# A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

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

SECTION 1. Section 329-121, Hawaii Revised Statutes, is
 amended by amending the definition of "written certification" to
 read as follows:

4 ""Written certification" means the qualifying patient's 5 medical records or a statement signed by a qualifying patient's physician or advanced practice registered nurse, stating that in 6 7 the physician's or advanced practice registered nurse's professional opinion, the qualifying patient has a debilitating 8 9 medical condition and the potential benefits of the medical use 10 of cannabis would likely outweigh the health risks for the 11 qualifying patient. The department of health may require, through its rulemaking authority, that all written 12 13 certifications comply with a designated form. "Written 14 certifications" are valid for one year from the time of signing; 15 provided that the department of health may allow for the 16 validity of any written certification for [up to] three years if 17 the qualifying patient's physician or advanced practice



1 registered nurse states that the patient's debilitating medical
2 condition is chronic in nature."

3 SECTION 2. Section 329-123, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) Physicians or advanced practice registered nurses who issue written certifications shall provide, in each written 6 7 certification, the name, address, patient identification number, 8 and other identifying information of the qualifying patient. 9 The department of health shall require, in rules adopted 10 pursuant to chapter 91, that all written certifications comply 11 with a designated form completed by or on behalf of a qualifying 12 patient. The form shall require information from the applicant, 13 primary careqiver, and physician or advanced practice registered 14 nurse as specifically required or permitted by this chapter. 15 The form shall require the address of the location where the 16 cannabis is grown and shall appear on the registry card issued 17 by the department of health. The certifying physician or advanced practice registered nurse shall be required to have a 18 19 [bona-fide] physician-patient relationship or [bona fide] advanced practice registered nurse-patient relationship, as 20 21 applicable, with the qualifying patient. All current active

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medical cannabis permits shall be honored through their
 expiration date."

3 SECTION 3. Section 329-126, Hawaii Revised Statutes, is
4 amended to read as follows:

s329-126 Protections afforded to a treating physician or
advanced practice registered nurse. (a) No physician or
advanced practice registered nurse shall be subject to arrest or
prosecution, penalized in any manner, or denied any right or
privilege for providing written certification for the medical
use of cannabis for a qualifying patient; provided that:

11 (1) The physician or advanced practice registered nurse
12 has diagnosed the patient as having a debilitating
13 medical condition, as defined in section 329-121;
14 (2) The physician or advanced practice registered nurse

15 has explained the potential risks and benefits of the 16 medical use of cannabis, as required under section 17 329-122;

18 (3) The written certification is based upon the
19 physician's or advanced practice registered nurse's
20 professional opinion after having completed a full
21 assessment of the patient's medical history and



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1 current medical condition made in the course of a 2 [bona fide] physician-patient relationship or [bona 3 fide] advanced practice registered nurse-patient 4 relationship, as applicable; and 5 (4) The physician or advanced practice registered nurse 6 has complied with the registration requirements of 7 section 329-123. 8 For purposes of this section, a [bona fide] physician-(b) 9 patient relationship may be established via telehealth, as 10 defined in section 453-1.3(j), and a [bona fide] advanced 11 practice registered nurse-patient relationship may be 12 established via telehealth, as defined in section 457-2; provided that treatment recommendations that include certifying 13 14 a patient for the medical use of cannabis via telehealth shall 15 be allowed only after an initial in-person consultation between 16 the certifying physician or advanced practice registered nurse 17 and the patient." 18 SECTION 4. Section 329D-1, Hawaii Revised Statutes, is 19 amended by adding a new definition to be appropriately inserted 20 and to read as follows:

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1	""Waiting room" means a designated area at the public
2	entrance of a retail dispensing location that may be accessed by
3	a member of the general public who is waiting for, assisting, or
4	accompanying a qualifying patient, primary caregiver, qualifying
5	out-of-state patient, or caregiver of a qualifying out-of-state
6	patient who enters or remains on the premises of a retail
7	dispensing location for the purpose of a transaction conducted
8	pursuant to sections 329D-6 and 329D-13, provided that the
9	storage, display, and retail sale of cannabis and manufactured
10	cannabis products shall be prohibited within the waiting room
11	area."
12	SECTION 5. Section 329D-6, Hawaii Revised Statutes, is
13	amended by amending subsection (r) to read as follows:
14	"(r) The department may authorize a dispensary to purchase
15	cannabis and manufactured cannabis products from another
16	dispensary in a manner prescribed by the department by rules
17	adopted pursuant to [ <del>this chapter and chapter 91;</del> ] section 329D-
18	27; provided that:
19	(1) The purchasing dispensary establishes to the

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		eight hundred ounces of cannabis or manufactured
9		cannabis products to the purchasing dispensary within
10		a thirty-day period;
11	(3)	The cannabis and manufactured cannabis products are
12		transported between the dispensaries for medical,
13		scientific, or other legitimate purposes approved by
14		the State; and
15	(4)	Nothing in this subsection shall relieve any
16		dispensary of its responsibilities and obligations
17		under this chapter and chapter 329."
18	SECT	ION 6. Section 329D-7, Hawaii Revised Statutes, is
19	amended to	o read as follows:
20	"§32	9D-7 Medical cannabis dispensary rules. The
21	department	t shall establish standards with respect to:

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# **S.B. NO.** <sup>1380</sup> S.D. 1

1	(1)	The number of medical cannabis dispensaries that shall		
2		be permitted to operate in the State;		
3	(2)	A fee structure for:		
4		(A) The submission of applications and renewals of		
5		licenses to dispensaries; provided that the		
6		department shall consider the market conditions		
7		in each county in determining the license renewal		
8		fee amounts;		
9		(B) The submission of applications for each		
10		additional production center; and		
11		(C) Dispensary-to-dispensary sales authorized by		
12		<pre>section 329D-6(r);</pre>		
13	(3)	Criteria and procedures for the consideration and		
14		selection, based on merit, of applications for		
15		licensure of dispensaries; provided that the criteria		
16		shall include but not be limited to an applicant's:		
17		(A) Ability to operate a business;		
18		(B) Financial stability and access to financial		
19		resources; provided that applicants for medical		
20		cannabis dispensary licenses shall provide		
21		documentation that demonstrates control of not		



1		less than \$1,000,000 in the form of escrow
2		accounts, letters of credit, surety bonds, bank
3		statements, lines of credit, or the equivalent to
4		begin operating the dispensary;
5		(C) Ability to comply with the security requirements
6		developed pursuant to paragraph (6);
7		(D) Capacity to meet the needs of qualifying patients
8		and qualifying out-of-state patients;
9		(E) Ability to comply with criminal background check
10		requirements developed pursuant to paragraph (8);
11		and
12		(F) Ability to comply with inventory controls
13		developed pursuant to paragraph (13);
14	(4)	Specific requirements regarding annual audits and
15		reports required from each production center and
16		dispensary licensed pursuant to this chapter;
17	(5)	Procedures for announced and unannounced inspections
18		by the department or its agents of production centers
19		and dispensaries licensed pursuant to this chapter;
20		provided that inspections for license renewals shall
21		be unannounced;



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1	(6)	Security r	requirements for the operation of production
2		centers an	nd retail dispensing locations; provided
3		that, at a	minimum, the following shall be required:
4		(A) For p	production centers:
5		(i)	Video monitoring and recording of the
6			premises; provided that recordings shall be
7			retained for fifty days;
8		(ii)	Fencing that surrounds the premises and that
9			is sufficient to reasonably deter intruders
10			and prevent anyone outside the premises from
11			viewing any cannabis in any form;
12		(iii)	An alarm system; and
13		(iv)	Other reasonable security measures to deter
14			or prevent intruders, as deemed necessary by
15			the department;
16		(B) For r	etail dispensing locations:
17		(i)	Presentation of a valid government-issued
18			photo identification and a valid
19			identification as issued by the department
20			pursuant to section 329-123 by a qualifying
21			patient or caregiver, or section 329-123.5



# S.B. NO. $^{1380}_{S.D. 1}$

1			by a qualifying out-of-state patient or
2			caregiver of a qualifying out-of-state
3			patient, upon entering the premises;
4		(ii)	Video monitoring and recording of the
5			premises; provided that recording shall be
6			retained for fifty days;
7		(iii)	An alarm system;
8		(iv)	Exterior lighting; and
9		(v)	Other reasonable security measures as deemed
10			necessary by the department;
11	(7)	Security	requirements for the transportation of
12		cannabis	and manufactured cannabis products between
13		productio	n centers and retail dispensing locations and
14		between a	production center, retail dispensing
15		location,	qualifying patient, primary caregiver,
16		qualifyin	g out-of-state patient, or caregiver of a
17		qualifyin	g out-of-state patient and a certified
18		laborator	y, pursuant to section 329-122(f);
19	(8)	Standards	and criminal background checks to ensure the
20		reputable	and responsible character and fitness of all
21		license a	pplicants, licensees, employees,



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1		subcontractors and their employees, and prospective
2		employees of medical cannabis dispensaries to operate
3		a dispensary; provided that the standards, at a
4		minimum, shall exclude from licensure or employment
5		any person convicted of any felony;
6	(9)	The training and certification of operators and
7		employees of production centers and dispensaries;
8	(10)	The types of manufactured cannabis products that
9		dispensaries shall be authorized to manufacture and
10		sell pursuant to sections 329D-9 and 329D-10;
11	(11)	Laboratory standards related to testing cannabis and
12		manufactured cannabis products for content,
13		contamination, and consistency;
14	(12)	The quantities of cannabis and manufactured cannabis
15		products that a dispensary may sell or provide to a
16		qualifying patient, primary caregiver, qualifying out-
17		of-state patient, or caregiver of a qualifying out-of-
18		state patient; provided that no dispensary shall sell
19		or provide to a qualifying patient, primary caregiver,
20		qualifying out-of-state patient, or caregiver of a

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1		qual	qualifying out-of-state patient any combination of		
2		cann	cannabis and manufactured products that:		
3		(A)	During a period of fifteen consecutive days,		
4			exceeds the equivalent of four ounces of		
5			cannabis; or		
6		(B)	During a period of thirty consecutive days,		
7			exceeds the equivalent of eight ounces of		
8			cannabis;		
9	(13)	Disp	Dispensary and production center inventory controls to		
10		prev	prevent the unauthorized diversion of cannabis or		
11		manu	manufactured cannabis products or the distribution of		
12		cann	cannabis or manufactured cannabis products to a		
13		qual	qualifying patient, primary caregiver, qualifying out-		
14		of-s	of-state patient, or caregiver of a qualifying out-of-		
15		stat	state patient in quantities that exceed limits		
16		established by this chapter; provided that the			
17		cont	rols, at a minimum, shall include:		
18		(A)	A computer software tracking system as specified		
19			in section 329D-6(j) and (k); and		

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1		(B) Product packaging standards sufficient to allow
2		law enforcement personnel to reasonably determine
3		the contents of an unopened package;
4	(14)	Limitation to the size or format of signs placed
5		outside a retail dispensing location or production
6		center; provided that the signage limitations, at a
7		minimum, shall comply with section 329D-6(0)(2) and
8		shall not include the image of a cartoon character or
9		other design intended to appeal to children;
10	(15)	The disposal or destruction of unwanted or unused
11		cannabis and manufactured cannabis products;
12	(16)	The enforcement of the following prohibitions against:
13		(A) The sale or provision of cannabis or manufactured
14		cannabis products to unauthorized persons;
15		(B) The sale or provision of cannabis or manufactured
16		cannabis products to a qualifying patient,
17		primary caregiver, qualifying out-of-state
18		patient, or caregiver of a qualifying out-of-
19		state patient in quantities that exceed limits
20		established by this chapter;

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1		(C) Any use or consumption of cannabis or
2		manufactured cannabis products on the premises of
3		a retail dispensing location or production
4		center; and
5		(D) The distribution of cannabis or manufactured
6		cannabis products, for free, on the premises of a
7		retail dispensing location or production center;
8	(17)	The establishment of a range of penalties for
9		violations of this chapter or rule adopted thereto;
10		[and]
11	(18)	A process to recognize and register patients who are
12		authorized to purchase, possess, and use medical
13		cannabis in another state, a United States territory,
14		or the District of Columbia as qualifying out-of-state
15		patients; provided that this registration process may
16		commence no sooner than January 1, 2018[ $\div$ ]; and
17	(19)	Security requirements and restrictions regarding
18		waiting rooms, including but not limited to:
19		(A) Security measures to prevent unauthorized access
20		to any area within the retail dispensing location
21		outside of the waiting room;



1		<u>(B)</u>	Restrictions on marketing and advertising within	
2			the waiting room;	
3		<u>(C)</u>	Restrictions on signage within the waiting room;	
4		<u>(D)</u>	Other reasonable security measures or	
5			restrictions as deemed necessary by the	
6			department."	
7	SECT	ION 7	. Section 329D-15, Hawaii Revised Statutes, is	
8	amended by	y ame	nding subsection (a) to read as follows:	
9	"(a)	No	person shall intentionally or knowingly enter or	
10	remain upon the premises of a medical cannabis retail dispensing			
11	location unless the individual is:			
12	(1)	An i	ndividual licensee or registered employee of the	
13		disp	ensary;	
14	(2)	A qu	alifying patient, primary caregiver, qualifying	
15		out-	of-state patient, or caregiver of a qualifying	
16		out-	of-state patient;	
17	(3)	A go	vernment employee or official acting in the	
18		pers	on's official capacity; or	
19	(4)	Prev	iously included on a current department-approved	
20		list	provided to the department by the licensee of	
21		thos	e persons who are allowed into that dispensary's	



1	faci	lities for a specific purpose for that dispensary,		
2	including but not limited to construction,			
2	THCT	danig but not inmitted to construction,		
3	main	tenance, repairs, legal counsel, providers of		
4	para	transit or other assistive services required by a		
5	qual	ifying patient, primary caregiver, qualifying out-		
6	<u>of-s</u>	tate patient, or caregiver of a qualifying out-of-		
7	stat	e patient to access a retail dispensary location,		
8	or i	nvestors; provided that;		
9	(A)	The person has been individually approved by the		
10		department to be included on the list;		
11	(B)	The person is at least twenty-one years of age,		
12		as verified by a valid government issued		
13		identification card;		
14	(C)	The department has confirmed that the person has		
15		no felony convictions;		
16	(D)	The person is escorted by an individual licensee		
17		or registered employee of the dispensary at all		
18		times while in the dispensary facility;		
19	(E)	The person is only permitted within those		
20		portions of the dispensary facility as necessary		
21		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[ $\div$ ];
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 8. 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 [ <del>violation.</del> ]
19	<u>separate viola</u>	tion. Each day on which a violation occurs or
20	continues shal	l be counted as a separate violation."

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SECTION 9. Section 329D-26, Hawaii Revised Statutes, is 1 2 amended to read as follows: 3 "[{] §329D-26[}] Public education. [(a) The department] 4 Medical cannabis dispensaries, in conjunction with physicians 5 and advanced practice registered nurses who issue written 6 certifications pursuant to section 329-123, shall conduct a 7 continuing education and training program to explain and clarify 8 the purposes and requirements of this chapter or to provide 9 substance abuse prevention and education. The program shall 10 target community partner agencies, physicians and other health care providers, patients and caregivers, law enforcement 11 12 agencies, law and policy makers, and the general public. 13 [(b)-The department\_shall-employ at least one-full-time 14 staff member whose qualifications and duties include the 15 provision of medical cannabis health education.]" 16 SECTION 10. Statutory material to be repealed is bracketed 17 and stricken. New statutory material is underscored. 18 SECTION 11. This Act shall take effect on July 1, 2050.

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#### Report Title:

Medical Cannabis Dispensary System; Physician-Patient Relationship; Advanced Practice Registered Nurse-Patient Relationship; Written Certification; Waiting room; Violations; Continuing Education

#### Description:

Requires that written certifications for a patient with a chronic condition be valid for three years. Removes the requirement that a certifying physician or advanced practice registered nurse have a "bona fide" physician-patient or advanced practice registered nurse-patient relationship to certify that a patient has a debilitating medical condition pursuant to chapter 329, Hawaii Revised Statutes. Defines "waiting room" within a medical cannabis retail dispensary and allows primary caregivers, qualifying out-of-state patients, and careqivers of a qualifying out-of-state patient to access the waiting room; clarifies that each day of a violation of chapter 329D, Hawaii Revised Statutes, is a separate violation; and amends the rule-making authority for dispensary-to-dispensary sales. Requires medical cannabis dispensaries, in conjunction with physicians and advanced practice registered nurses who issue written certifications pursuant to section 329-123, Hawaii Revised Statutes, to conduct the continuing education and training program required by section 329D-26, Hawaii Revised Statutes, rather than the Department of Health. Effective 7/1/2050. (SD1)

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

