
A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

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

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PART I

SECTION 1. The purpose of this Act is to:

- (1) Define "waiting room" within a medical cannabis retail dispensary and specify who may have access to the waiting room;
- (2) Clarify the department of health's rulemaking authority;
- (3) Establish system access and integration requirements for the computer software tracking system for medical cannabis dispensaries;
- (4) Require the department of health to annually report to the legislature on data captured using the computer software tracking system;
- (5) Amend the medical cannabis dispensary program licensing fee structure;
- (6) Add or clarify requirements for the dispensary program related to signage, types of permitted manufactured



1 cannabis products, standards for packaging of cannabis
2 and manufactured cannabis products, supervision of
3 certain personnel who are onsite at a retail
4 dispensing location or medical cannabis production
5 center, and the continuing education and training
6 program conducted by the department of health;

7 (7) Clarify that each day a violation of the medical
8 cannabis dispensary program law occurs constitutes a
9 separate violation;

10 (8) Establish annual reporting requirements for the
11 department of health regarding the medical cannabis
12 patient registry program;

13 (9) Require the department of business, economic
14 development, and tourism to submit a report to the
15 legislature analyzing aggregated de-identified
16 information regarding the medical cannabis patient
17 registry program and medical cannabis dispensary
18 program; and

19 (10) Make various housekeeping amendments.

20 PART II



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

3 1. By adding a new definition to be appropriately inserted
4 and to read as follows:

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

16 2. By amending the definition of "manufactured cannabis
17 product" to read as follows:

18 ""Manufactured cannabis product" means any capsule,
19 lozenge, oil or oil extract, tincture, ointment or skin lotion,
20 pill, transdermal patch, or pre-filled and sealed container used
21 to aerosolize and deliver cannabis orally[7] or by inhalation,



1 such as an inhaler ~~[or]~~, nebulizer, or device that provides safe
 2 pulmonary administration, that has been manufactured using
 3 cannabis, edible cannabis products, pre-rolled cannabis flower
 4 products, or any other products as specified by the department
 5 pursuant to section 329D-10(a)(11)."

6 SECTION 3. Section 329D-6, Hawaii Revised Statutes, is
 7 amended as follows:

8 1. By amending subsection (j) to read:

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

12 (1) The computer software tracking system shall collect
 13 data relating to:

14 (A) The total amount of cannabis in possession of all
 15 dispensaries from either seed or immature plant
 16 state, including all plants that are derived from
 17 cuttings or cloning, until the cannabis, cannabis
 18 plants, or manufactured cannabis product is sold
 19 or destroyed pursuant to section 329D-7;

20 (B) The total amount of manufactured cannabis product
 21 inventory, including the equivalent physical



- 1 weight of cannabis that is used to manufacture
2 manufactured cannabis products, purchased by a
3 qualifying patient, primary caregiver, qualifying
4 out-of-state patient, and caregiver of a
5 qualifying out-of-state patient from all retail
6 dispensing locations in the State in any fifteen-
7 day period;
- 8 (C) The amount of waste produced by each plant at
9 harvest; and
- 10 (D) The transport of cannabis and manufactured
11 cannabis products between production centers and
12 retail dispensing locations and as authorized by
13 subsection (r), including tracking identification
14 issued by the tracking system, the identity of
15 the person transporting the cannabis or
16 manufactured cannabis products, and the make,
17 model, and license number of the vehicle being
18 used for the transport;
- 19 (2) The procurement of the computer software tracking
20 system established pursuant to this subsection shall
21 be exempt from chapter 103D; provided that:



1 (A) The department shall publicly solicit at least
2 three proposals for the computer software
3 tracking system; and

4 (B) The selection of the computer software tracking
5 system shall be approved by the director of the
6 department and the chief information officer;
7 [and]

8 (3) The computer software tracking system established
9 pursuant to this subsection shall meet the following
10 system access requirements:

11 (A) The department of taxation shall have ready
12 access to the data collected by the computer
13 software tracking system for the purpose of
14 taxation and regulation of cannabis and
15 manufactured cannabis products; and

16 (B) Banks and other financial institutions may be
17 allowed access to specific limited information
18 from the computer software tracking system;
19 provided that the information that may be
20 available to these institutions shall be limited
21 to financial data of individuals and business

1 entities that have a business relationship with
2 the bank or other financial institution; provided
3 further that the information provided shall be
4 limited to the information needed by banks or
5 other financial institutions to comply with
6 applicable federal regulations and shall not
7 include medical or personal information about
8 registered qualifying patients or primary
9 caregivers;

10 (4) The computer software tracking system shall allow for
11 integration with other enterprise software systems;
12 provided that the use of any third-party tracking
13 system that integrates with the computer software
14 tracking system established by this subsection shall
15 not relieve a dispensary from complying with the
16 mandated use of the computer software tracking system
17 established by this subsection;

18 (5) Using data obtained from the computer software
19 tracking system, the department shall submit a report
20 to the legislature no later than twenty days prior to



1 the convening of each regular session. The report
2 shall include the following information:

3 (A) A summary of dispensary supply chain activity,
4 including annual statewide sales of cannabis and
5 manufactured cannabis products;

6 (B) Total number of cultivated plants in the State;

7 (C) Total weight of harvested material;

8 (D) Total number of plants in a vegetative state in
9 the State;

10 (E) Average price per gram for retail cannabis and
11 manufactured cannabis products;

12 (F) Total number of plant or product recalls; and

13 (G) All other public safety concerns addressed during
14 the previous reporting year; and

15 ~~(3)~~ (6) Notwithstanding any other provision of this
16 subsection to the contrary, once the department has
17 authorized a licensed dispensary to commence sales of
18 cannabis or manufactured cannabis products, if the
19 department's computer software tracking system is
20 inoperable or is not functioning properly, as an
21 alternative to requiring dispensaries to temporarily



1 cease operations, the department may implement an
2 alternate tracking system that will enable a
3 qualifying patient, primary caregiver, qualifying out-
4 of-state patient, and caregiver of a qualifying out-
5 of-state patient to purchase cannabis or manufactured
6 cannabis products from a licensed dispensary on a
7 temporary basis. The department shall seek input
8 regarding the alternate tracking system from medical
9 cannabis licensees. The alternate tracking system may
10 operate as follows:

11 (A) The department may immediately notify all
12 licensed dispensaries that the computer software
13 tracking system is inoperable; and

14 (B) Once the computer software tracking system is
15 operational and functioning to meet the
16 requirements of this subsection, the department
17 may notify all licensed dispensaries, and the
18 alternate tracking system in this subsection
19 shall be discontinued."

20 2. By amending subsection (o) to read:

21 "(o) A dispensary shall not:



- 1 (1) Display cannabis or manufactured cannabis products in
2 windows or in public view; or
- 3 (2) Post any signage other than [~~a single sign~~] one or two
4 signs, each no greater than one thousand six hundred
5 square inches bearing only the business or trade name
6 in text without any pictures or illustrations;
7 provided that if any applicable law or ordinance
8 restricting outdoor signage is more restrictive, that
9 law or ordinance shall govern."

10 3. By amending subsection (r) to read:

11 "(r) The department may authorize a dispensary to purchase
12 cannabis and manufactured cannabis products from another
13 dispensary in a manner prescribed by the department by rules
14 adopted pursuant to [~~this chapter and chapter 917~~] section 329D-
15 27; provided that:

- 16 (1) The purchasing dispensary establishes to the
17 department's satisfaction that:
- 18 (A) The purchase is necessary to ensure that
19 qualifying patients have continuous access to
20 cannabis for medical use; or



1 (B) The cannabis and manufactured cannabis products
2 are for medical, scientific, or other legitimate
3 purposes approved by the State;

4 (2) The selling dispensary may transport no more than
5 eight hundred ounces of cannabis or manufactured
6 cannabis products to the purchasing dispensary within
7 a thirty-day period;

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

12 (4) Nothing in this subsection shall relieve any
13 dispensary of its responsibilities and obligations
14 under this chapter and chapter 329."

15 SECTION 4. Section 329D-7, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "**§329D-7 Medical cannabis dispensary rules.** The
18 department shall establish standards with respect to:

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



1 (2) A fee structure, set by rules adopted pursuant to
2 chapter 91, for:

3 (A) The submission of applications and renewals of
4 licenses to dispensaries; provided that [~~the~~]

5 (i) A dispensary license may be renewed for an
6 annual fee of no more than \$50,000 for the
7 first three retail dispensing locations and
8 two production centers, with no more than
9 five thousand cannabis plants and associated
10 manufacturing operations for each production
11 center;

12 (ii) Each additional retail dispensing location
13 thereafter shall pay an annual fee of no
14 more than \$20,000; and

15 (iii) The department shall consider the market
16 conditions in each county in determining the
17 license renewal fee amounts;

18 (B) The submission of applications and renewals for
19 each additional production center[+] or a
20 production center's additional plant count or
21 manufacturing operation not included in



- 1 subparagraph (A) shall be no more than \$1 per
2 plant; and
- 3 (C) Dispensary-to-dispensary sales authorized by
4 section 329D-6(r);
- 5 provided that no designated fee shall increase by more
6 than two and one-half per cent annually;
- 7 (3) Criteria and procedures for the consideration and
8 selection, based on merit, of applications for
9 licensure of dispensaries; provided that the criteria
10 shall include but not be 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;
- 20 (C) Ability to comply with the security requirements
21 developed pursuant to paragraph (6);



- 1 (D) Capacity to meet the needs of qualifying patients
2 and qualifying out-of-state patients;
- 3 (E) Ability to comply with criminal background check
4 requirements developed pursuant to paragraph (8);
5 and
- 6 (F) Ability to comply with inventory controls
7 developed pursuant to paragraph (13);
- 8 (4) Specific requirements regarding annual audits and
9 reports required from each production center and
10 dispensary licensed pursuant to this chapter;
- 11 (5) Procedures for announced and unannounced inspections
12 by the department or its agents of production centers
13 and dispensaries licensed pursuant to this chapter;
14 provided that inspections for license renewals shall
15 be unannounced;
- 16 (6) Security requirements for the operation of production
17 centers and retail dispensing locations; provided
18 that, at a minimum, the following shall be required:
19 (A) For production centers:



- 1 (i) Video monitoring and recording of the
- 2 premises; provided that recordings shall be
- 3 retained for fifty days;
- 4 (ii) Fencing that surrounds the premises and that
- 5 is sufficient to reasonably deter intruders
- 6 and prevent anyone outside the premises from
- 7 viewing any cannabis in any form;
- 8 (iii) An alarm system; and
- 9 (iv) Other reasonable security measures to deter
- 10 or prevent intruders, as deemed necessary by
- 11 the department;
- 12 (B) For retail dispensing locations:
- 13 (i) Presentation of a valid government-issued
- 14 photo identification and a valid
- 15 identification as issued by the department
- 16 pursuant to section 329-123 by a qualifying
- 17 patient or caregiver, or section 329-123.5
- 18 by a qualifying out-of-state patient or
- 19 caregiver of a qualifying out-of-state
- 20 patient, upon entering the premises;



- 1 (ii) Video monitoring and recording of the
- 2 premises; provided that recording shall be
- 3 retained for fifty days;
- 4 (iii) An alarm system;
- 5 (iv) Exterior lighting; and
- 6 (v) Other reasonable security measures as deemed
- 7 necessary by the department;
- 8 (7) Security requirements for the transportation of
- 9 cannabis and manufactured cannabis products between
- 10 production centers and retail dispensing locations and
- 11 between a production center, retail dispensing
- 12 location, qualifying patient, primary caregiver,
- 13 qualifying out-of-state patient, or caregiver of a
- 14 qualifying out-of-state patient and a certified
- 15 laboratory, pursuant to section 329-122(f);
- 16 (8) Standards and criminal background checks to ensure the
- 17 reputable and responsible character and fitness of all
- 18 license applicants, licensees, employees,
- 19 subcontractors and their employees, and prospective
- 20 employees of medical cannabis dispensaries to operate
- 21 a dispensary; provided that the standards, at a



- 1 minimum, shall exclude from licensure or employment
2 any person convicted of any felony;
- 3 (9) The training and certification of operators and
4 employees of production centers and dispensaries;
- 5 (10) The types of manufactured cannabis products that
6 dispensaries shall be authorized to manufacture and
7 sell pursuant to sections 329D-9 and 329D-10;
- 8 (11) Laboratory standards related to testing cannabis and
9 manufactured cannabis products for content,
10 contamination, and consistency;
- 11 (12) The quantities of cannabis and manufactured cannabis
12 products that a dispensary may sell or provide to a
13 qualifying patient, primary caregiver, qualifying out-
14 of-state patient, or caregiver of a qualifying out-of-
15 state patient; provided that no dispensary shall sell
16 or provide to a qualifying patient, primary caregiver,
17 qualifying out-of-state patient, or caregiver of a
18 qualifying out-of-state patient any combination of
19 cannabis and manufactured cannabis products that:



- 1 (A) During a period of fifteen consecutive days,
2 exceeds the equivalent of four ounces of
3 cannabis; or
- 4 (B) During a period of thirty consecutive days,
5 exceeds the equivalent of eight ounces of
6 cannabis;
- 7 (13) Dispensary and production center inventory controls to
8 prevent the unauthorized diversion of cannabis or
9 manufactured cannabis products or the distribution of
10 cannabis or manufactured cannabis products to a
11 qualifying patient, primary caregiver, qualifying out-
12 of-state patient, or caregiver of a qualifying out-of-
13 state patient in quantities that exceed limits
14 established by this chapter; provided that the
15 controls, at a minimum, shall include:
- 16 (A) A computer software tracking system as specified
17 in section 329D-6(j) and (k); and
- 18 (B) Product packaging standards sufficient to allow
19 law enforcement personnel to reasonably determine
20 the contents of an unopened package;



- 1 (14) Limitation to the size or format of signs placed
- 2 outside a retail dispensing location or production
- 3 center; provided that the signage limitations, at a
- 4 minimum, shall comply with section 329D-6(o)(2) and
- 5 shall not include the image of a cartoon character or
- 6 other design intended to appeal to children;
- 7 (15) The disposal or destruction of unwanted or unused
- 8 cannabis and manufactured cannabis products;
- 9 (16) The enforcement of the following prohibitions against:
- 10 (A) The sale or provision of cannabis or manufactured
- 11 cannabis products to unauthorized persons;
- 12 (B) The sale or provision of cannabis or manufactured
- 13 cannabis products to a qualifying patient,
- 14 primary caregiver, qualifying out-of-state
- 15 patient, or caregiver of a qualifying out-of-
- 16 state patient in quantities that exceed limits
- 17 established by this chapter;
- 18 (C) Any use or consumption of cannabis or
- 19 manufactured cannabis products on the premises of
- 20 a retail dispensing location or production
- 21 center; and



- 1 (D) The distribution of cannabis or manufactured
2 cannabis products, for free, on the premises of a
3 retail dispensing location or production center;
- 4 (17) The establishment of a range of penalties for
5 violations of this chapter or rule adopted thereto;
6 [and]
- 7 (18) A process to recognize and register patients who are
8 authorized to purchase, possess, and use medical
9 cannabis in another state, a United States territory,
10 or the District of Columbia as qualifying out-of-state
11 patients[; ~~provided that this registration process may~~
12 ~~commence no sooner than January 1, 2018.~~]; and
- 13 (19) Security requirements and restrictions regarding
14 waiting rooms, including but not limited to:
- 15 (A) Security measures to prevent unauthorized access
16 to any area within the retail dispensing location
17 outside of the waiting room;
- 18 (B) Restrictions on marketing and advertising within
19 the waiting room;
- 20 (C) Restrictions on signage within the waiting room;



1 (D) Other reasonable security measures or
2 restrictions as deemed necessary by the
3 department."

4 SECTION 5. Section 329D-10, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) The types of medical cannabis products that may be
7 manufactured and distributed pursuant to this chapter shall be
8 limited to:

- 9 (1) Capsules;
- 10 (2) Lozenges;
- 11 (3) Pills;
- 12 (4) Oils and oil extracts;
- 13 (5) Tinctures;
- 14 (6) Ointments and skin lotions;
- 15 (7) Transdermal patches;
- 16 (8) Pre-filled and sealed containers used to aerosolize
17 and deliver cannabis orally, or by inhalation, such as
18 with an inhaler [~~or~~], nebulizer[+], or device that
19 provides safe pulmonary administration; provided that
20 [containers]:



1 (A) Containers need not be manufactured by the
2 licensed dispensary but shall be filled with
3 cannabis, cannabis oils, or cannabis extracts
4 manufactured by the licensed dispensary[+] or as
5 permitted by section 329D-6(r); but shall not
6 contain nicotine, tobacco-related products, or
7 any other non-cannabis derived products; and
8 ~~[shall be designed to be used with devices used~~
9 ~~to provide safe pulmonary administration of~~
10 ~~manufactured cannabis products;~~

11 ~~(9) Devices that provide safe pulmonary administration;~~
12 ~~provided that:~~

13 ~~(A) The heating element of the device, if any, is~~
14 ~~made of inert materials such as glass, ceramic,~~
15 ~~or stainless steel, and not of plastic or rubber;~~

16 ~~(B) The device is distributed solely for use with~~
17 ~~single-use, pre-filled, tamper-resistant, sealed~~
18 ~~containers that do not contain nicotine or other~~
19 ~~tobacco products;~~

20 ~~(C) The device is used to aerosolize and deliver~~
21 ~~cannabis by inhalation, such as an inhaler,~~



1 ~~medical-grade nebulizer, or other similar medical~~
2 ~~grade volitization device;~~

3 ~~(D) There is a temperature control on the device that~~
4 ~~is regulated to prevent the combustion of~~
5 ~~cannabis oil; and~~

6 ~~(E) The device need not be manufactured by the~~
7 ~~licensed dispensary;]~~

8 (B) For devices that provide safe pulmonary
9 administration:

10 (i) The heating element of the device, if any,
11 shall be made of inert materials such as
12 glass, ceramic, or stainless steel, and not
13 of plastic or rubber;

14 (ii) The device shall be distributed solely for
15 use with single-use, pre-filled,
16 tamper-resistant, sealed containers that do
17 not contain nicotine or other tobacco
18 products;

19 (iii) There shall be a temperature control on the
20 device that is regulated to prevent the
21 combustion of cannabis oil; and



- 1 (iv) The device need not be manufactured by the
- 2 licensed dispensary;
- 3 (9) Pre-rolled cannabis flower products, as specified by
- 4 the department;
- 5 (10) ~~[Other products, including edible]~~ Edible cannabis
- 6 products, as specified by the department; and
- 7 (11) Other products as specified by the department."

8 SECTION 6. Section 329D-11, Hawaii Revised Statutes, is

9 amended by amending subsection (a) to read as follows:

10 "(a) The department shall establish standards regarding

11 the advertising and packaging of cannabis and manufactured

12 cannabis products; provided that the standards, at a minimum,

13 shall require the use of packaging that:

- 14 (1) Is child-resistant and opaque so that the product
- 15 cannot be seen from outside the packaging;
- 16 (2) ~~[Uses only black lettering on a white background with~~
- 17 ~~no pictures or graphics;]~~ Does not include the image
- 18 of any cartoon character and is not designed to appeal
- 19 to minors;
- 20 (3) Is clearly labeled with the phrase "For medical use
- 21 only";

- 1 (4) Is clearly labeled with the phrase "Not for resale or
- 2 transfer to another person";
- 3 (5) Includes instructions for use and "use by date";
- 4 (6) Contains information about the contents and potency of
- 5 the product;
- 6 (7) Includes the name of the production center where
- 7 cannabis in the product was produced, including the
- 8 batch number and date of packaging;
- 9 (8) Includes a barcode generated by tracking software; and
- 10 (9) In the case of a manufactured cannabis product,
- 11 includes a:
- 12 (A) Listing of the equivalent physical weight of the
- 13 cannabis used to manufacture the amount of the
- 14 product that is within the packaging, pursuant to
- 15 section 329D-9(c);
- 16 (B) Clearly labeled warning stating that the product:
- 17 (i) Is a medication that contains cannabis, and
- 18 is not a food; and
- 19 (ii) Should be kept away from children; and
- 20 (C) Date of manufacture."



1 SECTION 7. Section 329D-12, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The following shall be subject to background checks
4 conducted by the department or its designee, including but not
5 limited to criminal history record checks in accordance with
6 section 846-2.7:

- 7 (1) Each applicant and licensee for a medical cannabis
8 dispensary license, including the individual applicant
9 and all officers, directors, members of a limited
10 liability corporation; shareholders with at least
11 twenty-five per cent or more ownership interest in a
12 corporation; and managers of an entity applicant;
- 13 (2) Each employee of a medical cannabis dispensary;
- 14 (3) Each employee of a subcontracted production center or
15 retail dispensing location;
- 16 (4) All officers, directors, members of a limited
17 liability corporation; and shareholders with at least
18 twenty-five per cent or more ownership interest in a
19 corporate owner of a subcontracted production center
20 or retail dispensing location; and



1 (5) Any person permitted to enter and remain in a
2 ~~[dispensary facility]~~ retail dispensing location
3 pursuant to section 329D-15(a)(4) or 329D-16(a)(3).

4 The person undergoing the background check shall provide written
5 consent and all applicable processing fees to the department or
6 its designee to conduct the background checks."

7 SECTION 8. Section 329D-15, Hawaii Revised Statutes, is
8 amended by amending subsections (a) and (b) to read as follows:

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

12 (1) An individual licensee or registered employee of the
13 dispensary;

14 (2) A qualifying patient, primary caregiver, qualifying
15 out-of-state patient, or caregiver of a qualifying
16 out-of-state patient;

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

19 (4) Previously included on a current department-approved
20 list provided to the department by the licensee of
21 those persons who are allowed into that ~~[dispensary's~~



1 ~~facilities]~~ retail dispensing location for a specific
 2 purpose for that dispensary, including but not limited
 3 to construction, maintenance, repairs, legal counsel,
 4 providers of paratransit or other assistive services
 5 required by a qualifying patient, primary caregiver,
 6 qualifying out-of-state patient, or caregiver of a
 7 qualifying out-of-state patient to access a retail
 8 ~~[dispensary]~~ dispensing location, or investors;
 9 provided that;

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

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

15 (C) The department has confirmed that the person has
 16 no felony convictions;

17 (D) The person is escorted by an individual licensee
 18 or registered employee of the dispensary at all
 19 times while in the ~~[dispensary facility;]~~ retail
 20 dispensing location; provided that that
 21 construction and maintenance personnel who are



1 not normally engaged in the business of
2 cultivating, processing, or selling medical
3 cannabis need not be accompanied on a full-time
4 basis, but shall be reasonably monitored by an
5 individual licensee or registered employee of the
6 retail dispensing location while in areas not
7 containing any cannabis or cannabis products;

8 (E) The person is only permitted within those
9 portions of the [~~dispensary facility~~] retail
10 dispensing location as necessary to fulfill the
11 person's purpose for entering;

12 (F) The person is only permitted within the
13 [~~dispensary facility~~] retail dispensing location
14 during the times and for the duration necessary
15 to fulfill the person's purpose for entering;

16 (G) The dispensary shall keep an accurate record of
17 each person's first and last name, date and times
18 upon entering and exiting the [~~dispensary~~
19 ~~facility,~~] retail dispensing location, purpose
20 for entering, and the identity of the escort; and



1 (H) The approved list shall be effective for one year
 2 from the date of the department approval[-];
 3 provided that a member of the general public may enter or remain
 4 within the waiting room of a retail dispensing location.

5 (b) No individual licensee or registered employee of a
 6 medical cannabis dispensary with control over or responsibility
 7 for a retail dispensing location shall intentionally or
 8 knowingly allow another to enter or remain upon the premises of
 9 the retail dispensing location, unless the other is permitted to
 10 enter and remain as specified in subsection (a)[-], except in an
 11 emergency situation to repair infrastructure at a retail
 12 dispensing location by a person not on the department-approved
 13 list; provided that those repair workers shall be escorted at
 14 all times, and the licensee shall notify the department of the
 15 use of this individual immediately."

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

18 "**[+]§329D-16[+]** **Criminal offense; unauthorized access to**
 19 **production centers.** (a) No person shall intentionally or
 20 knowingly enter or remain upon the premises of a medical
 21 cannabis production center unless the person is:



- 1 (1) An individual licensee or registered employee of the
2 production center;
- 3 (2) A government employee or official acting in the
4 person's official capacity; or
- 5 (3) Previously included on a current department-approved
6 list provided to the department by the licensee of
7 those persons who are allowed into that [~~dispensary's~~
8 ~~facilities~~] production center for a specific purpose
9 for that [~~dispensary,~~] production center, including
10 but not limited to construction, maintenance, repairs,
11 legal counsel, or investors; provided that:
- 12 (A) The person has been individually approved by the
13 department to be included on the list;
- 14 (B) The person is at least twenty-one years of age,
15 as verified by a valid government issued
16 identification card;
- 17 (C) The department has confirmed that the person has
18 no felony convictions;
- 19 (D) The person is escorted by an individual licensee
20 or registered employee of the [~~dispensary~~]
21 production center at all times while in the



- 1 ~~[dispensary facility]~~ production center;
2 provided that construction and maintenance
3 personnel not normally engaged in the business of
4 cultivating, processing, or selling medical
5 cannabis need not be accompanied on a full-time
6 basis, but shall be reasonably monitored by an
7 individual licensee or registered employee of the
8 production center while in areas not containing
9 any cannabis or cannabis products;
- 10 (E) The person is only permitted within those
11 portions of the ~~[dispensary facility]~~ production
12 center as necessary to fulfill the person's
13 purpose for entering;
- 14 (F) The person is only permitted within the
15 ~~[dispensary facility]~~ production center during
16 the times and for the duration necessary to
17 fulfill the person's purpose for entering;
- 18 (G) The ~~[dispensary]~~ production center shall keep an
19 accurate record of each person's identity, date
20 and times upon entering and exiting the



1 [~~dispensary facility,~~] production center, purpose
2 for entering, and the identity of the escort; and
3 (H) The approved list shall be effective for one year
4 from the date of department approval.

5 (b) No individual licensee or registered employee of a
6 medical cannabis dispensary with control over or responsibility
7 for a production center shall intentionally or knowingly allow
8 another to enter or remain upon the premises of the production
9 center, unless the other is permitted to enter and remain as
10 specified in subsection (a) [~~-~~], except in an emergency situation
11 to repair infrastructure at a production center by a person not
12 on the department-approved list; provided that those repair
13 workers shall be escorted at all times, and the licensee shall
14 notify the department of the use of this individual immediately.

15 (c) Unauthorized access to a production center is a class
16 C felony."

17 SECTION 10. Section 329D-21, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) Any person who violates any of the provisions of this
20 chapter or the rules adopted pursuant thereto shall be fined not
21 less than \$100 nor more than \$1,000 for each [~~violation.~~]



1 separate violation. Each day on which a violation occurs or
2 continues shall be counted as a separate violation."

3 SECTION 11. Section 329D-23, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) The department shall report annually to the governor
6 and the legislature on the establishment and regulation of
7 medical cannabis production centers and dispensaries [~~including~~
8 ~~but not limited to the number and location of production centers~~
9 ~~and dispensaries licensed, the total licensing fees collected,~~
10 ~~the total amount of taxes collected from production centers and~~
11 ~~dispensaries, and any licensing violations determined by the~~
12 ~~department]~~. The report shall include, at minimum:

13 (1) Three consistent key performance indicators to measure
14 program performance, as initially created and defined
15 by the department;

16 (2) The number and location of production centers and
17 dispensaries licensed;

18 (3) The total licensing fees collected and the total
19 amount of taxes collected from production centers and
20 dispensaries;



- 1 (4) The number of inspections conducted, licensing
- 2 violations determined by the department, and fines
- 3 collected from violations, by category; and
- 4 (5) The description and number of education activities
- 5 undertaken pursuant to section 329D-26."

6 SECTION 12. Section 329D-26, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) The department shall conduct a continuing education
9 and training program to explain and clarify the purposes and
10 requirements of this chapter or to provide substance abuse
11 prevention and education. The program shall target community
12 partner agencies, physicians and other health care providers,
13 patients and caregivers, law enforcement agencies, law and
14 policy makers, and the general public. The program shall
15 include, at minimum, education and outreach regarding:

- 16 (1) The updated, publicly-available list of medical
- 17 cannabis dispensaries, physicians, and other health
- 18 care providers participating in the program under this
- 19 chapter;
- 20 (2) Lawful activities, unlawful activities, and applicable
- 21 penalties for a medical cannabis dispensary,

1 qualifying patient, primary caregiver, qualifying
2 out-of-state patient, caregiver of a qualifying
3 out-of-state patient, and other entity performing
4 related activities; and
5 (3) The methods and associated requirements for a medical
6 cannabis dispensary, qualifying patient, primary
7 caregiver, or other entity to produce cannabis and
8 manufactured cannabis products, as applicable."

9 SECTION 13. Section 329D-27, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§329D-27 Administrative rules.** (a) The department shall
12 adopt rules pursuant to chapter 91 to effectuate the purposes of
13 this chapter.

14 (b) No later than January 4, 2016, and except as otherwise
15 provided by this chapter, the department shall adopt interim
16 rules, which shall be exempt from chapter 91 and chapter 201M,
17 to effectuate the purposes of this chapter; provided that the
18 interim rules shall remain in effect until July 1, 2025, or
19 until rules are adopted pursuant to subsection (a), whichever
20 occurs sooner.



1 (c) The department may amend the interim rules, and the
2 amendments shall be exempt from chapters 91 and 201M, to
3 effectuate the purposes of this chapter; provided that any
4 amended interim rules shall remain in effect until July 1, 2025,
5 or until rules are adopted pursuant to subsection (a), whichever
6 occurs sooner.

7 (d) Notwithstanding any law to the contrary, any rule
8 amendment effectuating the purposes of this chapter shall be
9 adopted pursuant to subsection (a) if there is a likelihood of
10 severe economic impact to a stakeholder under this chapter."

11 PART III

12 SECTION 14. Chapter 329, Hawaii Revised Statutes, is
13 amended by adding a new section to part IX to be appropriately
14 designated and to read as follows:

15 "§329- Medical use of cannabis; reports. The
16 department shall report annually to the governor and the
17 legislature on the medical use of cannabis. Each report, at
18 minimum, shall include:

19 (1) Three consistent key performance indicators to measure
20 program performance, as initially created and defined
21 by the department;



- 1 (2) The number of new, renewed, and expired and not
2 renewed registrations of qualifying patients, primary
3 caregivers, qualifying out-of-state patients, and
4 caregivers of qualifying out-of-state patients;
- 5 (3) The amount of fees collected from new and renewed
6 registrations;
- 7 (4) The number of physicians or advanced practice
8 registered nurses issuing medical cannabis
9 certifications, and the number of certifications
10 issued by each of the ten physicians or advanced
11 practice registered nurses who issue the highest
12 number of certifications;
- 13 (5) The number of locations on each island where more than
14 five qualifying patients register the same or
15 contiguous location or locations for cultivating
16 cannabis, and the number of qualifying patients
17 registered at each of the ten most frequently used
18 same or contiguous locations used to cultivate
19 cannabis;
- 20 (6) The number of inspections conducted and number of
21 violations found by the department; and



Report Title:

Medical Cannabis Dispensary System; Waiting Rooms; Rule Making Authority; Computer Software Tracking System; Access and System Integration Requirements; Fee Structure; Signage; Packaging; Reporting Requirements; Violations

Description:

Defines "waiting room" within a medical cannabis retail dispensing location and clarifies public access to the waiting room. Clarifies DOH's rule-making authority. Establishes system access and system integration requirements for the computer software tracking system for medical cannabis dispensaries. Requires DOH to submit an annual report to the legislature on data captured using the computer software tracking system. Amends the dispensary program licensing fee structure. Adds or clarifies requirements for the dispensary program related to signage, permitted types of manufactured cannabis products, standards for packaging, supervision of certain personnel while onsite at retail dispensing locations or medical cannabis production centers, and DOH's education and training program. Clarifies penalties for violations. Establishes annual reporting requirements for DOH. Requires a report from DBEDT. Makes various housekeeping amendments.
(HD1)

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