

JAN 20 2023

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# A BILL FOR AN ACT

RELATING TO CANNABIS.

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

1 PART I

2 SECTION 1. The purpose of this part is to amend the  
3 State's medical cannabis dispensary system law to:

4 (1) Include cannabis propagules and cuttings in the  
5 definition of the term "cannabis", thereby authorizing  
6 dispensaries to distribute medical cannabis propagules  
7 and cuttings;

8 (2) Authorize only those persons who may cultivate medical  
9 cannabis to purchase the propagules and cuttings; and

10 (3) Impose quantity limits and quality requirements on the  
11 distributed propagules and cuttings.

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

14 1. By inserting two new definitions to read:

15 "Cutting" means the stem of a cannabis plant that is taken  
16 or cut off for the purpose of being rooted and grown into a new  
17 cannabis plant.



1       "Propagule" means any part of a cannabis plant that can be  
2 used to grow a new cannabis plant."

3       2. By amending the definition of "cannabis" to read:

4       "Cannabis" shall have the same meaning as in section  
5 329-121. "Cannabis" includes propagules and cuttings."

6       SECTION 3. Section 329D-13, Hawaii Revised Statutes, is  
7 amended to read as follows:

8       "**§329D-13 Dispensing limits.** (a) A qualifying patient,  
9 primary caregiver, qualifying out-of-state patient, or caregiver  
10 of a qualifying out-of-state patient shall be allowed to  
11 purchase no more than four ounces of cannabis, not including  
12 propagules and cuttings, within a consecutive period of fifteen  
13 days, or no more than eight ounces of cannabis, not including  
14 propagules and cuttings, within a consecutive period of thirty  
15 days.

16       (b) A qualifying patient [~~primary caregiver, qualifying~~  
17 ~~out of state patient, or caregiver of a qualifying out of state~~  
18 ~~patient may purchase cannabis]~~ or primary caregiver authorized  
19 to cultivate cannabis pursuant to sections 329-122 and  
20 329-130(a) shall be allowed to purchase no more than five  
21 propagules or cuttings within a consecutive period of fifteen



1 days, or no more than ten propagules or cuttings within a  
2 consecutive period of thirty days; provided that:

3 (1) Propagules or cuttings sold by the licensee shall have  
4 undergone laboratory-based testing for residual  
5 pesticides and heavy metals, and shall not be  
6 distributed if pesticides or heavy metals are  
7 detected; and

8 (2) This subsection shall not apply to a qualifying out-  
9 of-state patient or a caregiver of a qualifying out-  
10 of-state patient.

11 (c) Purchases under subsections (a) and (b) may be made  
12 from any dispensary location in the State, subject to the limits  
13 and restrictions set forth in [subsection] subsections (a) [-]  
14 and (b).

15 [~~(c) Beginning on January 1, 2018, this section~~] (d)  
16 Subsections (a) and (c) may apply to qualifying out-of-state  
17 patients from other states, territories of the United States, or  
18 the District of Columbia[-] attempting to purchase cannabis, not  
19 including propagules and cuttings, provided that the patient  
20 meets the registration requirements of section 329-123."

21 PART II



1 SECTION 4. The purpose of this part is to authorize the  
2 department of health to approve under certain conditions in-  
3 vehicle receipt of medical cannabis and manufactured cannabis  
4 products on or near the premises of dispensaries.

5 SECTION 5. Section 329D-6, Hawaii Revised Statutes, is  
6 amended by amending subsection (n) to read as follows:

7 "(n) A dispensary shall ~~[be prohibited from]~~ not make an  
8 off-premises delivery of cannabis or manufactured cannabis  
9 products to a qualifying patient, primary caregiver, qualifying  
10 out-of-state patient, or caregiver of a qualifying out-of-state  
11 patient[-], unless authorized by the department and:

12 (1) The dispensary receives a pickup order by telephone or  
13 electronic means from the qualifying patient, primary  
14 caregiver, qualifying out-of-state patient, or  
15 caregiver of the qualifying out-of-state patient;

16 (2) The qualifying patient, primary caregiver, qualifying  
17 out-of-state patient, or caregiver of the qualifying  
18 out-of-state patient arrives in a vehicle, provides  
19 the license number for the vehicle, and notifies the  
20 dispensary upon arrival at the dispensary in a  
21 designated area for pickup;



- 1        (3) The area designated for pickup:
- 2            (A) Is no further than one hundred feet from the main
- 3            entry of a secured retail location;
- 4            (B) Complies with subsection (f) and section
- 5            329D-7(6);
- 6            (C) Is monitored by a video recording system that:
- 7            (i) Is under the control of the dispensary; and
- 8            (ii) Regularly records and stores video of pickup
- 9            transactions, including vehicles, vehicle
- 10           license plates, and persons receiving the
- 11           medical cannabis or manufactured cannabis
- 12           product;
- 13        (4) Before providing the medical cannabis or manufactured
- 14        cannabis product, the dispensary confirms the identity
- 15        of the qualifying patient, primary caregiver,
- 16        qualifying out-of-state patient, or caregiver of the
- 17        qualifying out-of-state patient by:
- 18            (A) Verifying that the license plate number of the
- 19            vehicle matches the number stated by the
- 20            qualifying patient, primary caregiver, qualifying
- 21            out-of-state patient, or caregiver of the



1 qualifying out-of-state patient at the time the  
2 order was placed;

3 (B) Reviewing valid photographic identification in  
4 the form of a state identification card, driver's  
5 license, or passport;

6 (C) Requiring the person attempting to receive the  
7 order to sign an acknowledgment of receipt; and

8 (D) Comparing the signature provided pursuant to  
9 subparagraph (C) with the signature on the  
10 photographic identification described in  
11 subparagraph (B) or another reliable signature  
12 sample; and

13 (5) The amount of medical cannabis or manufactured  
14 cannabis products received do not exceed the  
15 limitations established by the department."

16 PART III

17 SECTION 6. The purpose of this part is to authorize a non-  
18 registered qualifying patient to have immediate access to the  
19 medical use of cannabis for a period of one year from the date  
20 of the issuance of a medical provider's certification letter;  
21 provided that:



1 (1) The medical provider is in full compliance with all  
2 requirements imposed by the department of health  
3 pursuant to part IX of chapter 329, Hawaii Revised  
4 Statutes;

5 (2) The patient holds the State, the department of health,  
6 and dispensaries harmless regarding any consequences  
7 the patient may endure for using cannabis before the  
8 receipt of a registry card;

9 (3) The patient does not possess cannabis in an amount  
10 that exceeds half of the amount that a registered  
11 qualifying patient may possess; and

12 (4) The patient submits to certain other requirements.

13 SECTION 7. Chapter 329, Hawaii Revised Statutes, is  
14 amended by adding a new section to part IX to be appropriately  
15 designated and to read as follows:

16 "§329- Non-registered qualifying patients.  
17 Notwithstanding section 329-123, a qualifying patient who has  
18 not been issued a registry card by the department of health  
19 pursuant to section 329-123(a) may engage in the medical use of  
20 cannabis as a non-registered qualifying patient; provided that:



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1        (1) A physician or an advanced practice registered nurse  
2        has issued a written certification for the patient on  
3        a form designated by the department of health pursuant  
4        to section 329-123(a); provided that:

5        (A) The physician has a bona fide physician-patient  
6        relationship with the non-registered qualifying  
7        patient or the advanced practice registered nurse  
8        has a bona fide advanced practice registered  
9        nurse-patient relationship with the patient; and

10       (B) The physician or advanced practice registered  
11       nurse is in full compliance with all requirements  
12       imposed by the department of health pursuant to  
13       this part;

14       (2) The non-registered qualifying patient has submitted to  
15       the dispensary from which the patient will obtain  
16       cannabis:

17       (A) Consent forms, designated by the department of  
18       health and signed by the patient, that authorize  
19       the department of health and the dispensary to  
20       obtain information from the patient's physician  
21       or advanced practice registered nurse to verify





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- 1           the information provided in the written  
2           certification issued for the patient; and
- 3        (B) Waiver forms, designated by the department of  
4           health and signed by the patient, which establish  
5           that the patient agrees to hold the department of  
6           health, the State, and the dispensary harmless  
7           with respect to any legal, health, or other  
8           consequences that the patient may endure as a  
9           result of the patient's possession or medical use  
10          of cannabis before the department of health has  
11          issued the patient a registry card;
- 12        (3) The amount of cannabis possessed by the non-registered  
13           qualifying patient does not exceed an adequate supply;  
14           provided further that, notwithstanding section 329-121  
15           or any other law to the contrary, an adequate supply  
16           for the non-registered qualifying patient shall at no  
17           time exceed five cannabis plants, whether immature or  
18           mature, and two ounces of usable cannabis; and
- 19        (4) The non-registered qualifying patient shall cease to  
20           be qualified to use and possess medical cannabis under  
21           this section one year after the date of the issuance



1           of the written certification described in paragraph  
2           (1), unless the department of health has issued a  
3           registry card to the patient, and the card has not  
4           expired."

5           SECTION 8. Section 329-122, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7           "(a) Notwithstanding any law to the contrary, the medical  
8 use of cannabis by a qualifying patient shall be permitted only  
9 ~~[if+]~~ under the following circumstances:

- 10           (1) The qualifying patient has been diagnosed by a  
11           physician or advanced practice registered nurse as  
12           having a debilitating medical condition;
- 13           (2) The qualifying patient's physician or advanced  
14           practice registered nurse has certified in writing  
15           that, in the physician's or advanced practice  
16           registered nurse's professional opinion, the potential  
17           benefits of the medical use of cannabis would likely  
18           outweigh the health risks for the particular  
19           qualifying patient; ~~[and]~~
- 20           (3) The amount of cannabis possessed by the qualifying  
21           patient does not exceed an adequate supply~~[-]~~;



1 provided that, notwithstanding section 329-121 or any  
 2 other law to the contrary, an adequate supply for a  
 3 non-registered qualifying patient described in section  
 4 329- shall at no time exceed five cannabis plants,  
 5 whether immature or mature, and two ounces of usable  
 6 cannabis; and

7 (4) If the qualifying patient is a non-registered  
 8 qualifying patient as described in section 329- ,  
 9 the non-registered qualifying patient shall fully  
 10 comply with that section."

PART IV

12 SECTION 9. The purpose of this part is to provide senior  
 13 citizens with greater access to the state medical cannabis  
 14 program.

15 SECTION 10. Section 329-121, Hawaii Revised Statutes, is  
 16 amended by amending the definition of "qualifying patient" to  
 17 read as follows:

18 "Qualifying patient" means a person who has been diagnosed  
 19 by a physician or advanced practice registered nurse as having a  
 20 debilitating medical condition[-] or who has reached the age of  
 21 sixty-five.



1 SECTION 11. Section 329-122, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§329-122 Medical use of cannabis; conditions of use. (a)

4 Notwithstanding any law to the contrary, the medical use of  
5 cannabis by a qualifying patient shall be permitted only if:

6 (1) The qualifying patient has been diagnosed by a  
7 physician or advanced practice registered nurse as  
8 having a debilitating medical condition;

9 (2) The qualifying patient's physician or advanced  
10 practice registered nurse has certified in writing  
11 that, in the physician's or advanced practice  
12 registered nurse's professional opinion, the potential  
13 benefits of the medical use of cannabis would likely  
14 outweigh the health risks for the particular  
15 qualifying patient; and

16 (3) The amount of cannabis possessed by the qualifying  
17 patient does not exceed an adequate supply.

18 (b) Subsection (a) shall not apply to a qualifying patient  
19 under the age of eighteen years, unless:

20 (1) The qualifying patient's physician or advanced  
21 practice registered nurse has explained the potential



1 risks and benefits of the medical use of cannabis to  
2 the qualifying patient and to a parent, guardian, or  
3 person having legal custody of the qualifying patient;  
4 and

5 (2) A parent, guardian, or person having legal custody  
6 consents in writing to:

7 (A) Allow the qualifying patient's medical use of  
8 cannabis;

9 (B) Serve as the qualifying patient's primary  
10 caregiver; and

11 (C) Control the acquisition of the cannabis, the  
12 dosage, and the frequency of the medical use of  
13 cannabis by the qualifying patient.

14 (c) The requirements in paragraphs (1) and (2) of  
15 subsection (a) shall not apply to a qualifying patient aged  
16 sixty-five or older.

17 [~~e~~] (d) Notwithstanding any law to the contrary, the  
18 medical use of cannabis within the State by a qualifying out-of-  
19 state patient aged eighteen years or older legally authorized to  
20 use cannabis for medical purposes in another state, a United



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1 States territory, or the District of Columbia shall be permitted  
2 only if the qualifying out-of-state patient:

3 (1) Provides to the department of health a valid medical  
4 use of cannabis card with an explicit expiration date  
5 that has not yet passed from the issuing jurisdiction  
6 and a valid photographic identification card or  
7 driver's license issued by the same jurisdiction;

8 (2) Attests under penalty of law pursuant to section  
9 710-1063 that the condition for which the qualifying  
10 out-of-state patient is legally authorized to use  
11 cannabis for medical purposes is a debilitating  
12 medical condition as defined in section 329-121;

13 (3) Provides consent for the department of health to  
14 obtain information from the qualifying out-of-state  
15 patient's certifying medical provider and from the  
16 entity that issued the medical cannabis card for the  
17 purpose of allowing the department of health to verify  
18 the information provided in the registration process;

19 (4) Pays the required fee for out-of-state registration to  
20 use cannabis for medical purposes;



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1 (5) Registers with the department of health pursuant to  
2 section 329-123.5 to use cannabis for medical  
3 purposes;

4 (6) Receives a medical cannabis registry card from the  
5 department of health; and

6 (7) Abides by all laws relating to the medical use of  
7 cannabis, including not possessing an amount of  
8 cannabis that exceeds an adequate supply.

9 ~~[(d)]~~ (e) Notwithstanding any law to the contrary, the  
10 medical use of cannabis by a qualifying out-of-state patient  
11 under eighteen years of age shall only be permitted if:

12 (1) The caregiver of the qualifying out-of-state patient  
13 provides the information required pursuant to  
14 subsection ~~[(e)-]~~ (d); and

15 (2) The caregiver of the qualifying out-of-state patient  
16 consents in writing to:

17 (A) Allow the qualifying out-of-state patient's  
18 medical use of cannabis;

19 (B) Undertake the responsibility for managing the  
20 well-being of the qualifying out-of-state patient



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1           who is under eighteen years of age with respect  
2           to the medical use of cannabis; and

3           (C) Control the acquisition of the cannabis, the  
4           dosage, and the frequency of the medical use of  
5           cannabis by the qualifying out-of-state patient  
6           who is under eighteen years of age.

7           ~~(e)~~ (f) The authorization for the medical use of  
8 cannabis in this section shall not apply to:

9           (1) The medical use of cannabis that endangers the health  
10           or well-being of another person;

11           (2) The medical use of cannabis:

12           (A) In a school bus, public bus, or any moving  
13           vehicle;

14           (B) In the workplace of one's employment;

15           (C) On any school grounds;

16           (D) At any public park, public beach, public  
17           recreation center, recreation or youth center; or

18           (E) At any other place open to the public; provided  
19           that a qualifying patient, primary caregiver,  
20           qualifying out-of-state patient, caregiver of a  
21           qualifying out-of-state patient, or an owner or





1 employee of a medical cannabis dispensary  
2 licensed under chapter 329D shall not be  
3 prohibited from transporting cannabis or any  
4 manufactured cannabis product, as that term is  
5 defined in section 329D-1, in any public place;  
6 provided further that the cannabis or  
7 manufactured cannabis product shall be  
8 transported in a sealed container, not be visible  
9 to the public, and shall not be removed from its  
10 sealed container or consumed or used in any way  
11 while it is in the public place; and

12 (3) The use of cannabis by a qualifying patient, parent,  
13 primary caregiver, qualifying out-of-state patient, or  
14 caregiver of a qualifying out-of-state patient, for  
15 purposes other than medical use permitted by this  
16 part.

17 [~~f~~] (g) For the purposes of this section, "transport"  
18 means the transportation of cannabis, usable cannabis, or any  
19 manufactured cannabis product between:

20 (1) A qualifying patient and the qualifying patient's  
21 primary caregiver;



- 1           (2) A qualifying out-of-state patient under eighteen years  
2           of age and the caregiver of a qualifying out-of-state  
3           patient;
- 4           (3) The production centers and the retail dispensing  
5           locations under a dispensary licensee's license;
- 6           (4) Dispensaries, to the extent authorized by section  
7           329D-6(r); or
- 8           (5) A production center, retail dispensing location,  
9           qualifying patient, primary caregiver, qualifying out-  
10          of-state patient, or caregiver of a qualifying out-of-  
11          state patient and a certified laboratory for the  
12          purpose of laboratory testing; provided that a  
13          qualifying patient, primary caregiver, qualifying out-  
14          of-state patient, or caregiver of a qualifying out-of-  
15          state patient may only transport up to one gram of  
16          cannabis per test to a certified laboratory for  
17          laboratory testing and may only transport the product  
18          if the qualifying patient, primary caregiver,  
19          qualifying out-of-state patient, or caregiver of a  
20          qualifying out-of-state patient:



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- 1           (A)   Secures an appointment for testing at a certified
- 2                   laboratory;
- 3           (B)   Obtains confirmation, which may be electronic,
- 4                   that includes the specific time and date of the
- 5                   appointment and a detailed description of the
- 6                   product and amount to be transported to the
- 7                   certified laboratory for the appointment; and
- 8           (C)   Has the confirmation, which may be electronic,
- 9                   available during transport.

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



1 caregiver, qualifying out-of-state patient, or caregiver of a  
2 qualifying out-of-state patient and any other entity or  
3 individual, including an individual who is a qualifying patient,  
4 primary caregiver, qualifying out-of-state patient, or caregiver  
5 of a qualifying out-of-state patient."

6 SECTION 12. Section 329D-7, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 "§329D-7 Medical cannabis dispensary rules. The  
9 department shall establish standards with respect to:

- 10 (1) The number of medical cannabis dispensaries that shall  
11 be permitted to operate in the State;
- 12 (2) A fee structure for:
- 13 (A) The submission of applications and renewals of  
14 licenses to dispensaries; provided that the  
15 department shall consider the market conditions  
16 in each county in determining the license renewal  
17 fee amounts;
- 18 (B) The submission of applications for each  
19 additional production center; and
- 20 (C) Dispensary-to-dispensary sales authorized by  
21 section 329D-6(r);



- 1           (3) Criteria and procedures for the consideration and  
2           selection, based on merit, of applications for  
3           licensure of dispensaries; provided that the criteria  
4           shall include but not be limited to an applicant's:  
5           (A) Ability to operate a business;  
6           (B) Financial stability and access to financial  
7           resources; provided that applicants for medical  
8           cannabis dispensary licenses shall provide  
9           documentation that demonstrates control of not  
10          less than \$1,000,000 in the form of escrow  
11          accounts, letters of credit, surety bonds, bank  
12          statements, lines of credit or the equivalent to  
13          begin operating the dispensary;  
14          (C) Ability to comply with the security requirements  
15          developed pursuant to paragraph (6);  
16          (D) Capacity to meet the needs of qualifying patients  
17          and qualifying out-of-state patients;  
18          (E) Ability to comply with criminal background check  
19          requirements developed pursuant to paragraph (8);  
20          and



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- 1           (F) Ability to comply with inventory controls  
2                 developed pursuant to paragraph (13);
- 3       (4) Specific requirements regarding annual audits and  
4             reports required from each production center and  
5             dispensary licensed pursuant to this chapter;
- 6       (5) Procedures for announced and unannounced inspections  
7             by the department or its agents of production centers  
8             and dispensaries licensed pursuant to this chapter;  
9             provided that inspections for license renewals shall  
10            be unannounced;
- 11       (6) Security requirements for the operation of production  
12            centers and retail dispensing locations; provided  
13            that, at a minimum, the following shall be required:
- 14       (A) For production centers:
- 15           (i) Video monitoring and recording of the  
16                 premises; provided that recordings shall be  
17                 retained for fifty days;
- 18           (ii) Fencing that surrounds the premises and that  
19                 is sufficient to reasonably deter intruders  
20                 and prevent anyone outside the premises from  
21                 viewing any cannabis in any form;



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



- 1           (7) Security requirements for the transportation of  
2           cannabis and manufactured cannabis products between  
3           production centers and retail dispensing locations and  
4           between a production center, retail dispensing  
5           location, qualifying patient, primary caregiver,  
6           qualifying out-of-state patient, or caregiver of a  
7           qualifying out-of-state patient and a certified  
8           laboratory, pursuant to section [~~329-122(f)~~];  
9           329-122(g);
- 10          (8) Standards and criminal background checks to ensure the  
11          reputable and responsible character and fitness of all  
12          license applicants, licensees, employees,  
13          subcontractors and their employees, and prospective  
14          employees of medical cannabis dispensaries to operate  
15          a dispensary; provided that the standards, at a  
16          minimum, shall exclude from licensure or employment  
17          any person convicted of any felony;
- 18          (9) The training and certification of operators and  
19          employees of production centers and dispensaries;





- 1       (10) The types of manufactured cannabis products that
- 2               dispensaries shall be authorized to manufacture and
- 3               sell pursuant to sections 329D-9 and 329D-10;
- 4       (11) Laboratory standards related to testing cannabis and
- 5               manufactured cannabis products for content,
- 6               contamination, and consistency;
- 7       (12) The quantities of cannabis and manufactured cannabis
- 8               products that a dispensary may sell or provide to a
- 9               qualifying patient, primary caregiver, qualifying out-
- 10              of-state patient, or caregiver of a qualifying out-of-
- 11              state patient; provided that no dispensary shall sell
- 12              or provide to a qualifying patient, primary caregiver,
- 13              qualifying out-of-state patient, or caregiver of a
- 14              qualifying out-of-state patient any combination of
- 15              cannabis and manufactured products that:
- 16              (A) During a period of fifteen consecutive days,
- 17                      exceeds the equivalent of four ounces of
- 18                      cannabis; or
- 19              (B) During a period of thirty consecutive days,
- 20                      exceeds the equivalent of eight ounces of
- 21                      cannabis;



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- 1           (13)   Dispensary and production center inventory controls to  
2                    prevent the unauthorized diversion of cannabis or  
3                    manufactured cannabis products or the distribution of  
4                    cannabis or manufactured cannabis products to a  
5                    qualifying patient, primary caregiver, qualifying out-  
6                    of-state patient, or caregiver of a qualifying out-of-  
7                    state patient in quantities that exceed limits  
8                    established by this chapter; provided that the  
9                    controls, at a minimum, shall include:
- 10            (A)    A computer software tracking system as specified  
11                    in section 329D-6(j) and (k); and
- 12            (B)    Product packaging standards sufficient to allow  
13                    law enforcement personnel to reasonably determine  
14                    the contents of an unopened package;
- 15           (14)   Limitation to the size or format of signs placed  
16                    outside a retail dispensing location or production  
17                    center; provided that the signage limitations, at a  
18                    minimum, shall comply with section 329D-6(o)(2) and  
19                    shall not include the image of a cartoon character or  
20                    other design intended to appeal to children;



- 1       (15) The disposal or destruction of unwanted or unused
- 2             cannabis and manufactured cannabis products;
- 3       (16) The enforcement of the following prohibitions against:
- 4             (A) The sale or provision of cannabis or manufactured
- 5             cannabis products to unauthorized persons;
- 6             (B) The sale or provision of cannabis or manufactured
- 7             cannabis products to a qualifying patient,
- 8             primary caregiver, qualifying out-of-state
- 9             patient, or caregiver of a qualifying out-of-
- 10            state patient in quantities that exceed limits
- 11            established by this chapter;
- 12            (C) Any use or consumption of cannabis or
- 13            manufactured cannabis products on the premises of
- 14            a retail dispensing location or production
- 15            center; and
- 16            (D) The distribution of cannabis or manufactured
- 17            cannabis products, for free, on the premises of a
- 18            retail dispensing location or production center;
- 19       (17) The establishment of a range of penalties for
- 20            violations of this chapter or rule adopted thereto;
- 21            and



1 (18) A process to recognize and register patients who are  
2 authorized to purchase, possess, and use medical  
3 cannabis in another state, a United States territory,  
4 or the District of Columbia as qualifying out-of-state  
5 patients; provided that this registration process may  
6 commence no sooner than January 1, 2018."

7 PART V

8 SECTION 13. The purpose of this part is to increase the  
9 number of medical cannabis dispensaries in the State by  
10 requiring the department of health to issue eight dispensary  
11 licenses to the department of Hawaiian home lands.

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

15 "§329D- Medical cannabis dispensaries on Hawaiian home  
16 lands. (a) The department shall issue to the department of  
17 Hawaiian home lands eight dispensary licenses; provided that two  
18 dispensary licenses shall be issued for the city and county of  
19 Honolulu; three dispensary licenses shall be issued for the  
20 county of Hawaii with one for east Hawaii, one for north Hawaii,  
21 and one for west Hawaii; two dispensary licenses shall be issued



1 for the county of Maui, one for Maui and one for Molokai; and  
2 one dispensary license shall be issued for the county of Kauai.

3 (b) The department shall advise and assist the department  
4 of Hawaiian home lands in establishing a license application  
5 procedure and verification process in accordance with section  
6 329D-4 and the selection process in accordance with section  
7 329D-5 to include the criteria of section 329D-7(3).

8 (c) Each application for a dispensary license shall  
9 include both an individual applicant and an applying entity.

10 The application shall be submitted to the department of Hawaiian  
11 home lands and shall include supporting documentation to  
12 establish:

13 (1) That the individual applicant:

14 (A) Is native Hawaiian, as defined in section 201 of  
15 the Hawaiian Homes Commission Act, 1920;

16 (B) Has been a legal resident of the State for not  
17 less than five years preceding the date of  
18 application;

19 (C) Is not less than eighteen years of age; and

20 (D) Has had no felony convictions; and

21 (2) That the applying entity:



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- 1           (A) Has been organized under the laws of the State;
- 2           (B) Has a Hawaii tax identification number;
- 3           (C) Has a department of commerce and consumer affairs  
4           business registration division number and suffix;
- 5           (D) Has a federal employer identification number;
- 6           (E) Is not less than fifty-one per cent held by  
7           native Hawaiians, as defined in section 201 of  
8           the Hawaiian Homes Commission Act, 1920, or  
9           entities wholly controlled by native Hawaiians,  
10           as defined in section 201 of the Hawaiian Homes  
11           Commission Act, 1920, who have been Hawaii legal  
12           residents for not less than five years  
13           immediately preceding the date the application  
14           was submitted;
- 15           (F) Has financial resources under its control of not  
16           less than \$1,000,000 for the license applied for,  
17           plus not less than \$100,000 for each retail  
18           dispensing location allowed under the license  
19           applied for, in the form of bank statements or  
20           escrow accounts, and that the financial resources  
21           have been under the control of the applying



1 entity for not less than ninety days immediately  
2 preceding the date the application was submitted;  
3 and

4 (G) Is composed of principals or members, each of  
5 whom has no felony convictions.

6 A dispensary license shall not be sold or otherwise transferred  
7 from one person to another person. No person may be granted  
8 more than one dispensary license.

9 (d) Medical cannabis production centers and dispensaries  
10 on Hawaiian home lands shall not be subject to county zoning,  
11 ordinances, rules, or regulations."

12 PART VI

13 SECTION 15. The purpose of this part is to:

- 14 (1) Allow primary caregivers, qualifying out-of-state
- 15 patients, and caregivers of a qualifying out-of-state
- 16 patient to access the waiting room within a medical
- 17 cannabis retail dispensary; and
- 18 (2) Clarify violations related to medical cannabis
- 19 dispensaries



1 SECTION 16. Section 329D-1, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4 "Waiting room" means a designated area at the public  
5 entrance of a retail dispensing location that may be accessed by  
6 a member of the general public who is waiting for, assisting, or  
7 accompanying a qualifying patient, primary caregiver, qualifying  
8 out-of-state patient, or caregiver of a qualifying out-of-state  
9 patient who enters or remains on the premises of a retail  
10 dispensing location for the purpose of a transaction conducted  
11 pursuant to sections 329D-6 and 329D-13."

12 SECTION 17. Section 329D-7, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 **"§329D-7 Medical cannabis dispensary rules.** The  
15 department shall establish standards with respect to:

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

18 (2) A fee structure for:

19 (A) The submission of applications and renewals of  
20 licenses to dispensaries; provided that the  
21 department shall consider the market conditions





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- 1           in each county in determining the license renewal  
2           fee amounts;
- 3           (B) The submission of applications for each  
4           additional production center; and
- 5           (C) Dispensary-to-dispensary sales authorized by  
6           section 329D-6(r);
- 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:



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- 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           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 products that:



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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;



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- 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



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- 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 the storage, display, marketing,  
19 advertising, and retail sale of cannabis and  
20 manufactured cannabis products within the waiting  
21 room;





- 1           (C) Restrictions on signage within the waiting room;
- 2           and
- 3           (D) Other reasonable security measures or
- 4           restrictions as deemed necessary by the
- 5           department."

6           SECTION 18. Section 329D-15, Hawaii Revised Statutes, is  
7 amended by amending subsection (a) to read as follows:

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

- 11           (1) An individual licensee or registered employee of the
- 12           dispensary;
- 13           (2) A qualifying patient, primary caregiver, qualifying
- 14           out-of-state patient, or caregiver of a qualifying
- 15           out-of-state patient;
- 16           (3) A government employee or official acting in the
- 17           person's official capacity; or
- 18           (4) Previously included on a current department-approved
- 19           list provided to the department by the licensee of
- 20           those persons who are allowed into that dispensary's
- 21           facilities for a specific purpose for that dispensary,



1 including but not limited to construction,  
2 maintenance, repairs, legal counsel, providers of  
3 paratransit or other assistive services required by a  
4 qualifying patient, primary caregiver, qualifying out-  
5 of-state patient, or caregiver of a qualifying out-of-  
6 state patient to access a retail dispensary location,  
7 or investors; provided that:

- 8 (A) The person has been individually approved by the  
9 department to be included on the list;
- 10 (B) The person is at least twenty-one years of age,  
11 as verified by a valid government issued  
12 identification card;
- 13 (C) The department has confirmed that the person has  
14 no felony convictions;
- 15 (D) The person is escorted by an individual licensee  
16 or registered employee of the dispensary at all  
17 times while in the dispensary facility;
- 18 (E) The person is only permitted within those  
19 portions of the dispensary facility as necessary  
20 to fulfill the person's purpose for entering;



1 (F) The person is only permitted within the  
2 dispensary facility during the times and for the  
3 duration necessary to fulfill the person's  
4 purpose for entering;

5 (G) The dispensary shall keep an accurate record of  
6 each person's first and last name, date and times  
7 upon entering and exiting the dispensary  
8 facility, purpose for entering, and the identity  
9 of the escort; and

10 (H) The approved list shall be effective for one year  
11 from the date of the department approval[-];

12 provided that a member of the general public may enter or remain  
13 within the waiting room of a retail dispensing location."

14 SECTION 19. Section 329D-21, Hawaii Revised Statutes, is  
15 amended by amending subsection (b) to read as follows:

16 "(b) Any person who violates any of the provisions of this  
17 chapter or the rules adopted pursuant thereto shall be fined not  
18 less than \$100 nor more than \$1,000 for each [~~violation.~~]  
19 separate offense; provided that each day of each violation  
20 constitutes a separate offense."

21 PART VII



1 SECTION 20. The purpose of this part is to increase the  
2 number of medical cannabis dispensaries the department of health  
3 is authorized to issue in the State.

4 SECTION 21. Section 329D-2, Hawaii Revised Statutes, is  
5 amended by amending subsection (d) to read as follows:

6 "(d) The department shall issue [~~eight~~] \_\_\_\_\_ dispensary  
7 licenses statewide; provided that \_\_\_\_\_ dispensary licenses  
8 shall be issued for the city and county of Honolulu,  
9 [~~two~~] \_\_\_\_\_ dispensary licenses each shall be issued for the  
10 county of Hawaii and the county of Maui, and  
11 [~~one~~] \_\_\_\_\_ dispensary license shall be issued for the county of  
12 Kauai; provided further that no dispensary license shall be  
13 issued for the county of Kalawao."

14 SECTION 22. This Act does not affect rights and duties  
15 that matured, penalties that were incurred, and proceedings that  
16 were begun before its effective date.

17 SECTION 23. Statutory material to be repealed is bracketed  
18 and stricken. New statutory material is underscored.

19 SECTION 24. This Act shall take effect upon its approval.

20

INTRODUCED BY:  \_\_\_\_\_



# S.B. NO. 444

**Report Title:**

Health; Cannabis; Medical Use; Propagules; Cuttings; Cannabis Dispensaries; Cannabis Access; Patients; Registration; Elderly; Hawaiian Home Lands; Waiting Area; Licenses; Increase

**Description:**

Authorizes dispensaries to distribute medical cannabis propagules and cuttings. Authorizes only those persons who may cultivate medical cannabis to purchase the propagules and cuttings. Imposes quantity limits and quality requirements on medical cannabis propagules and cuttings. Authorizes the Department of Health to approve in-vehicle receipt of medical cannabis and manufactured cannabis products on or near the premises of dispensaries. Authorizes a non-registered qualifying patient to have immediate access to the medical use of cannabis for a period of one year from the date of the issuance of a medical provider's certification letter, given certain requirements. Provides senior citizens with greater access to the state medical cannabis program. Increases the number of medical cannabis dispensaries in the State by requiring the Department of Health to issue eight dispensary licenses to the Department of Hawaiian Home Lands. Allows primary caregivers, qualifying out-of-state patients, and caregivers of a qualifying out-of-state patient to access the waiting room within a medical cannabis retail dispensary. Clarifies violations related to medical cannabis dispensaries. Increases the number of medical cannabis dispensaries the Department of Health is authorized to issue in the State.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

