

Honolulu, Hawaii

MAR 15 , 2024

RE: S.B. No. 3335
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Judiciary & Hawaiian Affairs and
Agriculture & Food Systems, to which was referred S.B. No. 3335,
S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CANNABIS,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Enact the Hawaii Cannabis Law to:
 - (A) Provide a legal safe harbor from state or county criminal prosecution concerning activities relating to cannabis for those who strictly comply with the provisions of the law;
 - (B) Establish the Hawaii Hemp and Cannabis Authority as an independent body with the power to administratively regulate all aspects of the cannabis plant;
 - (C) Legalize the sale and possession of cannabis for non-medical adult use beginning January 1, 2026;



- (D) Provide economic opportunities to disproportionately impacted areas;
 - (E) Encourage those currently engaging in illegal, unlicensed commercial cannabis activities to enter the legal market;
 - (F) Ensure that state and county law enforcement agencies work closely with the Hawaii Hemp and Cannabis Authority and vigorously investigate and prosecute illegal cannabis activities that fall outside any safe harbor protection; and
 - (G) Mandate that the Hawaii Hemp and Cannabis Authority make the protection of public health and safety its highest priorities;
- (2) Establish taxes for adult-use cannabis and medical use cannabis sales;
 - (3) Amend or repeal existing laws relating to cannabis, including medical cannabis and hemp;
 - (4) Transfer the personnel and assets of the Department of Health and assets of the Department of Agriculture relating to cannabis and hemp to the Hawaii Hemp and Cannabis Authority; and
 - (5) Establish positions and appropriate funds.

Your Committees received testimony in support of this measure from one member of the Kaua'i County Council; Hawaii Cannabis Industry Association; Big Island Grown; Hawaii Cannabis Industry Solutions; Techmana LLC; Pakalolo for the People; Noa Botanicals; Hawaiian Ethos; The Hawai'i Cannabis THC Ministry; National Organization for the Reform of Marijuana Laws; Green Aloha Ltd.; Cultivation Sector Consulting, LLC; Spectra Analytical Laboratory; Cure Oahu; United Food and Commercial Workers Local 480; Hawaiian Kingdom Task Force; Cannabis Society of Hawai'i; and numerous individuals.

Your Committees received testimony in opposition to this measure from the Hawaii High Intensity Drug Trafficking Area; Hawaii Paroling Authority; one member of the Kaua'i County Council;



one member of the Honolulu City Council; Department of the Prosecuting Attorney of the City and County of Honolulu; Honolulu Police Department; Hawaii Police Department; Maui Police Department; Kauai Police Department; Department of the Prosecuting Attorney of the County of Maui; Kauai Complex Area Principals; Kohala Elementary School; Honokaa High and Intermediate School; Hawaii Family Forum; Coalition for a Drug-Free Hawaii; Retail Merchants of Hawaii; Hawaii Federation for Republican Women; Weed and Seed Hawaii, Inc.; Smart Approaches to Marijuana; One Impact Hawaii; HOPE HI; Hawaii Substance Abuse Coalition; ABC Stores; and numerous individuals.

Your Committees received comments on this measure from the Department of the Attorney General; Department of Taxation; Department of Law Enforcement; Department of Health; Department of Human Resources Development; Department of Budget and Finance; Department of Commerce and Consumer Affairs; Office of Collective Bargaining; Office of Information Practices; Department of Education; Department of Agriculture; Hawaii State Council on Developmental Disabilities; Office of the Prosecuting Attorney of the County of Kaua'i; Ala Moana-Kakaako Neighborhood Board No. 11; American Cancer Society Cancer Action Network; Drug Policy Forum of Hawai'i; American Civil Liberties Union of Hawai'i; Tax Foundation of Hawaii; Marijuana Policy Project; Greenwave Advisors LLC; Doctors for Drug Policy Reform; Akamai Cannabis Consulting; Care Waiialua LLC; Last Prisoner Project; Healthcare Association of Hawaii; Chamber of Sustainable Commerce; Law Enforcement Action Partnership; Catholic Charities Hawai'i; Council for Native Hawaiian Advancement; Hawai'i Public Health Institute; Hawai'i Youth Services Network; Democratic Party of Hawai'i; Reason Foundation; Hawaii Appleseed Center for Law and Economic Justice; Hawai'i Alliance for Cannabis Reform; Hawaii Children's Action Network Speaks!; Hawai'i Afterschool Alliance; American Academy of Pediatrics, Hawai'i Chapter; Hawaii Credit Union League; Malie Cannabis Clinic; and numerous individuals.

Your Committees find that over the past decade, there has been a growing movement across the nation to legalize cannabis, also known as marijuana, for recreational use. As of February 2024, twenty-three states, two territories, and the District of Columbia have legalized small amounts of cannabis for adult recreational use.



Your Committees further find that in late 2022 President Biden directed the Secretary of Health and Human Services and the United States Attorney General to review how marijuana is scheduled under federal law. Marijuana is currently classified as a Schedule I controlled substance, alongside heroin and LSD, but ahead of fentanyl and methamphetamine. Your Committees recognize that the descheduling of marijuana at the federal level may be imminent, thus it is important for the State to have regulations in place.

Your Committees also find that cannabis use is already fairly prevalent in Hawaii. In 2021, approximately 14.9 percent of individuals aged twelve or older in Hawaii reported marijuana use in the past year. By allowing cannabis to be cultivated and processed by legitimate businesses, the State can establish quality control and labeling standards to protect cannabis users.

Your Committees additionally find that allowing the State to regulate and tax the sale of cannabis will undercut the illegal drug trade in Hawaii and redirect revenue from drug trafficking organizations to the State where it can be used for public safety and substance abuse prevention, treatment, and education.

Your Committees have amended this measure by:

- (1) Allowing a caregiver to administer a cannabis product that is not smoked to a medical cannabis patient under the age of twenty-one on school grounds and in a vehicle;
- (2) Clarifying that colleges and universities may authorize the possession or use of cannabis or cannabis accessories by adults on their property, and explicitly allowing the medical use or personal use of cannabis by faculty members and students while in faculty or student housing;
- (3) Clarifying that a landlord shall not prohibit the possession of cannabis or the consumption of cannabis that is not inhaled unless a tenant is renting a room or rooms in only a portion of a residence, where the rest of the residence is rented to other people or occupied by the landlord;



- (4) Requiring one member on the Cannabis and Hemp Control Board to have expertise in Hawaii's agricultural community;
- (5) Deleting language that would have allowed the Executive Director of the Hawaii Cannabis and Hemp Authority to demand and be granted access to the books, papers, and records of close associates of any licensed business whom the Authority suspects are involved in the financing, operation, or management of the licensed business;
- (6) Clarifying when the Hawaii Cannabis and Hemp Authority may not refuse to employ or deny employment to an applicant or terminate or refuse to secure the services of any contractor or subcontractor due to a previous conviction;
- (7) Deleting language regarding the requirements for the transportation of adult-use cannabis;
- (8) Clarifying certain protections for persons who consume adult use cannabis;
- (9) Replacing language referring to cannabis paraphernalia with the defined term cannabis accessories;
- (10) Consolidating provisions related to the unlawful sale of cannabis to a person under the age of twenty-one and changing the offense to a misdemeanor;
- (11) Amending the scope of the social equity program and public health and education grant program;
- (12) Amending the traffic violations related to marijuana and marijuana concentrate;
- (13) Amending the offense of promoting a detrimental drug in the third degree; and
- (14) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the records of votes of the members of your Committees on Judiciary & Hawaiian Affairs and Agriculture & Food Systems that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3335, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3335, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary &
Hawaiian Affairs and
Agriculture & Food Systems,



CEDRIC ASUEGA GATES, Chair



DAVID A. TARNAS, Chair



