

STAND. COM. REP. NO.

1083

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 669
S.D. 2

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

Sir:

Your Committees on Commerce and Consumer Protection and Ways and Means, to which was referred S.B. No. 669, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CANNABIS,"

beg 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 specified small amounts of cannabis;
- (2) Decriminalize and regulate specified small amounts of cannabis for personal use; and
- (3) Establish taxes for cannabis sales.

Your Committees received testimony in support of this measure from the Office of the Public Defender; Aloha Green Holdings, Inc.; Big Island Grown Dispensaries; Democratic Party of Hawai'i Education Caucus; Green Aloha, Ltd.; Hawai'i Cannabis Industry Association; Manoa Botanicals, LLC; Marijuana Policy Project; Imua Alliance; Drug Policy Forum of Hawai'i; and over three hundred individuals. Your Committees 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; Cannabis Society of Hawai'i; Coalition for a Drug-Free Hawaii; Hawaii Substance Abuse Coalition; Hawai'i Public Health



Institute; Hawaii Family Forum; Hawaii Catholic Conference; Smart Approaches to Marijuana Hawaii; Oahu Cannabis Farms Alliance; Pakaloha Care Clinic; Te Awa Rivers of Hope House, Inc.; Independent and Sovereign Nation State of Hawai'i; Maile Cannabis Clinic; and forty-eight individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Department of Health, Department of Taxation, Tax Foundation of Hawaii, and Reason Foundation.

Your Committees find that there is a nationwide movement to legalize the medical and recreational use of cannabis. As of 2022, thirty-seven states, including Hawaii, and four United States territories allow the use of cannabis for either or both medical and personal purposes. Further, many of these states have decriminalized cannabis. The legalization of cannabis for personal or recreational use is the natural, logical, and reasonable outgrowth of the current science and attitude towards cannabis. Additionally, cannabis cultivation and sales hold potential for economic development, increased tax revenues, and reduction in crime. This measure establishes the framework to legalize and regulate cannabis for personal use, while promoting public health and safety.

Your Committees acknowledge the concerns raised in testimony from multiple stakeholders that this measure, as currently drafted, lacks certain features that could impede the transition to legalized personal use of cannabis and the successful regulation of the personal use cannabis industry. Therefore, amendments to this measure are necessary to address these concerns.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language establishing a cannabis manufacturing facility license;
- (2) Clarifying the definition of "personal use" of cannabis to specify the amounts of cannabis plant material, cannabis concentrate, or other cannabis products with a certain amount of tetrahydrocannabinol that an eligible person may possess;



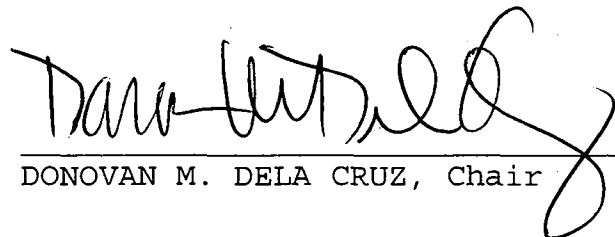
- (3) Clarifying that cannabis advertising shall be prohibited within one thousand feet of a youth-centered area;
- (4) Inserting language authorizing cannabis cultivation facility licensees, retail cannabis store licensees, cannabis testing facility licensees, and cannabis manufacturing facility licensees to transport cannabis and cannabis products to other licensees;
- (5) Inserting language authorizing cannabis cultivation facility licensees, retail cannabis store licensees, and cannabis manufacturing facility licensees to sell or wholesale cannabis to other licensees;
- (6) Inserting language authorizing:
 - (A) A cannabis cultivation facility licensee to establish one cultivation facility that shall be not larger than five thousand square feet of total indoor or outdoor canopy space;
 - (B) A retail cannabis store licensee to establish not more than two retail cannabis stores; and
 - (C) A manufacturing facility licensee to establish not more than two cannabis manufacturing facilities;
- (7) Clarifying that a person may have an interest in more than one license established by this measure, but shall not have an interest in more than one license in each category; provided that no person granted a cannabis testing facility license or a dual use cannabis license shall have an interest in any other license established by this measure;
- (8) Inserting language requiring existing medical cannabis dispensaries to submit to and obtain approval from the Department of Health, a medical preservation plan prior to operating as a dual use cannabis dispensary;
- (9) Clarifying that a license shall be issued no later than one hundred twenty days, rather than thirty days, after the agency's receipt of an application for a license;



- (10) Inserting language clarifying that this measure shall not be construed to prevent an employer from refusing to hire or taking an adverse employment action against a person because of the person's violation of policies restricting the use of cannabis or working while under the influence of cannabis;
- (11) Inserting language clarifying that a contract is not void or voidable as against public policy if it pertains to lawful activities authorized by this measure;
- (12) Inserting language establishing civil penalties against any person who intentionally operates a cannabis cultivation facility, cannabis manufacturing facility, cannabis testing facility, dual use cannabis dispensary, or retail cannabis store without a license;
- (13) Updating section 1 to reflect its amended purpose; and
- (14) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 669, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 669, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and Ways
and Means,



DONOVAN M. DELA CRUZ, Chair

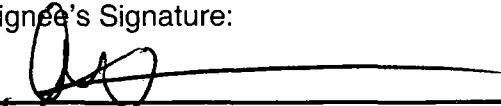


JARRETT KEOHOKALOLE, Chair



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Thirty-Second Legislature
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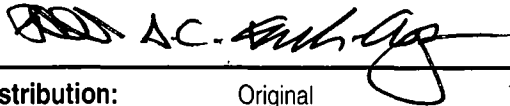
Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB669 SDI	Committee Referral: JDC, CPN/WAM	Date: 3/2/23		
<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
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)				✓
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"		✓		
AWA, Brenton	✓			
TOTAL	3	1	0	1
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

The Senate
 Thirty-Second Legislature
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Committee on Ways and Means
WAM

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Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.		X		
DECOITE, Lynn	X			
INOUYE, Lorraine R.			X	
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.			X	
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn		X		
FEVELLA, Kurt		X		
TOTAL	7	3	2	1
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				

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