A BILL FOR AN ACT

RELATING TO MARIJUANA.

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

1 SECTION 1. The legal history of marijuana or cannabis in 2 the United States primarily addresses the regulation of cannabis 3 for medical use, and secondarily the use of cannabis for 4 personal or recreational purposes. By the mid-1930s, cannabis 5 was regulated as a drug in every state, including thirty-five 6 states that adopted the Uniform State Narcotic Drug Act which 7 was subsequently replaced in 1970 with the federal Uniform 8 Controlled Substances Act, which classifies cannabis and 9 tetrahydrocannabinol as schedule I controlled substances.

10 Notwithstanding the prospect of federal prosecution, 11 several states, including Hawaii, have enacted medical cannabis 12 Chapter 329, part IX, Hawaii Revised Statutes, was laws. enacted to create a medical use of cannabis exemption from 13 14 criminal sanctions. Other jurisdictions, such as Alaska, 15 Arizona, Arkansas, California, Colorado, Connecticut, District 16 of Columbia, Delaware, Illinois, Maine, Maryland, Massachusetts, 17 Michigan, Minnesota, Montana, Nevada, New Hampshire, New Jersey,

2019-1314 SB686 SD1 SMA-3.doc

2

1 New Mexico, New York, North Dakota, Ohio, Oregon, Pennsylvania, 2 Rhode Island, Vermont, and Washington, also allow the use of 3 cannabis for medicinal purposes. Furthermore, chapter 329D, 4 Hawaii Revised Statutes, was enacted to establish medical 5 cannabis dispensaries that were authorized to operate beginning 6 in July 2016. As Hawaii expands its medical cannabis program 7 through the use of highly regulated and monitored dispensaries, 8 more patients are anticipated to consider medical cannabis as a 9 viable treatment, knowing that the medicine will be regulated 10 and tested.

11 In addition to medicinal cannabis laws, some states have 12 legalized or decriminalized cannabis for personal or 13 recreational purposes. Most places that have decriminalized 14 cannabis have civil fines, confiscation, drug education, or drug 15 treatment in place of incarceration or criminal charges for 16 possession of small amounts of cannabis, or have made various 17 cannabis offenses the lowest priority for law enforcement. The 18 states of Alaska, California, Colorado, Connecticut, Delaware, 19 District of Columbia, Illinois, Maine, Maryland, Massachusetts, 20 Minnesota, Mississippi, Missouri, Nebraska, Nevada, New 21 Hampshire, New York, North Carolina, Ohio, Oregon, Rhode Island,

2019-1314 SB686 SD1 SMA-3.doc

Page 2

3

Vermont, and Washington have decriminalized cannabis in small
 amounts. In each of these states, cannabis users no longer face
 arrest or jail time for the possession or use of cannabis in an
 amount permitted by statute.

5 The legislature further finds that the legalization of 6 cannabis for personal or recreational use is a natural, logical, 7 and reasonable outgrowth of the current science of cannabis and 8 attitude toward cannabis. In 2012, voters in Colorado voted to 9 amend the state's constitution (Amendment 64) to legalize and 10 regulate the production, possession, and distribution of 11 cannabis for persons age twenty-one and older. Also in 2012, 12 voters in Washington approved a proposition to legalize and 13 regulate the production, possession, and distribution of 14 cannabis for persons age twenty-one and older. Colorado is the first state to remove the prohibition on commercial production 15 16 of cannabis for general use. Colorado realized state tax 17 revenue of approximately \$18,900,000 during the first half of 18 2014, and this revenue is expected to increase as sales of 19 retail cannabis increase. Following Colorado and Washington's 20 lead, Oregon and Alaska passed legislation to also legalize and 21 regulate the production, possession, and distribution of

2019-1314 SB686 SD1 SMA-3.doc

Page 3

4

1	cannabis for persons age twenty-one and older. Several other
2	states have followed suit in making recreational cannabis legal.
3	The legislature further finds that cannabis cultivation and
4	sales hold potential for economic development, increased tax
5	revenues, and reduction in crime.
6	The purpose of this Act is to:
7	(1) Decriminalize and regulate small amounts of cannabis
8	for personal use;
9	(2) Authorize medical cannabis dispensaries to sell
10	non-medical cannabis for personal use;
11	(3) Tax non-medical cannabis sales in the same manner as
12	state excise taxes; and
13	(4) Subject income derived from non-medical cannabis sales
14	to state income taxes.
15	SECTION 2. Chapter 329, Hawaii Revised Statutes, is
16	amended by adding a new part to be appropriately designated and
17	to read as follows:
18	"PART . LEGALIZATION OF CANNABIS FOR PERSONAL USE
19	§329-A Definitions. As used in this part:
20	"Cannabis" shall have the same meaning as in 329-121.

2019-1314 SB686 SD1 SMA-3.doc

S.B. NO. ⁶⁸⁶ S.D. 1

"Cannabis accessories" means any equipment, products, or
 materials of any kind that are used, intended for use, or
 designed for use in storing, vaporizing, or containing cannabis,
 or for ingesting, inhaling, or otherwise introducing cannabis
 into the human body.

6 "Cannabis products" means cannabis concentrate products and 7 products that comprise cannabis and other ingredients intended 8 for use or consumption and include but are not limited to edible 9 products, ointments, and tinctures.

10 "Department" means the department of health.

"Dispensary" shall have the same meaning as in section329D-1.

13 "Non-medical cannabis" and "non-medical cannabis products" 14 means cannabis and cannabis products that are purchased for 15 personal use pursuant to this part and not pursuant to part IX. 16 "Personal use" means an amount of cannabis not exceeding

17 0.5 ounces that is used for private, personal, or recreational 18 purposes by persons age twenty-one years or older. The term 19 personal use includes display, possession, transport, transfer, 20 or processing of cannabis or cannabis products.

2019-1314 SB686 SD1 SMA-3.doc

6

1 §329-B Personal use of cannabis. (a) Notwithstanding any 2 law to the contrary, the personal use of cannabis is permitted; 3 provided the aggregate amount is 0.5 ounces or less. 4 (b) Personal use of cannabis shall not be the basis for 5 arrest, seizure, or forfeiture of assets. 6 (c) The possession, use, display, purchase, transfer, or 7 transport of 0.5 ounces of cannabis or less, cannabis 8 accessories, or cannabis paraphernalia for personal use shall be 9 immune from criminal prosecution. 10 The consumption of cannabis products is permitted. (d) 11 (e) Assisting, advising, or abetting another person who is 12 twenty-one years of age or older in any actions described in 13 this section is permitted. 14 (f) Any ban or restriction relating to smoking tobacco or 15 tobacco products shall also apply to smoking non-medical 16 cannabis or non-medical cannabis products. 17 §329-C Regulation of cannabis; rules. (a) No later than 18 July 1, 2020, the department shall adopt rules, pursuant to 19 chapter 91, necessary for implementation of this part. The 20 rules shall include:

2019-1314 SB686 SD1 SMA-3.doc

Page 6

Page 7

1 (1)Requirements to prevent the sale or diversion of non-2 medical cannabis and non-medical cannabis products to 3 persons under the age of twenty-one; 4 (2) Labeling requirements for non-medical cannabis and 5 non-medical cannabis products sold or distributed by a 6 dispensary; 7 (3) Health and safety regulations and standards for the 8 manufacture of non-medical cannabis products; 9 (4) Restrictions on the advertising and display of 10 cannabis and cannabis products; and 11 (5) Civil penalties for the failure to comply with rules 12 adopted pursuant to this section. 13 (b) In order to ensure that individual privacy is 14 protected, the department shall not require a consumer of non-15 medical cannabis to provide a dispensary with personal 16 information other than government-issued identification to 17 determine the consumer's age. A dispensary shall not be 18 required to acquire and record personal information about

S.B. NO. ⁶⁸⁶ S.D. 1

20 §329-D Effect on employers. This part shall not be
21 construed to:

consumers who purchase non-medical cannabis.

2019-1314 SB686 SD1 SMA-3.doc

19

1 (1)Require an employer to permit or accommodate the use, 2 consumption, possession, transfer, display, transport, 3 sale, or growing of cannabis in the workplace; or 4 (2) Affect the ability of an employer to have policies 5 restricting the use of cannabis by employees. 6 §329-E Effect on intoxicated driving laws. This part 7 shall not be construed as a defense, exemption, or immunity from 8 chapter 291E. 9 §329-F Effect on medical cannabis law. This chapter shall 10 not be construed to affect medical use of cannabis as provided 11 in part IX and shall not be deemed to expand the medical use of 12 cannabis beyond the uses provided in part IX. 13 §329-G Effect on medical cannabis dispensary law. This 14 chapter shall not be construed to affect the dispensing of 15 medical cannabis as provided in chapter 329D and shall not be 16 deemed to expand the dispensing of medical cannabis beyond the 17 uses provided in chapter 329D. 18 **§329-H Effect on property rights.** This chapter shall not 19 be construed to prohibit a person, employer, school, hospital,

21 occupies, owns, or controls a property from prohibiting or

detention facility, corporation, or any other entity who

2019-1314 SB686 SD1 SMA-3.doc

20

Page 8

S.B. NO. ⁶⁸⁶ S.D. 1

otherwise regulating the possession, consumption, use, display,
 transfer, distribution, sale, transportation, or growing of
 cannabis on or in that property.

4 §329-I Taxes. (a) All transactions involving non-medical 5 cannabis or non-medical cannabis products shall be subject to 6 payment of income taxes on gross receipts under chapter 235 and 7 payment of excise taxes under chapter 237 for each transaction 8 conducted by the dispensary; provided that there shall be an 9 additional fifteen per cent excise tax on the sale of all 10 non-medical cannabis and non-medical cannabis products.

(b) Thirty per cent of revenues collected from the additional fifteen per cent excise tax pursuant to this section shall be expended to provide substance abuse prevention and education under section 329D-26, including education on the dangers of driving while under the influence of cannabis."

16 SECTION 3. Chapter 329D, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:

19 "<u>§329D-</u> <u>Sale of non-medical cannabis for personal use;</u>
 20 <u>authorized.</u> <u>Beginning February 1, 2021, dispensaries shall be</u>

2019-1314 SB686 SD1 SMA-3.doc

S.B. NO. ⁶⁸⁶ S.D. 1

1	authorized to sell non-medical cannabis and non-medical cannabis
2	products for personal use pursuant to chapter 329, part ."
3	SECTION 4. Chapter 329D, Hawaii Revised Statutes, is
4	amended by amending its title to read as follows:
5	"CHAPTER 329D
6	[MEDICAL] CANNABIS DISPENSARY SYSTEM"
7	SECTION 5. Section 329D-2, Hawaii Revised Statutes, is
8	amended to read as follows:
9	"§329D-2 [Medical cannabis] Cannabis dispensaries;
10	authorized; licensure. (a) No person shall operate a [medical]
11	cannabis dispensary unless the person has a license issued by
12	the department pursuant to this chapter.
13	(b) The director of health shall grant [medical] cannabis
14	dispensary licenses to allow dispensaries to produce,
15	manufacture, and dispense cannabis and manufactured cannabis
16	products pursuant to this chapter.
17	(c) Each [medical] cannabis dispensary license shall allow
18	production, manufacture, and dispensing of cannabis and
19	manufactured cannabis products only in the county for which the
20	license is granted.

Page 11

(d) The department shall issue eight dispensary licenses
 statewide; provided that three dispensary licenses shall be
 issued for the city and county of Honolulu, two dispensary
 licenses each shall be issued for the county of Hawaii and the
 county of Maui, and one dispensary license shall be issued for
 the county of Kauai; provided further that no dispensary license
 shall be issued for the county of Kalawao.

8 (e) No person may be granted a dispensary license in more9 than one county.

10 (f) Up to two production centers shall be allowed under 11 each dispensary license; provided that, except as otherwise 12 specified in subsection (k), each production center shall be 13 limited to no more than three thousand cannabis plants. For 14 purposes of this subsection, "plant" means a cannabis plant that 15 is greater than twelve vertical inches in height from where the base of the stalk emerges from the growth medium to the tallest 16 17 point of the plant, or greater than twelve horizontal inches in 18 width from the end of one branch to the end of another branch; 19 provided that multiple stalks emanating from the same root ball 20 or root system shall be considered part of the same single 21 plant.

2019-1314 SB686 SD1 SMA-3.doc

2 dispensing locations under the licensee's dispensary license, 3 except as otherwise specified in subsection (1). 4 Each dispensary licensee may commence dispensing (h) 5 medical cannabis and manufactured cannabis products to 6 qualifying patients or primary caregivers no sooner than 7 July 15, 2016, with approval by the department, in accordance 8 with this chapter. 9 Retail dispensing locations shall not be at the same (i) 10 location as the dispensary licensee's production centers. 11 Notwithstanding subsection (d), the department shall 12 determine whether, based on the qualifying patient need, 13 additional dispensary licenses shall be offered to qualified 14 applicants in the State after October 1, 2018; provided that the 15 department shall make available not more than one license per 16 five hundred qualifying patients residing in any single county; 17 provided further that in considering whether to award a new 18 license, the department shall consider an applicant's capability 19 to serve and supply medical cannabis to qualified patients in a 20 rural or underserved geographical area of a county; provided 21 further that a "rural or underserved geographical area" shall be

(g) A dispensary licensee may establish up to two retail

2019-1314 SB686 SD1 SMA-3.doc

12

Page 12

Page 13

1 determined by considering the number of registered medical 2 cannabis patients that reside within a certain zip code compared 3 to the quantity of medical cannabis that the closest production 4 center and retail dispensing location have the capability to 5 provide.

6 (k) Notwithstanding subsection (f) to the contrary, the
7 department may determine whether dispensary licensees shall be
8 allowed an additional two thousand cannabis plants at each of
9 the licensee's production centers. In no case shall a licensee
10 be allowed more than five thousand plants at a single production
11 center.

12 Notwithstanding any provision of subsection (g) to the (1)13 contrary, the department may determine whether dispensary 14 licensees shall be allowed one additional retail dispensing 15 location per licensee. In considering whether to allow 16 additional retail dispensing locations, the department shall 17 consider the licensee's capability to serve and supply medical 18 cannabis to qualified patients in a rural or underserved 19 geographical area of a county. For purposes of this subsection, 20 a "rural or underserved geographical area" shall be determined 21 by considering the number of registered medical cannabis

2019-1314 SB686 SD1 SMA-3.doc

S.B. NO. ⁶⁸⁶ S.D. 1

1 patients that reside within a certain zip code compared to the 2 quantity of medical cannabis that the closest production center 3 and retail dispensing location have the capability to provide. 4 (m) Notwithstanding any other law to the contrary, a 5 dispensary shall not be subject to the prescription requirement 6 of section 329-38 or to the board of pharmacy licensure or 7 regulatory requirements under chapter 461. 8 (n) Each dispensary licensee may commence dispensing 9 non-medical cannabis and manufactured non-medical cannabis 10 products to persons for personal use no sooner than February 1, 11 2021, with approval by the department, in accordance with this 12 chapter." 13 SECTION 6. Section 329D-7, Hawaii Revised Statutes, is 14 amended to read as follows: 15 "§329D-7 [Medical cannabis] Cannabis dispensary rules. 16 The department shall establish standards with respect to: 17 (1)The number of [medical] cannabis dispensaries that 18 shall be permitted to operate in the State; 19 (2) A fee structure for the submission of applications and 20 renewals of licenses to dispensaries; provided that 21 the department shall consider the market conditions in

2019-1314 SB686 SD1 SMA-3.doc

S.B. NO. ⁶⁸⁶ S.D. 1

ĸ

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

2019-1314 SB686 SD1 SMA-3.doc

1		(E) Ability to comply with criminal background check
2		requirements developed pursuant to paragraph (8);
3		and
4		(F) Ability to comply with inventory controls
5		developed pursuant to paragraph (13);
6	(4)	Specific requirements regarding annual audits and
7		reports required from each production center and
8		dispensary licensed pursuant to this chapter[$+$] <u>/</u>
9		including sales of cannabis for personal use and taxes
10		collected pursuant to section 329-I;
11	(5)	Procedures for announced and unannounced inspections
12		by the department or its agents of production centers
13		and dispensaries licensed pursuant to this chapter;
14		provided that inspections for license renewals shall
15		be unannounced;
16	(6)	Security requirements for the operation of production
17		centers and retail dispensing locations; provided
18		that, at a minimum, the following shall be required:
19		(A) For production centers:

2019-1314 SB686 SD1 SMA-3.doc

1	(i)	Video monitoring and recording of the
2		premises; provided that recordings shall be
3		retained for fifty days;
4	(ii)	Fencing that surrounds the premises and that
5		is sufficient to reasonably deter intruders
6		and prevent anyone outside the premises from
7		viewing any cannabis in any form;
8	(iii)	An alarm system; and
9	(iv)	Other reasonable security measures to deter
10		or prevent intruders, as deemed necessary by
11		the department;
12	(B) For :	retail dispensing locations:
13	(i)	Presentation of a valid government-issued
14		photo identification and a valid
15		identification as issued by the department
16		pursuant to section 329-123 by a qualifying
17		patient or caregiver, [or] section 329-123.5
18		by a qualifying out-of-state patient or
19		caregiver of a qualifying out-of-state
20		patient, or section 329-C(b) by a person

2019-1314 SB686 SD1 SMA-3.doc

1			purchasing cannabis for personal use, upon
2			entering the premises;
3		(ii)	Video monitoring and recording of the
4			premises; provided that recordings shall be
5			retained for fifty days;
6		(iii)	An alarm system;
7		(iv)	Exterior lighting; and
8		(v)	Other reasonable security measures as deemed
9			necessary by the department;
10	. (7)	Security	requirements for the transportation of
11		cannabis	and manufactured cannabis products between
12		productio	n centers and retail dispensing locations and
13		between a	production center, retail dispensing
14		location,	person purchasing cannabis for personal use,
15		qualifyin	g patient, primary caregiver, qualifying
16		out-of-st	ate patient, or caregiver of a qualifying
17		out-of-st	ate patient and a certified laboratory,
18		pursuant	to section 329-122(f);
19	(8)	Standards	and criminal background checks to ensure the
20		reputable	and responsible character and fitness of all
21		license a	pplicants, licensees, employees,

2019-1314 SB686 SD1 SMA-3.doc

S.B. NO. ⁶⁸⁶ S.D. 1

1 subcontractors and their employees, and prospective 2 employees of [medical] cannabis dispensaries to 3 operate a dispensary; provided that the standards, at 4 a minimum, shall exclude from licensure or employment 5 any person convicted of any felony; 6 (9) The training and certification of operators and 7 employees of production centers and dispensaries; 8. (10)The types of manufactured cannabis products that 9 dispensaries shall be authorized to manufacture and 10 sell pursuant to sections 329D-9 [and], 329D-10[;], 11 and 329D- ; 12 (11)Laboratory standards related to testing cannabis and 13 manufactured cannabis products for content, 14 contamination, and consistency; 15 (12)The quantities of cannabis and manufactured cannabis 16 products that a dispensary may sell or provide to a 17 qualifying patient, primary caregiver, qualifying 18 out-of-state patient, [or] caregiver of a qualifying 19 out-of-state patient [+], or person purchasing cannabis 20 for personal use; provided that no dispensary shall 21 sell or provide to a qualifying patient, primary

2019-1314 SB686 SD1 SMA-3.doc

1 caregiver, qualifying out-of-state patient, or 2 caregiver of a qualifying out-of-state patient any 3 combination of cannabis and manufactured products 4 that: 5 During a period of fifteen consecutive days, (A) 6 exceeds the equivalent of four ounces of 7 cannabis; or 8 (B) During a period of thirty consecutive days, 9 exceeds the equivalent of eight ounces of 10 cannabis; 11 provided further that, during a period of one day, no 12 dispensary shall sell or provide to a person 13 purchasing cannabis for personal use any combination 14 of cannabis and manufactured products that exceeds 0.5 15 ounces; 16 (13)Dispensary and production center inventory controls to 17 prevent the unauthorized diversion of cannabis or 18 manufactured cannabis products or the distribution of 19 cannabis or manufactured cannabis products to a 20 qualifying patient, primary caregiver, qualifying 21 out-of-state patient, [or] caregiver of a qualifying

2019-1314 SB686 SD1 SMA-3.doc

1		out-of-state patient, or person purchasing cannabis
2		for personal use in quantities that exceed limits
3		established by this chapter; provided that the
4		controls, at a minimum, shall include:
5		(A) A computer software tracking system as specified
6		in section 329D-6(j) and (k); and
7		(B) Product packaging standards sufficient to allow
8		law enforcement personnel to reasonably determine
9		the contents of an unopened package;
10	(14)	Limitation to the size or format of signs placed
11		outside a retail dispensing location or production
12		center; provided that the signage limitations, at a
13		minimum, shall comply with section 329D-6(o)(2) and
14		any applicable rules and shall not include the image
15		of a cartoon character or other design intended to
16		appeal to children;
17	(15)	The disposal or destruction of unwanted or unused
18		cannabis and manufactured cannabis products;
19	(16)	The enforcement of the following prohibitions against:
20		(A) The sale or provision of cannabis or manufactured
21		cannabis products to unauthorized persons;



1		(B)	The sale or provision of cannabis or manufactured
2			cannabis products to a qualifying patient,
3			primary caregiver, qualifying out-of-state
4			patient, [or] caregiver of a qualifying out-of-
5			state patient, or person purchasing cannabis for
6			personal use in quantities that exceed limits
7			established by this chapter;
8		(C)	Any use or consumption of cannabis or
9			manufactured cannabis products on the premises of
10			a retail dispensing location or production
11			center; and
12		(D)	The distribution of cannabis or manufactured
13			cannabis products, for free, on the premises of a
14			retail dispensing location or production center;
15	(17)	The	establishment of a range of penalties for
16		viol	ations of this chapter or rule adopted thereto;
17		and	
18	(18)	A pr	ocess to recognize and register patients who are
19		auth	orized to purchase, possess, and use medical
20		cann	abis in another state, a United States territory,
21		or t	he District of Columbia as qualifying out-of-state

2019-1314 SB686 SD1 SMA-3.doc

S.B. NO. ⁶⁸⁶ S.D. 1

.

1		patients; provided that this registration process may
2		commence no sooner than January 1, 2018."
3	SECT	ION 7. Section 329D-10, Hawaii Revised Statutes, is
4	amended b	y amending subsection (a) to read as follows:
5	"(a)	The types of [medical] cannabis products that may be
6	manufactu	red and distributed pursuant to this chapter shall be
7	limited t	o:
8	(1)	Capsules;
9	(2)	Lozenges;
10	(3)	Pills;
11	(4)	Oils and oil extracts;
12	(5)	Tinctures;
13	(6)	Ointments and skin lotions;
14	(7)	Transdermal patches;
15	(8)	Pre-filled and sealed containers used to aerosolize
16		and deliver cannabis orally, such as with an inhaler
17		or nebulizer; provided that containers need not be
18		manufactured by the licensed dispensary but shall be
19		filled with cannabis, cannabis oils, or cannabis
20		extracts manufactured by the licensed dispensary;
21		shall not contain nicotine, tobacco-related products,

2019-1314 SB686 SD1 SMA-3.doc

1		or a	ny other non-cannabis derived products; and shall
2		be d	esigned to be used with devices used to provide
3		safe	pulmonary administration of manufactured cannabis
4		prod	ucts;
5	(9)	Devi	ces that provide safe pulmonary administration;
6		prov	ided that:
7		(A)	The heating element of the device, if any, is
8			made of inert materials such as glass, ceramic,
9			or stainless steel, and not of plastic or rubber;
10		(B)	The device is distributed solely for use with
11			single-use, pre-filled, tamper-resistant, sealed
12			containers that do not contain nicotine or other
13			tobacco products;
14		(C)	The device is used to aerosolize and deliver
15			cannabis by inhalation, such as an inhaler,
16			medical-grade nebulizer, or other similar medical
17			grade volitization device;
18		(D)	There is a temperature control on the device that
19			is regulated to prevent the combustion of
20			cannabis oil; and

2019-1314 SB686 SD1 SMA-3.doc

S.B. NO. ⁶⁸⁶ S.D. 1

1	(E) The device need not be manufactured by the
2	licensed dispensary; and
3	(10) Other products as specified by the department."
4	SECTION 8. Section 329D-11, Hawaii Revised Statutes, is
5	amended to read as follows:
6	"§329D-11 Advertising and packaging. (a) The department
7	shall establish standards regarding the advertising and
8	packaging of cannabis and manufactured cannabis products;
9	provided that the standards, at a minimum, shall require the use
10	of packaging that:
11	(1) Is child-resistant and opaque so that the product
12	cannot be seen from outside the packaging;
13	(2) Uses only black lettering on a white background with
14	no pictures or graphics;
15	(3) Is clearly labeled with the phrase "For medical use
16	only";
17	(4) Is clearly labeled with the phrase "Not for resale or
18	transfer to another person";
19	(5) Includes instructions for use and "use by date";
20	(6) Contains information about the contents and potency of
21	the product;

2019-1314 SB686 SD1 SMA-3.doc

S.B. NO. ⁶⁸⁶ S.D. 1

1	(7)	Includes the name of the production center where
2		cannabis in the product was produced, including the
3		batch number and date of packaging;
4	(8)	Includes a barcode generated by tracking software; and
5	(9)	In the case of a manufactured cannabis product,
6		includes a:
7		(A) Listing of the equivalent physical weight of the
8		cannabis used to manufacture the amount of the
9		product that is within the packaging, pursuant to
10		section 329D-9(c);
11		(B) Clearly labeled warning stating that the product:
12		(i) Is a medication that contains cannabis, and
13		is not a food; and
14		(ii) Should be kept away from children; and
15		(C) Date of manufacture[-] <u>;</u>
16	provided	that paragraph (3) shall not apply to non-medical
17	cannabis;	provided further that the required label under
18	paragraph	(9)(B)(i) shall not state that a manufactured non-
19	medical ca	annabis product is a medication.
20	(b)	Any capsule, lozenge, or pill containing cannabis or
21	its princ:	ipal psychoactive constituent tetrahydrocannabinol

²⁰¹⁹⁻¹³¹⁴ SB686 SD1 SMA-3.doc

1 shall be packaged so that one dose, serving, or single wrapped 2 item contains no more than ten milligrams of 3 tetrahydrocannabinol; provided that no manufactured cannabis 4 product that is sold in a pack of multiple doses, servings, or 5 single wrapped items, nor any containers of oils, shall contain 6 more than a total of one thousand milligrams of 7 tetrahydrocannabinol per pack or container; provided further 8 that no dispensary shall exceed the dispensing limits imposed by 9 section 329D-7. 10 (c) All manufactured cannabis products shall be 11 individually wrapped at the original point of manufacture. 12 (d) For the purposes of this section, "non-medical 13 cannabis" shall have the same meaning as in section 329-A." 14 SECTION 9. Section 712-1246, Hawaii Revised Statutes, is 15 amended by amending subsection (1) to read as follows: 16 "(1) A person commits the offense of promoting a harmful 17 drug in the third degree if the person knowingly possesses 18 twenty-five or more capsules or tablets or dosage units 19 containing one or more of the harmful drugs [or one or more of 20 the marijuana concentrates, or any combination thereof]."

2019-1314 SB686 SD1 SMA-3.doc

S.B. NO. ⁶⁸⁶ S.D. 1

1	SECTION 10. Section 712-1249, Hawaii Revised Statutes, is
2	amended by amending subsection (1) to read as follows:
3	"(1) A person commits the offense of promoting a
4	detrimental drug in the third degree if the person knowingly
5	possesses [any] <u>over 0.5 ounces of</u> marijuana or any Schedule V
6	substance in any amount."
7	SECTION 11. In codifying the new sections added by section
8	2 of this Act, the revisor of statutes shall substitute
9	appropriate section numbers for the letters used in designating
10	the new sections in this Act.
11	SECTION 12. This Act does not affect rights and duties
12	that matured, penalties that were incurred, and proceedings that
13	were begun before its effective date.
14	SECTION 13. Statutory material to be repealed is bracketed
15	and stricken. New statutory material is underscored.
16	SECTION 14. This Act shall take effect upon its approval.



Report Title: Marijuana; Legalization; Dispensaries

2019-1314 SB686 SD1 SMA-3.doc

Description:

Legalizes the personal use, possession, and sale of cannabis in a specified quantity. Authorizes medical cannabis dispensaries to sell non-medical cannabis for personal use beginning February 1, 2021. Subjects transactions for non-medical cannabis to excise taxes and income taxes. Makes conforming amendments. (SD1)

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