



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

S.B. NO. 1064, S.D. 2, RELATING TO MEDICAL CANNABIS.

BEFORE THE:

HOUSE COMMITTEE ON HEALTH

DATE: Wednesday, March 12, 2025 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Alana L. Bryant, Deputy Attorney General

Chair Takayama and Members of the Committee:

The Department of the Attorney General (Department) offers the following comments.

Section 1 of the bill proposes to add two new sections to chapter 329D, Hawaii Revised Statutes (HRS). The first new section to establish the offense of unauthorized operation of a dispensary and the second new section to require a cannabis cultivator license. The first new section would: (1) prohibit and impose a criminal penalty for the unlicensed operation of a dispensary, (2) prohibit the operation of a search platform, web hosting service, or social media platform that advertises the sale of cannabis by an unlicensed person or entity, (3) require the Department of Health (DOH) to issue a cease and desist notice to violators of the section, and (4) establish defenses against violations of the section. The second new section would create a cannabis cultivator license program in chapter 329D, HRS. Section 2 of the bill amends section 321-30.1, HRS, to permit the Medical Cannabis Registry and Regulation Special Fund (Fund) to fund programs for mitigation and abatement of nuisances relating to chapter 329D, HRS. Section 3 of the bill amends section 329-123, HRS, to limit the fees charged to issue a written certification for a qualifying patient. Finally, section 4 of the bill appropriates funds out of the Fund for the DOH to enforce and mitigate nuisances relating to chapter 329D, HRS.

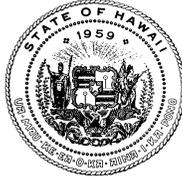
We note that subsection (d) of the first new section on page 2, lines 3-4, makes explicit that a violation of subsection (a) is a class C felony. The level of offense for violation of subsection (b) on page 1, lines 8-14, is unclear and should be clearly stated. A second sentence could be added to subsection (d) on page 2, line 4, to read: "Any person who violates subsection (b) shall be guilty of a _____."

Section 329-130, HRS, allows for only two types of producers of medical cannabis: medical cannabis dispensary licensees and qualified patients. The cultivator licenses proposed by this bill would not be subject to the same cannabis production rules as dispensaries. Cannabis produced by cultivator licensees would be untracked, unregulated, and untested unless the product is distributed to a medical cannabis dispensary. If there is a market need for additional medical cannabis, an alternative to cultivator licenses would be to amend the existing medical cannabis dispensary administrative rules to allow dispensaries to grow more plants. Creating a new type of medical cannabis producer would also require DOH to put additional resources toward investigation and regulation.

We note that on page 4, line 9, the number of cannabis cultivator licenses is currently not specified. If the Legislature intends to create cultivator licenses, we recommend keeping the number of licenses low to ensure that DOH is able to regulate licensed cultivators.

We also note that on page 7, line 10, the appropriation amount should be specified.

We respectfully ask the Committee to make the recommended amendments if the bill is to pass. Thank you for the opportunity to provide comments.



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DEPARTMENT OF HEALTH
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**Testimony COMMENTING on SB1064 SD2
RELATING TO MEDICAL CANNABIS**

REPRESENTATIVE GREGG TAKAYAMA, CHAIR
HOUSE COMMITTEE ON HEALTH

Hearing Date and Time: March 12, 2025, 9:00AM

Room 329

1 **Fiscal Implications:** This measure imposes additional responsibilities for the Department of
2 Health (“Department”) but does not include an appropriation for the necessary resources.

3 **Department Testimony:** The Office of Medical Cannabis Control and Regulation (OMCCR)
4 provides the following testimony on behalf of the Department.

5 The Department appreciates the intent of expanding the medical cannabis program.
6 This includes authorizing the issuance of cannabis cultivator licenses, which would allow for the
7 legal sale of cannabis flower within the regulated medical cannabis system. Additionally, this
8 measure would grant the Department new authority to act against unlicensed dispensaries,
9 which have become an increasing concern. The rise of unauthorized and unregulated retailers
10 selling intoxicating cannabinoid products presents significant risks to public health and safety,
11 and the Department is committed to addressing these challenges. However, the Department
12 has concerns regarding the lack of appropriate funding and resources necessary to effectively
13 implement and manage these new regulatory responsibilities.

14 Additionally, the Department has significant concerns about the personal safety of its
15 staff when issuing administrative cease-and-desist notices to illegal cannabis retailers operating
16 in violation of criminal law. In regulating medical cannabis and hemp-cannabinoid products, the

1 Department works closely with state and county law enforcement agencies, relying on their
2 support to address non-compliance and more serious criminal offenses. Given the potential
3 risks involved, the Department defers to these agencies to manage conflicts that may escalate
4 to arrests, raids, searches, seizures, or other criminal law enforcement actions related to the
5 unauthorized operation of a cannabis dispensary.

6 The Department also respectfully notes that the proposed enforcement authority
7 exempts hemp processors and retailers, as well as primary caregivers. Page 3, lines 9-15. These
8 entities would not be considered unlicensed medical cannabis dispensaries if they are operating
9 within their legal authority. Including an exemption for these entities could unintentionally
10 create loophole in the law allowing an unlicensed dispensary to obtain a hemp processor
11 permit or claim to be a caregiver and market illicit cannabis without being subjected to the new
12 enforcement authority proposed in this measure. If the Legislature intends to move the bill
13 forward, we recommend deleting the exception on page 3, lines 9-15.

14 Thank you for the opportunity to testify on this measure.



To: Representative Gregg Takayama, Chair
Representative Sue Keohopaku-Lee Loy, Vice-Chair
Members of the House Health Committee

Fr: Blake Oshiro on behalf of the HICIA Assn.

Re: Testimony **Support Original/HD1, but Oppose SD2** version of **Senate Bill (SB) 1064, Senate Draft (SD) 2**

RELATING TO MEDICAL CANNABIS

Prohibits persons from operating a medical cannabis dispensary or cultivating cannabis without a license from the Department of Health. Prohibits individuals from providing certain services to individuals engaging in unlicensed cannabis operations. Requires the Department of Health to send a cease and desist notice to violators. Establishes 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: (1) 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. 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 nuisances relating to, chapter 329D, HRS. Effective 12/31/2050.

Dear Chair Takayama, Vice-Chair Keohokapu-Lee Loy and Members of the Committee:

The Hawai'i Cannabis Industry Association, represents a majority of the state's licensed medical cannabis dispensaries. HICIA supports the original version and Senate Draft 1 version of SB 1064 which reigns in the illicit sales of hemp and cannabis products undermining the protections of the medical cannabis program.

However, the HICIA does NOT support the added provisions by SD2, which creates cannabis cultivator licenses.

ENFORCEMENT OF ILLEGAL PRODUCTS

Regulators continue to provide non-enforcement of brick-and-mortar and online illicit hemp sales. The Department of Health and Attorney-General continue to deflect and point fingers to local police, and the Narcotics Enforcement Division to take care of these offenders. This inefficiency and non-enforcement create confusion in the marketplace and lead to the proliferation of the sale of untested and untracked cannabis products for profit. These hemp products were untested and not tracked. This situation



and the confusion among law enforcement between d8-THC hemp and d9-THC cannabis highlights the importance of regulating hemp and cannabis as “one plant”, with one regulator responsible for rules and enforcement with support from local police. The Department of Health continues to regulate the dispensaries with an iron fist, but chooses to ignore the more difficult program of illicit dispensaries. HICIA asks the committee to consider adding the suggested provisions below to protect legitimate hemp processors licensed with the State. It is still unclear how the Department of Health will effectively stop illicit hemp sales with a “cease and desist” letter when they do not license illicit hemp sellers. Local police and the Narcotics Enforcement Division have not been sympathetic to the Department of Health’s request to “handle” illicit retailers.

The Department of Health should be given the broad authority to regulate hemp and cannabis as “one plant” in order to protect the public and community from the illicit sales of THC molecules.

CULTIVATOR LICENSES

The HICIA does not support these new provisions of the bill. These licensees would be growing more cannabis to provide to an already extremely limited and constrained marketplace since products would/should be sold through licensed dispensaries retail locations.

However, the current number of qualified patients is lower than it’s been in the last 3 years. While the number of registered medical cannabis patients reached its peak in August 2021, with 35,444 card-holding patients, since then, the number of patients has decreased over fifteen per cent to 30,035 by November 2024.

This means there are less patients qualified to purchase medical cannabis. Licensees already have production centers that are underutilized and not growing at full capacity just to serve their own patient customer base. Adding additional products into this already tight legal system through cultivator licensees will simply flood the market with more product. This product will end up somewhere, and if not in licensed facilities, more likely in the illicit market.

And while it would be nice to believe that cannabis from cultivator licenses could result in lower cost cannabis for qualified patients, HICIA does not believe that will be possible. Cannabis produced under HRS Chapter 329D is heavily regulated with some of the most rigorous and stringent rules in the nation. Seed-to-production tracking, laboratory testing, requirements for background checked and monitored employees, security systems and other regulations applicable to dispensary production centers will likewise apply to cultivator licensees. These operational burdens all increase costs for



production and more than likely, mean cultivator licensed products, if allowed, would be as costly, if not more so due to their limited and smaller scale.

Based on the foregoing, we recommend that the committee delete all of the new provisions added under the SD2, and revert the bill back to its original versions.

Thank you for the opportunity to testify.



Akamai Cannabis Consulting

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TESTIMONY ON SENATE BILL 1064 SD2
RELATING TO MEDICAL CANNABIS
Clifton Otto, MD

HOUSE COMMITTEE ON HEALTH
Rep. Gregg Takayama, Chair
Rep. Sue L. Keohokapu-Lee Loy, Vice Chair

Wednesday, March 12, 2025, at 9:00 AM
State Capitol, Room 329 & Videoconference

The State cannot dictate how much certifying physicians and APRNs can charge for a certification evaluation.

If the issue is that patients are not receiving a level of care that justifies reasonable compensation to the certifying provider, then a solution is to have the department adopt competency standards in Cannabinoid Medicine that certifying providers must meet to provide patient certification and registration.

Please consider the following amendment suggestion:

§329-123 Registration requirements; qualifying patients; primary caregivers.

(a) Physicians or advanced practice registered nurses who issue written certifications shall provide, in each written certification, the name, address, patient identification number, and other identifying information of the qualifying patient. The department of health shall require, in rules adopted pursuant to chapter 91, that all written certifications comply with a designated form completed by or on behalf of a qualifying patient. The form shall require information from the applicant, primary caregiver, and physician or advanced practice registered nurse as specifically required or permitted by this chapter. The form shall require the address of the location where the cannabis is grown and shall appear on the registry card issued by the department of health. The certifying physician or advanced practice registered nurse shall be required to have a bona fide physician-patient relationship or bona fide advanced practice registered nurse-patient relationship, as applicable, with the qualifying patient. The

department of health shall also require, in rules adopted pursuant to chapter 91, that all certifying physicians and advanced practice registered nurses comply with competency standards in Cannabinoid Medicine established by the department. All current active medical cannabis permits shall be honored through their expiration date. ["~~Any fees assessed by a certifying physician or advanced practice registered nurse to issue a written certification for a qualifying patient shall not exceed an amount equal to three times the amount of the fee charged by the department of health to issue a registration certificate pursuant to subsection (b).~~"]



To: Chair Takayama and Vice Chair Keohokapu-Lee Loy
Members of the Health Committee

Fr: Karlyn Laulusa, Chief Executive Officer, Noa Botanicals

Re: Testimony with Comments of Senate Bill (SB) 1064/ House Bill (HB) 953

Measure Title: RELATING TO CANNABIS.
Report Title: DOH; Medical Cannabis; Licensure; Requirement; Penalty
Description: Prohibits persons from operating a medical cannabis dispensary or producing, manufacturing, or selling cannabis products without a license from the Department of Health. Prohibits individuals from providing certain services to individuals engaging in unlicensed cannabis operations. Requires the Department of Health to send a cease and desist notice to violators. Establishes criminal penalties.

Aloha Chair, Vice Chair, and committee members,
My name is Karlyn Laulusa and I am the CEO of Noa Botanicals, a medical cannabis licensee.

I stand in strong opposition of SB1064 SD2 as the amendments introduced into the bill do not reflect what I believe to be the bill's original intent, nor does it provide a pathway to improving patient participation in a declining market that warrants the issuance of additional cultivation licenses.

I stood in strong support of SB1064 and SB1064 SD1 as it strived to primarily address the explosion of cannabis products being labeled as hemp and sold statewide in unregulated retailers. As it stands today – the ratio of illegal operators versus medical cannabis dispensaries is 4:1 statewide. The language in the updated SD2 description states, “Prohibits persons from operating a medical cannabis dispensary or cultivating cannabis without a license from the Department of Health.” The language in the description and the bill should revert to the original language in SB1064 SD1 because:

1. The current problem is not related to the cultivation of cannabis
2. The current problem is related to illegal dispensaries
3. Further, “Illegal dispensaries should be defined as any person or persons selling cannabis without a license from the department pursuant to this chapter.”



Now, the attempt to introduce additional cultivation licenses during declining program participation and lack of enforcement of illegal dispensaries is illogical. Participation is at a low not seen since October 2020. In terms of the issuance of additional cannabis cultivator licenses, I'd like to highlight the following facts in opposition -

1. The burdensome and high barriers to accessing the medical program that continue to drive the decline in participation have not been resolved and include -
 - a. Limited physician participation
 - b. High uncontrolled costs to obtain a medical cannabis card that are not covered by insurance
2. The proliferation of cannabis labeled as hemp that is sold free from regulation and without the need for a medical cannabis card continues to erode the rule of law.
 - a. The inability of the DOH and law enforcement to coordinate meaningful compliance, rules and regulation continues
 - b. Many licensees are either overproducing or have turned off parts of their grow operations to stop overproduction

Further, the Department of Health should be required to conduct a market study to further clarify the level of demand for medical cannabis and how to impact meaningful change that improves program participation and said demand prior to taking any action.

Lastly, here are recommended edits to SD1 that I believe would satisfy the intent of the bill:

SECTION 1. Chapter 329D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§329D- Unauthorized operation of a dispensary; criminal penalty. (a) It shall be unlawful for any person to operate a an online or retail cannabis dispensary without a license from the department pursuant to this chapter.

(b) No person shall intentionally, knowingly, or recklessly provide commercial real estate or other real property to a retail cannabis seller without a license from the department pursuant to this chapter.



~~(b)~~ (c) No person shall intentionally, knowingly, or recklessly operate any search platform, web hosting services, social media platform, or other entity that posts information advertising the sale of cannabis products by an unlicensed person or entity engaged in the production, manufacture, or sale of cannabis or manufactured cannabis products without a license pursuant to this chapter.

~~(e)~~ (d) The department shall issue a cease and desist notice to any person or entity who violates subsection (a) or (b) or (c); provided that the cease and desist notice shall be issued before initiating criminal proceedings.

(d) Any person who violates subsection (a) shall be guilty of a class C felony.

(e) It shall be an affirmative defense to subsection (b) that the person providing commercial real estate or other real property to a retail cannabis seller without a license from the department pursuant to this chapter that participates in the sale of cannabis products had requested, examined, and reasonably relied upon a license that appeared to have been issued by the department that was shown by the unlicensed person or unlicensed entity engaged in the production, manufacture, or sale of cannabis or manufactured cannabis products establishing that the unlicensed person or unlicensed entity was licensed by the department to engage in the production, manufacture, or sale of cannabis or manufactured cannabis products pursuant to this



chapter. The failure of the person providing commercial real estate or other real property to a retail cannabis seller to request and examine a license issued by the department from the unlicensed person or unlicensed entity engaged in the production, manufacture, or sale of cannabis or manufactured cannabis products before providing commercial real estate or other real property and form a conclusive basis for the person's violation of this section.

~~(e)~~ (f) It shall be an affirmative defense to subsection (c) ~~(b)~~ that the person operating any search platform, web hosting services, social media platform, or other entity that posts information advertising the sale of cannabis products had requested, examined, and reasonably relied upon a license that appeared to have been issued by the department that was shown by the unlicensed person or unlicensed entity engaged in the production, manufacture, or sale of cannabis or manufactured cannabis products establishing that the unlicensed person or unlicensed entity was licensed by the department to engage in the production, manufacture, or sale of cannabis or manufactured cannabis products pursuant to this chapter. The failure of the person operating any search platform, web hosting services, social media platform, or other entity that posts information advertising the sale of cannabis products to request and examine a license issued by the department from the unlicensed person or



unlicensed entity engaged in the production, manufacture, or sale of cannabis or manufactured cannabis products before providing access to any search platform, web hosting services, social media platform, or other entity that posts information advertising the sale of cannabis products shall be construed against the person operating any search platform, web hosting services, social media platform, or other entity that posts information advertising the sale of cannabis products and form a conclusive basis for the person's violation of this section.

(f) This section shall not apply to:

(1) Hemp processors, hemp product retailers, or hemp produce retailers with a valid permit under chapter 328G; or

(2) Primary qualified caregivers registered under chapter 329 who are acting within the scope of their permit or registration."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on December 31, 2050.

I am available if anyone has any additional questions or concerns and thank you for the opportunity to share information with you.

Thank you,
Karlyn Laulusa



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 11, 2025

TO: Representative Gregg Takayama
Chair, Committee on Health

Representative Sue Keohokapu-Lee Loy
Vice Chair, Committee on Health

FROM: Mihoko Ito

RE: **S.B. 1064, SD2 – Relating to Medical Cannabis**

Hearing Date: Wednesday, March 12, 2025 at 9:00 a.m.
Conference Room: 329

Dear Chair Takayama, Vice Chair Keohokapu-Lee Loy and Members of the Committee on Health:

We submit this testimony on behalf of Cure Oahu in **support of S.B. 1064, SD2**. This measure was significantly amended in the SD2 and currently proposes to: 1) require the Department of Health to send a cease and desist notice to entities that are engaged in unlicensed cannabis operations and establishes criminal penalties; 2) establish a cannabis cultivator license system to authorize the limited cultivation and distribution of cannabis plants through cultivator licenses, and 3) authorize expenditures from the Medical Cannabis Registry and Regulation Special Fund to fund programs for the mitigation and abatement of nuisances,.

We support the original provisions of the bill (page 4, line 1- page 3 line 15), which provides the Department of Health with clear enforcement tools to shut down illegal websites that are significantly impacting the regulated medical cannabis industry. There are numerous websites that are currently operating and advertising their sale of cannabis products, some which acknowledge that Hawaii is a medical cannabis only state, but some that do not and still openly sell cannabis products.

We would respectfully request that two amendments be added to this measure.

First, in Section 1 subsection (c) (page 1, line – page 2, line 2) we would ask that it be clarified that the Department of Health can coordinate with the Department of Law Enforcement on the cease and desist as follows:

(c) The department shall issue a cease and desist notice to any person or entity who violates subsection (a) or (b), **and coordinate with the department of law enforcement when necessary to effectuate this**

section; provided that the cease and desist notice shall be issued before initiating criminal proceedings.

Second, we would ask for consideration of adding the following language to simplify and streamline wholesale transport between dispensaries:

§329D-6 Dispensary operations.

(r) A dispensary may purchase cannabis and manufactured cannabis products from another dispensary. The department shall authorize a dispensary to purchase cannabis and manufactured cannabis products from another dispensary in a manner prescribed by the department by rules adopted pursuant to section 329D-27; provided that:

(1) The selling dispensary may transport not more than eight hundred ounces, or other amounts with prior approval by the department, of cannabis or manufactured cannabis products to the purchasing dispensary within a thirty-day period;

(2) For cannabis purchased and transported under this section, the following shall be required:

(A) Products intended for direct retail sale to the patient that meets all applicable packaging, labeling and testing requirements at the time of transportation may be transported to the purchasing dispensary's production center or retail dispensing location.

(B) Products intended for further manufacturing by the purchasing dispensary at the time of transportation shall be transported to the purchasing dispensary's production center;

(2) The cannabis and manufactured cannabis products are transported between the dispensaries for medical sales, scientific use, or other legitimate purposes approved by the State; and

(3) Nothing in this subsection shall relieve any dispensary of its responsibilities and obligations under this chapter and chapter 329.

These provisions will both help provide the department with the appropriate enforcement authority to shut down illegal activity, and streamline dispensary transport of wholesale products where further processing of the product is not necessary.

Thank you for the opportunity to submit testimony in support of this measure.



Good morning legislators.

The Oahu Cannabis Farms Alliance (OCFA) and its 1000 members oppose SB1064 SD2. We have provided comments on the bill itself but would also like to express our concerns on this bill. It has been 25 years since the Hawaii Medical Marijuana Act was passed and considered landmark legislation for its time, but little has been done since this act was passed to protect medical patients from harassment and prosecution by law enforcement. This harassment can be documented through hundreds of invasions by the Narcotics Enforcement Division onto people's property causing many homegrowers to give up their medical card in fear. This same fear also keeps people from getting their medical cards in Hawaii. A comparison in numbers would be the state of Maine's medical program (est.2009) has 100,000 medical cannabis cardholders while Hawaii has less than 40,000.

Bill SB 1064 aims to turn veterans, kapuna, and those who rely on cannabis to live a normal life, into criminals by ultimately charging any medical patient procuring, selling, or manufacturing cannabis without a license with a class C felon. DOH has clearly stated through their medical poll that over 45% of medical cannabis users do not go to dispensaries and must procure the medicine from either a home grower, a caregiver, or the legacy market. This bill also allows funds for a Regulation Special Fund for the Department of Attorney General to enforce against medical patients. Once again medical patients are being treated like criminals and now the attorney general will be making the call on enforcement.

This bill is also incomplete with both the cultivation license and canopy space both left blank. If the state were to award licenses this would solve the problem of medical patients being unlicensed and risking jail to help other medical patients. OCFA would recommend unlimited licensing with cultivators allowed up to 5000 sq ft of canopy flowering space outdoor/ greenhouse cultivation and 500 sq ft indoor cultivation. We would like to share with the legislation that all states that have limited licenses have now forced those folks without a license into the black market. Those states that have not imposed canopy size limits have allowed large conglomerates and black markets to saturate their markets and take away needed businesses and jobs from the local citizens.

This bill is a conflict of interest between the state and its medical patients. OCFA considers the issue an emergency and the governor should expedite licensing to keep medical patients out of harm from law enforcement. Caregivers and legacy growers cannot support medical patients without compensation and the state and the DOH have failed to address these issues. The legacy growers of Hawaii, also known as cooperatives, have stuck their necks out to get medical patients safe medicine. Please reward these patient advocates with better laws instead of treating them like felons. Also please take a look at HB602” The Hawaii Medical Cannabis Act of 2025”. HB602 is an overhaul of the current medical program and provides solutions to the concerns documented in this bill. I can be reached for any questions on comments provided.

Mahalo,

Jason Hanley, President, OFCA (<https://www.oahucfa.org>)

Cell. 8082240510

SECTION 1. Chapter 329D, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

~~"§329D- Unauthorized operation of a dispensary; criminal penalty.~~ (a) ~~It shall be unlawful for any person to operate a dispensary without a license from the department pursuant to this chapter.~~

~~(b) No person shall intentionally, knowingly, or recklessly operate any search platform, web hosting services, social media platform, or other entity that posts information advertising the sale of cannabis products by an unlicensed person or entity engaged in the production, manufacture, or sale of cannabis or manufactured cannabis products without a license pursuant to this chapter.~~

~~(c) The department shall issue a cease and desist notice to any person or entity who violates subsection (a) or (b); provided that the cease and desist notice shall be issued before initiating criminal proceedings.~~

~~— (d) Any person who violates subsection (a) shall be guilty of a class C felony.~~

~~— (e) It shall be an affirmative defense to subsection (b) that the person operating any search platform, web hosting services, social media platform, or other entity that posts information advertising the sale of cannabis products had requested, examined, and reasonably relied upon a license that appeared to have been issued by the department that~~

~~was shown by the unlicensed person or unlicensed entity engaged in the production, manufacture, or sale of cannabis or manufactured cannabis products establishing that the unlicensed person or unlicensed entity was licensed by the department to engage in the production, manufacture, or sale of cannabis or manufactured cannabis products pursuant to this chapter. The failure of the person operating any search platform, web hosting services, social media platform, or other entity that posts information advertising the sale of cannabis products to request and examine a license issued by the department from the unlicensed person or unlicensed entity engaged in the production, manufacture, or sale of cannabis or manufactured cannabis products before providing access to any search platform, web hosting services, social media platform, or other entity that posts information advertising the sale of cannabis products shall be construed against the person operating any search platform, web hosting services, social media platform, or other entity that posts information advertising the sale of cannabis products and form a conclusive basis for the person's violation of this section.~~

(f) This section shall not apply to:

- (1) Hemp processors, hemp product retailers, or hemp produce retailers with a valid permit under chapter 328G; or
- (2) Primary qualified caregivers registered under chapter 329 who are acting within the scope of their permit or registration.

§329D- Cannabis cultivator; license required. (a) Notwithstanding section 329D-24, it shall be unlawful for any person to cultivate cannabis without a license from the department pursuant to this section.

(b) A cannabis cultivator license shall authorize:

- (1) The acquisition and cultivation of cannabis plants, seeds, cuttings, or clones; and
- (2) The distribution of cannabis plants and cannabis flower to a medical cannabis dispensary.

(c) The department shall issue not more than one cannabis cultivator license for each person.

(d) The maximum number of cannabis cultivator licenses that may be issued by the department to the public shall not exceed — licenses.

The number of cultivation licences available to the public shall have no limit and should be a fair market.

(e) The maximum size of plant canopy the department may authorize for each cannabis cultivator license shall be 500 square feet of plant canopy for indoor cultivations and 5000 square feet of plant canopy for outdoor cultivations, or a maximum plant count of _____ mature cannabis plants for each cannabis cultivator license.

(f) For the purposes of this section, "plant canopy" means the square footage dedicated to flowering plants that are wider or taller than twelve inches. "Plant canopy" does not include areas such as space used for the storage of fertilizers, pesticides, or other products, quarantine, or office space."

SECTION 2. Section 321-30.1, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is established within the state treasury the medical cannabis registry and regulation special fund. The fund shall be expended at the discretion of the director of health:

- (1) To establish and regulate a system of medical cannabis dispensaries in the State;
- (2) To offset the cost of the processing and issuance of patient registry identification certificates and primary caregiver registration certificates;
- (3) To fund positions and operating costs authorized by the legislature;
- (4) To establish and manage a secure and confidential database;
- (5) To fund public education as required by section 329D-26;
- (6) To fund substance abuse prevention and education programs; [and]
- (7) To fund programs for the mitigation and abatement of nuisances relating to chapter 329D; and

~~[(7)]~~ (8) For any other expenditure necessary, consistent with this chapter and chapter 329D, to implement medical cannabis registry and regulation programs."

SECTION 3. Section 329-123, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Physicians or advanced practice registered nurses who issue written certifications shall provide, in each written certification, the name, address, patient identification number, and other identifying information of the qualifying patient. All medical information shall be kept confidential between the nurse and the patient. The DOH will provide nurse with a state back laminate to validate the card for law enforcement. No nurse or physician shall charge more the \$45 for the issuance of the medical card. ~~The department of health~~

shall require, in rules adopted pursuant to chapter 91, that all written certifications comply with a designated form completed by or on behalf of a qualifying patient. The form shall require information from the applicant, primary caregiver, and physician or advanced practice registered nurse as specifically required or permitted by this chapter. The form shall require the address of the location where the cannabis is grown and shall appear on the registry card issued by the department of health. The certifying physician or advanced practice registered nurse shall be required to have a bona fide physician-patient relationship or bona fide advanced practice registered nurse-patient relationship, as applicable, with the qualifying patient. All current active medical cannabis permits shall be honored through their expiration date. Any fees assessed by a certifying physician or advanced practice registered nurse to issue a written certification for a qualifying patient shall not exceed \$45. The Dept of health will no longer be involved in HIPAA information collection related to medical cannabis and this information will be only shared by the patients and the medical providers registered with DOH. Providers can provide certifications to patients that are, "likely to receive therapeutic or palliative benefit from the medical use of marijuana to treat or alleviate the patient's medical diagnosis or symptoms associated with the medical diagnosis." To be a qualifying patient in Hawaii's medical program, among other things, an individual must possess a valid written certification, and a written certification is only valid if it is "a document on tamper-resistant paper signed by a medical provider...". To keep costs low for prospective patients, OMP provides registered medical providers with the state's tamper-resistant patient certification paper at no cost. An online service hosted by the state's web portal provider allows for the immediate issuance patient certifications.

SECTION 4. There is appropriated out of the medical cannabis registry and regulation special fund the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 for the department of the attorney general to enforce, and mitigate nuisances relating to, chapter 329D, Hawaii Revised Statutes.

The sums appropriated shall be expended by the director of health for the purposes of this Act.

SECTION 5. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on December 31, 2050.

To: Representative Gregg Takayama, Chair
Representative Sue Keohopaku-Lee Loy, Vice-Chair
Members of the House Health Committee

Fr: TY Cheng on behalf of Aloha Green Apothecary

Re: Testimony **Support Original/HD1, but Oppose SD2** version of **Senate Bill (SB) 1064, Senate Draft (SD) 2**

RELATING TO MEDICAL CANNABIS

Prohibits persons from operating a medical cannabis dispensary or cultivating cannabis without a license from the Department of Health. Prohibits individuals from providing certain services to individuals engaging in unlicensed cannabis operations. Requires the Department of Health to send a cease and desist notice to violators. Establishes 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: (1) 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. 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 nuisances relating to, chapter 329D, HRS. Effective 12/31/2050.

Dear Chair Takayama, Vice-Chair Keohokapu-Lee Loy and Members of the Committee:

Aloha Green Apothecary (“AGA”) is one of eight state licensed medical dispensaries in Hawaii. AGA supports the original version and Senate Draft 1 version of SB 1064 which reigns in the illicit sales of hemp and cannabis products undermining the protections of the medical cannabis program.

However, the AGA does NOT support the added provisions by SD2, which creates cannabis cultivator licenses unless steps are taken to increase the demand for the increase in supply.

ENFORCEMENT OF ILLEGAL PRODUCTS

Regulators continue to provide non-enforcement of brick-and-mortar and online illicit hemp sales. The Department of Health and Attorney-General continue to deflect and point fingers to local police, and the Narcotics Enforcement Division to take care of these offenders. The Department of Health continues to regulate the dispensaries with an iron fist, but chooses to ignore the more difficult program of illicit dispensaries.

AGA asks the committee to consider adding the suggested provisions below to protect legitimate hemp processors licensed with the State. It is still unclear how the Department of Health will effectively stop illicit hemp sales with a “cease and desist” letter when they do not license illicit hemp sellers. Local police and the Narcotics

Enforcement Division have not been sympathetic to the Department of Health’s request to “handle” illicit retailers.

The Department of Health should be given the broad authority to regulate hemp and cannabis as “one plant” in order to protect the public and community from the illicit sales of THC molecules.

CULTIVATOR LICENSES

AGA does not support these new provisions unless steps are taken to increase the number of patients allowed to purchase medical cannabis. The Hawaiian medical cannabis market has reached equilibrium and is now in a decline with falling patient numbers. New cultivation licensees would be growing more cannabis to provide to an already extremely limited and constrained marketplace. Medical cannabis sold at Oahu’s medical dispensaries can be purchased for as low as \$7 per gram of dried flower. See below AGA’s pricing specials for medical cannabis which is comparable to illicit market pricing.

The State should take a more measured approach so we do not replicate the oversupply of cannabis in markets such as Oregon and California leading to cultivator bankruptcies.¹ Hawaii’s slow decriminalization and legalization progress provide the opportunity to learn from the supply/demand issues on the mainland.²

Thank you for the opportunity to testify.

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¹ <https://businessofcannabis.com/oregons-oversupply-issues-reach-breaking-point-as-prices-reach-all-time-low/>

² <https://www.sacbee.com/news/california/article260536727.html>

SB-1064-SD-2

Submitted on: 3/8/2025 7:18:38 PM

Testimony for HLT on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrew Simmons	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

I am writing to express my strong opposition to SB 1064, which seeks to prohibit the unlicensed operation of medical cannabis dispensaries and impose criminal penalties for violations. While I understand the intent to regulate the medical cannabis industry, I believe this bill will have several unintended negative consequences.

First, SB 1064 will limit access to medical cannabis for patients who rely on it for relief from chronic pain, anxiety, and other medical conditions. The bill will disproportionately impact small businesses and entrepreneurs who are trying to enter the medical cannabis industry. The high costs and bureaucratic hurdles associated with obtaining a license will create barriers to entry, stifling innovation and competition. This will ultimately benefit large corporations at the expense of local businesses and the communities they serve.

Third, criminalizing the unlicensed operation of dispensaries will exacerbate the already overburdened criminal justice system. Instead of focusing on serious crimes, law enforcement resources will be diverted to target individuals and businesses that are simply trying to provide a valuable service to their communities. This approach is counterproductive and will not address the root causes of illegal cannabis operations.

In conclusion, I urge you to reconsider SB 1064 and explore alternative approaches that prioritize patient access, support small businesses, and focus on public health and safety. Thank you for your consideration.

Mahalo,
Andrew

SB-1064-SD-2

Submitted on: 3/8/2025 7:32:07 PM

Testimony for HLT on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mark Tamosiunas	Individual	Support	Written Testimony Only

Comments:

Aloha!

This legislation, regarding medical cannabis, should pass because it brings much-needed regulation and oversight to the medical cannabis industry, ensuring safety and compliance for both patients and operators. By establishing a clear licensing framework through the Department of Health, we can prevent unregulated and potentially harmful practices that could jeopardize patient health and undermine the integrity of medical cannabis programs. The allocation of resources for enforcement and nuisance abatement will help maintain community standards and public safety.

Furthermore, by limiting the number of licenses and setting canopy and plant count restrictions, this bill promotes responsible cultivation practices, which can help prevent overproduction while protecting the interests of legitimate operators. The affirmative defenses included also provide necessary protections for those operating in good faith, reducing the fear of punitive measures in case of inadvertent non-compliance. Overall, this bill creates a structured and responsible environment for medical cannabis, ultimately benefiting patients, communities, and the industry as a whole. Mahalo.

SB-1064-SD-2

Submitted on: 3/10/2025 1:45:29 PM

Testimony for HLT on 3/12/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael plumhoff	Individual	Oppose	Written Testimony Only

Comments:

- * why are we now class c felony on medical bill
- * we are talking medical to medical not dispensary

not screaming , just using all caps for my eyes not your ears

* doh POLL 45% NOT GOING TO DISPENSARY , VALIDATION OF THIS POLL PUBLIC RECORD ? PROVE IT

* 30,000 329 CARD HOLDERS #13, 500 ARE NOT GOING TO DISPERECY , CO OP LEGACY , BUT doh CONFUSING TO CONTROL UN DEFINED DO BETTER

* doh KNEW THIS SINCE 2017 , BUT IGNORED ANY TYPE OF REGULATION , CREATING A LIFE STYLE OF INTIMIDATION AND RELATION FROM THE STATE

* SOILCATATION BY ELECTRONIC MEANS ALL PARTIES WILL RECEIVE C / D FIRST THEN CRIMINAL PROCEDURES

* LAYMAN'S TERMS PAY TO THE 8 DEISCRESIES ONLY NO FREE MARKET AMERICAN CARTEL CONTROL

* YOU ARE MAKING CIVILIANS FLENIONS FOR SEEKING AFFORDALE 200 OZ VS 400 OZ WELLNESS / MEDICAL IS THE ON THE RECORD

* NOTHING SPELLED OUT ON CAREGIVERS

* TRANSFER OR TRAFFICKING SALE FOR GOODS (CANNABIS PRODUCT) NO SPELLED OUT FOR CAREGIVERS OR MEDICAL 329 CARD HOLDER S PATIENTS

* 329 CARD HOLDER LICENCES DO NOT EXIST , SINCE 2000 YOU HAD ALL THIS TIME SUSPECT PAY TO PLAY LOTTERY HIGH COST TO ENTRY

* SENATE IS ASKING HOUSE TO DEFINE THEN ISSUE CULTIVATION LICS HOW IS THIS GOVERNING MAKE MAKE SENSE

* IN READING OF THIS BILL , NOT LANGUAGE OF CULTIVATION LICENCE , IS THIS SLIPPERY SLOPPY LAWYER SPEAK ?

This is serious people's business do add to file and read over

Michael P

