



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 10, 2018

**GOV. MSG. NO. 1268**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Ninth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Twenty-Ninth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 10, 2018, the following bill was signed into law:

HB2742 HD1 SD1 CD1

RELATING TO MEDICAL CANNABIS  
**ACT 159 (18)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

---

---

# A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

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

1           SECTION 1. The purpose of this Act is to establish the  
2 office of medical cannabis control and regulation, which shall  
3 be responsible for implementing the medical cannabis dispensary  
4 system and administering the medical cannabis patient registry.

5           SECTION 2. Chapter 329D, Hawaii Revised Statutes, is  
6 amended by adding a new section to be appropriately designated  
7 and to read as follows:

8           "§329D- Office of medical cannabis control and  
9 regulation; established; duties. (a) There is established  
10 within the department the office of medical cannabis control and  
11 regulation, which shall report to the deputy director of health  
12 resources administration.

13           (b) The office of medical cannabis control and regulation  
14 shall administer medical cannabis dispensary licensure and  
15 regulation, pursuant to this chapter, and the registration of  
16 qualifying patients and primary caregivers, pursuant to part IX  
17 of chapter 329."



1 SECTION 3. Section 329D-27, Hawaii Revised Statutes, is  
2 amended by amending subsections (b) and (c) to read as follows:

3 "(b) No later than January 4, 2016, the department shall  
4 adopt interim rules, which shall be exempt from chapter 91 and  
5 chapter 201M, to effectuate the purposes of this chapter;  
6 provided that the interim rules shall remain in effect until  
7 July 1, [~~2020~~] 2025, or until rules are adopted pursuant to  
8 subsection (a), whichever occurs sooner.

9 (c) The department may amend the interim rules, and the  
10 amendments shall be exempt from chapters 91 and 201M, to  
11 effectuate the purposes of this chapter; provided that any  
12 amended interim rules shall remain in effect until July 1,  
13 [~~2020~~] 2025, or until rules are adopted pursuant to subsection  
14 (a), whichever occurs sooner."

15 SECTION 4. Act 241, Session Laws of Hawaii 2015, section  
16 14, as amended by Act 41, Session Laws of Hawaii 2017, section  
17 11, is amended to read as follows:

18 "SECTION 14. For the purposes of effectuating this Act,  
19 the personnel hired and the contracts entered into by the  
20 department of health, pursuant to this Act, shall be exempt from  
21 chapter 76, Hawaii Revised Statutes, for a period beginning on



1 July 1, 2015, and ending on June 30, [~~2020~~] 2025; provided  
2 that:

3 (1) All personnel actions taken pursuant to this Act by  
4 the department of health after June 30, [~~2020~~] 2025,  
5 shall be subject to chapter 76, Hawaii Revised  
6 Statutes, as appropriate; and

7 (2) Any employee hired by the department of health to  
8 effectuate this Act, who occupies a position exempt  
9 from civil service on July 1, [~~2020~~] 2025, shall:

10 (A) Be appointed to a civil service position; and

11 (B) Not suffer any loss of prior service credit,  
12 vacation or sick leave credits previously earned,  
13 or other employee benefits or privileges;

14 provided that the employee possesses the minimum  
15 qualifications and public employment requirements for  
16 the class or position to which appointed; provided  
17 further that subsequent changes in status shall be  
18 made pursuant to applicable civil service and  
19 compensation laws."

20 SECTION 5. All appropriations, records, equipment,  
21 machines, files, supplies, contracts, books, papers, documents,



1 maps, and other personal property heretofore made, used,  
2 acquired, or held by the office of health care assurance  
3 relating to the functions transferred to the office of medical  
4 cannabis control and regulation shall be transferred with the  
5 functions to which they relate.

6 SECTION 6. Employees performing duties related to medical  
7 cannabis dispensary licensure and regulation pursuant to chapter  
8 329D, Hawaii Revised Statutes, and relating to the registration  
9 of qualifying patients pursuant to section 329-123, Hawaii  
10 Revised Statutes, shall be transferred to the office of medical  
11 cannabis control and regulation without loss of salary,  
12 seniority (except as prescribed by applicable collective  
13 bargaining agreements), retention points, prior service credit,  
14 any vacation and sick leave credits previously earned, and other  
15 rights, benefits, and privileges, in accordance with state  
16 personnel laws and this Act; provided that the employees possess  
17 the minimum qualifications and public employment requirements  
18 for the class or position to which transferred or appointed, as  
19 applicable; provided further that subsequent changes in status  
20 may be made pursuant to applicable civil service and  
21 compensation laws.



1           Notwithstanding section 76-16(b)(17)(A), Hawaii Revised  
2 Statutes, to the contrary, any employee who, prior to this Act,  
3 is exempt from civil service and is transferred as a consequence  
4 of this Act may retain the employee's exempt status, but shall  
5 not be appointed to a civil service position as a consequence of  
6 this Act. An exempt employee who is transferred by this Act  
7 shall not suffer any loss of prior service credit, vacation or  
8 sick leave credits previously earned, or other employee benefits  
9 or privileges as a consequence of this Act; provided that the  
10 employees possess legal and public employment requirements for  
11 the position to which transferred or appointed, as applicable;  
12 provided further that subsequent changes in status may be made  
13 pursuant to applicable employment and compensation laws.

14           SECTION 7. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$140,000 or so much  
16 thereof as may be necessary for fiscal year 2018-2019 for staff  
17 and operations of the office of medical cannabis control and  
18 regulation, including the establishment of four full-time  
19 equivalent (4.00 FTE) positions.

20           The sum appropriated shall be expended by the department of  
21 health for the purposes of this Act.



1 SECTION 8. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.  
3 SECTION 9. This Act shall take effect on July 1, 2018.

APPROVED this 10 day of JUL 2018



GOVERNOR OF THE STATE OF HAWAII



HB No. 2742, HD 1, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2018  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2018.



Scott K. Saiki  
Speaker  
House of Representatives

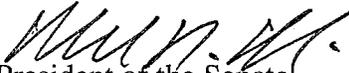


Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI‘I**

Date: May 1, 2018  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Twenty-ninth Legislature of the State of Hawai‘i, Regular Session of 2018.

  
President of the Senate

  
Clerk of the Senate