JAN 2 0 2023

A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

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

| 1 | | PART I |
|----|-----------|---|
| 2 | SECT | ION 1. The legislature finds that amendments to the |
| 3 | State's m | edical use of cannabis law and medical cannabis |
| 4 | dispensar | y program law are necessary to facilitate the |
| 5 | administr | ation of the laws, resolve issues that have arisen |
| 6 | under exi | sting law, and clarify legislative intent. |
| 7 | The | purpose of this Act is to: |
| 8 | (1) | Amend the dispensary program licensing fee structure; |
| 9 | (2) | Add or clarify signage, manufactured cannabis product |
| 10 | | packaging, escort, and background check requirements |
| 11 | | for the medical cannabis dispensary program; |
| 12 | (3) | Establish annual reporting requirements to increase |
| 13 | | public transparency regarding the medical cannabis |
| 14 | | registry program; and |
| 15 | (4) | Make various housekeeping amendments. |

| 1 | PART II |
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| 2 | SECTION 2. Section 329D-1, Hawaii Revised Statutes, is |
| 3 | amended by amending the definition of "manufactured cannabis |
| 4 | product" to read as follows: |
| 5 | ""Manufactured cannabis product" means any capsule, |
| 6 | lozenge, oil or oil extract, tincture, ointment or skin lotion, |
| 7 | pill, transdermal patch, or pre-filled and sealed container used |
| 8 | to aerosolize and deliver cannabis orally[$	au$] or by inhalation, |
| 9 | such as an inhaler [or], nebulizer, or device that provides safe |
| 10 | pulmonary administration, that has been manufactured using |
| 11 | cannabis, edible cannabis product, pre-rolled cannabis flower |
| 12 | product, or any other products as specified by the department |
| 13 | pursuant to section 329D-10(a)(11)." |
| 14 | SECTION 3. Section 329D-4, Hawaii Revised Statutes, is |
| 15 | amended by amending subsection (n) to read as follows: |
| 16 | "(n) Pursuant to section $[+]329D-7(2)[+]$, a dispensary |
| 17 | license may be renewed annually by payment of an annual renewal |
| 18 | fee and subject to verification by the department through an |
| 19 | unannounced inspection that the individual licensee and entity |
| 20 | licensee continue to meet all licensing requirements from the |
| 21 | date the initial licenses were issued." |

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         SECTION 4. Section 329D-6, Hawaii Revised Statutes, is
 2
    amended as follows:
 3
         1. By amending subsection (o) to read:
 4
         "(o) A dispensary shall not:
 5
              Display cannabis or manufactured cannabis products in
         (1)
 6
              windows or in public view; or
 7
         (2)
              Post any signage other than [a single sign] one or two
 8
              signs, each no greater than one thousand six hundred
9
              square inches bearing only the business or trade name
10
              in text without any pictures or illustrations;
11
              provided that if any applicable law or ordinance
12
              restricting outdoor signage is more restrictive, that
13
              law or ordinance shall govern."
14
         2. By amending subsection (r) to read:
15
               The department may authorize a dispensary to purchase
16
    cannabis and manufactured cannabis products from another
17
    dispensary in a manner prescribed by the department by rules
18
    adopted pursuant to this chapter [and chapter 91]; provided
19
    that:
20
         (1)
              The purchasing dispensary establishes to the
21
              department's satisfaction that:
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| 1 | | (A) | The purchase is necessary to ensure that |
|----|----------------|-------|---|
| 2 | | | qualifying patients have continuous access to |
| 3 | | | cannabis for medical use; or |
| 4 | | (B) | The cannabis and manufactured cannabis products |
| 5 | | | are for medical, scientific, or other legitimate |
| 6 | | | purposes approved by the State; |
| 7 | (2) | The | selling dispensary may transport no more than |
| 8 | | eigh | t hundred ounces of cannabis or manufactured |
| 9 | | cann | abis products to the purchasing dispensary within |
| 10 | | a th | irty-day period; |
| 11 | (3) | The | cannabis and manufactured cannabis products are |
| 12 | | tran | sported between the dispensaries for medical, |
| 13 | | scie | ntific, or other legitimate purposes approved by |
| 14 | | the | State; and |
| 15 | (4) | Noth | ing in this subsection shall relieve any |
| 16 | | disp | ensary of its responsibilities and obligations |
| 17 | | unde | r this chapter and chapter 329." |
| 18 | SECT | ION 5 | . Section 329D-7, Hawaii Revised Statutes, is |
| 19 | amended to | o rea | d as follows: |
| 20 | "§ 32 ! | 9D-7 | Medical cannabis dispensary rules. The |
| 21 | department | t sha | ll establish standards with respect to: |

| 1 | (1) | The number of medical cannabis dispensaries that shall |
|----|-----|--|
| 2 | | be permitted to operate in the State; |
| 3 | (2) | A fee structure, set by rules adopted pursuant to |
| 4 | | <pre>chapter 91, for:</pre> |
| 5 | | (A) The submission of applications and renewals of |
| 6 | | licenses to dispensaries; provided that [the]: |
| 7 | | (i) A dispensary license may be renewed for an |
| 8 | | annual fee of no more than \$50,000 for the |
| 9 | | first three retail dispensing locations and |
| 10 | | two production centers, with no more than |
| 11 | | five thousand cannabis plants and associated |
| 12 | | manufacturing operation for each; |
| 13 | | (ii) Each additional retail dispensing location |
| 14 | | thereafter shall pay an annual fee of no |
| 15 | | more than \$20,000; and |
| 16 | | (iii) The department shall consider the market |
| 17 | | conditions in each county in determining the |
| 18 | | license renewal fee amounts; |
| 19 | | (B) The submission of applications and renewals for |
| 20 | | each additional production center[\div] or a |
| 21 | | production center's additional plant count or |

| 1 | | manufacturing operation not included in |
|----|-----|--|
| 2 | | subparagraph (A) shall be no more than \$1 per |
| 3 | | <pre>plant; and</pre> |
| 4 | | (C) Dispensary-to-dispensary sales authorized by |
| 5 | | section 329D-6(r); |
| 6 | | provided that no designated fee shall increase by more |
| 7 | | than two and one-half per cent annually; |
| 8 | (3) | Criteria and procedures for the consideration and |
| 9 | | selection, based on merit, of applications for |
| 10 | | licensure of dispensaries; provided that the criteria |
| 11 | | shall include but not be limited to an applicant's: |
| 12 | | (A) Ability to operate a business; |
| 13 | | (B) Financial stability and access to financial |
| 14 | | resources; provided that applicants for medical |
| 15 | | cannabis dispensary licenses shall provide |
| 16 | | documentation that demonstrates control of not |
| 17 | | less than \$1,000,000 in the form of escrow |
| 18 | | accounts, letters of credit, surety bonds, bank |
| 19 | | statements, lines of credit or the equivalent to |
| 20 | | begin operating the dispensary; |

| 1 | | (C) | Ability to comply with the security requirements |
|----|-----|------|---|
| 2 | | | developed pursuant to paragraph (6); |
| 3 | | (D) | Capacity to meet the needs of qualifying patients |
| 4 | | | and qualifying out-of-state patients; |
| 5 | | (E) | Ability to comply with criminal background check |
| 6 | | | requirements developed pursuant to paragraph (8); |
| 7 | | | and |
| 8 | | (F) | Ability to comply with inventory controls |
| 9 | | | developed pursuant to paragraph (13); |
| 10 | (4) | Spec | ific requirements regarding annual audits and |
| 11 | | repo | rts required from each production center and |
| 12 | | disp | ensary licensed pursuant to this chapter; |
| 13 | (5) | Proc | edures for announced and unannounced inspections |
| 14 | | by t | he department or its agents of production centers |
| 15 | | and | dispensaries licensed pursuant to this chapter; |
| 16 | | prov | ided that inspections for license renewals shall |
| 17 | | be u | nannounced; |
| 18 | (6) | Secu | rity requirements for the operation of production |
| 19 | | cent | ers and retail dispensing locations; provided |
| 20 | | that | , at a minimum, the following shall be required: |
| 21 | | (A) | For production centers: |

| 1 | (1) | 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 recordings 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 |
| 14 | | out-of-state patient, or caregiver of a qualifying |
| 15 | | out-of-state patient; provided that no dispensary |
| 16 | | shall sell or provide to a qualifying patient, primary |
| 17 | | caregiver, qualifying out-of-state patient, or |
| 18 | | caregiver of a qualifying out-of-state patient any |
| 19 | | combination of cannabis and manufactured products |
| 20 | | 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) | Disp | ensary and production center inventory controls to |
| 8 | | prev | ent the unauthorized diversion of cannabis or |
| 9 | | manu | factured cannabis products or the distribution of |
| 10 | | cann | abis or manufactured cannabis products to a |
| 11 | | qual | ifying patient, primary caregiver, qualifying |
| 12 | | out- | of-state patient, or caregiver of a qualifying |
| 13 | | out- | of-state patient in quantities that exceed limits |
| 14 | | esta | blished by this chapter; provided that the |
| 15 | | cont | rols, 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 |
| 16 | | out-of-state patient in quantities that exceed |
| 17 | | limits 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]." |
| 13 | SECT | ION 6. Section 329D-10, Hawaii Revised Statutes, is |
| 14 | amended b | y amending subsection (a) to read as follows: |
| 15 | "(a) | The types of medical cannabis products that may be |
| 16 | manufactu | red and distributed pursuant to this chapter shall be |
| 17 | limited t | o: |
| 18 | (1) | Capsules; |
| 19 | (2) | Lozenges; |
| 20 | (3) | Pills; |
| 21 | (4) | Oils and oil extracts; |



| 1 | (5) | Tinctures; |
|----|----------------|--|
| 2 | (6) | Ointments and skin lotions; |
| 3 | (7) | Transdermal patches; |
| 4 | (8) | Pre-filled and sealed containers used to aerosolize |
| 5 | | and deliver cannabis orally, or by inhalation, such as |
| 6 | | with an inhaler [or], nebulizer[+], or device that |
| 7 | | provides safe pulmonary administration; provided that |
| 8 | | [containers]: |
| 9 | | (A) Containers need not be manufactured by the |
| 10 | | licensed dispensary but shall be filled with |
| 11 | | cannabis, cannabis oils, or cannabis extracts |
| 12 | | manufactured by the licensed dispensary[+] or as |
| 13 | | permitted by section 329D-6(r); but shall not |
| 14 | | contain nicotine, tobacco-related products, or |
| 15 | | any other non-cannabis derived products; and |
| 16 | | [shall be designed to be used with devices used |
| 17 | | to provide safe pulmonary administration of |
| 18 | | manufactured cannabis products; |
| 19 | (9) | Devices that provide safe pulmonary administration; |
| 20 | | provided-that: |



| 1 | (A) | The heating element of the device, if any, is |
|----|----------------|---|
| 2 | | made of inert materials such as glass, ceramic, |
| 3 | | or stainless steel, and not of plastic or rubber; |
| 4 | (B) | The device is distributed solely for use with |
| 5 | | single-use, pre-filled, tamper-resistant, sealed |
| 6 | | containers that do not contain nicotine or other |
| 7 | | tobacco products; |
| 8 | (C) | The device is used to acrosolize and deliver |
| 9 | | cannabis by inhalation, such as an inhaler, |
| 10 | | medical-grade nebulizer, or other similar medical |
| 11 | | grade volitization device; |
| 12 | (D) | There is a temperature control on the device that |
| 13 | | is regulated to prevent the combustion of |
| 14 | | cannabis oil; and |
| 15 | (E) | The device need not be manufactured by the |
| 16 | | licensed dispensary; |
| 17 | <u>(B)</u> | For devices that provide safe pulmonary |
| 18 | | administration: |
| 19 | | (i) The heating element of the device, if any, |
| 20 | | shall be made of inert materials such as |



| 1 | | | glass, ceramic, or stainless steel, and not |
|----|-----------|--------------|---|
| 2 | | | of plastic or rubber; |
| 3 | | <u>(ii)</u> | The device shall be distributed solely for |
| 4 | | | use with single-use, pre-filled, |
| 5 | | | tamper-resistant, sealed containers that do |
| 6 | | | not contain nicotine or other tobacco |
| 7 | | | products; |
| 8 | | <u>(iii)</u> | There shall be a temperature control on the |
| 9 | | | device that is regulated to prevent the |
| 10 | | | combustion of cannabis oil; and |
| 11 | | (iv) | The device need not be manufactured by the |
| 12 | | | licensed dispensary; |
| 13 | (9) | Pre-rolle | d cannabis flower products, as specified by |
| 14 | | the depar | tment; |
| 15 | (10) | [Other pr | oducts, including edible Edible cannabis |
| 16 | | products, | as specified by the department; and |
| 17 | (11) | Other pro | ducts as specified by the department." |
| 18 | SECT | ION 7. Se | ction 329D-11, Hawaii Revised Statutes, is |
| 19 | amended b | y amending | subsection (a) to read as follows: |
| 20 | "(a) | The depa | rtment shall establish standards regarding |
| 21 | the adver | tising and | packaging of cannabis and manufactured |



| 1 | Cannabis | products; provided that the standards, at a minimum, |
|----|-----------|--|
| 2 | shall req | uire the use of packaging that: |
| 3 | (1) | Is child-resistant and opaque so that the product |
| 4 | | cannot be seen from outside the packaging; |
| 5 | (2) | [Uses only black lettering on a white background with |
| 6 | | no pictures or graphics; Does not include the image |
| 7 | | of any cartoon character and is not designed to appeal |
| 8 | | to minors; |
| 9 | (3) | Is clearly labeled with the phrase "For medical use |
| 10 | | only"; |
| 11 | (4) | Is clearly labeled with the phrase "Not for resale or |
| 12 | | transfer to another person"; |
| 13 | (5) | Includes instructions for use and "use by date"; |
| 14 | (6) | Contains information about the contents and potency of |
| 15 | | the product; |
| 16 | (7) | Includes the name of the production center where |
| 17 | | cannabis in the product was produced, including the |
| 18 | | batch number and date of packaging; |
| 19 | (8) | Includes a barcode generated by tracking software; and |
| 20 | (9) | In the case of a manufactured cannabis product, |
| 21 | | includes a: |



| 1 | (A) |) Listing of the equivalent physical weight of the |
|----|---------------|--|
| 2 | | cannabis used to manufacture the amount of the |
| 3 | | product that is within the packaging, pursuant to |
| 4 | | section 329D-9(c); |
| 5 | (B) |) Clearly labeled warning stating that the product: |
| 6 | | (i) Is a medication that contains cannabis, and |
| 7 | | is not a food; and |
| 8 | | (ii) Should be kept away from children; and |
| 9 | (C) |) Date of manufacture." |
| 10 | SECTION | 8. Section 329D-15, Hawaii Revised Statutes, is |
| 11 | amended by a | mending subsections (a) and (b) to read as follows: |
| 12 | (a) No | person shall intentionally or knowingly enter or |
| 13 | remain upon | the premises of a medical cannabis retail dispensing |
| 14 | location unle | ess the individual is: |
| 15 | (1) An | individual licensee or registered employee of the |
| 16 | di | spensary; |
| 17 | (2) A | qualifying patient, primary caregiver, qualifying |
| 18 | ou | t-of-state patient, or caregiver of a qualifying |
| 19 | ou | t-of-state patient; |
| 20 | (3) A | government employee or official acting in the |
| 21 | pe: | rson's official capacity; or |

| | (1) | rrev | rousily included on a cultent department approved |
|----|-----|------|---|
| 2 | | list | provided to the department by the licensee of |
| 3 | | thos | e persons who are allowed into that dispensary's |
| 4 | | faci | lities for a specific purpose for that dispensary |
| 5 | | incl | uding but not limited to construction, |
| 6 | | main | tenance, repairs, legal counsel, providers of |
| 7 | | para | transit or other assistive services required by a |
| 8 | | qual | ifying patient to access a retail dispensary |
| 9 | | loca | tion, or investors; 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; provided |
| 20 | | | that that construction and maintenance personnel |
| 21 | | | who are not normally engaged in the business of |

| 1 | | cultivating, processing, or selling medical |
|----|-----|---|
| 2 | | cannabis need not be accompanied on a full-time |
| 3 | | basis, but shall be reasonably monitored by an |
| 4 | | individual licensee or registered employee of the |
| 5 | | dispensary while in areas not containing any |
| 6 | | cannabis or cannabis products; |
| 7 | (E) | The person is only permitted within those |
| 8 | | portions of the dispensary facility as necessary |
| 9 | | to fulfill the person's purpose for entering; |
| 10 | (F) | The person is only permitted within the |
| 11 | | dispensary facility during the times and for the |
| 12 | | duration necessary to fulfill the person's |
| 13 | | purpose for entering; |
| 14 | (G) | The dispensary shall keep an accurate record of |
| 15 | | each person's first and last name, date and times |
| 16 | | upon entering and exiting the dispensary |
| 17 | | facility, purpose for entering, and the identity |
| 18 | | of the escort; and |
| 19 | (H) | The approved list shall be effective for one year |
| 20 | | from the date of the department approval. |

No individual licensee or registered employee of a 1 (b) 2 medical cannabis dispensary with control over or responsibility 3 for a retail dispensing location shall intentionally or knowingly allow another to enter or remain upon the premises of 4 the retail dispensing location, unless the other is permitted to 5 6 enter and remain as specified in subsection (a) [-], except in an 7 emergency situation to repair infrastructure at a dispensary by 8 a person not on the department-approved list; provided that 9 those repair workers shall be escorted at all times, and the 10 licensee shall notify the department of the use of this individual immediately." 11 SECTION 9. Section 329D-16, Hawaii Revised Statutes, is 12 13 amended to read as follows: 14 "[+]\$329D-16[+] Criminal offense; unauthorized access to 15 production centers. (a) No person shall intentionally or 16 knowingly enter or remain upon the premises of a medical 17 cannabis production center unless the person is: 18 (1) An individual licensee or registered employee of the 19 production center; 20 (2) A government employee or official acting in the 21

person's official capacity; or

| 1 | (3) | Prev | iously included on a current department-approved |
|----|-----|------|--|
| 2 | | list | provided to the department by the licensee of |
| 3 | | thos | e persons who are allowed into that [dispensary's |
| 4 | | faci | lities] production center for a specific purpose |
| 5 | | for | that [dispensary,] production center, including |
| 6 | | but | not limited to construction, maintenance, repairs, |
| 7 | | lega | l counsel, 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] |
| 17 | | | production center at all times while in the |
| 18 | | | [dispensary facility;] production center; |
| 19 | | | provided that construction and maintenance |
| 20 | | | personnel not normally engaged in the business of |
| 21 | | | cultivating, processing, or selling medical |

| 1 | | cannabis need not be accompanied on a full-time |
|----|-----|--|
| 2 | | basis, but only reasonably monitored by an |
| 3 | | individual licensee or registered employee of the |
| 4 | | production center while in areas not containing |
| 5 | | any cannabis or cannabis products; |
| 6 | (E) | The person is only permitted within those |
| 7 | | portions of the [dispensary facility] production |
| 8 | | <pre>center as necessary to fulfill the person's</pre> |
| 9 | | purpose for entering; |
| 10 | (F) | The person is only permitted within the |
| 11 | | [dispensary facility] production center during |
| 12 | | the times and for the duration necessary to |
| 13 | | fulfill the person's purpose for entering; |
| 14 | (G) | The [dispensary] production center shall keep an |
| 15 | | accurate record of each person's identity, date |
| 16 | | and times upon entering and exiting the |
| 17 | | dispensary facility, purpose for entering, and |
| 18 | | the identity of the escort; and |
| 19 | (H) | The approved list shall be effective for one year |
| 20 | | from the date of department approval. |

1 (b) No individual licensee or registered employee of a medical cannabis dispensary with control over or responsibility 2 3 for a production center shall intentionally or knowingly allow another to enter or remain upon the premises of the production 4 5 center, unless the other is permitted to enter and remain as 6 specified in subsection (a) [-], except in an emergency situation 7 to repair infrastructure at a dispensary by a person not on the 8 department-approved list; provided that those repair workers shall be escorted at all times, and the licensee shall notify 9 10 the department of the use of this individual immediately. 11 (c) Unauthorized access to a production center is a class 12 C felony." 13 SECTION 10. Section 329D-23, Hawaii Revised Statutes, is 14 amended by amending subsection (b) to read as follows: 15 The department shall report annually to the governor 16 and the legislature on the establishment and regulation of 17 medical cannabis production centers and dispensaries [including 18 but not limited to the number and location of production centers 19 and dispensaries licensed, the total licensing fees collected, 20 the total amount of taxes collected from production centers and



| 1 | alspensar | ies, and any licensing violations determined by the |
|----|----------------------|--|
| 2 | departmen | t]. The report shall include, at minimum: |
| 3 | (1) | Three consistent key performance indicators to measure |
| 4 | | program performance, as initially created and defined |
| 5 | | by the department; |
| 6 | (2) | The number and location of production centers and |
| 7 | | dispensaries licensed; |
| 8 | <u>(3)</u> | The total licensing fees collected and the total |
| 9 | | amount of taxes collected from production centers and |
| 10 | | dispensaries; |
| 11 | (4) | The number of inspections conducted, licensing |
| 12 | | violations determined by the department, and fines |
| 13 | | collected from violations, by category; and |
| 14 | <u>(5)</u> | The description and number of education activities |
| 15 | | undertaken pursuant to section 329D-26." |
| 16 | SECT | ION 11. Section 329D-26, Hawaii Revised Statutes, is |
| 17 | amended by | y amending subsection (a) to read as follows: |
| 18 | "(a) | The department shall conduct a continuing education |
| 19 | and train | ing program to explain and clarify the purposes and |
| 20 | requireme | nts of this chapter or to provide substance abuse |
| 21 | nreventio | a and advertion. The program shall target community |



| 1 | partner a | gencies, physicians and other health care providers, |
|----|-----------|--|
| 2 | patients | and caregivers, law enforcement agencies, law and |
| 3 | policy ma | kers, and the general public. The program shall |
| 4 | include, | at minimum, education and outreach regarding: |
| 5 | (1) | The updated, publicly-available list of medical |
| 6 | | cannabis dispensaries, physicians, and other health |
| 7 | | care providers participating in the program under this |
| 8 | | <pre>chapter;</pre> |
| 9 | (2) | Lawful activities, unlawful activities, and applicable |
| 10 | | penalties for a medical cannabis dispensary, |
| 11 | | qualifying patient, primary caregiver, qualifying |
| 12 | | out-of-state patient, caregiver of a qualifying |
| 13 | | out-of-state patient, and other entity performing |
| 14 | | related activities; and |
| 15 | (3) | The methods and associated requirements for a medical |
| 16 | | cannabis dispensary, qualifying patient, primary |
| 17 | | caregiver, or other entity to produce cannabis and |
| 18 | | manufactured cannabis products, as applicable." |
| 19 | SECT | ION 12. Section 329D-27, Hawaii Revised Statutes, is |
| 20 | amended t | o read as follows: |



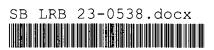
1 "\$329D-27 Administrative rules. (a) The department shall adopt rules pursuant to chapter 91 to effectuate the purposes of 2 3 this chapter. 4 (b) No later than January 4, 2016, and except as otherwise 5 provided by this chapter, the department shall adopt interim rules, which shall be exempt from chapter 91 and chapter 201M, 6 7 to effectuate the purposes of this chapter; provided that the interim rules shall remain in effect until July 1, 2025, or 8 9 until rules are adopted pursuant to subsection (a), whichever 10 occurs sooner. 11 The department may amend the interim rules, and the 12 amendments shall be exempt from chapters 91 and 201M, to 13 effectuate the purposes of this chapter; provided that any 14 amended interim rules shall remain in effect until July 1, 2025, 15 or until rules are adopted pursuant to subsection (a), whichever 16 occurs sooner. 17 (d) Notwithstanding any law to the contrary, any rule amendment effectuating the purposes of this chapter shall be 18 19 adopted pursuant to subsection (a) if there is a likelihood of 20 severe economic impact to a stakeholder under this chapter."



| 1 | | PART III |
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| 2 | SECT | ION 13. Chapter 329, Hawaii Revised Statutes, is |
| 3 | amended b | y adding a new section to part IX to be appropriately |
| 4 | designate | d and to read as follows: |
| 5 | " <u>§</u> 32 | 9- Medical use of cannabis; reports. The |
| 6 | departmen | t shall report annually to the governor and the |
| 7 | legislatu | re on the medical use of cannabis. Each report, at |
| 8 | minimum, | shall include: |
| 9 | (1) | Three consistent key performance indicators to measure |
| 10 | | program performance, as initially created and defined |
| 11 | | by the department; |
| 12 | (2) | The number of new, renewed, and expired and not |
| 13 | | renewed registrations of qualifying patients, primary |
| 14 | | caregivers, qualifying out-of-state patients, and |
| 15 | | caregivers of a qualifying out-of-state patient; |
| 16 | (3) | The amount of fees collected from new and renewed |
| 17 | | registrations; |
| 18 | (4) | The number of physician or advanced practice |
| 19 | | registered nurses issuing medical cannabis |
| 20 | | certifications, and the number of certifications |
| 21 | | issued by each of the ten physician or advanced |



| 1 | | practice registered nurses who issue the highest |
|----|--|--|
| 2 | | number of certifications; |
| 3 | <u>(5)</u> | The number of locations on each island where more than |
| 4 | | five qualifying patients register the same or |
| 5 | | contiguous location or locations for cultivating |
| 6 | | cannabis, and the number of qualifying patients |
| 7 | | registered at each of the ten most frequently used |
| 8 | | same or contiguous locations used to cultivate |
| 9 | | <pre>cannabis;</pre> |
| 10 | <u>(6)</u> | The number of inspections conducted and number of |
| 11 | | violations found by the department; and |
| 12 | (7) | The description and number of education activities |
| 13 | | undertaken by the full-time staff member per |
| 14 | | section 329D-26 and the total expense of those |
| 15 | | education activities." |
| 16 | | PART IV |
| 17 | SECTION 14. Pursuant to section 201-13.9, Hawaii Revised | |
| 18 | Statutes, | the department of business economic development and |
| 19 | tourism s | hall submit to the legislature, no later than twenty |
| 20 | days prio | r to the convening of the regular session of 2024, a |
| 21 | report th | at provides an analysis of aggregated de-identified |



- 1 information regarding the medical cannabis registry and
- 2 dispensary programs established pursuant to chapters 329 and
- 3 329D, Hawaii Revised Statutes.
- 4 PART V
- 5 SECTION 15. This Act does not affect rights and duties
- 6 that matured, penalties that were incurred, and proceedings that
- 7 were begun before its effective date.
- 8 SECTION 16. Statutory material to be repealed is bracketed
- 9 and stricken. New statutory material is underscored.
- 10 SECTION 17. This Act shall take effect upon its approval.

11

INTRODUCED BY:



Report Title:

Medical Cannabis; Dispensaries; Certification; Patients

Description:

Amends the dispensary program licensing fee structure. Adds or clarifies signage, manufactured cannabis product, packaging, escort, and background check requirements for the medical cannabis dispensary program. Establishes annual reporting requirements to increase public transparency regarding the medical cannabis registry program. Makes various housekeeping amendments.

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

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