STAND. COM. REP. NO. 722

Honolulu, Hawaii Formay 1, 2017 RE: H.B. No. 263 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 263 entitled:

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

begs leave to report as follows:

The purpose of this measure is to impose the state Use Tax on gross proceeds or gross income derived from sales of medical marijuana and manufactured marijuana products at licensed medical marijuana dispensaries.

Your Committee received testimony in support of this measure from an individual. Your Committee received testimony in opposition to this measure from Cure Oahu, Patients Without Time, Hawaii Educational Association for Licensed Therapeutic Healthcare, and two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

(1) Inserting new language that provides for the deposit of an unspecified percentage of general excise tax revenues received from licensed medical marijuana dispensaries into the Medical Marijuana Registry and Regulation



Special Fund to be used for health and public health purposes;

- (2) Inserting new language to authorize and regulate the sale of edible cannabis products at licensed medical marijuana dispensaries;
- (3) Making parts I and III effective on July 1, 2090, and making part II effective on July 1, 2019; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 263, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Health,

DELLA AU BELATTI, Chair



State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Health

| Bill/Resolution No.: HB 263 | Committee Refer | | Date: 7 - 16 - 17 | | |
|--|-----------------|--------------|-------------------|-------------------------|--|
| The committee is reconsidering its previous decision on the measure. | | | | | |
| The recommendation is to: □ Pass, unamended (as is) Image: Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit) | | | | | |
| HLT Members | | Ayes Ay | ves (WR) | Nays | Excused |
| 1. BELATTI, Della Au (C) | | \checkmark | | | |
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| 2. KOBAYASHI, Bertrand (VC) | | | | | |
| 2 HAD Shawar E | | | | | |
| 3. HAR, Sharon E. | | | | | |
| 4. MORIKAWA, Dee | | | | | |
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| 5. OSHIRO, Marcus R. | | | \mathcal{V} | alaan ahalda tabbar tab | |
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| 6. TODD, Chris | | | | | |
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| 7. TUPOLA, Andria P.L. | | | | / | |
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| TOTAL (7) | | | 2, | | |
| The recommendation is: Adopted If joint referral, did not support recommendation. | | | | | |
| Palla | | | | | |
| Vice Chair's or designee's signature: | | | | | |
| Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO | | | | | |