

ACT 240

H.B. NO. 673

A Bill for an Act Relating to Medical Cannabis.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that as licensed medical cannabis dispensaries have only been established since 2015, they are still a new and emerging industry and most production centers and facilities have only been operating for less than two years. The legislature further finds that there may be situations where the leadership within a licensed dispensary has changed; however, existing law does not provide a process for the sale or transfer of any significant interest in a licensed dispensary.

Accordingly, the purpose of this Act is to:

- (1) Provide a process for the voluntary or involuntary sale or transfer of a dispensary license; and
- (2) Repeal certain restrictions on medical cannabis dispensary operations and siting.

SECTION 2. Chapter 329D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§329D- Sale or transfer of dispensary license. (a) In the event of death, legal incapacity, or permanent disability of an individual dispensary licensee, the relevant entity licensee shall notify the department within thirty days of the individual licensee’s inability to continue in the individual’s capacity as a licensee, and shall provide to the department within thirty days of the notice a plan for the sale or transfer of the individual license to another individual who meets all the requirements under this chapter and has been a resident of the State for not less than five years preceding the proposed date of transfer.

(b) In the event of a voluntary resignation by an individual licensee, termination of an individual licensee’s employment with an entity licensee with or without cause, or any other permanent separation of the relationship between an individual licensee and an entity licensee, the relevant entity licensee shall submit a plan to the department for approval at least thirty days prior to any sale or transfer of the individual license to another individual who shall meet all the requirements under this chapter and shall have been a resident of the State for not less than five years preceding the date of transfer.

(c) The department may deny a request for transfer of ownership if it deems the transferee has failed to meet all the requirements of section 329D-3 for ownership.”

SECTION 3. Section 329D-6, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (e) to read:

“(e) Retail dispensing locations shall not be open for retail sales before 8:00 a.m. or after 8:00 p.m., Hawaii-Aleutian Standard Time, Monday through Sunday. ~~[Retail dispensing locations shall be closed on official state and federal holidays.]”~~

2. By amending subsection (m) to read:

“(m) A dispensary shall not transport cannabis or manufactured cannabis products to another county or another island; provided that this subsection shall not apply to the transportation of cannabis or any manufactured cannabis product solely for the purposes of laboratory testing pursuant to section 329D-8, and subject to subsection (j)~~]; if no certified laboratory is located in the county or on the island where the dispensary is located~~]; provided further that a dispensary shall only transport samples of cannabis and manufactured cannabis products for laboratory testing for purposes of this subsection in an amount and manner prescribed by the department, in rules adopted pursuant to this chapter, and with the understanding that state law and its protections do not apply outside of the jurisdictional limits of the State.”

SECTION 4. Section 329D-22, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Medical cannabis production centers and dispensaries shall comply with all county zoning ordinances, rules, or regulations; provided that:

- (1) A medical cannabis production center shall be permitted in any area in which agricultural production is permitted except as provided within this chapter; and
- (2) No medical cannabis production center or dispensary shall be permitted within seven hundred fifty feet of the real property comprising a playground ~~[, public housing project or complex,] or school.~~”

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SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 6. This Act shall take effect upon its approval.

(Approved July 2, 2019.)

Note

1. Edited pursuant to HRS §23G-16.5.