
A BILL FOR AN ACT

RELATING TO CANNABIS FOR MEDICAL USE.

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

1 SECTION 1. The legislature finds that studies have shown
2 the benefits of using cannabis to alleviate certain serious
3 illnesses. The legislature further finds that several states
4 permit the sales of edible cannabis products, either for
5 recreational use or for medical use. These states generally
6 place restrictions on edible cannabis products, such as limiting
7 the amount of psychoactive ingredients per serving, banning
8 manufacturers from making candy-like edibles that might attract
9 children, and requiring proper labeling. Proper labeling and
10 portioning of edible products are especially important, as
11 edible cannabis products are responsible for the majority of
12 cannabis intoxications. In addition, requiring an education
13 protocol for patients prior to the use of edible cannabis
14 products will help reduce the risk of inadvertent
15 overconsumption and accidental intoxication.

16 The legislature also finds that some states have imposed
17 additional regulations on cannabis and manufactured cannabis



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1 products, including a product recall system and the use of a
2 universal symbol to clearly identify products containing
3 cannabis.

4 Accordingly, the purpose of this Act is to:

- 5 (1) Legalize the manufacturing of edible cannabis products
6 for medical purposes;
- 7 (2) Establish standards, including regulations and
8 education protocols, for edible cannabis products;
- 9 (3) Require packaging to include a universal symbol, to be
10 developed by the department of health, that identifies
11 any product containing cannabis; and
- 12 (4) Require the department of health to implement a
13 cannabis product recall system.

14 SECTION 2. Section 328-1, Hawaii Revised Statutes, is
15 amended by amending the definition of "food" to read as follows:

16 "Food" means:

- 17 (1) Articles used for food or drink by humans, dogs, or
18 cats;
- 19 (2) Chewing gum; or
- 20 (3) Articles used for components of any such article.



1 "Food" does not include edible cannabis products, as defined in
2 section 329D-10."

3 SECTION 3. Section 329D-1, Hawaii Revised Statutes, is
4 amended by amending the definition of "manufactured cannabis
5 product" to read as follows:

6 "Manufactured cannabis product" means any [~~capsule,~~
7 ~~lozenge, oil or oil extract, tincture, ointment or skin lotion,~~
8 ~~pill, transdermal patch, or pre-filled and sealed container used~~
9 ~~to aerosolize and deliver cannabis orally, such as an inhaler or~~
10 ~~nebulizer,~~] product that has been manufactured using cannabis [~~,~~
11 ~~or any other products as specified by the department]~~ pursuant
12 to section 329D-10 [~~(a)(9)~~]."

13 SECTION 4. Section 329D-9, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

15 "(b) The department shall establish health, safety, and
16 sanitation standards regarding the manufacture of manufactured
17 cannabis products [~~,-~~]; provided that the standards for the
18 manufacture of edible cannabis products:

19 (1) Shall only be manufactured in a facility that meets
20 the minimum sanitary requirements adopted by the
21 department of health that are at least equivalent to



- 1 the standards for food establishments provided for in
- 2 chapter 11-50, Hawaii Administrative Rules;
- 3 (2) Shall not be manufactured in any facility permitted by
- 4 the department of health as a food establishment; and
- 5 (3) Shall not be manufactured in any home kitchen."

6 SECTION 5. Section 329D-10, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§329D-10 Types of manufactured cannabis products.** (a)
9 The types of medical cannabis products that may be manufactured
10 and distributed pursuant to this chapter shall be limited to:

- 11 (1) Capsules;
- 12 (2) Lozenges;
- 13 (3) Pills;
- 14 (4) Oils and oil extracts;
- 15 (5) Tinctures;
- 16 (6) Ointments and skin lotions;
- 17 (7) Transdermal patches;
- 18 (8) Pre-filled and sealed containers used to aerosolize
- 19 and deliver cannabis orally, such as with an inhaler
- 20 or nebulizer; provided that containers need not be
- 21 manufactured by the licensed dispensary but shall be



1 filled with cannabis, cannabis oils, or cannabis
2 extracts manufactured by the licensed dispensary;
3 shall not contain nicotine, tobacco-related products,
4 or any other non-cannabis derived products; and shall
5 be designed to be used with devices used to provide
6 safe pulmonary administration of manufactured cannabis
7 products;

8 (9) Devices that provide safe pulmonary administration;
9 provided that:

10 (A) The heating element of the device, if any, is
11 made of inert materials such as glass, ceramic,
12 or stainless steel, and not of plastic or rubber;

13 (B) The device is distributed solely for use with
14 single-use, pre-filled, tamper-resistant, sealed
15 containers that do not contain nicotine or other
16 tobacco products;

17 (C) The device is used to aerosolize and deliver
18 cannabis by inhalation, such as an inhaler,
19 medical-grade nebulizer, or other similar medical
20 grade volitization device;



1 (D) There is a temperature control on the device that
2 is regulated to prevent the combustion of
3 cannabis oil; [and]

4 (E) The device need not be manufactured by the
5 licensed dispensary; [and]

6 (10) Edible cannabis products; and

7 ~~[(10)]~~ (11) Other products as specified by the department.

8 (b) As used in this section[, "lozenge"]:

9 "Edible cannabis products" means manufactured cannabis
10 products that are intended to be used, in whole or in part, for
11 gastrointestinal administration of medical cannabis, including
12 but not limited to chewing gum, drinks, baked products, and
13 candy; provided that edible cannabis products:

14 (1) Shall be tested and specifically labeled for each
15 product's dosage and strength;

16 (2) Shall not include products such as gummies, brightly
17 colored candies, or other products that the department
18 determines may attract children or bear resemblance to
19 other commercially available products;



1 (3) May include liquid products that contain no more than
2 ten milligrams of activated tetrahydrocannabinol per
3 serving; and

4 (4) Shall not include non-shelf stable, potentially
5 hazardous food items, or products containing non-
6 cannabinoid ingredients that would increase the
7 potency, toxicity, or addictive potential of cannabis,
8 or create an unsafe combination with other
9 psychoactive substances.

10 "Lozenge" means a small tablet manufactured in a manner to
11 allow for the dissolving of its medicinal or therapeutic
12 component slowly in the mouth."

13 SECTION 6. Section 329D-11, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) The department shall establish standards regarding
16 the advertising and packaging of cannabis and manufactured
17 cannabis products[7], including the establishment and adoption
18 of a universal symbol to allow consumers to readily identify
19 products containing cannabis or cannabinoid extracts; provided
20 that the standards, at a minimum, shall require the use of
21 packaging that:



- 1 (1) Is child-resistant and opaque so that the product
- 2 cannot be seen from outside the packaging;
- 3 (2) Uses only black lettering on a white background with
- 4 no pictures or graphics; provided that this paragraph
- 5 shall not apply to the use of a universal symbol;
- 6 (3) Is clearly labeled with the phrase "For medical use
- 7 only";
- 8 (4) Is clearly labeled with the phrase "Not for resale or
- 9 transfer to another person";
- 10 (5) Includes instructions for use and "use by date";
- 11 (6) Contains information about the contents and potency of
- 12 the product;
- 13 (7) Includes the name of the production center where
- 14 cannabis in the product was produced, including the
- 15 batch number and date of packaging;
- 16 (8) Includes a barcode generated by tracking software;
- 17 [~~and~~];
- 18 (9) Includes a universal symbol; and
- 19 [~~(9)~~] (10) In the case of a manufactured cannabis product,
- 20 includes a:



- 1 (A) Listing of the equivalent physical weight of the
- 2 cannabis used to manufacture the amount of the
- 3 product that is within the packaging, pursuant to
- 4 section 329D-9(c);
- 5 (B) Clearly labeled warning stating that the product:
- 6 (i) Is a medication that contains cannabis, and
- 7 is not a food; and
- 8 (ii) Should be kept away from children; and
- 9 (C) Date of manufacture"

10 SECTION 7. Section 329D-7, Hawaii Revised Statutes, is
11 amended to read as follows:

12 **"§329D-7 Medical cannabis dispensary rules.** The
13 department shall establish standards with respect to:

- 14 (1) The number of medical cannabis dispensaries that shall
- 15 be permitted to operate in the State;
- 16 (2) A fee structure for the submission of applications and
- 17 renewals of licenses to dispensaries; provided that
- 18 the department shall consider the market conditions in
- 19 each county in determining the license renewal fee
- 20 amounts;



- 1 (3) Criteria and procedures for the consideration and
2 selection, based on merit, of applications for
3 licensure of dispensaries; provided that the criteria
4 shall include but not be limited to an applicant's:
5 (A) Ability to operate a business;
6 (B) Financial stability and access to financial
7 resources; provided that applicants for medical
8 cannabis dispensary licenses shall provide
9 documentation that demonstrates control of not
10 less than \$1,000,000 in the form of escrow
11 accounts, letters of credit, surety bonds, bank
12 statements, lines of credit or the equivalent to
13 begin operating the dispensary;
14 (C) Ability to comply with the security requirements
15 developed pursuant to paragraph (6);
16 (D) Capacity to meet the needs of qualifying patients
17 and qualifying out-of-state patients;
18 (E) Ability to comply with criminal background check
19 requirements developed pursuant to paragraph (8);
20 and



- 1 (F) Ability to comply with inventory controls
- 2 developed pursuant to paragraph (13);
- 3 (4) Specific requirements regarding annual audits and
- 4 reports required from each production center and
- 5 dispensary licensed pursuant to this chapter;
- 6 (5) Procedures for announced and unannounced inspections
- 7 by the department or its agents of production centers
- 8 and dispensaries licensed pursuant to this chapter;
- 9 provided that inspections for license renewals shall
- 10 be unannounced;
- 11 (6) Security requirements for the operation of production
- 12 centers and retail dispensing locations; provided
- 13 that, at a minimum, the following shall be required:
- 14 (A) For production centers:
- 15 (i) Video monitoring and recording of the
- 16 premises; provided that recordings shall be
- 17 retained for fifty days;
- 18 (ii) Fencing that surrounds the premises and that
- 19 is sufficient to reasonably deter intruders
- 20 and prevent anyone outside the premises from
- 21 viewing any cannabis in any form;



- 1 (iii) An alarm system; and
- 2 (iv) Other reasonable security measures to deter
- 3 or prevent intruders, as deemed necessary by
- 4 the department;
- 5 (B) For retail dispensing locations:
- 6 (i) Presentation of a valid government-issued
- 7 photo identification and a valid
- 8 identification as issued by the department
- 9 pursuant to section 329-123 by a qualifying
- 10 patient or caregiver, or section 329-123.5
- 11 by a qualifying out-of-state patient or
- 12 caregiver of a qualifying out-of-state
- 13 patient, upon entering the premises;
- 14 (ii) Video monitoring and recording of the
- 15 premises; provided that recordings shall be
- 16 retained for fifty days;
- 17 (iii) An alarm system;
- 18 (iv) Exterior lighting; and
- 19 (v) Other reasonable security measures as deemed
- 20 necessary by the department;



- 1 (7) Security requirements for the transportation of
2 cannabis and manufactured cannabis products between
3 production centers and retail dispensing locations and
4 between a production center, retail dispensing
5 location, qualifying patient, primary caregiver,
6 qualifying out-of-state patient, or caregiver of a
7 qualifying out-of-state patient and a certified
8 laboratory, pursuant to section 329-122(f);
- 9 (8) Standards and criminal background checks to ensure the
10 reputable and responsible character and fitness of all
11 license applicants, licensees, employees,
12 subcontractors and their employees, and prospective
13 employees of medical cannabis dispensaries to operate
14 a dispensary; provided that the standards, at a
15 minimum, shall exclude from licensure or employment
16 any person convicted of any felony;
- 17 (9) The training and certification of operators and
18 employees of production centers and dispensaries;
- 19 (10) The types of manufactured cannabis products that
20 dispensaries shall be authorized to manufacture and
21 sell pursuant to sections 329D-9 and 329D-10;



1 (11) Laboratory standards related to testing cannabis and
2 manufactured cannabis products for content,
3 contamination, and consistency;

4 (12) The quantities of cannabis and manufactured cannabis
5 products that a dispensary may sell or provide to a
6 qualifying patient, primary caregiver, qualifying out-
7 of-state patient, or caregiver of a qualifying out-of-
8 state patient; provided that no dispensary shall sell
9 or provide to a qualifying patient, primary caregiver,
10 qualifying out-of-state patient, or caregiver of a
11 qualifying out-of-state patient any combination of
12 cannabis and manufactured products that:

13 (A) During a period of fifteen consecutive days,
14 exceeds the equivalent of four ounces of
15 cannabis; or

16 (B) During a period of thirty consecutive days,
17 exceeds the equivalent of eight ounces of
18 cannabis;

19 (13) Dispensary and production center inventory controls to
20 prevent the unauthorized diversion of cannabis or
21 manufactured cannabis products or the distribution of



1 cannabis or manufactured cannabis products to a
2 qualifying patient, primary caregiver, qualifying out-
3 of-state patient, or caregiver of a qualifying out-of-
4 state patient in quantities that exceed limits
5 established by this chapter; provided that the
6 controls, at a minimum, shall include:

7 (A) A computer software tracking system as specified
8 in section 329D-6(j) and (k); and

9 (B) Product packaging standards sufficient to allow
10 law enforcement personnel to reasonably determine
11 the contents of an unopened package;

12 (14) Limitation to the size or format of signs placed
13 outside a retail dispensing location or production
14 center; provided that the signage limitations, at a
15 minimum, shall comply with section 329D-6(o)(2) and
16 shall not include the image of a cartoon character or
17 other design intended to appeal to children;

18 (15) The disposal or destruction of unwanted or unused
19 cannabis and manufactured cannabis products;

20 (16) The implementation of a product recall system to
21 ensure that any cannabis or manufactured cannabis



1 product determined or suspected to be tainted or
2 detrimental to the public health care be rapidly
3 identified and returned, destroyed, or removed from
4 retail;

5 [~~16~~] (17) The enforcement of the following prohibitions
6 against:

7 (A) The sale or provision of cannabis or manufactured
8 cannabis products to unauthorized persons;

9 (B) The sale or provision of cannabis or manufactured
10 cannabis products to a qualifying patient,
11 primary caregiver, qualifying out-of-state
12 patient, or caregiver of a qualifying out-of-
13 state patient in quantities that exceed limits
14 established by this chapter;

15 (C) Any use or consumption of cannabis or
16 manufactured cannabis products on the premises of
17 a retail dispensing location or production
18 center; and

19 (D) The distribution of cannabis or manufactured
20 cannabis products, for free, on the premises of a
21 retail dispensing location or production center;



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1 [~~17~~] (18) The establishment of a range of penalties for
 2 violations of this chapter or rule adopted thereto;
 3 and

4 [~~18~~] (19) A process to recognize and register patients who
 5 are authorized to purchase, possess, and use medical
 6 cannabis in another state, a United States territory,
 7 or the District of Columbia as qualifying out-of-state
 8 patients; provided that this registration process may
 9 commence no sooner than January 1, 2018."

10 SECTION 8. Section 329D-26, Hawaii Revised Statutes, is
 11 amended to read as follows:

12 "[+]§329D-26[+] **Public education.** (a) The department
 13 shall conduct a continuing education and training program to
 14 explain and clarify the purposes and requirements of this
 15 chapter or to provide substance abuse prevention and education.
 16 The program shall target community partner agencies, physicians
 17 and other health care providers, patients and caregivers, law
 18 enforcement agencies, law and policy makers, and the general
 19 public.

20 (b) The department shall establish a mandatory standard
 21 pre-purchasing education protocol to take place at the point of



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1 sale to all qualifying patients or qualifying out-of-state
 2 patients who have not previously consumed edible cannabis
 3 products, or their caregivers, to reduce the risk of inadvertent
 4 overconsumption and accidental intoxication.

5 [~~b~~] (c) The department shall employ at least one full-
 6 time staff member whose qualifications and duties include the
 7 provision of medical cannabis health education."

8 SECTION 9. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 10. This Act shall take effect upon its approval.

11

INTRODUCED BY:

JAN 18 2019



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Report Title:

Medical Cannabis; Edibles; Manufactured Cannabis Products;
Warning Labels; Recall System; Universal Symbol; Education
Program; Department of Health

Description:

Authorizes and regulates the manufacturing of edible cannabis products as manufactured cannabis products by licensed medical cannabis dispensaries. Establishes standards, including regulations and education protocols, for edible cannabis products. Requires cannabis and manufactured cannabis products to include a universal symbol, developed by the department of health, to identify any product containing cannabis. Requires the department of health to implement a cannabis product recall system.

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