STAND. COM. REP. NO. | _

Honolulu, Hawaii

FEB 1 2 2021

RE: S.B. No. 1139 S.D. 1

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

Sir:

Your Committee on Health, to which was referred S.B. No. 1139 entitled:

"A BILL FOR AN ACT RELATING TO THE OFFICE OF MEDICAL CANNABIS CONTROL AND REGULATION,"

begs leave to report as follows:

The purpose and intent of this measure is to allow the Department of Health to fully operationalize the Office of Medical Cannabis Control and Regulation (OMCCR) to ensure patient access and regulatory oversight of the licensed dispensaries by:

- Changing the means of financing for general-funded OMCCR positions from general funds to the medical cannabis registry and regulation special fund;
- (2) Establishing, hiring, and filling three new permanent full-time equivalent positions (3.0 FTE) funded by the medical cannabis registry and regulation special fund; and
- (3) Authorizing a \$10.00 per year increase to the patient registration fee beginning in fiscal year 2022.

Your Committee received testimony in support of this measure from the Department of Health and Hawai'i Cannabis Association.



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Your Committee received comments on this measure from Akamai Cannabis Clinic.

Your Committee finds that the OMCCR can be fully operational, without general funds, by expending monies exclusively from the medical cannabis registry and regulation fund. Your Committee further finds that the OMCCR was forced to eliminate six full-time positions due to budget shortfalls related to the coronavirus disease 2019 pandemic. Finally, your Committee finds that authorizing the Department of Health to set patient registration fees via administrative rulemaking would allow the Department more flexibility to periodically change future registration fees. Your Committee notes that this measure as introduced inadvertently appropriates funds for the establishment of three full-time equivalent positions for only the 2021-2022 fiscal year, when in fact, the positions were intended to also continue for the 2022-2023 fiscal year.

Therefore, your Committee has amended this measure by:

- Authorizing the Department of Health to set patient registration fees via administrative rulemaking;
- (2) Amending section 4 to appropriate funds for three permanent full-time equivalent (3.00 FTE) positions for fiscal year 2022-2023; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1139, S.D. 1, and be referred to your Committee on Ways and Means.



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Respectfully submitted on behalf of the members of the Committee on Health,

ARRETT KEOHOKALOLE, Chair



The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Health HTH

Bill / Resolution No.:*	Committee Referral:			Date:	
501139	HTH, WAM			2-3-2021	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members	-	Aye	Aye (WR	l) Nay	Excused
KEOHOKALOLE, Jarrett (C)		V			
BAKER, Rosalyn (VC)		V			
MORIWAKI, Sharon Y.					
SAN BUENAVENTURA, Joy A.		_ V _			
FEVELLA, Kurt		\checkmark			
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TOTAL		5	-		
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature: Kosely & Bili					
Distribution: Original File with Committee Re		ellow 's Office	Pink Drafting Agen	Pink Goldenrod Drafting Agency Committee File Copy	

*Only <u>one</u> measure per Record of Votes