

STAND. COM. REP. NO.

1541

Honolulu, Hawaii

, 2023

**MAR 24**

RE: S.B. No. 962

S.D. 1

H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 962, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to amend the State's medical use of cannabis law and medical cannabis dispensary program law by:

- (1) Defining "waiting room" within a medical cannabis retail dispensing location and clarifying public access to the waiting room;
- (2) Amending the Medical Cannabis Dispensary Program licensing fee structure;
- (3) Adding or clarifying requirements for the Medical Cannabis Dispensary Program related to signage, types of permitted manufactured cannabis products, standards for packaging of cannabis and manufactured cannabis products, supervision of certain personnel who are onsite at a retail dispensing location or medical cannabis production center, annual reporting requirements for the Department of Health, and the

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continuing education and training program conducted by the Department of Health;

- (4) Establishing the Medical Cannabis Cultivation Site Registry and imposing fees;
- (5) Amending the uses of the Medical Cannabis Registry and Regulation Special Fund;
- (6) Prohibiting the cultivation, production, manufacture, possession, distribution, handling, or dispensation of medical cannabis except by specific persons or entities;
- (7) Restricting the number of qualifying patients who may use a grow site to twenty, unless an exemption is obtained from the Department of Health;
- (8) Prohibiting the use or receipt of cannabis as compensation for acting as a primary caregiver to a qualifying patient;
- (9) Establishing annual reporting requirements for the Department of Health regarding the Medical Cannabis Patient Registry Program;
- (10) Requiring the Department of Business, Economic Development, and Tourism to submit a report to the Legislature analyzing aggregated de-identified information regarding the Medical Cannabis Patient Registry Program and Medical Cannabis Dispensary Program; and
- (11) Making various housekeeping amendments.

Your Committee received testimony in support of this measure from Aloha Green Holdings Inc., Cure Oahu, and one individual. Your Committee received testimony in opposition to this measure from Care Waialua, Kauai Farm Planning, Malie Cannabis Clinic, and fifteen individuals. Your Committee received comments on this measure from the Department of Health; Department of Business, Economic Development, and Tourism; Akamai Cannabis Consulting; and one individual.



Your Committee finds that in addition to structural issues already impacting the cannabis industry nationwide, the medical cannabis market has, like many other industries, been subject to the recent impacts of inflation and labor shortage issues, both within business operations and with its vendors. Your Committee further finds there are gaps under existing law that allow controversial practices in Hawaii's medical cannabis industry. Additional oversight of sites where cannabis is cultivated for medical use by qualifying patients or their primary caregivers is needed to ensure these sites are operating as intended by the Medical Cannabis Registry Program.

This measure is intended to remove administrative barriers, increase patient access through the establishment of waiting rooms, assist medical cannabis dispensaries with streamlining operations and resources, and establish registration requirements and limitations for medical cannabis cultivation sites.

Your Committee has amended this measure by:

- (1) Deleting language amending the fee structure for medical cannabis dispensaries;
- (2) Deleting language establishing security requirements and restrictions for waiting rooms; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 962, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 962, S.D. 1, H.D. 2.



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



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MARK M. NAKASHIMA, Chair



State of Hawaii  
House of Representatives  
The Thirty-second Legislature

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**Record of Votes of the Committee on Consumer Protection & Commerce**

<b>Bill/Resolution No.:</b> SB 962 SD1 HD1	<b>Committee Referral:</b> HLT, CPC, FIN	<b>Date:</b> 03-21-23		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>CPC Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. NAKASHIMA, Mark M. (C)	—			
2. SAYAMA, Jackson D. (VC)	—			
3. AMATO, Terez		—		
4. BELATTI, Della Au	—			
5. HASHEM, Mark J.	—			
6. HUSSEY-BURDICK, Natalia		—		
7. GATES, Cedric Asuega	—			
8. LOWEN, Nicole E.	—			
9. ONISHI, Richard H.K.	—			
10. TAM, Adrian K.	—			
11. PIERICK, Elijah	—			
<b>TOTAL (11)</b>	9	2		
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
<b>Vice Chair's or designee's signature:</b> _____  _____				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				