



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony in SUPPORT of SB962_SD1
RELATING TO MEDICAL CANNABIS.**

SENATOR KARL RHOADS, CHAIR
SENATOR DONOVAN M. DELA CRUZ, CHAIR
SENATE COMMITTEE ON JUDICIARY
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: Fri., March 3, 2023 Room Number: 211

1 **Fiscal Implications:** N/A.

2 **Department Testimony:** The Department of Health (DOH) SUPPORTS the intent of SB 962
3 SD1 to: (1) Add or clarify signage, manufactured cannabis product, packaging, and escort
4 requirements for the medical cannabis dispensary program; (2) Establish annual reporting
5 requirements to increase public transparency regarding the medical cannabis registry program;
6 and (4) Make various housekeeping amendments.

7 DOH is very appreciative of the SD1 amendments reinstating the existing dispensary program
8 licensing fee structure, advertising and packaging requirements, and rulemaking standards,
9 which acknowledge concerns raised by DOH and the Office of the Attorney General.

10 In addition, DOH appreciates the SD1 retention of the language Section 4 to increase the number
11 of signs that may be posted at a retail dispensary and removal of the chapter 91 rulemaking
12 requirement for for dispensary-to-dispensary sales. The additional sign will assist patients in
13 locating retail dispensaries and interim rulemaking authority protects patient safety by supporting
14 timely rule changes to address emergent public health concerns. DOH also appreciates the SD1
15 retention of the language in Section 5 authorizing DOH to determine specifications for pre-rolled
16 cannabis flower products as this will allow DOH to ensure that these products are manufactured in
17 the safest manner possible.

- 1 Thank you for the opportunity to testify.
- 2 **Offered Amendments:** N/A



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**TESTIMONY ON SENATE BILL 962 SD1
RELATING TO MEDICAL CANNABIS**

By
Clifton Otto, MD

Senate Committee on Judiciary
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Friday, March 3, 2023; 10:00 AM
State Capitol, Room 211 & Videoconference

PREROLLS (JOINTS)



**1 gram of material = 1000 mg
20% THC = 200 mg of THC per joint**



**Wasted material and nasty smell
Remaining material altered by heat from combustion
Smoke contains [harmful](#) byproducts**



SOLUTION: PRE-GROUND (For Herbal Vaporizing) INSTEAD OF PRE-ROLLED

SB-962-SD-1

Submitted on: 3/2/2023 2:49:18 AM

Testimony for JDC on 3/3/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ann Chung	Testifying for Pono Life Maui	Support	Written Testimony Only

Comments:

Aloha Chair Rhoads, Chair Dela Cruz, and members of the joint Committees:

On behalf of PONO LIFE MAUI, one of eight medical cannabis dispensaries licensed by the Department of Health to provide safe, legal access to medical cannabis for Hawaii-registered patients, we testify in SUPPORT of SB962 SD1 with request for an amendment.

Although we believe this bill will assist medical cannabis dispensaries streamline operations and resources and remain operational, we respectfully request the Committees consider **reinserting amendments to address the dispensary fee structure**. We do support the provisions in the bill regarding pre-rolled cannabis product and adding agency reporting requirements.

In Act 309, the legislative intent of amending the licensing fee structure was to provide the DOH with the ability to establish fees for subsequent licenses that 329D (2015) contemplated, and provide latitude in the renewal fee with regard to expanded licensee rights. In November 2022, DOH issued interim rules that dramatically changed the fee structure without any opportunity for stakeholders to provide input on potential impacts. DOH did not recommend, or discuss, any license fee structure or amount in the Dual Use Cannabis Task Force, yet used emergency rule making process to fundamentally change the renewal fee established in original law. This change significantly impacted the budgeting process of the dispensaries due to sudden overall fee increases ranging from 200-400%.

The original version of this bill SB962 included reasonable fees that are higher than the fees set in the original law and allows for realistic increases which would provide stability in the market.

Mahalo for your consideration.



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 1, 2023

TO: Senator Karl Rhoads
Chair, Senate Committee on Judiciary

Senator Donovan Dela Cruz
Chair, Senate Committee on Ways and Means

FROM: Mihoko Ito

RE: **S.B. 962, S.D. 1 – Relating to Medical Cannabis**
Hearing Date: Wednesday, March 03, 2023 at 10:00 a.m.
Conference Room: 211 & Videoconference

Chair Rhoads, Chair Dela Cruz, and members of the joint Committees:

We submit this testimony on behalf of Cure Oahu in **support** of S.B. 962, S.D. 1. Cure Oahu is a vertically integrated licensed dispensary that has been operating in the State of Hawaii since 2018, with two retail locations in the Kapahulu and Kapolei areas.

S.B. 962, S.D. 1, Relating to Medical Cannabis updates the medical cannabis dispensary program by: (1) clarifying signage, manufactured cannabis product, and escort requirements for the medical cannabis dispensary program; (2) establishing annual reporting requirements to increase public transparency regarding the medical cannabis registry program; and (3) making various housekeeping amendments.

We believe that this bill will assist the medical cannabis dispensaries overall with streamlining operations and resources and simply remaining operational. In addition to structural issues already impacting the cannabis industry nationwide, the medical cannabis market has, like many other industries, been subject to the recent impacts of inflation and labor shortage issues, both within business operations and with its vendors.

While we support this bill, we would ask for the Committee to consider reinserting amendments to address the dispensary fee structure. In November 2022, the medical cannabis dispensary program issued interim rules that dramatically changed the fee structure without opportunity for stakeholders to anticipate or provide input on potential impacts. This change in turn significantly impacted the budgeting process of the dispensaries due to sudden overall fee increases ranging from 200-400%. While we understand the need for increasing regulatory resources and support a way to achieve that, fees need to be predictable and budgeted for. More importantly, we believe it is important for stakeholders to have a voice when there are dramatic financial impacts to operations. The original

bill codified reasonable fees that are higher than the dispensary fees set in the original 2015 law, and also allows for reasonable increases which will provide stability in the market. We would note that H.B 1082, HD2 continues to retain this provision, with amendments added to address concerns by the attorney general.

We also note our support for the following provisions that remain in the bill:

Pre-rolled cannabis product: We also support the allowance for the sale of pre-rolled cannabis flower products. The majority of dispensaries' sales today are in the flower form of the product, which is typically smoked in some form. Pre-rolls eliminate the need for patients to purchase and invest in cannabis accessories such as rolling paper, grinders, bowls, pipes and other paraphernalia. It also helps new patients who purchase and use flower but are unfamiliar with how to roll the product avoid wasting medicine if they were to learn to roll themselves. Pre-rolls are sold in many other states across the country, and we believe there is merit to adding them as allowable product for patients.

Agency Reporting: We support the provisions in this measure that add reporting requirements for the medical cannabis dispensary program under Chapter 329D and the individual medical use of medical cannabis under HRS Chapter 329. This will help the Legislature and other stakeholders understand the overall focus of the regulatory agencies in their oversight of the medical cannabis program. For dispensaries, understanding the priorities of the regulatory agencies involved will help them align expectations and allocate their resources accordingly.

We respectfully request that the Committee move this measure to allow for discussions to continue on these issues. Thank you for the opportunity to submit testimony in support of this bill.

SB-962-SD-1

Submitted on: 3/1/2023 8:30:25 AM

Testimony for JDC on 3/3/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

In support of SD1. Thank you.