabis products; and
13	[-(3)-]	(4) Nothing in this subsection shall relieve any
14		dispensary of its responsibilities and obligations
15		under this chapter and chapter 329."
16	SECT	ION 9. Section 453-1.3, Hawaii Revised Statutes, is
17	amended by	y amending subsection (c) to read as follows:
18	"(C)	Treatment recommendations made via telehealth,
19	including	issuing a prescription via electronic means, shall be
20	held to th	ne same standards of appropriate practice as those in
21	traditiona	al physician-patient settings that do not include

- 1 [+]an[+] in-person visit but in which prescribing is
- 2 appropriate, including on-call telephone encounters and
- 3 encounters for which a follow-up visit is arranged. Issuing a
- 4 prescription based solely on an online questionnaire is not
- 5 treatment for the purposes of this section and does not
- 6 constitute an acceptable standard of care. For the purposes of
- 7 prescribing opiates [or certifying a patient for the medical use
- 8 of cannabis], a physician-patient relationship shall only be
- 9 established after an in-person consultation between the
- 10 prescribing physician and the patient."
- 11 PART II
- 12 SECTION 10. The purpose of this part is to establish
- 13 criminal penalties for the unlicensed operation of a medical
- 14 cannabis dispensary.
- 15 SECTION 11. Chapter 329D, Hawaii Revised Statutes, is
- 16 amended by adding a new section to be appropriately designated
- 17 and to read as follows:
- 18 "§329D- Unlicensed operation of a dispensary; criminal
- 19 penalty. (a) No person shall intentionally, knowingly, or
- 20 recklessly operate a dispensary without a license issued by the
- 21 department pursuant to this chapter.

1	(b) No person shall intentionally, knowingly, or
2	recklessly operate any search platform, web hosting service,
3	social media platform, or other service that posts information
4	advertising the sale of cannabis or manufactured cannabis
5	products by a person or entity engaged in the production,
6	manufacture, or sale of cannabis and manufactured cannabis
7	products without a license issued by the department pursuant to
8	this chapter.
9	(c) The department shall issue a cease and desist notice
10	to any person who violates subsections (a) or (b); provided that
11	the department shall issue the cease and desist notice before
12	initiating any criminal proceedings.
13	(d) Any person who violates subsection (a) shall be guilty
14	of a class C felony. Any person who violates subsection (b)
15	shall be guilty of a misdemeanor.
16	(e) It shall be an affirmative defense to subsection (b)
17	that the person operating any search platform, web hosting
18	service, social media platform, or other service that posts
19	information advertising the sale of cannabis or manufactured
20	cannabis products had requested, examined, and reasonably relied
21	upon a license that appeared to have been issued by the

1	department that was shown to the person by the unlicensed person
2	or unlicensed entity engaged in the production, manufacture, or
3	sale of cannabis or manufactured cannabis products establishing
4	that the unlicensed person or unlicensed entity was licensed by
5	the department to engage in the production, manufacture, or sale
6	of cannabis or manufactured cannabis products pursuant to this
7	chapter. The failure of the person operating any search
8	platform, web hosting service, social media platform, or other
9	service that posts information advertising the sale of cannabis
10	and manufactured cannabis products to request and examine a
11	license issued by the department from the unlicensed person or
12	unlicensed entity engaged in the production, manufacture, or
13	sale of cannabis or manufactured cannabis products before
14	providing access to any search platform, web hosting service,
15	social media platform, or other service that posts information
16	advertising the sale of cannabis and manufactured cannabis
17	products shall be construed against the person operating the
18	search platform, web hosting service, social media platform, or
19	other service that posts information advertising the sale of
20	cannabis and manufactured cannabis products and form a
21	conclusive basis for the person's violation of this section.

1	<u>(I)</u>	This section shall not apply to:
2	(1)	Hemp processors or hemp product retailers with a valid
3		permit under chapter 328G; or
4	(2)	Primary caregivers registered under chapter 329 who
5		are acting within the scope of their registration."
6		PART III
7	SECT	ION 12. The purpose of this part is to:
8	(1)	Authorize expenditures from the medical cannabis
9		registry and regulation special fund to fund programs
10		for the mitigation and abatement of nuisances related
11		to illegal cannabis and hemp products or medical
12		cannabis dispensaries; and
13	(2)	Appropriate funds to the department of the attorney
14		general's drug nuisance abatement unit for these
15		purposes.
16	SECT	ION 13. Section 28-131, Hawaii Revised Statutes, is
17	amended b	y amending subsection (c) to read as follows:
18	"(C)	The purpose of the drug nuisance abatement unit shall
19	be to pro	vide for the effective enforcement and prosecution of
20	those vio	lations of the drug nuisance abatement laws under
21	chapter 7	12, part V but only for offenses related to drugs and

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- 1 intoxicating compounds as provided under chapter 712, part IV[-]
- 2 and violations of chapter 329D as provided under section
- 3 712-1270. The drug nuisance [+]abatement[+] unit may also
- 4 review and take appropriate action on drug nuisance complaints
- 5 of any citizen of the State, or drug nuisances that are
- 6 discovered by the unit in carrying out its activities."
- 7 SECTION 14. Section 321-30.1, Hawaii Revised Statutes, is
- 8 amended by amending subsection (a) to read as follows:
- 9 "(a) There is established within the state treasury the
- 10 medical cannabis registry and regulation special fund. The fund
- 11 shall be expended at the discretion of the director of health:
- 12 (1) To establish and regulate a system of medical cannabis
- dispensaries in the State;
- 14 (2) To offset the cost of the processing and issuance of
- patient registry identification certificates and
- primary caregiver registration certificates;
- 17 (3) To fund positions and operating costs authorized by
- 18 the legislature;
- 19 (4) To establish and manage a secure and confidential
- 20 database;

1	(5)	To fund public education as required by section						
2		329D-26;						
3	(6)	To fund substance abuse prevention and education						
4		programs; [and]						
5	<u>(7)</u>	To fund programs for the mitigation and abatement of						
6		nuisances relating to illegal cannabis and hemp						
7		products and chapter 329D; and						
8	[(7)]	(8) For any other expenditure necessary, consistent						
9		with this chapter and chapter 329D, to implement						
10		medical cannabis registry and regulation programs."						
11	SECTION 15. There is appropriated out of the medical							
12	cannabis	registry and regulation special fund the sum of						
13	\$750,000	or so much thereof as may be necessary for fiscal year						
14	2025-2026	and the same sum or so much thereof as may be						
15	necessary	for fiscal year 2026-2027 for the department of the						
16	attorney	general to enforce, and mitigate nuisances relating to						
17	illegal ca	annabis and hemp products and chapter 329D, Hawaii						
18	Revised St	tatutes, and to establish, recruit, and hire the						
19	following	positions:						
20	(1)	Four full-time equivalent (4.0 FTE) investigator V						
21		positions;						

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1	(2)	One	full-t	cime	equivalent	(1.0	FTE)	investigator	IV
2		posi	Ltion;	and					

- 3 (3) One full-time equivalent (1.0 FTE) analyst position.
- 4 The sums appropriated shall be expended by the attorney
- 5 general for the purposes of this part.
- 6 PART IV
- 7 SECTION 16. The purpose of this part is to prohibit the
- 8 cultivation of cannabis without a cannabis cultivator license
- 9 issued by the department of health.
- 10 SECTION 17. Chapter 329D, Hawaii Revised Statutes, is
- 11 amended by adding a new section to be appropriately designated
- 12 and to read as follows:
- "§329D- Cannabis cultivator; license required. (a)
- 14 Notwithstanding section 329D-24, it shall be unlawful for any
- 15 person to cultivate cannabis without a license issued by the
- department pursuant to this section.
- (b) A cannabis cultivator license shall authorize the
- 18 licensee to:
- 19 <u>(1) Acquire and cultivate cannabis plants, seeds,</u>
- 20 cuttings, or clones; and

- 1 (2) Distribute cannabis plants and cannabis flower to a 2 medical cannabis dispensary.
- The department shall issue no more than one cannabis 3 (C) 4
- 5 (d) A person issued a cannabis cultivator license under
- 6 this section shall meet all production facility and processing
- requirements of this chapter." 7
- 8 PART V

cultivator license for each person.

- 9 SECTION 18. This Act does not affect rights and duties
- 10 that matured, penalties that were incurred, and proceedings that
- 11 were begun before its effective date.
- 12 SECTION 19. Statutory material to be repealed is bracketed
- 13 and stricken. New statutory material is underscored.
- 14 SECTION 20. This Act shall take effect on July 1, 2025;
- 15 provided that part IV of this Act shall take effect on
- 16 January 1, 2028; provided further that the amendments made to
- 17 section 453-1.3(c), Hawaii Revised Statutes, by section 9 of
- 18 this Act shall not be repealed when that section is reenacted on
- 19 December 31, 2025, pursuant to section 8 of Act 107, Session
- 20 Laws of Hawaii 2023.

Report Title:

DOH; AG; Medical Cannabis; Medical Cannabis Dispensaries; Patient Records; Access; Provider-Patient Relationships; Inter-Dispensary Sales; Criminal Penalties; Nuisance Abatement and Mitigation; Medical Cannabis Registry and Regulation Special Fund; Cannabis Cultivator License; Appropriation

Description:

Part I: Authorizes DOH to inspect qualifying patient medical records held by the physician, advanced practice registered nurse, or hospice provider who issued a written certification for the qualifying patient. Amends and adds definitions for purposes of the medical use of cannabis law. Clarifies the conditions of use for the medical use of cannabis. For purposes of issuing written certifications, authorizes the establishment of a provider-patient relationship via telehealth and limits the maximum amount of fees that can be assessed by providers. Authorizes the sale of hemp products and accessories for the medical use of cannabis at retail dispensing locations, except in waiting rooms. Clarifies transportation requirements for certain inter-dispensary sales of cannabis and manufactured cannabis products. Part II: Establishes criminal penalties for the unlicensed operation of a medical cannabis dispensary. III: Authorizes expenditures from the Medical Cannabis Registry and Regulation Special Fund to fund programs for the mitigation and abatement of nuisances related to illegal cannabis and hemp products and medical cannabis dispensaries and appropriates funds from the Special Fund to the AG's Drug Nuisance Abatement Unit for these purposes, including establishing positions. Beginning 1/1/2028, prohibits the cultivation of cannabis without a cannabis cultivator license issued by DOH. (CD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.