JAN 2 9 2015

#### A BILL FOR AN ACT

RELATING TO MEDICAL MARIJUANA DISPENSARIES.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	PART I
2	SECTION 1. The legislature finds that Hawaii's medical use
3	of marijuana law was enacted on June 14, 2000, as Act 228,
4	Session Laws of Hawaii 2000, to provide medical relief for
5	seriously ill individuals in the State. While the current law
6	recognizes the beneficial use of marijuana in treating or
7	alleviating pain or other symptoms associated with certain
8	debilitating illnesses, it is silent on how patients can obtain
9	medical marijuana if they or their caregivers are unable to grow
10	their own supply of medical marijuana. The legislature further
11	finds that many of the State's nearly thirteen thousand
12	qualifying patients lack the ability to grow their own supply of
13	medical marijuana due to a number of factors, including
14	disability and limited space to grow medical marijuana. As a
15	result, a regulated statewide dispensary system for medical
16	marijuana is urgently needed by qualifying patients in the
17	State.

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         Accordingly, the purpose of this Act is to establish a
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    regulated statewide dispensary system for medical marijuana to
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    ensure safe and legal access to medical marijuana for qualifying
 4
    patients.
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                                  PART II
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         SECTION 2. Chapter 321, Hawaii Revised Statutes, is
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    amended by adding a new part to be appropriately designated and
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    to read as follows:
 9
                     . MEDICAL MARIJUANA DISPENSARY SYSTEM
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         §321-A Definitions. As used in this part:
11
         "Department" means the department of health.
12
         "Manufacture" means the production, preparation,
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    propagation, compounding, conversion, or processing of a
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    substance containing marijuana or its principal psychoactive
15
    constituent tetrahydrocannabinol, either directly or indirectly,
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    by extraction from substances of natural origin, or
17
    independently by means of chemical synthesis, or by a
18
    combination of extraction and chemical synthesis, and includes
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    any packaging or repackaging of the substance or labeling or
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    relabeling of its container; provided that "manufacture" shall
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    not include the preparation or compounding of marijuana or
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- 1 tetrahydrocannabinol by a qualifying patient or primary
- 2 caregiver for the qualifying patient's use.
- 3 "Marijuana" shall have the same meaning as in section 329-
- 4 121.
- 5 "Medical marijuana dispensary" or "dispensary" means an
- 6 establishment operated by an organization or business licensed
- 7 by the State pursuant to this part.
- 8 "Medical marijuana production center" or "production
- 9 center" means a farm or facility operated by an organization or
- 10 business licensed by the State pursuant to this part where
- 11 marijuana or marijuana products are cultivated, processed, or
- 12 packaged with the limited and express intent that the marijuana
- 13 or marijuana products be supplied to medical marijuana
- 14 dispensaries or other medical marijuana production centers,
- 15 pursuant to this part and to section 329-122.
- "Person" means an individual, firm, corporation,
- 17 partnership, association, or any form of business or legal
- 18 entity.
- 19 "Primary caregiver" shall have the same meaning as in
- 20 section 329-121.

- 1 "Qualifying patient" shall have the same meaning as in
- 2 section 329-121.
- 3 §321-B Medical marijuana dispensaries; licensure; fees;
- 4 inspection. (a) This section applies to the distribution of
- 5 marijuana for medical use, as defined in section 329-121.
- 6 (b) No person shall act as a dispensary unless the person
- 7 has obtained a license from the department pursuant to this
- 8 part.
- 9 (c) The department shall adopt rules, in accordance with
- 10 chapter 91, to provide for the licensure and standards for
- 11 dispensaries in this State.
- 12 (d) The director of health shall grant medical marijuana
- 13 dispensary licenses to allow dispensaries registered under this
- 14 section to acquire, possess, cultivate, manufacture, deliver,
- 15 transfer, transport, supply, or dispense marijuana, or related
- 16 supplies and educational materials, to registered qualifying
- 17 patients.
- 18 (e) At least dispensaries shall be licensed in each
- 19 county; provided that a dispensary shall not be required in the
- 20 county of Kalawao; provided further that there shall be:

1	(1)	Up to dispensaries in the city and county of
2		Honolulu;
3	(2)	Up to dispensaries in Hawaii county;
4	(3)	Up to dispensaries in Maui county; and
5	(4)	Up to dispensaries in Kauai county.
6	(f)	Each dispensary licensed pursuant to this section
7	shall:	
8	(1)	Be a health care provider incorporated in the State
9		for at least years before the date of
10		application;
11	(2)	Be a legal entity formed under the laws of the State;
12	(3)	Not be a legal entity formed under the laws of any
13		other state;
14	(4)	Not be an insurance company or mutual benefit society,
15		nor directly owned or controlled by an insurance
16		company or mutual benefit society; and
17	(5)	Have obtained a Hawaii general excise tax license
18		pursuant to section 237-9.
19	(g)	The director of health shall approve an application
20	for a dis	pensary license if the application meets all dispensary
21	licensing	requirements and criteria pursuant to this section

- 1 and, if approved, shall issue the license to the dispensary
- 2 within days of receiving the application. The director
- 3 shall issue dispensary licenses in the order in which
- 4 applications are received.
- 5 (h) Dispensaries licensed pursuant to this section shall
- 6 be open for business and have medical marijuana for sale to
- 7 patients no later than days from the date of license
- 8 approval.
- 9 (i) The department of health shall commence accepting
- 10 applications for the dispensary license that is applicable to
- 11 each county beginning on the effective date of this Act.
- 12 (j) A single dispensary may be granted a dispensary
- 13 license in more than counties if the dispensary meets all
- 14 licensing requirements.
- 15 (k) At least per cent of the interests in a
- 16 dispensary shall be held at all times by Hawaii residents who
- 17 have documented Hawaii residency for at least years
- 18 immediately preceding the date of the license application. No
- 19 more than per cent of the interests in a dispensary shall
- 20 be held at any time by individuals who do not have documented

1	Hawaii res	sidency for at least years immediately preceding
2	the date o	of the license application.
3	(1)	Each individual who holds per cent or more
4	interest i	n a dispensary shall:
5	(1)	Be a principal officer or board member of the
6		dispensary;
7	(2)	Have been a Hawaii resident for at least years
8		immediately preceding the date of the license
9		application;
10	(3)	Be a legal resident of the State;
11	(4)	Maintain a full-time residence in the State; and
12	(5)	Not have been convicted of a felony anywhere in the
13		United States within years immediately preceding
14		the date of the license application.
15	(m)	Each person seeking licensure as a dispensary shall
16	submit an	application that includes the following:
17	(1)	The name of at least principal officer or board
18		member of the dispensary; provided that the name of
19		each individual who is required to be a principal
20		officer and board member of the dispensary pursuant to
21		subsection (1) shall be included, if applicable;

1	(2)	Documentation that demonstrates that the dispensary
2		controls at least \$ for each license and at
3		least \$ for each dispensing location allowed
4		under the license or licenses applied for in the form
5		of escrow accounts, letters of credit, surety bonds,
6		bank statements, lines of credit, or the equivalent,
7		to begin operating the dispensary;
8	(3,)	Documentation that demonstrates that the dispensary
9		has controlled at least \$ for at least
10		days prior to the date the license application was
11		submitted;
12	(4)	Documentation that demonstrates the capacity of the
13		dispensary to conduct chemical and pharmaceutical
14		analysis of medical marijuana to ensure quality,
15		consistency, purity, and potency of medication for at
16		least days prior to the date the license
17		application was submitted;
18	(5)	A fee of \$ ; provided that:
19		(A) The applicant shall submit the fee in the form of
20		checks in the amount of \$ ;

1	( E	3) If the application is unsuccessful, the
2		department shall retain the fee of \$ ,
3		and destroy the remaining checks for \$ ;
4		and
5	(0	C) Application fees of successful applicants are
6		nonrefundable;
7	(6) Do	ocumentation that demonstrates that the dispensary is
8	a	legal entity formed under the laws of the State; and
9	(7) A	general excise tax license number.
10	(n) Al	ll dispensary licenses shall expire on ,
11	and may be r	renewed by application submitted beginning on
12		
13	(o) Th	ne department shall establish and collect an annual
14	renewal fee	of \$ from a medical marijuana dispensary;
15	provided tha	at the amount of the renewal fee shall be subject to
16	review and r	revision by the department; provided further that the
17	renewal fee	shall be sufficient to cover the department's
18	expenses in	carrying out this part.
19	(p) Al	I fees collected pursuant to this section shall be
20	deposited in	the medical marijuana registry and regulation
21	special fund	d pursuant to section 321-30.1.

- 1 (g) Notwithstanding any other law to the contrary, no
- 2 dispensary shall employ a person convicted of a felony anywhere
- 3 in the United States within years immediately preceding
- 4 the date of the license application.
- 5 §321-C Medical marijuana production centers; licensure;
- 6 fees; inspection. (a) No person may act as a medical marijuana
- 7 production center unless the person has obtained a license from
- 8 the department pursuant to this part.
- 9 (b) The department shall adopt rules, in accordance with
- 10 chapter 91, to provide for the licensure and standards for
- 11 medical marijuana production centers in this State.
- (c) Medical marijuana production centers shall distribute
- 13 marijuana only to dispensaries or other production centers
- 14 licensed pursuant to this part. Medical marijuana production
- 15 centers shall not distribute marijuana directly to qualifying
- 16 patients or primary caregivers.
- 17 §321-D Manufacturing of medical marijuana products. (a)
- 18 Any medical marijuana dispensary or production center licensed
- 19 by the department pursuant to this part shall be permitted to
- 20 manufacture medical marijuana; provided that the dispensary or
- 21 production center shall also obtain any other state or county

- 1 permits or licenses that may be necessary for a particular
- 2 manufacturing activity.
- 3 (b) The department shall establish standards regarding the
- 4 manufacture of medical marijuana products; provided that any
- 5 area within a dispensary or production center where marijuana
- 6 will be manufactured into an edible form shall comply with the
- 7 food safety code, chapter 11-50, Hawaii Administrative Rules.
- 8 §321-E Types of medical marijuana products. (a) The
- 9 department shall adopt rules regarding the type of medical
- 10 marijuana products that may be manufactured and distributed
- 11 pursuant to this part; provided that no candy products
- 12 containing medical marijuana shall be permitted; provided
- 13 further that nothing in this section shall be construed as
- 14 prohibiting the manufacture and distribution of lozenges.
- 15 (b) As used in this section, "lozenges" means a small
- 16 tablet manufactured in a manner to allow for the dissolving of
- 17 its medicinal or therapeutic component slowly in the mouth.
- 18 §321-F Advertising and packaging. (a) The department
- 19 shall establish standards regarding the advertising and
- 20 packaging of medical marijuana products; provided that the

1	standards	, at a minimum, shall require the use of packaging
2	that:	
3	(1)	Is child-resistant and opaque so that the product
4		cannot be seen from outside the packaging;
5	(2)	Is clearly labeled with the phrase "For medicinal use
6		only"; and
7	(3)	Contains information about the contents and potency of
8		the product.
9	(b)	Any lozenge, capsule, or pill containing medical
10	marijuana	or its principal psychoactive constituent
11	tetrahydro	ocannabinol shall be packaged so that one dose,
12	serving, d	or single wrapped item contains no more than
13	milligrams	s of tetrahydrocannabinol.
14	§321-	-G Medical marijuana production center and dispensary
15	rules. The	ne department shall adopt rules pursuant to chapter 91
16	for the pu	irpose of this part and with respect to:
17	(1)	A fee structure for the submission of applications and
18		renewal of licenses to operate production centers or
19		dispensaries;

1	(2)	Any speci	fic requirements regarding annual audits and
2		reports p	ertaining to each production center and
3		dispensar	y that is licensed pursuant to this part;
4	(3)	Security	requirements for the operation of production
5		centers a	nd dispensaries; provided that the
6		requireme	nts, at a minimum, shall require:
7		(A) For	productions centers:
8		(i)	Video monitoring and recording of the
9			premises;
10		(ii)	Fencing that surrounds the premises and that
11			is sufficient to reasonably deter intruders
12			and prevent anyone outside the premises from
13			viewing any area where marijuana is
14			cultivated, processed, or stored;
15		(iii)	An alarm system; and
16		(iv)	Other reasonable security measures to deter
17			or prevent intruders, as deemed necessary by
18			the department;
19		(B) For	dispensaries:
20		(i)	Presentation of valid identification as
21			issued by the department pursuant to section

1			329-123, by a qualifying patient or primary
2			caregiver, upon entering the premises;
3		(ii)	Video monitoring and recording of the
4			premises;
5		(iii)	An alarm system;
6		(iv)	Exterior lighting; and
7		(v)	Other reasonable security measures as deemed
8			necessary by the department;
9	(4)	Standards	and criminal backgrounds checks for
10		operators	and employees of production centers and
11		dispensar	ies; provided that the standards, at a
12		minimum,	shall exclude from licensure or employment
13		any person	n convicted of any felony pursuant to section
14		321-B(q);	provided further that the department may
15		adopt rul	es exempting from this paragraph a person who
16		was convi	cted of a felony that was specifically
17		related to	o marijuana, if the conviction was at least
18		yea:	rs prior to the licensure or employment;
19	(5)	The train	ing and certification of operators and
20		employees	of production centers and dispensaries;
21		provided	that the department shall establish a

1		trai	ning or certification program for dispensary		
2		empl	oyees;		
3	(6)	The	The types of medical marijuana products that		
4		prod	production centers and dispensaries shall be		
5		auth	orized to grow, manufacture, sell, or provide;		
6	(7)	Stan	dards and methodologies related to testing medical		
7		mari	juana products for content, contamination, and		
8		cons	istency;		
9	(8)	Disp	ensary and production center inventory controls to		
10		prev	prevent the unauthorized diversion of marijuana;		
11		provided that the controls, at a minimum, shall			
12		incl	include:		
13		(A)	A computer software tracking system that will		
14			allow the department to track all medical		
15			marijuana and medical marijuana product inventory		
16			from either seed or immature plant state until		
17			the marijuana or marijuana product is sold to a		
18			customer or destroyed; and		
19		(B)	Product packaging standards sufficient to allow		
20			law enforcement personnel to reasonably determine		
21			the contents of an unopened package;		

1	(9)	The enforcement of prohibitions against the sale of
2		provision of medical marijuana products to
3		unauthorized persons;
4	(10)	Any limitations to the size or format of any signs
5		placed outside a dispensary or production center;
6		provided that no sign shall include the image of a
7		cartoon character or other design intended to appeal
8		to children; and
9	(11)	Penalties for violations of this part or rules adopted
10		thereunder.
11	§321	-H Medical marijuana zoning. Medical marijuana
11 12		-H Medical marijuana zoning. Medical marijuana n centers and dispensaries shall comply with all county
	production	
12	production	n centers and dispensaries shall comply with all county dinances, rules, or regulations; provided that:
12 13	production zoning or	n centers and dispensaries shall comply with all county dinances, rules, or regulations; provided that:
12 13 14	production zoning or	n centers and dispensaries shall comply with all county dinances, rules, or regulations; provided that:  A medical marijuana production center shall be
12 13 14 15	production zoning or	n centers and dispensaries shall comply with all county dinances, rules, or regulations; provided that:  A medical marijuana production center shall be permitted in any area in which agricultural production
12 13 14 15 16	production zoning or (1)	n centers and dispensaries shall comply with all county dinances, rules, or regulations; provided that:  A medical marijuana production center shall be permitted in any area in which agricultural production is permitted except as provided within this part;
12 13 14 15 16	production zoning or (1)	n centers and dispensaries shall comply with all county dinances, rules, or regulations; provided that:  A medical marijuana production center shall be permitted in any area in which agricultural production is permitted except as provided within this part;  A medical marijuana dispensary shall be permitted in

1	pro	perty comprising a public school as de	fined in	
2	sec	tion 302A-101.		
3	§321-I	Annual inspections, audits, and report	<b>s.</b> (a)	Each
4	medical marij	uana production center and dispensary	licensed	
5	pursuant to t	his part shall:		
6	(1) Be	subject to an annual announced inspect	ion and	
7	una	nnounced inspections of its operations	by the	
8	dep	artment; and		
9	(2) Ann	ually cause an independent financial a	udit, at	the
10	pro	duction center or dispensary operator'	s own	
11	exp	ense, to be conducted of the productio	n center	or
12	dis	pensary and shall submit the audit's f	indings t	0
13	the	department.		
14	(b) The	department shall report annually to t	he govern	.or
15	and the legis	lature on the establishment and regula	tion of	
16	medical marij	uana production centers and dispensari	es, inclu	ding
17	but not limit	ed to:		
18	(1) The	number and location of production cen	ters and	
19	dis	pensaries licensed;		
20	(2) The	total licensing fees collected; and		

(3) Any licensing violations determined by the department.



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1	§321-J Cultivation of medical marijuana by qualifying
2	patients and primary caregivers. Nothing in this part shall be
3	construed as prohibiting a qualifying patient or primary
4	caregiver from cultivating or possessing an adequate supply of
5	medical marijuana pursuant to part IX of chapter 329.
6	§321-K Coordination among state and federal agencies. (a
7	The department shall initiate ongoing dialogue among relevant
8	state and federal agencies to identify processes and policies
9	that ensure the privacy of medical marijuana patients and the
10	compliance of patients, caregivers, producers, and dispensaries
11	with state laws and regulations related to medical marijuana.
12	(b) The entirety of this part, and all actions and
13	activities provided for and allowed for by this part, shall be
14	deemed the implementation of a state law that authorizes the
15	use, distribution, and possession of medical marijuana under
16	section 538 of the Consolidated and Further Continuing
17	Appropriations Act of 2015.
18	§321-L County ordinance restriction; preemption. (a) No
19	county shall enact any ordinances or laws regulating
20	dispensaries, the cultivation of marijuana by medical marijuana
21	production centers, or the location of dispensaries and

- 1 production centers. No county shall regulate dispensaries or
- 2 production centers other than as provided in this part and shall
- 3 not prohibit the cultivation, processing, transportation,
- 4 infusion, preparation, possession, dispensing, sale, and use of
- 5 medical marijuana.
- 6 (b) This part is an express preemption of the concurrent
- 7 exercise by county governments on the regulation and licensing
- 8 of dispensaries, production centers, and the operation of
- 9 dispensaries and production centers, all such powers being
- 10 exclusively reserved to and exercised under this part by the
- 11 State. The State hereby expresses an intent to fill the field
- 12 of the regulation of medical marijuana and the dispensing and
- 13 production thereof, and all county laws or ordinances in
- 14 conflict with and having the effect of interfering with the
- 15 State's intent to fill the field are expressly preempted."
- 16 PART III
- 17 SECTION 3. Section 46-4, Hawaii Revised Statutes, is
- 18 amended to read as follows:
- 19 "\$46-4 County zoning. (a) This section and any
- 20 ordinance, rule, or regulation adopted in accordance with this
- 21 section shall apply to lands not contained within the forest



- 1 reserve boundaries as established on January 31, 1957, or as
- 2 subsequently amended.
- 3 Zoning in all counties shall be accomplished within the
- 4 framework of a long-range, comprehensive general plan prepared
- 5 or being prepared to guide the overall future development of the
- 6 county. Zoning shall be one of the tools available to the
- 7 county to put the general plan into effect in an orderly manner.
- 8 Zoning in the counties of Hawaii, Maui, and Kauai means the
- 9 establishment of districts of such number, shape, and area, and
- 10 the adoption of regulations for each district to carry out the
- 11 purposes of this section. In establishing or regulating the
- 12 districts, full consideration shall be given to all available
- 13 data as to soil classification and physical use capabilities of
- 14 the land to allow and encourage the most beneficial use of the
- 15 land consonant with good zoning practices. The zoning power
- 16 granted herein shall be exercised by ordinance which may relate
- 17 to:
- 18 (1) The areas within which agriculture, forestry,
- industry, trade, and business may be conducted;
- 20 (2) The areas in which residential uses may be regulated
- 21 or prohibited;

1	(3)	The areas bordering natural watercourses, channels,
2		and streams, in which trades or industries, filling or
3		dumping, erection of structures, and the location of
4		buildings may be prohibited or restricted;
5	(4)	The areas in which particular uses may be subjected to
6		special restrictions;
7	(5)	The location of buildings and structures designed for
8		specific uses and designation of uses for which
9		buildings and structures may not be used or altered;
10	(6)	The location, height, bulk, number of stories, and
11		size of buildings and other structures;
12	(7)	The location of roads, schools, and recreation areas;
13	(8)	Building setback lines and future street lines;
14	(9)	The density and distribution of population;
15	(10)	The percentage of a lot that may be occupied, size of
16		yards, courts, and other open spaces;
17	(11)	Minimum and maximum lot sizes; and
18	(12)	Other regulations the boards or city council find
19		necessary and proper to permit and encourage the
20		orderly development of land resources within their
21		jurisdictions.

- 1 The council of any county shall prescribe rules,
- 2 regulations, and administrative procedures and provide personnel
- 3 it finds necessary to enforce this section and any ordinance
- 4 enacted in accordance with this section. The ordinances may be
- 5 enforced by appropriate fines and penalties, civil or criminal,
- 6 or by court order at the suit of the county or the owner or
- 7 owners of real estate directly affected by the ordinances.
- 8 Any civil fine or penalty provided by ordinance under this
- 9 section may be imposed by the district court, or by the zoning
- 10 agency after an opportunity for a hearing pursuant to chapter
- 11 91. The proceeding shall not be a prerequisite for any
- 12 injunctive relief ordered by the circuit court.
- Nothing in this section shall invalidate any zoning
- 14 ordinance or regulation adopted by any county or other agency of
- 15 government pursuant to the statutes in effect prior to July 1,
- **16** 1957.
- 17 The powers granted herein shall be liberally construed in
- 18 favor of the county exercising them, and in such a manner as to
- 19 promote the orderly development of each county or city and
- 20 county in accordance with a long-range, comprehensive general
- 21 plan to ensure the greatest benefit for the State as a whole.

- 1 This section shall not be construed to limit or repeal any
- 2 powers of any county to achieve these ends through zoning and
- 3 building regulations, except insofar as forest and water reserve
- 4 zones are concerned and as provided in subsections (c) and (d).
- 5 Neither this section nor any ordinance enacted pursuant to
- 6 this section shall prohibit the continued lawful use of any
- 7 building or premises for any trade, industrial, residential,
- 8 agricultural, or other purpose for which the building or
- 9 premises is used at the time this section or the ordinance takes
- 10 effect; provided that a zoning ordinance may provide for
- 11 elimination of nonconforming uses as the uses are discontinued,
- 12 or for the amortization or phasing out of nonconforming uses or
- 13 signs over a reasonable period of time in commercial,
- 14 industrial, resort, and apartment zoned areas only. In no event
- 15 shall such amortization or phasing out of nonconforming uses
- 16 apply to any existing building or premises used for residential
- 17 (single-family or duplex) or agricultural uses. Nothing in this
- 18 section shall affect or impair the powers and duties of the
- 19 director of transportation as set forth in chapter 262.
- 20 (b) Any final order of a zoning agency established under
- 21 this section may be appealed to the circuit court of the circuit

- 1 in which the land in question is found. The appeal shall be in
- 2 accordance with the Hawaii rules of civil procedure.
- 3 (c) Each county may adopt reasonable standards to allow
- 4 the construction of two single-family dwelling units on any lot
- 5 where a residential dwelling unit is permitted.
- 6 (d) Neither this section nor any other law, county
- 7 ordinance, or rule shall prohibit group living in facilities
- 8 with eight or fewer residents for purposes or functions that are
- 9 licensed, certified, registered, or monitored by the State;
- 10 provided that a resident manager or a resident supervisor and
- 11 the resident manager's or resident supervisor's family shall not
- 12 be included in this resident count. These group living
- 13 facilities shall meet all applicable county requirements not
- 14 inconsistent with the intent of this subsection, including but
- 15 not limited to building height, setback, maximum lot coverage,
- 16 parking, and floor area requirements.
- 17 (e) Neither this section nor any other law, county
- 18 ordinance, or rule shall prohibit the use of land for employee
- 19 housing and community buildings in plantation community
- 20 subdivisions as defined in section 205-4.5(a)(12); in addition,
- 21 no zoning ordinance shall provide for the elimination,



I	amortization, or phasing out of plantation community
2	subdivisions as a nonconforming use.
3	(f) Neither this section nor any other law, county
4	ordinance, or rule shall prohibit the use of land for medical
5	marijuana production centers or dispensaries established and
6	licensed pursuant to part of chapter 321."
7	PART IV
8	SECTION 4. Section 321-30.1, Hawaii Revised Statutes, is
9	amended to read as follows:
10	"[+]§321-30.1[+] Medical marijuana registry and regulation
11	special fund; established. (a) There is established within the
12	state treasury the medical marijuana registry and regulation
13	special fund. The fund shall be expended at the discretion of
14	the director of health:
15	(1) To establish and regulate a system of medical
16	marijuana production centers and dispensaries in the
17	State;
18	$[\frac{(1)}{(2)}]$ To offset the cost of the processing and issuance
19	of patient registry identification certificates and
20	primary caregiver registration certificates;
21	$[\frac{(2)}{2}]$ (3) To fund positions authorized by the legislature;

1	[ <del>-(3)</del> -]	(4) To establish and manage a secure and confidential
2		database; and
3	[ <del>-(4)</del> -]	(5) For any other expenditure necessary, as
4		authorized by the legislature, to implement $[a]$
5		medical marijuana registry [program.] and regulation
6		programs.
7	(b)	The fund shall consist of all moneys derived from fees
8	collected	pursuant to subsection (c)[. All] and sections 321-B
9	and 321-C	. There is established within the medical marijuana
10	registry a	and regulation special fund:
11	(1)	A medical marijuana registry program sub-account, into
12		which shall be deposited all fees collected pursuant
13		to subsection (c) [shall be deposited into the medical
14		marijuana registry special fund.]; and
15	(2)	A medical marijuana dispensary program sub-account,
16		into which shall be deposited all fees collected
17		pursuant to sections 321-B and 321-C.
18	(c)	The department, upon completion of the transfer of the
19	medical us	se of marijuana program, shall charge a medical
20	marijuana	registration fee of no more than \$35."
21		PART V



1	SECTION 5. Chapter 329, Hawaii Revised Statutes, is
2	amended by adding a new section to part IX to be appropriately
3	designated and to read as follows:
4	"§329- Protections afforded to an owner or qualified
5	employee of a licensed production center or dispensary. (a) Ar
6	owner or employee of a medical marijuana production center or a
7	medical marijuana dispensary licensed under section 321-B or
8	321-C may assert the medical production or medical distribution
9	of marijuana as an affirmative defense to any prosecution
10	involving marijuana under this part or chapter 712; provided
11	that the owner or employee strictly complied with the
12	requirements of chapter 321, part .
13	(b) An owner or employee of a licensed medical marijuana
14	production center or licensed medical marijuana dispensary not
15	complying with the permitted scope of the medical production or
16	medical distribution of marijuana shall not be afforded the
17	protections against searches and seizures pertaining to the
18	misapplication of the medical production or medical distribution
19	of marijuana.
20	(c) No person shall be subject to arrest or prosecution
21	for merely being in the presence or vicinity of a medical

1	marijuana	prod	duction center or medical marijuana dispensary
2	licensed	and c	perating under chapter 321, part ."
3	SECT	ion 6	Section 329-122, Hawaii Revised Statutes, is
4	amended b	y ame	ending subsection (c) to read as follows:
5	"(C)	The	e authorization for the medical use of marijuana in
6	this sect	ion s	hall not apply to:
7	(1)	The	medical use of marijuana that endangers the health
8		or w	well-being of another person;
9	(2)	The	medical use of marijuana:
10		(A)	In a school bus, public bus, or any moving
11			vehicle;
12		(B)	In the workplace of one's employment;
13		(C)	On any school grounds;
14		(D)	At any public park, public beach, public
15			recreation center, recreation or youth center; or
16		(E)	[Other] At any other place open to the public;
17			provided that a qualifying patient, parent,
18			primary caregiver, or an owner or employee of a
19			medical marijuana production center or dispensary
20			licensed under sections 321-B and 321-C shall not

1	be prohibited from transporting medical marijuana
2	in any public place; and
3	(3) The use of marijuana by a qualifying patient, parent,
4	or primary caregiver for purposes other than medical
5	use permitted by this part."
6	PART VI
7	SECTION 7. Section 329-123, Hawaii Revised Statutes, is
8	amended by amending subsection (a) to read as follows:
9	"(a) Physicians who issue written certifications shall
10	provide, in each written certification, the name, address,
11	patient identification number, and other identifying information
12	of the qualifying patient. The department of health shall
13	require, in rules adopted pursuant to chapter 91, that all
14	written certifications comply with a designated form completed
15	by or on behalf of a qualifying patient. The form shall require
16	information from the applicant, primary caregiver, and [primary
17	care] physician as specifically required or permitted by this
18	chapter. The form shall require the address of the location
19	where the marijuana is grown and shall appear on the registry
20	card issued by the department of health. [The certifying
21	physician shall be required to be the qualifying patient's

primary care physician.] All current active medical marijuana 1 permits shall be honored through their expiration date." 2 3 PART VII 4 SECTION 8. There is appropriated out of the general 5 revenues of the State of Hawaii the sum of \$ or so 6 much thereof as may be necessary for fiscal year 2015-2016 and 7 the same sum or so much thereof as may be necessary for fiscal 8 year 2016-2017 to be deposited into the medical marijuana 9 registry and regulation special fund established pursuant to 10 section 321-30.1, Hawaii Revised Statutes. 11 SECTION 9. There is appropriated out of the medical 12 marijuana registry and regulation special fund the sum of 13 or so much thereof as may be necessary for fiscal 14 year 2015-2016 and the same sum or so much thereof as may be 15 necessary for fiscal year 2016-2017 to carry out the purposes of 16 this Act, including the hiring of full-time equivalent FTE) positions to carry out the purposes of the medical 17 18 marijuana dispensary program established pursuant to this Act. 19 The sums appropriated shall be expended by the department 20 of health for the purposes of this Act.

1	SECTION 10. Not later than , the department of
2	health shall establish and commence a repayment plan and
3	schedule to repay to the general fund, the sums deposited into
4	the medical marijuana registry and regulation special fund
5	established pursuant to section 321-30.1, Hawaii Revised
6	Statutes. The department of health shall only use moneys from
7	the medical marijuana registry and regulation special fund to
8	repay the general fund. The repayment schedule shall not extend
9	beyond June 30, .
10	PART VIII
11	SECTION 11. In codifying the new sections added by section
12	2 of this Act, the revisor of statutes shall substitute
13	appropriate section numbers for the letters used in designating
14	the new sections in this Act.
15	SECTION 12. If any provision of this Act, or the
16	application thereof to any person or circumstance, is held
17	invalid, the invalidity does not affect other provisions or
18	applications of the Act that can be given effect without the
19	invalid provision or application, and to this end the provisions
20	of this Act are severable.

of this Act are severable.

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- 1 SECTION 13. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 14. This Act shall take effect upon its approval
- 4 and shall be repealed on ; provided that part VII
- 5 shall take effect on July 1, 2015.

INTERDUCED BY

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#### Report Title:

Medical Marijuana; Dispensaries; Production Centers; License; Appropriation

#### Description:

Establishes a system of medical marijuana dispensaries and production centers. Prohibits counties from enacting zoning regulations that discriminate against licensed dispensaries and production centers. Renames "medical marijuana registry special fund" to "medical marijuana registry and regulation special fund" and expands expending options. Establishes protections for an owner or qualified employee of a licensed production center or dispensary. Clarifies the right of qualifying patients and primary caregivers to transport medical marijuana. Appropriates funds. Repeals the requirement that the physician who issues a written certification for a qualifying patient be the patient's primary care physician.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.