
A BILL FOR AN ACT

RELATING TO CANNABIS.

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

1 SECTION 1. The legislature finds that amendments to the
2 State's medical use of cannabis law and medical cannabis
3 dispensary system law are necessary to facilitate the
4 administration of the laws, ensure qualifying patients' access
5 to cannabis, resolve issues that have arisen under existing law,
6 and clarify legislative intent.

7 The purpose of this Act is to:

- 8 (1) Amend the circumstances under which medical cannabis
9 may be transported by and between dispensaries;
- 10 (2) Increase the allowable number of plants for production
11 centers;
- 12 (3) Increase the number of production centers that may be
13 allowed under a dispensary license;
- 14 (4) Increase the number of retail dispensing locations
15 that may be allowed under a dispensary license;



- 1 (5) Redefine the term "medical cannabis production center"
- 2 to include any series of structures located within the
- 3 same secured perimeter fence-line;
- 4 (6) Require the department of health to establish the fee
- 5 structure for the submission of applications for
- 6 additional production centers and retail dispensing
- 7 locations and for dispensary-to-dispensary sales; and
- 8 (7) Amend the department of health's duties with respect
- 9 to the establishment of standards for manufactured
- 10 cannabis products.

11 SECTION 2. Section 329-122, Hawaii Revised Statutes, is
12 amended by amending subsection (f) to read as follows:

13 "(f) For the purposes of this section, "transport" means
14 the transportation of cannabis, usable cannabis, or any
15 manufactured cannabis product between:

- 16 (1) A qualifying patient and the qualifying patient's
- 17 primary caregiver;
- 18 (2) A qualifying out-of-state patient under eighteen years
- 19 of age and the caregiver of a qualifying out-of-state
- 20 patient;



1 (3) The production centers and the retail dispensing
2 locations under a dispensary licensee's license; [~~or~~]

3 (4) Dispensaries, to the extent authorized by section
4 329D-6(r); or

5 [~~(4)~~] (5) A production center, retail dispensing location,
6 qualifying patient, primary caregiver, qualifying
7 out-of-state patient, or caregiver of a qualifying
8 out-of-state patient and a certified laboratory for
9 the purpose of laboratory testing; provided that a
10 qualifying patient, primary caregiver, qualifying
11 out-of-state patient, or caregiver of a qualifying
12 out-of-state patient may only transport up to one gram
13 of cannabis per test to a certified laboratory for
14 laboratory testing and may only transport the product
15 if the qualifying patient, primary caregiver,
16 qualifying out-of-state patient, or caregiver of a
17 qualifying out-of-state patient:

18 (A) Secures an appointment for testing at a certified
19 laboratory;

20 (B) Obtains confirmation, which may be electronic,
21 that includes the specific time and date of the



1 appointment and a detailed description of the
2 product and amount to be transported to the
3 certified laboratory for the appointment; and
4 (C) Has the confirmation, which may be electronic,
5 available during transport.

6 For purposes of interisland transportation, "transport" of
7 cannabis, usable cannabis, or any manufactured cannabis product,
8 by any means is allowable only between dispensaries to the
9 extent authorized by section 329D-6(r) and between a production
10 center or retail dispensing location and a certified laboratory
11 for the sole purpose of laboratory testing pursuant to section
12 329D-8, as permitted under section 329D-6(m) and subject to
13 section 329D-6(j), and with the understanding that state law and
14 its protections do not apply outside of the jurisdictional
15 limits of the State. Allowable transport pursuant to this
16 section does not include interisland transportation by any means
17 or for any purpose between a [~~qualified~~] qualifying patient,
18 primary caregiver, qualifying out-of-state patient, or caregiver
19 of a qualifying out-of-state patient and any other entity or
20 individual, including an individual who is a [~~qualified~~]



1 qualifying patient, primary caregiver, qualifying out-of-state
2 patient, or caregiver of a qualifying out-of-state patient."

3 SECTION 3. Section 329D-1, Hawaii Revised Statutes, is
4 amended as follows:

5 1. By amending the definition of "medical cannabis
6 dispensary" to read:

7 "Medical cannabis dispensary" or "dispensary" means a
8 person licensed by the State pursuant to this chapter to own,
9 operate, or subcontract [~~up to two~~] no more than three
10 production centers and [~~up to two~~] no more than three retail
11 dispensing locations."

12 2. By amending the definition of "medical cannabis
13 production center" to read:

14 "Medical cannabis production center" or "production
15 center" means a farm or [~~facility~~] series of structures located
16 within the same secured perimeter fence-line wholly owned,
17 operated, or subcontracted by a person licensed by the State
18 pursuant to this chapter as a medical cannabis dispensary that
19 produces cannabis and manufactured cannabis products [~~solely~~] to
20 supply cannabis and manufactured cannabis products to one or



1 more of the retail dispensing locations of [~~the~~] any licensed
2 medical cannabis dispensary."

3 SECTION 4. Section 329D-2, Hawaii Revised Statutes, is
4 amended as follows:

5 1. By amending subsections (f) and (g) to read:

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

18 (g) A dispensary licensee may establish [~~up to two~~] no
19 more than three retail dispensing locations under the licensee's
20 dispensary license, except as otherwise specified in subsection
21 (1)."



1 2. By amending subsections (k) and (l) to read:

2 "(k) Notwithstanding any provision of subsection (f) to
3 the contrary, the department may [~~determine whether~~] allow any
4 dispensary [~~licensees shall be allowed~~] licensee an additional
5 two thousand five hundred cannabis plants at each of the
6 licensee's production centers [~~. In~~]; provided that the licensee
7 shall be allowed no more than two production centers; provided
8 further that in no case shall a licensee be allowed more than
9 [~~five~~] seven thousand five hundred plants at a single production
10 center.

11 (l) Notwithstanding any provision of subsection (g) to the
12 contrary, the department may determine whether dispensary
13 licensees shall be allowed [~~one~~] no more than two additional
14 retail dispensing [~~location~~] locations per licensee. In
15 considering whether to allow additional retail dispensing
16 locations, the department shall consider the licensee's
17 capability to serve and supply medical cannabis to [~~qualified~~]
18 qualifying patients in a rural or underserved geographical area
19 of a county. For purposes of this subsection, a "rural or
20 underserved geographical area" shall be determined by
21 considering the number of registered medical cannabis patients



1 ~~[that]~~ who 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 SECTION 5. Section 329D-6, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "§329D-6 Dispensary operations. (a) No person shall
7 operate a dispensary, ~~[nor]~~ or engage in the production,
8 manufacture, or sale of cannabis or manufactured cannabis
9 products, unless the person has obtained a license from the
10 department pursuant to this chapter.

11 (b) No dispensary licensee, its officers, employees, or
12 agents shall provide written certification for the use of
13 medical cannabis or manufactured cannabis products for any
14 person.

15 (c) No person under the age of twenty-one shall be
16 employed by a dispensary licensee.

17 (d) Notwithstanding any other law to the contrary,
18 including ~~[but not limited to]~~ sections 378-2 and 378-2.5,
19 dispensaries:

20 (1) Shall deny employment to any individual who has been:

21 (A) Convicted of murder in any degree;



1 (B) Convicted of a class A or class B felony; or
2 (C) Convicted of a class C felony involving
3 trafficking, distributing, or promoting a
4 schedule I or II controlled substance other than
5 cannabis within the last ten years; and

6 (2) May deny employment to any individual who has been
7 convicted of a class C felony involving:

8 (A) Fraud, deceit, misrepresentation, embezzlement,
9 or theft; or

10 (B) Endangering the welfare of a minor.

11 Employment under this chapter shall be exempt from section
12 378-2(a)(1), as it relates to arrest and court record
13 discrimination, and section 378-2.5.

14 (e) Retail dispensing locations shall not be open for
15 retail sales before 8:00 a.m. or after 8:00 p.m.,
16 Hawaii-Aleutian Standard Time, Monday through Sunday.

17 (f) All dispensary facilities, including [~~but not limited~~
18 ~~to~~] production centers and retail dispensing locations, shall be
19 enclosed indoor facilities and shall maintain twenty-four hour
20 security measures, including [~~but not limited to~~] an alarm
21 system, video monitoring and recording on the premises, and



1 exterior lighting. A dispensary licensee [~~who~~] that intends to
2 utilize, as a production center, an enclosed indoor facility
3 that includes a roof that is partially or completely transparent
4 or translucent, as provided under section 329D-1, shall notify
5 the department of that intention [~~prior to~~] before altering or
6 constructing the facility. Production centers shall remain
7 locked at all times. Retail dispensing locations shall remain
8 locked at all times, other than business hours as authorized by
9 subsection (e), and shall only be opened for authorized persons.

10 (g) In all dispensary facilities, only the licensee, if an
11 individual, registered employees of the dispensary licensee,
12 registered employees of a subcontracted production center or
13 retail dispensing location, employees of a certified laboratory
14 for testing purposes, state employees authorized by the director
15 of health, and law enforcement and other government officials
16 acting in their official capacity shall be permitted to touch or
17 handle any cannabis or manufactured cannabis products, except
18 that a qualifying patient, primary caregiver, qualifying
19 out-of-state patient, or caregiver of a qualifying out-of-state
20 patient may receive manufactured cannabis products at a retail
21 dispensing location following completion of a sale.



1 (h) A dispensary shall provide the department with the
2 address, tax map key number, and a copy of the premises lease,
3 if applicable, of the proposed location of a production center
4 allowed under a license for a county [~~not~~] no later than thirty
5 days [~~prior to~~] before any medical cannabis or manufactured
6 cannabis products being produced or manufactured at that
7 production center.

8 (i) A dispensary shall provide the department with the
9 address, tax map key number, and a copy of the premises lease,
10 if applicable, of the proposed location of each retail
11 dispensing location allowed under a license [~~not~~] no less than
12 sixty days [~~prior to~~] before opening for business.

13 (j) The department shall establish, maintain, and control
14 a computer software tracking system that shall have real time,
15 twenty-four-hour access to the data of all dispensaries.

16 (1) The computer software tracking system shall collect
17 data relating to:

18 (A) The total amount of cannabis in possession of all
19 dispensaries from either seed or immature plant
20 state, including all plants that are derived from
21 cuttings or cloning, until the cannabis, cannabis



1 plants, or manufactured cannabis product is sold
2 or destroyed pursuant to section 329D-7;

3 (B) The total amount of manufactured cannabis product
4 inventory, including the equivalent physical
5 weight of cannabis that is used to manufacture
6 manufactured cannabis products, purchased by a
7 qualifying patient, primary caregiver, qualifying
8 out-of-state patient, and caregiver of a
9 qualifying out-of-state patient from all retail
10 dispensing locations in the State in any
11 fifteen-day period;

12 (C) The amount of waste produced by each plant at
13 harvest; and

14 (D) The transport of cannabis and manufactured
15 cannabis products between production centers and
16 retail dispensing locations[7] and as authorized
17 by subsection (r), including tracking
18 identification issued by the tracking system, the
19 identity of the person transporting the cannabis
20 or manufactured cannabis products, and the make,



1 model, and license number of the vehicle being
2 used for the transport;

3 (2) The procurement of the computer software tracking
4 system established pursuant to this subsection shall
5 be exempt from chapter 103D; provided that:

6 (A) The department shall publicly solicit at least
7 three proposals for the computer software
8 tracking system; and

9 (B) The selection of the computer software tracking
10 system shall be approved by the director of the
11 department and the chief information officer; and

12 (3) Notwithstanding any other provision of this subsection
13 to the contrary, once the department has authorized a
14 licensed dispensary to commence sales of cannabis or
15 manufactured cannabis products, if the department's
16 computer software tracking system is inoperable or is
17 not functioning properly, as an alternative to
18 requiring dispensaries to temporarily cease
19 operations, the department may implement an alternate
20 tracking system that will enable a qualifying patient,
21 primary caregiver, qualifying out-of-state patient,



1 and caregiver of a qualifying out-of-state patient to
2 purchase cannabis or manufactured cannabis products
3 from a licensed dispensary on a temporary basis. The
4 department shall seek input regarding the alternate
5 tracking system from medical cannabis licensees. The
6 alternate tracking system may operate as follows:

7 (A) The department may immediately notify all
8 licensed dispensaries that the computer software
9 tracking system is inoperable; and

10 (B) Once the computer software tracking system is
11 operational and functioning to meet the
12 requirements of this subsection, the department
13 may notify all licensed dispensaries, and the
14 alternate tracking system in this subsection
15 shall be discontinued.

16 (k) A dispensary licensed pursuant to this chapter shall
17 purchase, operate, and maintain a computer software tracking
18 system that shall:

19 (1) Interface with the department's computer software
20 tracking system established pursuant to subsection

21 (j);



- 1 (2) Allow each licensed dispensary's production center to
2 submit to the department in real time, by automatic
3 identification and data capture, all cannabis,
4 cannabis plants, and manufactured cannabis product
5 inventory in possession of that dispensary from either
6 seed or immature plant state, including all plants
7 that are derived from cuttings or cloning, until the
8 cannabis or manufactured cannabis product is sold or
9 destroyed pursuant to section 329D-7;
- 10 (3) Allow the licensed dispensary's retail dispensing
11 location to submit to the department in real time for
12 the total amount of cannabis and manufactured cannabis
13 product purchased by a qualifying patient, primary
14 caregiver, qualifying out-of-state patient, and
15 caregiver of a qualifying out-of-state patient from
16 the dispensary's retail dispensing locations in the
17 State in any fifteen day period; provided that the
18 software tracking system shall impose an automatic
19 stopper in real time, which cannot be overridden, on
20 any further purchases of cannabis or manufactured
21 cannabis products, if the maximum allowable amount of



1 cannabis has already been purchased for the applicable
2 fifteen day period; provided further that additional
3 purchases shall not be permitted until the next
4 applicable period; and

5 (4) Allow the licensed dispensary to submit all data
6 required by this subsection to the department and
7 permit the department to access the data if the
8 department's computer software tracking system is not
9 functioning properly and sales are made pursuant to
10 the alternate tracking system under subsection (j).

11 (1) No free samples of cannabis or manufactured cannabis
12 products shall be provided at any time, and no consumption of
13 cannabis or manufactured cannabis products shall be permitted on
14 any dispensary premises.

15 (m) [A] Except as authorized by subsection (r), a
16 dispensary shall not transport cannabis or manufactured cannabis
17 products to another county or another island; provided that this
18 subsection shall not apply to the transportation of cannabis or
19 any manufactured cannabis product solely for the purposes of
20 laboratory testing pursuant to section 329D-8, and subject to
21 subsection (j) [↗], if no certified laboratory is located in the



1 county or on the island where the dispensary is located;
2 provided further that a dispensary shall only transport samples
3 of cannabis and manufactured cannabis products for laboratory
4 testing for purposes of this subsection in an amount and manner
5 prescribed by the department, in rules adopted pursuant to this
6 chapter, and with the understanding that state law and its
7 protections do not apply outside of the jurisdictional limits of
8 the State.

9 (n) A dispensary shall be prohibited from off-premises
10 delivery of cannabis or manufactured cannabis products to a
11 qualifying patient, primary caregiver, qualifying out-of-state
12 patient, or caregiver of a qualifying out-of-state patient.

13 (o) A dispensary shall not:

14 (1) Display cannabis or manufactured cannabis products in
15 windows or in public view; or

16 (2) Post any signage other than a single sign no greater
17 than one thousand six hundred square inches bearing
18 only the business or trade name in text without any
19 pictures or illustrations; provided that if any
20 applicable law or ordinance restricting outdoor



1 signage is more restrictive, that law or ordinance
2 shall govern.

3 (p) No cannabis or manufactured cannabis products shall be
4 transported to, from, or within any federal fort or arsenal,
5 national park or forest, any other federal enclave, or any other
6 property possessed or occupied by the federal government.

7 (q) A dispensary licensed pursuant to this chapter shall
8 be prohibited from providing written certification pursuant to
9 section 329-122 for the use of medical cannabis for any person.

10 (r) The department may authorize a dispensary to purchase
11 cannabis and manufactured cannabis products from another
12 dispensary in a manner prescribed by the department by rules
13 adopted pursuant to this chapter and chapter 91; provided that:

14 (1) The purchasing dispensary establishes to the
15 department's satisfaction that:

16 (A) The purchase is necessary to ensure that
17 qualifying patients have continuous access to
18 cannabis for medical use; or

19 (B) The cannabis and manufactured cannabis products
20 are for medical, scientific, or other legitimate
21 purposes approved by the State;



1 (2) The selling dispensary may transport no more than
2 three hundred twenty ounces of cannabis or
3 manufactured cannabis products to the purchasing
4 dispensary within a period;

5 (3) The cannabis and manufactured cannabis products are
6 transported between the dispensaries for medical,
7 scientific, or other legitimate purposes approved by
8 the State; and

9 (4) Nothing in this subsection shall relieve any
10 dispensary of its responsibilities and obligations
11 under this chapter and chapter 329."

12 SECTION 6. This Act does not affect rights and duties that
13 matured, penalties that were incurred, and proceedings that were
14 begun before its effective date.

15 SECTION 7. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 8. This Act shall take effect on July 1, 2060.

Report Title:

Department of Health; Medical Cannabis; Transportation;
Dispensaries; Production Centers; Retail Dispensing Locations

Description:

Amends the circumstances under which medical cannabis may be transported by and between dispensaries. Increases the allowable number of plants for production centers. Increases the number of production centers that may be allowed under a dispensary license. Increases the number of retail dispensing locations that may be allowed under a dispensary license. Redefines the term "medical cannabis production center" to include any series of structures located within the same secured perimeter fence-line. Effective 7/1/2060. (SD2)

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