STAND. COM. REP. NO. (329

Honolulu, Hawaii

MAR 2 1 2025

RE: H.B. No. 302

H.D. 2 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Sir:

Your Committees on Health and Human Services and Commerce and Consumer Protection, to which was referred H.B. No. 302, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CANNABIS,"

beg leave to report as follows:

The purpose and intent of this measure is to repeal the requirement that a provider-patient relationship be established in person.

Your Committees received testimony in support of this measure from the Department of Health, Hawai'i Cannabis Industry Association, ACLU of Hawai'i, Marijuana Policy Project, Hawai'i Alliance for Cannabis Reform, Cure Oahu, Ohana Unity Party, Big Island Grown Dispensaries, Drug Policy Forum of Hawaii, and three individuals.

Your Committees received comments on this measure from Akamai Cannabis Consulting.

Your Committees find that access for qualifying patients and primary caregivers to medical cannabis and particularly licensed medical cannabis dispensaries remains challenging due to limited access to medical providers, delays in obtaining allowed access to enter and purchase medical cannabis, and the availability of

cannabis through a thriving illicit market. Your Committees further find that registration for the medical cannabis program has decreased in the last few years, indicating that residents are shifting away from licensed medical cannabis dispensaries, and instead are obtaining their medical cannabis from elsewhere due to administrative barriers, delays in registering, and the ease and lower costs of obtaining cannabis elsewhere. Your Committees believe that this apparent shift away from licensed medical cannabis dispensaries toward the illicit market undermines the purposes of the medical cannabis program in ensuring patient safety, product safety, and public safety. This measure improves and increases access to medical cannabis in the State by allowing a patient-provider relationship to be established via telehealth for the purposes of certifying patients for the medical use of cannabis.

Your Committees have amended this measure by:

- (1) Inserting language to amend the definition of "debilitating medical condition" in section 329-121, Hawaii Revised Statutes, to mean any condition determined by the certifying physician or advanced practice registered nurse to be appropriate for the medical use of cannabis;
- (2) Inserting language to amend the definition of "waiting room" in section 329D-1, Hawaii Revised Statutes, to include an area where hemp can be sold, including but not limited to hemp products and accessories to the use of medical cannabis, such as rolling papers, rolling trays, grinders, and vaporizers;
- (3) Inserting language to amend section 329D-6(r), Hawaii Revised Statutes, to:
 - (A) Require that cannabis and manufactured cannabis products purchased by a dispensary from another dispensary pursuant to section 329D-6, Hawaii Revised Statutes:
 - (i) When intended for direct retail sale to the patient, meet all applicable packaging, labeling, and testing requirements at the time

of transport to the purchasing licensee's production center or one of its retail locations; and

- (ii) When intended for further manufacturing by the purchasing dispensary at the time of transportation, be transported to the purchasing licensee's production center; and
- (B) Require the selling dispensary to submit a transport manifest of the cannabis or manufactured cannabis products to be sold to the Department of Health before the sale is made, after which the selling dispensary may immediately proceed with the transfer of the cannabis or manufactured cannabis products;
- (4) Inserting as Part II of this measure, the contents of S.B. No. 1064, S.D. 2, Regular Session of 2025, which:
 - (A) Prohibits persons from:
 - (i) Operating a medical cannabis dispensary or cultivating cannabis without a license from the Department of Health; and
 - (ii) Providing certain services to persons and entities engaging in unlicensed cannabis operations;
 - (B) Requires the Department of Health to issue a cease and desist notice to violators before initiating criminal proceedings;
 - (C) Establishes criminal penalties, an affirmative defense, a conclusive basis, and exceptions for certain violations;
 - (D) Establishes a cannabis cultivator license to authorize the cultivation and distribution of cannabis plants;

- (E) Requires the Department of Health to only issue one cannabis cultivator license for each person;
- (F) Establishes limits on:
 - (i) The number of cannabis cultivator licenses the Department of Health may issue;
 - (ii) The maximum size of plant canopy for indoor and outdoor cultivations for each cannabis cultivator license; and
 - (iii) The maximum plant count of mature cannabis plants for each cannabis cultivator license;
- (G) 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, Hawaii Revised Statutes; and
- (H) Appropriates funds out of the Medical Cannabis Registry and Regulation Special Fund for the Department of Attorney General to enforce, and mitigate nuisances relating to, chapter 329D, Hawaii Revised Statutes;
- (5) Amending section 1 to reflect its amended purpose;
- (6) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 302, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 302, H.D. 2, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committees on Health and Human Services and Commerce and Consumer Protection,

JARBETT KLUHOKALOLE, Chair

JOY A. SAN BUENAVENTURA, Chair

The Senate Thirty-Third Legislature State of Hawai'i

Record of Votes Committee on Health and Human Services HHS

Bill / Resolution No.:* HB 302, HD2	Committee Referral: Date: 3/17/25								
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
SAN BUENAVENTURA, Joy A. (C)				-					
AQUINO, Henry J.C. (VC)									
HASHIMOTO, Troy N.									
KEOHOKALOLE, Jarrett		✓ ,							
FEVELLA, Kurt				_					
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TOTAL		4							
Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature:									
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*Only one measure per Record of Votes

The Senate Thirty-Third Legislature State of Hawai'i

Record of Votes Committee on Commerce and Consumer Protection CPN

Bill / Resolution No.:* HB 302, HD2	Committee Referral: Date: 3/19/25							
The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye	Aye (WR)	Nay	Excused			
KEOHOKALOLE, Jarrett (C)		V						
FUKUNAGA, Carol (VC)		V,						
MCKELVEY, Angus L.K.		V						
RICHARDS, III, Herbert M. "Tim"								
AWA, Brenton				/				
TOTAL		3		1	(
Recommendation: Adopted Not Adopted								
Chair's or Designee's Signature:								
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