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# A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

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

1       SECTION 1. The legislature finds that the regulated  
2       statewide dispensary system for medical cannabis was established  
3       on July 14, 2015, as Act 241, Session Laws of Hawaii 2015, to  
4       ensure safe and legal access to medical cannabis of qualifying  
5       patients. Since that time, the experience of the program  
6       indicates that improvements to the law will help to fulfill its  
7       original intent by clarifying provisions and implementing  
8       reasonable modifications to support patient access.

9       The purpose of this Act is to:

- 10       (1) Allow primary caregivers, qualifying out-of-state  
11           patients, and caregivers of a qualifying out-of-state  
12           patient to access the waiting room within a medical  
13           cannabis retail dispensary; and  
14       (2) Clarify violations related to medical cannabis  
15           dispensaries.



SECTION 2. Section 329D-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Waiting room" means a designated area at the public entrance of a retail dispensing location that may be accessed by a member of the general public who is waiting for, assisting, or accompanying a qualifying patient, primary caregiver, qualifying out-of-state patient, or caregiver of a qualifying out-of-state patient who enters or remains on the premises of a retail dispensing location for the purpose of a transaction conducted pursuant to sections 329D-6 and 329D-13, provided that the storage, display, and retail sale of cannabis and manufactured cannabis shall be prohibited within the waiting room area."

SECTION 3. Section 329D-7, Hawaii Revised Statutes, is amended to read as follows:

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

- (1) The number of medical cannabis dispensaries that shall be permitted to operate in the State;
- (2) A fee structure for the submission of applications and renewals of licenses to dispensaries; provided that



1 the department shall consider the market conditions in  
2 each county in determining the license renewal fee  
3 amounts;

4 (3) Criteria and procedures for the consideration and  
5 selection, based on merit, of applications for  
6 licensure of dispensaries; provided that the criteria  
7 shall include but not be limited to an applicant's:

8 (A) Ability to operate a business;

9 (B) Financial stability and access to financial  
10 resources; provided that applicants for medical  
11 cannabis dispensary licenses shall provide  
12 documentation that demonstrates control of not  
13 less than \$1,000,000 in the form of escrow  
14 accounts, letters of credit, surety bonds, bank  
15 statements, lines of credit or the equivalent to  
16 begin operating the dispensary;

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

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



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;

9 (5) Procedures for announced and unannounced inspections  
10 by the department or its agents of production centers  
11 and dispensaries licensed pursuant to this chapter;  
12 provided that inspections for license renewals shall  
13 be unannounced;

14 (6) Security requirements for the operation of production  
15 centers and retail dispensing locations; provided  
16 that, at a minimum, the following shall be required:

17 (A) For production centers:

18 (i) Video monitoring and recording of the  
19 premises; provided that recordings shall be  
20 retained for fifty days;



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

(iii) An alarm system; and

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

(B) For retail dispensing locations:

(i) Presentation of a valid government-issued photo identification and a valid identification as issued by the department pursuant to section 329-123 by a qualifying patient or caregiver, or section 329-123.5 by a qualifying out-of-state patient or caregiver of a qualifying out-of-state patient, upon entering the premises;

(ii) Video monitoring and recording of the premises; provided that recordings shall be retained for fifty days;

(iii) An alarm system;



1 (iv) Exterior lighting; and

2 (v) Other reasonable security measures as deemed  
3 necessary by the department;

4 (7) Security requirements for the transportation of  
5 cannabis and manufactured cannabis products between  
6 production centers and retail dispensing locations and  
7 between a production center, retail dispensing  
8 location, qualifying patient, primary caregiver,  
9 qualifying out-of-state patient, or caregiver of a  
10 qualifying out-of-state patient and a certified  
11 laboratory, pursuant to section 329-122(f);

12 (8) Standards and criminal background checks to ensure the  
13 reputable and responsible character and fitness of all  
14 license applicants, licensees, employees,  
15 subcontractors and their employees, and prospective  
16 employees of medical cannabis dispensaries to operate  
17 a dispensary; provided that the standards, at a  
18 minimum, shall exclude from licensure or employment  
19 any person convicted of any felony;

20 (9) The training and certification of operators and  
21 employees of production centers and dispensaries;



1       (10) The types of manufactured cannabis products that  
2               dispensaries shall be authorized to manufacture and  
3               sell pursuant to sections 329D-9 and 329D-10;

4       (11) Laboratory standards related to testing cannabis and  
5               manufactured cannabis products for content,  
6               contamination, and consistency;

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

16            (A) During a period of fifteen consecutive days,  
17                exceeds the equivalent of four ounces of  
18                cannabis; or

19            (B) During a period of thirty consecutive days,  
20                exceeds the equivalent of eight ounces of  
21                cannabis;



1       (13)   Dispensary and production center inventory controls to  
2           prevent the unauthorized diversion of cannabis or  
3           manufactured cannabis products or the distribution of  
4           cannabis or manufactured cannabis products to a  
5           qualifying patient, primary caregiver, qualifying out-  
6           of-state patient, or caregiver of a qualifying out-of-  
7           state patient in quantities that exceed limits  
8           established by this chapter; provided that the  
9           controls, at a minimum, shall include:

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

12          (B)   Product packaging standards sufficient to allow  
13               law enforcement personnel to reasonably determine  
14               the contents of an unopened package;

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





- 1       (15)   The disposal or destruction of unwanted or unused  
2           cannabis and manufactured cannabis products;
- 3       (16)   The enforcement of the following prohibitions against:
- 4           (A)   The sale or provision of cannabis or manufactured  
5           cannabis products to unauthorized persons;
- 6           (B)   The sale or provision of cannabis or manufactured  
7           cannabis products to a qualifying patient,  
8           primary caregiver, qualifying out-of-state  
9           patient, or caregiver of a qualifying out-of-  
10          state patient in quantities that exceed limits  
11          established by this chapter;
- 12          (C)   Any use or consumption of cannabis or  
13          manufactured cannabis products on the premises of  
14          a retail dispensing location or production  
15          center; and
- 16          (D)   The distribution of cannabis or manufactured  
17          cannabis products, for free, on the premises of a  
18          retail dispensing location or production center;
- 19       (17)   The establishment of a range of penalties for  
20           violations of this chapter or rule adopted thereto;  
21           [and]



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

7       (19) Security requirements and restrictions regarding  
8           waiting rooms, including but not limited to:

9           (A) Security measures to prevent unauthorized access  
10           to any area within the retail dispensing location  
11           outside of the waiting room;

12           (B) Restrictions on marketing and advertising within  
13           the waiting room;

14           (C) Restrictions on signage within the waiting room;

15           (D) Other reasonable security measures or  
16           restrictions as deemed necessary by the  
17           department."

18       SECTION 4. Section 329D-15, Hawaii Revised Statutes, is  
19       amended by amending subsection (a) to read as follows:



1       "(a) No person shall intentionally or knowingly enter or  
2 remain upon the premises of a medical cannabis retail dispensing  
3 location unless the individual is:

4       (1) An individual licensee or registered employee of the  
5 dispensary;

6       (2) A qualifying patient, primary caregiver, qualifying  
7 out-of-state patient, or caregiver of a qualifying  
8 out-of-state patient;

9       (3) A government employee or official acting in the  
10 person's official capacity; or

11       (4) Previously included on a current department-approved  
12 list provided to the department by the licensee of  
13 those persons who are allowed into that dispensary's  
14 facilities for a specific purpose for that dispensary,  
15 including but not limited to construction,  
16 maintenance, repairs, legal counsel, providers of  
17 paratransit or other assistive services required by a  
18 qualifying patient, primary caregiver, qualifying out-  
19 of-state patient, or caregiver of a qualifying out-of-  
20 state patient to access a retail dispensary location,  
21 or investors; provided that:



- 1 (A) The person has been individually approved by the  
2 department to be included on the list;
- 3 (B) The person is at least twenty-one years of age,  
4 as verified by a valid government issued  
5 identification card;
- 6 (C) The department has confirmed that the person has  
7 no felony convictions;
- 8 (D) The person is escorted by an individual licensee  
9 or registered employee of the dispensary at all  
10 times while in the dispensary facility;
- 11 (E) The person is only permitted within those  
12 portions of the dispensary facility as necessary  
13 to fulfill the person's purpose for entering;
- 14 (F) The person is only permitted within the  
15 dispensary facility during the times and for the  
16 duration necessary to fulfill the person's  
17 purpose for entering;
- 18 (G) The dispensary shall keep an accurate record of  
19 each person's first and last name, date and times  
20 upon entering and exiting the dispensary



1 facility, purpose for entering, and the identity  
2 of the escort; and

3 (H) The approved list shall be effective for one year  
4 from the date of the department approval~~[ ]~~;

5 provided that a member of the general public may enter or remain  
6 within the waiting room of a retail dispensing location."

7 SECTION 5. Section 329D-21, Hawaii Revised Statutes, is  
8 amended by amending subsection (b) to read as follows:

9 "(b) Any person who violates any of the provisions of this  
10 chapter or the rules adopted pursuant thereto shall be fined not  
11 less than \$100 nor more than \$1,000 for each ~~[violation.]~~  
12 separate offense; provided that each day of each violation  
13 constitutes a separate offense."

14 SECTION 6. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 7. This Act shall take effect upon its approval.



**Report Title:**

Medical Cannabis Dispensary System; Waiting Area

**Description:**

Allows primary caregivers, qualifying out-of-state patients, and caregivers of a qualifying out-of-state patient to access the waiting room within a medical cannabis retail dispensary. Clarifies violations related to medical cannabis dispensaries. (SD2)

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

