

STAND. COM. REP. NO.

773

Honolulu, Hawaii

FEB 17 , 2023

RE: H.B. No. 1082
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1082, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL CANNABIS,"

begs leave to report as follows:

The purpose of this measure is to make various amendments to the laws governing the medical use of cannabis, including:

- (1) Specifying who may have access to the waiting room within a retail dispensing location of a medical cannabis dispensary;
- (2) Expanding the types of manufactured cannabis products that may be sold by medical cannabis dispensaries;
- (3) Establishing system access and integration requirements for the computer software tracking system used by medical cannabis dispensaries;
- (4) Allowing dispensaries to have a second sign;
- (5) Clarifying the Department of Health's rulemaking authority;

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- (6) Amending the licensing fee structure for medical cannabis dispensaries;
- (7) Prohibiting packaging for cannabis and manufactured cannabis products that includes the image of any cartoon character or is designed to appeal to minors;
- (8) Clarifying when third parties may access retail dispensing locations and medical cannabis production centers and the conditions under which access must occur;
- (9) Clarifying penalties for violations of the medical cannabis dispensaries law;
- (10) Clarifying the required contents of the annual reports by the Department of Health; and
- (11) Requiring the Department of Business, Economic Development, and Tourism to submit a report to the Legislature of an analysis on aggregated de-identified information regarding the medical cannabis registry and dispensary programs.

Your Committee received testimony in support of this measure from Aloha Green Holdings Inc., Maui Grown Therapies, Metrc, and Cure Oahu. Your Committee received comments on this measure from the Department of Health; Division of Financial Institutions of the Department of Commerce and Consumer Affairs; Department of the Attorney General; Department of Business, Economic Development, and Tourism; Akamai Cannabis Consulting; and one individual.

Your Committee finds that amendments are needed to the State's Medical Cannabis Dispensary Program to enhance the ability of the Department of Health to regulate medical cannabis dispensaries, while also improving patient and public safety. This measure better serves the needs of qualifying patients by allowing caregivers to assist patients in waiting rooms of retail dispensary locations, preserves the Department's interim rulemaking authority to ensure the Department is able to timely respond to public health and safety concerns, and clarifies penalties for violations to facilitate enforcement of dispensary compliance.



Your Committee also finds that transparency and accurate data collection is key to a successful and safe cannabis tracking system. This measure makes changes to the current reporting structure for medical cannabis dispensaries to further this intent. Finally, your Committee notes that in addition to structural issues already impacting the cannabis industry nationwide, the medical cannabis market has, like many other industries, been subject to the recent impacts of inflation and labor shortage issues within business operations and with its vendors. This measure reduces administrative barriers and assists medical cannabis dispensaries with streamlining operations and resources and helps ensure dispensaries remain in operation and continue to meet the needs of qualifying patients.

Your Committee has amended this measure by:

- (1) Removing language prohibiting packaging for cannabis and manufactured cannabis products that includes the image of any cartoon character or is designed to appeal to minors;
- (2) Removing language requiring the Department of Health to amend rules regarding the Medical Cannabis Dispensary Program if there is a likelihood of a severe economic impact on stakeholders; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1082, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1082, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



MARK M. NAKASHIMA, Chair



