

STAND. COM. REP. NO. 3552

Honolulu, Hawaii

APR 08 2016

RE: H.B. No. 2707
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Judiciary and Labor and Ways and Means, to which was referred H.B. No. 2707, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Health and licensed medical marijuana dispensaries to provide aggregated de-identified data to the Department of Business, Economic Development, and Tourism upon request;
- (2) Amend various definitions and provisions relating to medical marijuana dispensary operations, paraphernalia, transport, and testing;
- (3) Provide that advanced practice registered nurses may certify patients for medical marijuana use;
- (4) Exclude dispensaries from enterprise zone tax exemptions;
- (5) Specify the application and non-application of the Internal Revenue Code to expenses related to the production and sale of medical marijuana and manufactured marijuana products for state income tax purposes;



- (6) Clarify that amounts received for the sale of marijuana or manufactured marijuana products are not exempt from the state general excise tax;
- (7) Allow the University of Hawaii to establish medical marijuana testing and research programs that qualify as commercial enterprises to provide testing services for medical marijuana dispensaries; and
- (8) Establish a legislative oversight working group to develop and recommend legislation to improve the medical marijuana dispensary system.

Your Committees received testimony in support of this measure from The Drug Policy Forum; Hawai'i Dispensary Alliance; Americans for Safe Access, Big Island Chapter; and fourteen individuals. Your Committees received testimony in opposition to this measure from the Department of Transportation and two individuals. Your Committees received comments on this measure from the Department of Business, Economic Development and Tourism; Department of Taxation; University of Hawai'i System; Board of Nursing; and Tax Foundation of Hawaii.

Your Committees find that part IX of chapter 329, Hawaii Revised Statutes (HRS), was enacted to create a state medical use of marijuana law and exemption from criminal sanctions. Furthermore, chapter 329D, HRS, was enacted to establish medical marijuana dispensaries that may begin operations in July 2016. As Hawaii expands its medical marijuana program through the use of highly regulated and monitored dispensaries and more patients are anticipated to consider medical marijuana as a viable treatment, this measure seeks to improve the medical marijuana system in the State.

Your Committees have concerns regarding the provisions that would allow for the interisland transport of medical marijuana. The statutory need for accurate testing of medical marijuana may be difficult to satisfy on each island, thereby making interisland transport solely for testing purposes an attractive and useful option. However, the situation remains that marijuana is still a federally-controlled substance and its transport between islands would subject any person involved in that process to potential criminal prosecution. Your Committees note that this measure envisions a possible role for the University of Hawaii in testing




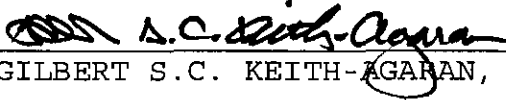
medical marijuana, and therefore urge the relevant agencies and stakeholders to discuss with the University of Hawaii the extent to which its facilities on each island might be able to undertake such testing, thereby eliminating the need for interisland transport.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2707, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2707, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Labor and Ways and Means,


JILL N. TOKUDA, Chair


GILBERT S.C. KEITH-AGARAN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB 2107 HD1 SD1	Committee Referral: CPH, JDL/WAM	Date: 9/4/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	/			
SHIMABUKURO, Maile S.L. (VC)	/			
GABBARD, Mike	/			
KAHELE, Kaiali'i				/
KIM, Donna Mercado				/
THIELEN, Laura H.				/
SLOM, Sam	/			
TOTAL	4			3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature:				
Distribution: <div style="display: flex; justify-content: space-between; font-size: 0.8em; margin-top: 5px;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

***Only one measure per Record of Votes**

Record of Votes
Committee on Ways and Means
WAM

*Only one measure per Record of Votes