

STAND. COM. REP. NO. 1175

Honolulu, Hawaii

MAR 25 2021

RE: H.B. No. 477
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committees on Health and Commerce and Consumer Protection, to which was referred H.B. No. 477, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CANNABIS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the department of health to allow a licensed dispensary to purchase up to three thousand grams of medical cannabis or manufactured cannabis products from another licensed dispensary located on the same island to ensure ongoing qualifying patient access;
- (2) Increase the allowable number of production centers and retail dispensing locations per dispensary license;
- (3) Prohibit primary caregivers from cultivating cannabis for a qualifying patient after December 31, 2021;
- (4) Limit where qualifying patients can obtain medical cannabis or manufactured cannabis products after December 31, 2021;
- (5) Authorize the Department of Health or law enforcement, upon the request of the department, to conduct



administrative inspections of registered grow sites to ensure compliance with cannabis plant limits;

- (6) Clarify that as long as federal law prohibits the transportation of medical cannabis over a body of water, dispensary-to-dispensary sales may only occur between dispensaries located on the same island; and
- (7) Clarify that the transport of cannabis to another county or island for the sole purposes of laboratory testing is permissible only if no certified laboratory is in the county or on the island where the dispensary is located.

Your Committees received testimony in support of this measure from Big Island Grown Dispensaries; Green Aloha, Ltd; Maui Grown Therapies; Manoa Botanicals; and eight individuals. Your Committees received testimony in opposition to this measure from Effective Change, LLC; Epic Interventions, LLC; Hawaii Compassionate Care; Lama O Aloha; Big Island Booch, Inc.; Drug Policy Forum of Hawai'i; Fujiwara and Rosenbaum, LLLC; Island Star Landscaping; Patients Without Time; We Are One, Inc.; and two hundred fifty-seven individuals. Your Committees received comments on this measure from the Department of Health; Aloha Green Holdings, Inc.; and four individuals.

Your Committees find that there is a need to fortify and enhance qualifying patient access to safe, regulated cannabis in the State. Your Committees further find that there is an illicit recreational cannabis market flourishing in the State. The danger of such a market is that the products are unregulated, escaping product testing requirements, accountability to qualifying patients, and oversight by any state agency. Thus, your Committees believe that overall enhancement of the medical cannabis dispensary program is necessary to strengthen patient access, improve product controls and safety, and refine the administration of the program.

Your Committees heard the testimony of the Department of Health, which requested amendments that would allow the Department to generate funds to hire more staff necessary for the increased regulatory oversight. The Department of Health also recommended amendments for clarity. Finally, your Committees heard from many



testifiers who voiced concerns about tighter regulation on home grown cannabis.

Therefore, your Committees have amended this measure by:

- (1) Removing statutory fees for production center and retail dispensing location permit applications and authorizing the Department of Health to determine the fee structure;
- (2) Clarifying that the Department of Health or law enforcement, at the request of the Department, may make administrative inspections, including onsite inspections, of registered grow sites;
- (3) Removing the proposed reduction in home cultivation limit from five to two plants;
- (4) Removing the change in the proposed sunset date for primary caregiver cannabis cultivation;
- (5) Amending section 1 to reflect its amended purpose; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 477, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 477, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and
Commerce and Consumer
Protection,



ROSALYN H. BAKER, Chair

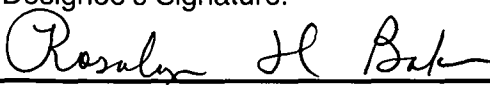


JARRETT KEOHOKALOLE, Chair



The Senate
Thirty-First Legislature
State of Hawai'i


**Record of Votes
Committee on Health
HTH**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB477 HD2	HTH/CPN, JDC/WAM	3-19-2021		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
BAKER, Rosalyn (VC)	✓			
MORIWAKI, Sharon Y.		✓		
SAN BUENAVENTURA, Joy A.		✓		
FEVELLA, Kurt	✓			
TOTAL	3	2	-	-
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
HB477 HD2	HTH/CPN, JDC/WAM	03.19.2021		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/	..		
CHANG, Stanley (VC)	/			
MISALUCHA, Bennette E.	/			
NISHIHARA, Clarence K.	/			
RIVIERE, Gil	/			
SAN BUENAVENTURA, Joy A.		/		
FEVELLA, Kurt	/			
TOTAL	6	1	-	-
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes