

1 licenses each shall be issued for the county of Hawaii and the
2 county of Maui, and one cultivation license shall be issued for
3 the county of Kauai; provided further that no cultivation
4 license shall be issued for the county of Kalawao.

5 (e) No person may be granted a cultivation license in more
6 than one county.

7 (f) Each cultivation facility shall be limited to no more
8 than three thousand cannabis plants. For purposes of this
9 subsection, "plant" means a cannabis plant that is greater than
10 twelve vertical inches in height from where the base of the
11 stalk emerges from the growth medium to the tallest point of the
12 plant, or greater than twelve horizontal inches in width from
13 the end of one branch to the end of another branch; provided
14 that multiple stalks emanating from the same root ball or root
15 system shall be considered part of the same single plant. Each
16 cultivation facility shall track the cannabis it cultivates from
17 seed or immature plant to wholesale purchase.

18 (g) Each cultivation licensee may commence cultivating
19 cannabis no sooner than July 15, 2022, with approval by the
20 department, in accordance with this chapter.



1 (h) Notwithstanding subsection (d), the department shall
2 determine whether, based on the qualifying patient need,
3 additional cultivation licenses shall be offered to qualified
4 applicants in the State after October 1, 2023; provided that the
5 department shall make available not more than one license per
6 five hundred qualifying patients residing in any single county;
7 provided further that in considering whether to award a new
8 license, the department shall consider an applicant's capability
9 to serve and supply medical cannabis to qualified patients in a
10 rural or underserved geographical area of a county; provided
11 further that a "rural or underserved geographical area" shall be
12 determined by considering the number of registered medical
13 cannabis patients that reside within a certain zip code compared
14 to the quantity of medical cannabis that the closest production
15 center and retail dispensing location have the capability to
16 provide.

17 (i) Notwithstanding subsection (f) to the contrary, the
18 department may determine whether cultivation licensees shall be
19 allowed an additional two thousand cannabis plants. In no case
20 shall a licensee be allowed more than five thousand plants at a
21 single production center.



1 (j) Notwithstanding any other law to the contrary, a
2 cultivation facility shall not be subject to any of the
3 regulatory requirements under chapter 141.

4 §329D- Cultivation facilities; license application
5 procedure and verification; fees. (a) The department shall
6 make a cultivation facility license application form available
7 to the public on January 11, 2022, commencing at 8:00 a.m.,
8 Hawaii-Aleutian Standard Time.

9 (b) The department shall establish an open application
10 period for each available license, the first of which shall be
11 no later than 8:00 a.m., Hawaii-Aleutian Standard Time, on
12 January 12, 2022, during which an application may be submitted.
13 This submittal period shall be closed on January 29, 2022, at
14 4:30 p.m. The department shall publish notice of the open
15 application period no less than thirty days prior to the start
16 of the open application period.

17 (c) A nonrefundable application fee of \$1,000 for each
18 license application shall be submitted to the department by
19 certified or cashier's check. Within seven days of approval, a
20 cultivation license fee of \$10,000 for each license approved
21 shall be submitted to the department by certified or cashier's



1 check or the department shall issue a license to the next
2 qualified applicant.

3 (d) All fees collected pursuant to this section shall be
4 deposited in the medical cannabis registry and regulation
5 special fund pursuant to section 321-30.1.

6 (e) Immediately upon receipt of each completed application
7 form, the department shall issue a receipt to each applicant
8 that includes the date and time of receipt.

9 (f) If an applicant submits an application form in which
10 all required information is not complete and valid, the
11 application shall not be accepted by the department and the
12 nonrefundable application fee shall be deposited in the medical
13 cannabis registry and regulation special fund established
14 pursuant to section 321-30.1.

15 (g) The cultivation facility application form shall
16 request information necessary to verify that applicants meet the
17 required qualifications for a cultivation license pursuant to
18 section 329D-3. Applicants shall provide a minimum of the
19 following information:

20 (1) Legal name and date of birth of individual applicant;



- 1 (2) Last four digits of individual applicant's social
2 security number;
- 3 (3) Validation code from an eCrim report for the
4 individual applicant generated by the Hawaii criminal
5 justice data center no earlier than December 12, 2021,
6 at 8:00 a.m., Hawaii-Aleutian Standard Time;
- 7 (4) Street address, telephone number, fax number, and e-
8 mail address of the individual applicant;
- 9 (5) A tax clearance certificate issued by the department
10 of taxation dated not more than thirty days prior to
11 the date of the application;
- 12 (6) Name of the applying entity and any other name under
13 which the applying entity does business, if
14 applicable;
- 15 (7) Street address, telephone number, fax number, and e-
16 mail address of the applying entity;
- 17 (8) Date the applying entity was organized under the laws
18 of Hawaii;
- 19 (9) A certified copy of the organizing documents of the
20 applying entity;
- 21 (10) A copy of the applying entity's bylaws;



S.B. NO. 1372

- 1 (11) Federal employer identification number of the applying
2 entity;
- 3 (12) Hawaii tax identification number of applying entity;
- 4 (13) Department of commerce and consumer affairs business
5 registration number and suffix of the applying entity;
- 6 (14) Name(s) of all owners of the applying entity, in whole
7 or in part, and their percentage of ownership;
- 8 (15) Date when continuous legal residence in Hawaii began
9 for each Hawaii legal resident that owns a percentage
10 of the applying entity;
- 11 (16) Total percentage of the applying entity that is owned
12 by Hawaii legal residents;
- 13 (17) Designation of the county for which the cultivation
14 license applied for and proof that the required
15 minimum financial resources of \$500,000 are met;
- 16 (18) Total dollar amount of financial resources under
17 control of the applying entity in the form of bank
18 statements or escrow accounts;
- 19 (19) Date from when financial resources have been
20 continuously controlled by the applying entity;



1 (20) Copies of the entity's bank statements for the twelve
2 months prior to the date of the application; and

3 (21) A copy of the agreement in place with an existing
4 dispensary licensed by the State for the sale of the
5 applying entity's product.

6 (h) The department shall maintain a record of the time and
7 date that all completed application forms were submitted.

8 (i) The department shall process and deposit the
9 application fee within four business days of receipt of the
10 completed application form.

11 (j) If, for any reason, the application fee is not
12 available for deposit, the application shall be deemed void and
13 the department shall inform the applicant in writing that its
14 application has been rejected.

15 (k) The department shall review and verify the information
16 and documentation materials only of applicants whose
17 nonrefundable application fee has been processed and deposited.

18 (l) The department shall verify that the information
19 submitted in the application is true and valid and meets the
20 requirements established in section 329D-3(b).



1 "(f) Neither this section nor any other law, county
2 ordinance, or rule shall prohibit the use of land for medical
3 cannabis production centers, medical cannabis cultivation
4 facilities, or medical cannabis dispensaries established and
5 licensed pursuant to chapter 329D; provided that the land is
6 otherwise zoned for agriculture, manufacturing, or retail
7 purposes."

8 SECTION 4. Section 329D-2.5, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "~~[+]§329D-2.5[+]~~ **Office of medical cannabis control and**
11 **regulation; established; duties.** (a) There is established
12 within the department the office of medical cannabis control and
13 regulation, which shall report to the deputy director of health
14 resources administration.

15 (b) The office of medical cannabis control and regulation
16 shall administer the licensure and regulation of medical
17 cannabis [~~dispensary licensure and regulation,~~] dispensaries and
18 cultivation facilities, pursuant to this chapter, and the
19 registration of qualifying patients and primary caregivers,
20 pursuant to part IX of chapter 329."



1 SECTION 5. Section 329D-3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[~~§~~329D-3~~]~~ **Qualifications for licensure.** (a) Each
4 application for a dispensary license or a cultivation facility
5 license shall include both an individual applicant and an
6 applying entity.

7 (b) The application shall be submitted to the department
8 and shall include supporting documentation to establish the
9 following:

10 (1) That the individual applicant:

11 (A) Has been a legal resident of the State for not
12 less than five years preceding the date of

13 application;

14 (B) Is not less than twenty-one years of age; and

15 (C) Has had no felony convictions;

16 (2) That the applying entity:

17 (A) Has been organized under the laws of the State;

18 (B) Has a Hawaii tax identification number;

19 (C) Has a department of commerce and consumer affairs
20 business registration division number and suffix;

21 (D) Has a federal employer identification number;



- 1 (E) Is not less than fifty-one per cent held by
2 Hawaii legal residents or entities wholly
3 controlled by Hawaii legal residents who have
4 been Hawaii legal residents for not less than
5 five years immediately preceding the date the
6 application was submitted;
- 7 (F) [~~Has~~] If applying for a dispensary license, has
8 financial resources under its control of not less
9 than \$1,000,000 for each license applied for,
10 plus not less than \$100,000 for each retail
11 dispensing location allowed under the license
12 applied for, in the form of bank statements or
13 escrow accounts, and that the financial resources
14 have been under the control of the applying
15 entity for not less than ninety days immediately
16 preceding the date the application was submitted;
17 [~~and~~]
- 18 (G) If applying for a cultivation license, has
19 financial resources under its control of not less
20 than \$500,000 for each license applied for, in
21 the form of bank statements or escrow accounts,



1 and that the financial resources have been under
2 the control of the applying entity for not less
3 than ninety days immediately preceding the date
4 the application was submitted;

5 (H) If applying for a cultivation license, has an
6 agreement with an existing dispensary, licensed
7 by the State, to which sales of the cultivator's
8 cannabis will be made and such agreement can be
9 amended annually; and

10 [~~(G)~~] (I) Is composed of principals or members, each
11 of whom has no felony convictions.

12 (c) A dispensary license or cultivation license shall not
13 be sold or otherwise transferred from one person to another
14 person."

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

17 "§329D-7 Medical cannabis dispensary, production center,
18 and cultivation facility rules. The department shall establish
19 standards with respect to:

20 (1) The number of medical cannabis dispensaries that shall
21 be permitted to operate in the State;



- 1 (2) A fee structure for the submission of applications and
2 renewals of licenses to dispensaries and cultivation
3 facilities; provided that the department shall
4 consider the market conditions in each county in
5 determining the license renewal fee amounts;
- 6 (3) Criteria and procedures for the consideration and
7 selection, based on merit, of applications for
8 licensure of dispensaries and cultivation facilities;
9 provided that the criteria shall include but not be
10 limited to an applicant's:
- 11 (A) Ability to operate a business;
- 12 (B) Financial stability and access to financial
13 resources; provided that applicants for medical
14 cannabis dispensary licenses shall provide
15 documentation that demonstrates control of not
16 less than \$1,000,000 in the form of escrow
17 accounts, letters of credit, surety bonds, bank
18 statements, lines of credit or the equivalent to
19 begin operating the dispensary; provided further
20 that applicants for cultivation facility licenses
21 shall provide documentation that demonstrates



1 control of not less than \$500,000 in the form of
2 escrow accounts, letters of credit, surety bonds,
3 bank statements, lines of credit or the
4 equivalent to begin operating the cultivation
5 facility;

6 (C) Ability to comply with the security requirements
7 developed pursuant to paragraph (6);

8 (D) Capacity to meet the needs of qualifying patients
9 and qualifying out-of-state patients;

10 (E) Ability to comply with criminal background check
11 requirements developed pursuant to paragraph (8);
12 and

13 (F) Ability to comply with inventory controls
14 developed pursuant to paragraph (13);

15 (4) Specific requirements regarding annual audits and
16 reports required from each production center [~~and~~],
17 dispensary, and cultivation facility licensed pursuant
18 to this chapter;

19 (5) Procedures for announced and unannounced inspections
20 by the department or its agents of production centers
21 [~~and~~], dispensaries, and cultivation facilities



1 licensed pursuant to this chapter; provided that
2 inspections for license renewals shall be unannounced;

3 (6) Security requirements for the operation of production
4 centers [~~and~~], retail dispensing locations[+], and
5 cultivation facilities; provided that, at a minimum,
6 the following shall be required:

7 (A) For production centers[+] and cultivation
8 facilities:

9 (i) Video monitoring and recording of the
10 premises; provided that recordings shall be
11 retained for fifty days;

12 (ii) Fencing that surrounds the premises and that
13 is sufficient to reasonably deter intruders
14 and prevent anyone outside the premises from
15 viewing any cannabis in any form;

16 (iii) An alarm system; and

17 (iv) Other reasonable security measures to deter
18 or prevent intruders, as deemed necessary by
19 the department;

20 (B) For retail dispensing locations:



- 1 (i) Presentation of a valid government-issued
- 2 photo identification and a valid
- 3 identification as issued by the department
- 4 pursuant to section 329-123 by a qualifying
- 5 patient or caregiver, or section 329-123.5
- 6 by a qualifying out-of-state patient or
- 7 caregiver of a qualifying out-of-state
- 8 patient, upon entering the premises;
- 9 (ii) Video monitoring and recording of the
- 10 premises; provided that recordings shall be
- 11 retained for fifty days;
- 12 (iii) An alarm system;
- 13 (iv) Exterior lighting; and
- 14 (v) Other reasonable security measures as deemed
- 15 necessary by the department;
- 16 (7) Security requirements for the transportation of
- 17 cannabis and manufactured cannabis products between
- 18 production centers [~~and~~], retail dispensing locations,
- 19 and cultivation facilities and between a production
- 20 center, retail dispensing location, cultivation
- 21 facility, qualifying patient, primary caregiver,



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



S.B. NO. 1372

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



1 patient, or caregiver of a qualifying out-of-state
2 patient in quantities that exceed limits established
3 by this chapter; provided that the controls, at a
4 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[+], or cultivation facility; provided that the
13 signage limitations, at a minimum, shall comply with
14 section 329D-6(o)(2) 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;



S.B. NO. 1372

- 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 in quantities that exceed limits
6 established by this chapter;
- 7 (C) Any use or consumption of cannabis or
8 manufactured cannabis products on the premises of
9 a retail dispensing location [~~or~~], production
10 center[~~+~~], or cultivation facility; and
- 11 (D) The distribution of cannabis or manufactured
12 cannabis products, for free, on the premises of a
13 retail dispensing location [~~or~~], production
14 center[~~+~~], or cultivation facility;
- 15 (17) The establishment of a range of penalties for
16 violations of this chapter or rule adopted thereto;
17 and
- 18 (18) A process to recognize and register patients who are
19 authorized to purchase, possess, and use medical
20 cannabis in another state, a United States territory,
21 or the District of Columbia as qualifying out-of-state



1 patients; provided that this registration process may
2 commence no sooner than January 1, 2018."

3 SECTION 7. Section 329D-11, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) The department shall establish standards regarding
6 the advertising and packaging of cannabis and manufactured
7 cannabis products; provided that the standards, at a minimum,
8 shall require the use of packaging that:

- 9 (1) Is child-resistant and opaque so that the product
10 cannot be seen from outside the packaging;
- 11 (2) Uses only black lettering on a white background with
12 no pictures or graphics;
- 13 (3) Is clearly labeled with the phrase "For medical use
14 only";
- 15 (4) Is clearly labeled with the phrase "Not for resale or
16 transfer to another person";
- 17 (5) Includes instructions for use and "use by date";
- 18 (6) Contains information about the contents and potency of
19 the product;
- 20 (7) Includes the name of the production center or
21 cultivation facility where cannabis in the product was



1 produced, including the batch number and date of
2 packaging;

3 (8) Includes a barcode generated by tracking software; and

4 (9) In the case of a manufactured cannabis product,
5 includes a:

6 (A) Listing of the equivalent physical weight of the
7 cannabis used to manufacture the amount of the
8 product that is within the packaging, pursuant to
9 section 329D-9(c);

10 (B) Clearly labeled warning stating that the product:

11 (i) Is a medication that contains cannabis, and
12 is not a food; and

13 (ii) Should be kept away from children; and

14 (C) Date of manufacture."

15 SECTION 8. Section 329D-12, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "§329D-12 **Background checks.** (a) The following shall be
18 subject to background checks conducted by the department or its
19 designee, including but not limited to criminal history record
20 checks in accordance with section 846-2.7:



- 1 (1) Each applicant and licensee for a medical cannabis
2 dispensary or cultivation facility license, including
3 the individual applicant and all officers, directors,
4 members of a limited liability corporation;
5 shareholders with at least twenty-five per cent or
6 more ownership interest in a corporation; and managers
7 of an entity applicant;
- 8 (2) Each employee of a medical cannabis dispensary;
- 9 (3) Each employee of a subcontracted production center
10 ~~[e]~~, retail dispensing location[+], or cultivation
11 facility;
- 12 (4) All officers, directors, members of a limited
13 liability corporation; and shareholders with at least
14 twenty-five per cent or more ownership interest in a
15 corporate owner of a subcontracted production center
16 ~~[e]~~, retail dispensing location[+], or cultivation
17 facility; and
- 18 (5) Any person permitted to enter and remain in a
19 dispensary facility pursuant to section 329D-15(a)(4)
20 or 329D-16(a)(3).



1 The person undergoing the background check shall provide written
2 consent and all applicable processing fees to the department or
3 its designee to conduct the background checks.

4 (b) This section shall not apply to:

5 (1) A qualifying patient, primary caregiver, qualifying
6 out-of-state patient, or caregiver of a qualifying
7 out-of-state patient who enters or remains on the
8 premises of a retail dispensing location for the
9 purpose of a transaction conducted pursuant to
10 sections 329D-6 and 329D-13; or

11 (2) Government officials and employees acting in an
12 official capacity and employees of a certified
13 laboratory who enter or remain on the premises of a
14 retail dispensing location ~~[or]~~, production center, or
15 cultivation facility for any purpose authorized by
16 this chapter."

17 SECTION 9. Section 329D-16, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "[~~f~~]§329D-16[~~+~~] Criminal offense; unauthorized access to
20 production centers[~~-~~] and cultivation facilities. (a) No

21 person shall intentionally or knowingly enter or remain upon the



1 premises of a medical cannabis production center or cultivation
2 facility unless the person is:

3 (1) An individual licensee or registered employee of the
4 production center[+] or cultivation facility;

5 (2) A government employee or official acting in the
6 person's official capacity; or

7 (3) Previously included on a current department-approved
8 list provided to the department by the licensee of
9 those persons who are allowed into that [~~dispensary's~~
10 ~~faelilities~~] dispensary or facilities' premises for a
11 specific purpose for that dispensary, including but
12 not limited to construction, maintenance, repairs,
13 legal counsel, or investors; provided that:

14 (A) The person has been individually approved by the
15 department to be included on the list;

16 (B) The person is at least twenty-one years of age,
17 as verified by a valid government issued
18 identification card;

19 (C) The department has confirmed that the person has
20 no felony convictions;



- 1 (D) The person is escorted by an individual licensee
2 or registered employee of the dispensary or
3 facility at all times while [~~in the dispensary~~
4 ~~facility,~~] on the premises;
- 5 (E) The person is only permitted within those
6 portions of the dispensary or cultivation
7 facility as necessary to fulfill the person's
8 purpose for entering;
- 9 (F) The person is only permitted within the
10 dispensary or cultivation facility during the
11 times and for the duration necessary to fulfill
12 the person's purpose for entering;
- 13 (G) The dispensary or cultivation facility shall keep
14 an accurate record of each person's identity,
15 date and times upon entering and exiting the
16 dispensary or cultivation facility, purpose for
17 entering, and the identity of the escort; and
- 18 (H) The approved list shall be effective for one year
19 from the date of department approval.
- 20 (b) No individual licensee or registered employee of a
21 medical cannabis dispensary with control over or responsibility



1 for a production center shall intentionally or knowingly allow
2 another to enter or remain upon the premises of the production
3 center, unless the other is permitted to enter and remain as
4 specified in subsection (a).

5 (c) No individual licensee or registered employee of a
6 cultivation facility with control over or responsibility for the
7 facility shall intentionally or knowingly allow another to enter
8 or remain upon the premises of the facility, unless the other is
9 permitted to enter and remain as specified in subsection (a).

10 [~~e~~] (d) Unauthorized access to a production center or
11 cultivation facility is a class C felony."

12 SECTION 10. Section 329D-17, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 "(a) A person commits the offense of promoting medical
15 cannabis or medical cannabis products to a minor if the person
16 intentionally or knowingly distributes any amount of cannabis or
17 manufactured cannabis products that came from a dispensary [~~e~~],
18 production center, or cultivation facility to a minor who is not
19 a registered qualifying patient or a registered qualifying out-
20 of-state patient under eighteen years of age."



1 SECTION 11. Section 329D-18, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[~~f~~]~~§~~329D-18[~~f~~] Diversion from dispensary [~~e~~], production
4 center[~~f~~], or cultivation facility; penalties. (a) A person
5 commits diversion from a dispensary [~~e~~], production center, or
6 cultivation facility if the person is a licensee, operator, or
7 employee of a dispensary [~~e~~], production center, or cultivation
8 facility and intentionally or knowingly diverts to the person's
9 own use or other unauthorized or illegal use, or takes, makes
10 away with, or secretes, with intent to divert to the person's
11 own use or other unauthorized or illegal use, any medical
12 cannabis, manufactured cannabis product, or cannabis concentrate
13 under the person's possession, care, or custody as a licensee,
14 operator, or employee of a medical cannabis dispensary [~~e~~],
15 production center, or cultivation facility licensed by the
16 department.

17 (b) Any person who violates this section shall be guilty
18 of a class C felony."

19 SECTION 12. Section 329D-20, Hawaii Revised Statutes, is
20 amended to read as follows:



1 " [f]§329D-20 [f] Law enforcement access to dispensary,
2 [and] production center, and cultivation facility records.
3 Notwithstanding any other law, the department shall disclose
4 information, documents, and other records regarding medical
5 cannabis dispensaries [and], production centers, and cultivation
6 facilities, upon request, to any state, federal, or county
7 agency engaged in the criminal investigation or prosecution of
8 violations of applicable state, county, or federal laws or
9 regulations related to the operations or activities of a medical
10 cannabis dispensary[-] or cultivation facility."

11 SECTION 13. Section 329D-22, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) Medical cannabis production centers [and],
14 dispensaries, and cultivation facilities shall comply with all
15 county zoning ordinances, rules, or regulations; provided that:

16 (1) A medical cannabis production center or cultivation
17 facility shall be permitted in any area in which
18 agricultural production is permitted except as
19 provided within this chapter; and

20 (2) No medical cannabis production center [and],
21 dispensary, or cultivation facility shall be permitted



1 within seven hundred fifty feet of the real property
2 comprising a playground or school."

3 SECTION 14. Section 329D-23, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§329D-23 Annual inspections, audits, and reports.** (a)
6 Each medical cannabis production center [~~and~~], dispensary, and
7 cultivation facility licensed pursuant to this part shall:

8 (1) Be subject to an annual announced inspection and
9 unlimited unannounced inspections of its operations by
10 the department; provided that inspections for license
11 renewals shall be unannounced;

12 (2) Submit reports on at least a quarterly basis, or as
13 otherwise required, and in the format specified by the
14 department; and

15 (3) Annually cause an independent financial audit, at the
16 [~~dispensary~~] licensee's own expense, to be conducted
17 of the cultivation facility, dispensary, its
18 production center, and retail dispensing locations and
19 shall submit the audit's findings to the department.

20 (b) The department shall report annually to the governor
21 and the legislature on the establishment and regulation of



S.B. NO. 1372

1 medical cannabis production centers [~~and~~], dispensaries, and
2 cultivation facilities, including but not limited to the number
3 and location of production centers and dispensaries and
4 cultivation facilities licensed, the total licensing fees
5 collected, the total amount of taxes collected from production
6 centers [~~and~~], dispensaries, and cultivation facilities and any
7 licensing violations determined by the department."

8 SECTION 15. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 16. This Act shall take effect upon its approval.

11

INTRODUCED BY: _____

A large, stylized handwritten signature in black ink is written over a horizontal line that follows the text "INTRODUCED BY:". The signature is cursive and appears to be the name of the bill's sponsor.

S.B. NO. 1372

Report Title:

Medical Cannabis; Cultivation; Cultivation Licenses

Description:

Creates a cultivation facility license which allows cultivators to grow cannabis for sale to licensed dispensaries. Establishes requirements for license application and qualifications for license holders.

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

