

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 1613
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 Judiciary,
to which was referred S.B. No. 1613 entitled:

"A BILL FOR AN ACT RELATING TO CANNABIS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Cannabis and Hemp Office within the Department of Commerce and Consumer Affairs to regulate all aspects of the cannabis plant;
- (2) Beginning January 1, 2026, legalize the personal adult-use of cannabis;
- (3) Establish taxes on the retail sale of adult-use cannabis and the sale of medical cannabis;
- (4) Add new traffic offenses relating to the consumption or possession of marijuana or marijuana concentrate;
- (5) Make conforming amendments related to the legalization of personal adult-use of cannabis;
- (6) Beginning January 1, 2026, decriminalize certain drug offenses related to marijuana and marijuana concentrate;



- (7) Transfer the personnel and assets of the Department of Health and assets of the Department of Agriculture relating to cannabis to the Hawaii Cannabis and Hemp Office;
- (8) Establish various positions within state entities to regulate the personal adult-use of cannabis; and
- (9) Appropriate funds.

Your Committees received testimony in support of this measure from the Office of the Public Defender, Big Island Grown Dispensaries, Hawai'i Cannabis Industry Association, Pride at Work-Hawai'i, Green Aloha, Marijuana Policy Project, Democratic Party of Hawai'i, Kūpuna Caucus of the Democratic Party of Hawai'i, Law Enforcement Action Partnership, Education Caucus of the Democratic Party of Hawai'i, Drug Policy Forum of Hawai'i, Noa Botanicals, Reimagining Public Safety, and numerous individuals.

Your Committees received testimony in opposition to this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; Honolulu Police Department; Hawaii Substance Abuse Coalition; Hawai'i High Intensity Drug Trafficking Areas (HIDTA) Program; Hawai'i Christian Coalition; Retail Merchants of Hawaii; Kauai Hemp Company; United Public Workers, AFSCME Local 646, AFL-CIO; Hina Mauka; Hawai'i Family Forum; Smart Approaches to Marijuana Hawaii; Coalition for a Drug-Free Hawaii; and numerous individuals.

Your Committees received comments on this measure from the Department of the Attorney General, Department of Human Resources Development, Department of Taxation, Department of Agriculture, Department of Health, Department of Budget and Finance, Tax Foundation of Hawaii, Hawai'i Public Health Institute, and Hawai'i Afterschool Alliance.

Your Committees find that cannabis, also known as marijuana, is a plant with psychoactive properties derived primarily from its main psychoactive component, tetrahydrocannabinol (THC). In the United States, cannabis has three primary categories: cannabis for medical use; cannabis for non-medical adult-use; and hemp that contains low levels of THC. Presently, non-hemp cannabis is a highly regulated drug, classified by the federal government as a



schedule I controlled substance under the Uniform Controlled Substances Act. Presently, the State regulates medical cannabis usage, including dispensaries authorized to operate in Hawaii. Additionally, the State has decriminalized the possession of small amounts of non-medical cannabis. However, recreational adult-use cannabis remains illegal.

Your Committees also find that legalization of cannabis has the potential to generate significant tax revenue for the State, creating opportunities for businesses and farmers to establish local jobs. Other jurisdictions such as California and Colorado have utilized the tax revenue generated from legalized recreational adult-use cannabis to fund public education, health care, and infrastructure projects. Furthermore, legalization of recreational adult-use cannabis will allow the State to control unregulated, untested, and illicit sources of cannabis that pose public health concerns. While decriminalization of recreational adult-use cannabis has the potential to better shape communities statewide through increased tax revenues, your Committees recognize that there is a need for safeguards to ensure responsible usage to protect public health and safety of communities statewide.

Your Committees further find that legalization of cannabis is a social justice issue. Certain criminal convictions related to the possession of small amounts of cannabis has significantly impacted marginalized communities through unnecessary arrests and legal repercussions that disrupt lives, employment, and families. Ensuring streamlined operations of the judicial system, including fairer and more equitable judgments with a clear legal basis, will allow law enforcement statewide to focus on greater public safety concerns. Therefore, decriminalizing recreational adult-use cannabis will alleviate the judicial system by minimizing unjustly penalized individuals while decreasing the disproportionate cannabis-related negative impact on marginalized communities.

Accordingly, this measure establishes a framework to centralize the regulation of cannabis under a single regulatory authority while legalizing the recreational adult-use of cannabis statewide, under certain conditions.



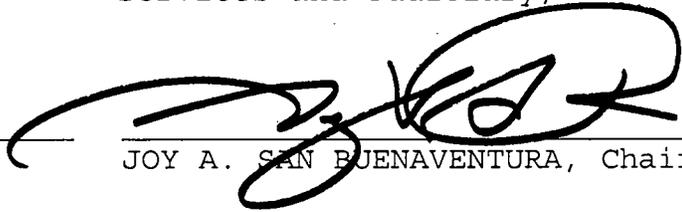
Your Committees have amended this measure by inserting an effective date of December 31, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1613, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1613, S.D. 1, and be referred to your Committees on Commerce and Consumer Protection and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services and Judiciary,



KARL RHOADS, Chair



JOY A. SAN BUENAVENTURA, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

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|--|--|-------------------------|----------|----------|
| Bill / Resolution No.:* SB 1613 | Committee Referral: HHS/JDC, ^{CON}WAM | Date: 2/13/25 | | |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| RHOADS, Karl (C) | ✓ | | ✓ | |
| GABBARD, Mike (VC) | | | ✓ | |
| CHANG, Stanley | ✓ | | | |
| SAN BUENAVENTURA, Joy A. | ✓ | | | |
| AWA, Brenton | | | ✓ | |
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| TOTAL | 3 | — | 2 | — |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes