### 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.
- 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)	Cance	r, glaucoma, lupus, epilepsy, multiple sclerosis,
	rheum	atoid arthritis, positive status for human
	immun	odeficiency virus, acquired immune deficiency
	syndr	ome, or the treatment of these conditions;
(2)	A chr	onic or debilitating disease or medical condition
	or it	s treatment that produces one or more of the
	follo	wing:
	- <del>(A)</del> -	Cachexia or wasting syndrome;
	- <del>(B)</del> -	Severe pain;
	<del>(C)</del>	<del>Severe nausea;</del>
	<del>(D)</del>	Seizures, including those characteristic of
		epilepsy;
	<del>(E)</del>	Severe and persistent muscle spasms, including
		those characteristic of multiple sclerosis or
		<del>Crohn's disease; or</del>
	<del>(F)</del>	<del>Post-traumatic stress disorder; or</del>
<del>(3)</del>	Any o	ther medical condition approved by the department
	of he	alth pursuant to administrative rules in response
	to-a	request from a physician or advanced practice
	regis	tered nurse or potentially qualifying patient.]
	(2)	rheum immun syndr (2) A chr or it folle (A) (B) (C) (D)  (E)  (F)  (3) Any o of he to-a

- 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."

- 1 SECTION 4. Section 329-123, Hawaii Revised Statutes, is
- 2 amended by amending subsection (a) to read as follows:
- "(a) 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

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

1	"(r) A dispensary may purcha	se cannabis and manufactured
2	2 cannabis products from another disp	pensary. The department shall
3	3 authorize a dispensary to purchase	cannabis and manufactured
4	4 cannabis products from another disp	pensary in a manner prescribed
5	5 by the department by rules adopted	pursuant to section 329D-27;
6	6 provided that:	
7	7 (1) The selling dispensary ma	ay transport not more than
8	8 eight hundred ounces, or	other amounts with prior
9	9 approval by the departmen	nt, of cannabis or
10	0 manufactured cannabis pro	oducts to the purchasing
11	dispensary within a thir	ty-day period; provided
12	further that cannabis and	d manufactured cannabis
13	groducts purchased pursua	ant to this section intended
14	4 <u>for:</u>	
15	(A) Direct retail sale	to the patient shall meet all
16	6 applicable packaging	g, labeling, and testing
17	7 requirements at the	time of transport to the
18	8 purchasing licensee	's production center or one of
19	9 <u>its retail locations</u>	s; and
20	(B) Further manufacturing	ng by the purchasing
21	dispensary at the t	ime of transportation shall be

1		transported to the purchasing licensee's
2		<pre>production center;</pre>
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	(3)	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	[ <del>(3)</del> ]	(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 7. 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 the	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 IT
- 12 SECTION 8. Chapter 329D, Hawaii Revised Statutes, is
- 13 amended by adding two new sections to be appropriately
- 14 designated and to read as follows:
- 15 "§329D- Unauthorized operation of a dispensary; criminal
- 16 penalty. (a) No person shall intentionally, knowingly, or
- 17 recklessly operate a dispensary without a license from the
- 18 department pursuant to this chapter.
- 19 (b) No person shall intentionally, knowingly, or
- 20 recklessly operate any search platform, web hosting services,
- 21 social media platform, or other entity that posts information

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

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1	the production, manufacture, or sale of cannabis or manufactured
2	cannabis products pursuant to this chapter. The failure of the
3	person operating any search platform, web hosting services,
4	social media platform, or other entity that posts information
5	advertising the sale of cannabis products to request and examine
6	a license issued by the department from the unlicensed person or
7	unlicensed entity engaged in the production, manufacture, or
8	sale of cannabis or manufactured cannabis products before
9	providing access to any search platform, web hosting services,
0	social media platform, or other entity that posts information
1	advertising the sale of cannabis products shall be construed
12	against the person operating any search platform, web hosting
13	services, social media platform, or other entity that posts
14	information advertising the sale of cannabis products and form a
15	conclusive basis for the person's violation of this section.
16	(f) This section shall not apply to:
17	(1) Hemp processors, hemp product retailers, or hemp
18	produce retailers with a valid permit under chapter
19	328G: or

1	(2)	Primary qualified caregivers registered under chapter
2	<u>-</u>	329 who are acting within the scope of their permit or
3	3	registration.
4	§329D	Cannabis cultivator; license required. (a)
5	Notwithstar	nding section 329D-24, it shall be unlawful for any
6	person to	cultivate cannabis without a license from the
7	department	pursuant to this section.
8	(b) <i>i</i>	A cannabis cultivator license shall authorize:
9	(1)	The acquisition and cultivation of cannabis plants,
10	<u> </u>	seeds, cuttings, or clones; and
11	(2)	The distribution of cannabis plants and cannabis
12	<u> </u>	flower to a medical cannabis dispensary.
13	(c) <u>-</u>	The department shall issue not more than one cannabis
14	cultivator	license for each person.
15	(d) :	The maximum number of cannabis cultivator licenses
16	that may be	e issued by the department to the public shall not
17	exceed	licenses.
18	(e) :	The maximum size of plant canopy the department may
19	authorize :	for each cannabis cultivator license shall
20	be so	quare feet of plant canopy for indoor cultivations
21	and s	square feet of plant canopy for outdoor cultivations,

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- 1 or a maximum plant count of mature cannabis plants for
- 2 each cannabis cultivator license.
- 3 (f) A person issued a cannabis cultivator license under
- 4 this section shall meet all production facility and processing
- 5 requirements under this chapter.
- 6 (g) For the purposes of this section, "plant canopy" means
- 7 the square footage dedicated to flowering plants that are wider
- 8 or taller than twelve inches. "Plant canopy" does not include
- 9 areas such as space used for the storage of fertilizers,
- 10 pesticides, or other products, quarantine, or office space."
- 11 SECTION 9. Section 28-131, Hawaii Revised Statutes, is
- 12 amended by amending subsection (c) to read as follows:
- 13 "(c) The purpose of the drug nuisance abatement unit shall
- 14 be to provide for the effective enforcement and prosecution of
- 15 those violations of the drug nuisance abatement laws under
- 16 chapter 712, part V but only for offenses related to drugs and
- 17 intoxicating compounds as provided under chapter 712, part IV[-]
- 18 and violations of chapter 329D as provided under section
- 19 712-1270. The drug nuisance [+] abatement[+] unit may also
- 20 review and take appropriate action on drug nuisance complaints

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1 of any citizen of the State, or drug nuisances that are 2 discovered by the unit in carrying out its activities." SECTION 10. Section 321-30.1, Hawaii Revised Statutes, is 3 4 amended by amending subsection (a) to read as follows: 5 "(a) 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 To offset the cost of the processing and issuance of (2) 11 patient registry identification certificates and 12 primary caregiver registration certificates; 13 To fund positions and operating costs authorized by (3) 14 the legislature; 15 (4) To establish and manage a secure and confidential 16 database; 17 (5) To fund public education as required by section 18 329D-26; 19 (6) To fund substance abuse prevention and education 20 programs; [and]

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

- 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 12. 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 attorney
- 18 general for the purposes of this part.
- 19 PART III

- 1 SECTION 13. 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 14. Statutory material to be repealed is bracketed
- 5 and stricken. New statutory material is underscored.
- 6 SECTION 15. This Act shall take effect on December 31,
- 7 2050; provided that section 8 shall take effect on January 1,
- 8 2027; provided further that the amendments made to section
- 9 453-1.3(c), Hawaii Revised Statutes, by section 7 of this Act
- 10 shall not be repealed when that section is reenacted on
- 11 December 31, 2025, pursuant to section 8 of Act 107, Session
- 12 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. the Department of Health to issue a cease and desist notice to violators before initiating criminal proceedings. 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. Requires persons issued a cannabis cultivator license to meet the same facility and processing requirements under chapter 329D, HRS. 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. (SD2)

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