

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 669  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 669 entitled:

"A BILL FOR AN ACT RELATING TO CANNABIS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish regulations for the cultivation, sale, and personal use of small amounts of cannabis;
- (2) Decriminalize and regulate small amounts of cannabis for personal use; and
- (3) Establish taxes for cannabis sales.

Your Committee received testimony in support of this measure from the Office of the Public Defender, Hawaii High Intensity Drug Trafficking Area, Imua Alliance, Big Island Grown Dispensaries, Marijuana Policy Project, Democratic Party of Hawai'i Education Caucus, Noa Botanicals, Green Aloha, Drug Policy Forum of Hawai'i, Hawai'i Cannabis Industry Association, Aloha Green Holdings Inc., eighteen individuals, and an email petition signed by four hundred seventy-four individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Maui Police Department, Cannabis Society of



Hawai'i, Malie Cannabis Clinic, Oahu Cannabis Farms Alliance, Hawaii Substance Abuse Coalition, Roman Catholic Church in the State of Hawaii Diocese of Honolulu, Kauai Farm Planning, Coalition for a Drug-Free Hawaii, Hawaii Family Forum, and fifty individuals. Your Committee received comments on this measure from the Department of Transportation, Department of Taxation, Department of Health, Department of Commerce and Consumer Affairs, Last Prisoner Project, Reason Foundation, Maine Craft Cannabis Association, Mothers Against Drunk Driving Hawaii, Tax Foundation of Hawaii, and six individuals.

Your Committee finds that thirty states and the District of Columbia have decriminalized cannabis in small amounts. Your Committee further finds that legalization in these states has avoided the criminalization of thousands of people, reduced opioid overdose deaths and untreated opioid use disorders, and lowered the number of arrests for driving under the influence of alcohol and other drugs. Your Committee additionally finds that recent polling indicates broad public support in Hawaii for the legalization of marijuana. This measure legalizes cannabis for personal and recreational use.

Your Committee has amended this measure by:

- (1) Incorporating the changes proposed by the Department of the Attorney General by:
  - (A) Specifying that the personal use of cannabis by vaping or smoking shall be regulated in accordance with the State's smoking laws under chapter 328J, Hawaii Revised Statutes;
  - (B) Clarifying that during the pilot period, the necessary forms, procedures, and requirements shall be exempt from chapter 91, Hawaii Revised Statutes;
  - (C) Deleting language that would have directed that the rules adopted by the Hawaii Cannabis Regulatory Authority not require a high investment of risk, money, time, or any other resource or asset that the operation of a cannabis establishment is not worthy of being carried out in practice by a reasonably prudent business person;



- (D) Adding language authorizing the Hawaii Cannabis Regulatory Authority to make specific penalties such as fines or suspension or revocation of a license;
  - (E) Adding language requiring the Hawaii Cannabis Regulatory Authority to track the cultivation, processing, and sale of cannabis and cannabis products;
  - (F) Restoring language in section 329-14, Hawaii Revised Statutes, that designates marijuana as a schedule I drug in the State Controlled Substances Act;
  - (G) Clarifying that with regards to inspections the Hawaii Cannabis Regulatory Authority shall have the authority of a duly accredited tax official of the State pursuant to section 231-18, Hawaii Revised Statutes, to inspect tax returns of any taxpayer; provided that this authority shall not extend to the inspection of any documents not directly related to the cannabis tax law;
  - (H) Deleting language that would have allowed returns, return information, or reports to be made known to the Hawaii Cannabis Regulatory Authority by the Department of Taxation, if not in conflict with section 231-18, Hawaii Revised Statutes; and
  - (I) Clarifying language to authorize the Director of Taxation, or its representative, to conduct any civil audit or criminal investigation, investigation, or hearing relating to cannabis taxes in the manner provided in section 231-7, Hawaii Revised Statutes;
- (2) Specifying that personal use of cannabis shall also be prohibited on any location where smoking is prohibited;
  - (3) Adding language that allows condominiums to restrict or prohibit the smoking of cannabis in the same manner they



may restrict or prohibit the smoking of tobacco on the property;

- (4) Adding language allowing expungement of records for marijuana offenders;
- (5) Specifying that the rate for permit and renewal fees are \$25.00 each and the rate for duplicate permit fees are \$5.00 each;
- (6) Inserting an effective date of March 22, 2075, to encourage further discussion; and
- (7) 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 669, S.D. 1, and be referred to your Committee on Ways and Means.

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



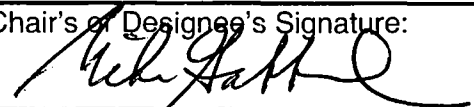
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KARL RHOADS, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary**  
**JDC**

Bill / Resolution No.:* <b>SB 669</b>	Committee Referral: <b>JDC, WAM</b>	Date: <b>2/16/23</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
SAN BUENAVENTURA, Joy A.				✓
AWA, Brenton				✓
<b>TOTAL</b>	<b>3</b>	<b>—</b>	<b>—</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes