A BILL FOR AN ACT

RELATING TO CANNABIS.

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

| 1 | PART I |
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| 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 |

- 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.
- Accordingly, the purpose of this part is to expand access
- 14 to care by easing some of the requirements under the Uniform
- 15 Controlled Substances Act and law governing the State's medical
- 16 cannabis dispensary system.
- 17 SECTION 2. Section 329-121, Hawaii Revised Statutes, is
- 18 amended by amending the definition of "debilitating medical
- 19 condition" to read as follows:
- ""Debilitating medical condition" means[*

| 1 | (1) | Cancer, glaucoma, lupus, epilepsy, multiple sclerosis, |
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| 2 | | rheumatoid arthritis, positive status for human |
| 3 | | immunodeficiency virus, acquired immune deficiency |
| 4 | | syndrome, or the treatment of these conditions; |
| 5 | (2) | A chronic or debilitating disease or medical condition |
| 6 | | or its treatment that produces one or more of the |
| 7 | | following: |
| 8 | | (A) Cachexia or wasting syndrome; |
| 9 | | (B) Severe pain; |
| 10 | | (C) Severe nausea; |
| 11 | | (D) Seizures, including those characteristic of |
| 12 | | epilepsy; |
| 13 | | (E) Severe and persistent muscle spasms, including |
| 14 | | those characteristic of multiple sclerosis or |
| 15 | | Crohn's disease; or |
| 16 | | (F) Post-traumatic stress disorder; or |
| 17 | (3) | Any other medical condition approved by the department |
| 18 | | of health pursuant to administrative rules in response |
| 19 | | to a request from a physician or advanced practice |
| 20 | | registered nurse or potentially qualifying patient. |

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

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1 SECTION 4. Section 329-123, Hawaii Revised Statutes, is 2 amended by amending subsection (a) to read as follows: 3 Physicians or advanced practice registered nurses who 4 issue written certifications shall provide, in each written 5 certification, the name, address, patient identification number, 6 and other identifying information of the qualifying patient. 7 The department of health shall require, in rules adopted 8 pursuant to chapter 91, that all written certifications comply 9 with a designated form completed by or on behalf of a qualifying 10 patient. The form shall require information from the applicant, 11 primary caregiver, and physician or advanced practice registered 12 nurse as specifically required or permitted by this chapter. 13 The form shall require the address of the location where the 14 cannabis is grown and shall appear on the registry card issued 15 by the department of health. The certifying physician or 16 advanced practice registered nurse shall be required to have a 17 bona fide physician-patient relationship or bona fide advanced 18 practice registered nurse-patient relationship, as applicable, 19 with the qualifying patient[-]; provided that nothing under this 20 part shall require that the bona fide physician-patient 21 relationship or bona fide advanced practice registered nurse-

- 1 patient relationship be established by conducting an initial in-
- 2 person consultation; provided further that the written
- 3 certification under this subsection shall originate from within
- 4 the State. All current active medical cannabis permits shall be
- 5 honored through their expiration date."
- 6 SECTION 5. Section 329-126, Hawaii Revised Statutes, is
- 7 amended by amending subsection (b) to read as follows:
- 8 "(b) For purposes of this section, a bona fide physician-
- 9 patient relationship may be established via telehealth, as
- 10 defined in section 453-1.3(j), and a bona fide advanced practice
- 11 registered nurse-patient relationship may be established via
- 12 telehealth, as defined in section 457-2; provided that nothing
- 13 under this part shall require that treatment recommendations
- 14 that include certifying a patient for the medical use of
- 15 cannabis via telehealth [shall] be allowed only after an initial
- 16 in-person consultation between the certifying physician or
- 17 advanced practice registered nurse and the patient."
- 18 SECTION 6. Section 329D-6, Hawaii Revised Statutes, is
- 19 amended by amending subsection (r) to read as follows:
- "(r) A dispensary may purchase cannabis and manufactured
- 21 cannabis products from another dispensary. The department shall

| 1 | authorize a | dispensary to purchase cannabis and manufactured |
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| 2 | cannabis pr | oducts from another dispensary in a manner prescribed |
| 3 | by the depa | rtment by rules adopted pursuant to section 329D-27; |
| 4 | provided the | at: |
| 5 | (1) T | he selling dispensary may transport not more than |
| 6 | е | ight hundred ounces, or other amounts with prior |
| 7 | aj | oproval by the department, of cannabis or |
| 8 | ma | anufactured cannabis products to the purchasing |
| 9 | d | ispensary within a thirty-day period; provided |
| 10 | f | urther that cannabis and manufactured cannabis |
| 11 | <u>.g</u> | roducts purchased pursuant to this section intended |
| 12 | fo | or: |
| 13 | (2 | A) Direct retail sale to the patient shall meet all |
| 14 | | applicable packaging, labeling, and testing |
| 15 | | requirements at the time of transport to the |
| 16 | | purchasing licensee's production center or one of |
| 17 | | its retail locations; and |
| 18 | <u>(F</u> | Further manufacturing by the purchasing |
| 19 | | dispensary at the time of transportation shall be |
| 20 | | transported to the purchasing licensee's |
| 21 | | production center; |

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

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- 1 encounters for which a follow-up visit is arranged. Issuing a
- 2 prescription based solely on an online questionnaire is not
- 3 treatment for the purposes of this section and does not
- 4 constitute an acceptable standard of care. For the purposes of
- 5 prescribing opiates [or certifying a patient for the medical use
- 6 of cannabis], a physician-patient relationship shall only be
- 7 established after an in-person consultation between the
- 8 prescribing physician and the patient."
- 9 PART II
- 10 SECTION 8. Chapter 329D, Hawaii Revised Statutes, is
- 11 amended by adding two new sections to be appropriately
- 12 designated and to read as follows:
- 13 "\$329D- Unauthorized operation of a dispensary; criminal
- 14 penalty. (a) It shall be unlawful for any person to operate a
- 15 dispensary without a license from the department pursuant to
- 16 this chapter.
- 17 (b) No person shall intentionally, knowingly, or
- 18 recklessly operate any search platform, web hosting services,
- 19 social media platform, or other entity that posts information
- 20 advertising the sale of cannabis products by an unlicensed
- 21 person or entity engaged in the production, manufacture, or sale

1 of cannabis or manufactured cannabis products without a license 2 pursuant to this chapter. 3 (c) The department shall issue a cease and desist notice 4 to any person or entity who violates subsection (a) or (b); 5 provided that the cease and desist notice shall be issued before 6 initiating criminal proceedings. 7 (d) Any person who violates subsection (a) shall be guilty 8 of a class C felony. 9 (e) It shall be an affirmative defense to subsection (b) 10 that the person operating any search platform, web hosting 11 services, social media platform, or other entity that posts 12 information advertising the sale of cannabis products had 13 requested, examined, and reasonably relied upon a license that 14 appeared to have been issued by the department that was shown by 15 the unlicensed person or unlicensed entity engaged in the production, manufacture, or sale of cannabis or manufactured 16 17 cannabis products establishing that the unlicensed person or 18 unlicensed entity was licensed by the department to engage in 19 the production, manufacture, or sale of cannabis or manufactured 20 cannabis products pursuant to this chapter. The failure of the 21 person operating any search platform, web hosting services,

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| I | social me | edia platform, or other entity that posts information |
|----|-------------|--|
| 2 | advertisi | ng the sale of cannabis products to request and examine |
| 3 | a license | e issued by the department from the unlicensed person or |
| 4 | unlicense | ed entity engaged in the production, manufacture, or |
| 5 | sale of c | cannabis or manufactured cannabis products before |
| 6 | providing | access to any search platform, web hosting services, |
| 7 | social me | edia platform, or other entity that posts information |
| 8 | advertisi | ng the sale of cannabis products shall be construed |
| 9 | against t | he person operating any search platform, web hosting |
| 10 | services, | social media platform, or other entity that posts |
| 11 | informati | on advertising the sale of cannabis products and form a |
| 12 | conclusiv | e basis for the person's violation of this section. |
| 13 | <u>(f)</u> | This section shall not apply to: |
| 14 | (1) | Hemp processors, hemp product retailers, or hemp |
| 15 | | produce retailers with a valid permit under chapter |
| 16 | | 328G; or |
| 17 | (2) | Primary qualified caregivers registered under chapter |
| 18 | | 329 who are acting within the scope of their permit or |
| 19 | | registration. |
| 20 | <u>§329</u> | D- Cannabis cultivator; license required. (a) |
| 21 | Notwithst | anding section 329D-24, it shall be unlawful for any |

person to cultivate cannabis without a license from the 1 2 department pursuant to this section. 3 (b) A cannabis cultivator license shall authorize: 4 (1) The acquisition and cultivation of cannabis plants, 5 seeds, cuttings, or clones; and 6 The distribution of cannabis plants and cannabis (2) 7 flower to a medical cannabis dispensary. 8 The department shall issue not more than one cannabis 9 cultivator license for each person. 10 (d) The maximum number of cannabis cultivator licenses 11 that may be issued by the department to the public shall not 12 exceed licenses. 13 (e) The maximum size of plant canopy the department may 14 authorize for each cannabis cultivator license shall 15 be square feet of plant canopy for indoor cultivations 16 and square feet of plant canopy for outdoor cultivations, 17 or a maximum plant count of mature cannabis plants for 18 each cannabis cultivator license. (f) For the purposes of this section, "plant canopy" means 19 20 the square footage dedicated to flowering plants that are wider or taller than twelve inches. "Plant canopy" does not include 21

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areas such as space used for the storage of fertilizers, 1 2 pesticides, or other products, quarantine, or office space." 3 SECTION 9. Section 321-30.1, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows: 4 5 There is established within the state treasury the 6 medical cannabis registry and regulation special fund. The fund 7 shall be expended at the discretion of the director of health: 8 (1) To establish and regulate a system of medical cannabis 9 dispensaries in the State; 10 (2) To offset the cost of the processing and issuance of patient registry identification certificates and 11 12 primary caregiver registration certificates; 13 (3) To fund positions and operating costs authorized by 14 the legislature; To establish and manage a secure and confidential 15 (4)16 database; To fund public education as required by section 17 (5) 329D-26; 18 To fund substance abuse prevention and education 19 (6) 20 programs; [and]

| 1 | (7) | To fund programs for the mitigation and abatement of |
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| 2 | | nuisances relating to chapter 329D; and |
| 3 | [-(7)-] | (8) For any other expenditure necessary, consistent |
| 4 | | with this chapter and chapter 329D, to implement |
| 5 | | medical cannabis registry and regulation programs." |
| 6 | SECT | ION 10. Section 329-123, Hawaii Revised Statutes, is |
| 7 | amended by | y amending subsection (a) to read as follows: |
| 8 | "(a) | Physicians or advanced practice registered nurses who |
| 9 | issue writ | ten certifications shall provide, in each written |
| 10 | certificat | tion, the name, address, patient identification number, |
| 11 | and other | identifying information of the qualifying patient. |
| 12 | The depart | ment of health shall require, in rules adopted |
| 13 | pursuant t | to chapter 91, that all written certifications comply |
| 14 | with a des | signated form completed by or on behalf of a qualifying |
| 15 | patient. | The form shall require information from the applicant, |
| 16 | primary ca | aregiver, and physician or advanced practice registered |
| 17 | nurse as s | specifically required or permitted by this chapter. |
| 18 | The form s | shall require the address of the location where the |
| 19 | cannabis i | s grown and shall appear on the registry card issued |
| 20 | by the dep | partment of health. The certifying physician or |
| 21 | advanced p | practice registered nurse shall be required to have a |

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- 1 bona fide physician-patient relationship or bona fide advanced
- 2 practice registered nurse-patient relationship, as applicable,
- 3 with the qualifying patient. All current active medical
- 4 cannabis permits shall be honored through their expiration date.
- 5 Any fees assessed by a certifying physician or advanced practice
- 6 registered nurse to issue a written certification for a
- 7 qualifying patient shall not exceed an amount equal to three
- 8 times the amount of the fee charged by the department of health
- 9 to issue a registration certificate pursuant to subsection (b)."
- 10 SECTION 11. There is appropriated out of the medical
- 11 cannabis registry and regulation special fund the sum of
- 12 \$ or so much thereof as may be necessary for fiscal
- 13 year 2025-2026 and the same sum or so much thereof as may be
- 14 necessary for fiscal year 2026-2027 for the department of the
- 15 attorney general to enforce, and mitigate nuisances relating to,
- 16 chapter 329D, Hawaii Revised Statutes.
- 17 The sums appropriated shall be expended by the director of
- 18 health for the purposes of this part.
- 19 PART III

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- 1 SECTION 12. This Act does not affect rights and duties
- 2 that matured, penalties that were incurred, and proceedings that
- 3 were begun before its effective date.
- 4 SECTION 13. Statutory material to be repealed is bracketed
- 5 and stricken. New statutory material is underscored.
- 6 SECTION 14. This Act shall take effect on December 31,
- 7 2050; provided that the amendments made to section 453-1.3(c),
- 8 Hawaii Revised Statutes, by section 7 of this Act shall not be
- 9 repealed when that section is reenacted on December 31, 2025,
- 10 pursuant to section 8 of Act 107, Session Laws of Hawaii 2023.

Report Title:

DOH; Medical Cannabis; Access; Provider-Patient Relationships; Certification; Inter-Dispensary Sales; Cannabis Cultivator; Licensure; Requirement; Cease and Desist Notice; Penalty; Violations; Affirmative Defense; Conclusive Basis; Medical Cannabis Registry and Regulation Special Fund; Exceptions; Appropriations

Description:

Amends the definition of "debilitating medical condition" under the Uniform Controlled Substances Act. Amends the definition of "waiting room" under the Medical Cannabis Dispensary System law. Repeals the requirement that a provider-patient relationship be established in person. Allows dispensaries to purchase cannabis and manufactured cannabis products from another dispensary for direct retail sale to a patient and further manufacturing by the purchasing dispensaries and establishes requirements for transport. Prohibits persons from operating a medical cannabis dispensary or cultivating cannabis without a license from the Department of Health or providing certain services to persons or entities engaging in unlicensed cannabis operations. Requires the Department of Health to issue a cease and desist notice to violators before initiating criminal proceedings. Establishes criminal penalties. Establishes an affirmative defense for, and a conclusive basis for certain violations. Establishes exceptions. Establishes a cannabis cultivator license to authorize the cultivation and distribution of cannabis plants. Requires the Department of Health to only issue one cannabis cultivator license for each person. Establishes limits on: the number of cannabis cultivator licenses the Department of Health may issue; (2) the maximum size of plant canopy for indoor and outdoor cultivations for each cannabis cultivator license; and (3) the maximum plant count of mature cannabis plants for each cannabis cultivator license. Authorizes expenditures from the Medical Cannabis Registry and Regulation Special Fund to fund programs for the mitigation and abatement of nuisances relating to chapter 329D, HRS. Appropriates funds out of the Medical Cannabis Registry and Regulation Special Fund for the Department of Attorney General to enforce, and mitigate

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nuisances relating to, chapter 329D, HRS. Effective 12/31/2050. (SD1)

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