

JAN 24 2024

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 legislature finds that cannabis, also known
3 as marijuana, is a plant with psychoactive properties derived
4 primarily from its main psychoactive component
5 tetrahydrocannabinol (THC). Today in the United States, the
6 regulation of the cannabis plant falls into three primary
7 categories: (1) cannabis for medical use; (2) cannabis for
8 non-medical adult use; and (3) hemp that contains low levels of
9 THC.

10 With the 2018 Farm Act, Congress removed hemp (cannabis
11 with at most 0.3 per cent delta-9-THC by weight) from schedule I
12 of the Uniform Controlled Substances Act, paving the way for
13 hemp-derived products and the industrial use of hemp. While
14 federal prosecutors have largely taken a hands-off approach to
15 recent state initiatives to decriminalize intoxicating cannabis,
16 whether for medical or non-medical adult purposes, under federal
17 law non-hemp cannabis is an illegal drug and is classified as a



1 schedule I controlled substance under the Uniform Controlled
2 Substances Act.

3 Notwithstanding the fact that cannabis has been and remains
4 illegal under federal law, many states, including Hawaii,
5 enacted laws legalizing and regulating medical cannabis. In
6 Hawaii, chapter 329, part IX, Hawaii Revised Statutes, creates a
7 safe harbor from state criminal prosecution relating to medical
8 cannabis. Furthermore, chapter 329D, Hawaii Revised Statutes,
9 establishes medical cannabis dispensaries authorized to operate
10 beginning in July 2016.

11 In addition to medical cannabis, some states and
12 jurisdictions, including Hawaii, have decriminalized the
13 possession of small amounts of cannabis. Further, a growing
14 number of states have legalized and begun to regulate and tax
15 the cultivation, processing, and sale of non-medical cannabis to
16 adults twenty-one years of age and older.

17 The legalization of non-medical adult-use cannabis is a
18 decision worthy of careful consideration. The potency of
19 cannabis has increased dramatically over the past decades, which
20 has been linked to mental health issues, particularly in
21 children who use cannabis. Legalization is also not a panacea



1 for eliminating the illicit market in cannabis, as the
2 experience of other states is that the illicit market continues
3 to exist in parallel to the legal, regulated market. In
4 addition, there are practical difficulties in identifying
5 individuals who may be impaired by cannabis while driving,
6 including the lack of a cannabis analogue for a breathalyzer for
7 alcohol.

8 It is the legislature's intent to learn lessons from the
9 experience of our sister states that have legalized adult-use
10 cannabis and for Hawaii to transition to a state with a legal
11 adult-use market in a lawful, orderly fashion.

12 This legislative effort has six main pillars: (1) the
13 enacting of the Hawaii cannabis law - a legal safe harbor from
14 state criminal prosecution concerning activities relating to
15 cannabis for those who strictly comply with its provisions; (2)
16 the creation of a robust, independent body - the Hawaii cannabis
17 authority - with the power to regulate all aspects of the
18 cannabis plant (whether medical cannabis, adult-use cannabis, or
19 hemp) in accordance with the Hawaii cannabis law; (3) the
20 continuing role of law enforcement agencies in addressing
21 illegal cannabis operations not acting in accordance with the



1 Hawaii cannabis law, which pose threats to public order, public
2 health, and those business operators who choose to operate in
3 the legal market; (4) a vibrant, well-funded social equity
4 program to be implemented by the Hawaii cannabis authority with
5 the intent to bring greater economic opportunity to
6 disadvantaged regions of our State and to help transition
7 formerly illicit operators into the legal market; (5) a delayed
8 effective date of approximately eighteen months for the
9 legalization of adult-use cannabis and the first legal retail
10 sales to allow the Hawaii cannabis authority, law enforcement,
11 licensees, and the public to prepare; and (6) the implementation
12 of extensive, well-funded public health protections, including a
13 public health and education campaign to inform the public about
14 the new laws and the continuing risks to public health -
15 especially to children - posed by cannabis and financial
16 assistance for public health services such as addiction and
17 substance abuse treatment.

18 Finally, it is the legislature's intent that there should
19 be zero tolerance toward those who distribute cannabis to
20 persons under the age of twenty-one and those driving under the
21 influence of cannabis.



1 Accordingly, the purpose of this Act is to:

2 (1) Establish the Hawaii cannabis authority and cannabis
3 control board;

4 (2) Establish laws for the cultivation, manufacture, sale,
5 and personal adult use of cannabis;

6 (3) Amend or repeal existing laws relating to cannabis,
7 including hemp;

8 (4) Establish taxes for adult-use cannabis sales;

9 (5) Legalize the possession of certain amounts of cannabis
10 for individuals twenty-one years of age and over
11 beginning January 1, 2026; and

12 (6) Transfer the personnel and assets of the department of
13 health and assets of the department of agriculture to
14 the Hawaii cannabis authority.

15 PART II

16 SECTION 2. The Hawaii Revised Statutes is amended by
17 adding a new chapter to be appropriately designated and to read
18 as follows:

19 "CHAPTER A

20 HAWAII CANNABIS LAW

21 PART I. GENERAL PROVISIONS



1 **SA-1 Title.** This chapter shall be known and may be cited
2 as the Hawaii cannabis law.

3 **SA-2 Purpose and intent.** The purpose and intent of the
4 Hawaii cannabis law is to:

5 (1) Provide a legal safe harbor from state or county
6 criminal prosecution concerning activities relating to
7 cannabis for those who strictly comply with the
8 provisions of the Hawaii cannabis law;

9 (2) Establish the Hawaii cannabis authority as an
10 independent body with the power to administratively
11 regulate all aspects of the cannabis plant in
12 accordance with the Hawaii cannabis law;

13 (3) Legalize the sale and possession of cannabis for
14 non-medical adult use beginning January 1, 2026, in
15 accordance with the Hawaii cannabis law;

16 (4) Provide economic opportunities to disproportionately
17 impacted areas;

18 (5) Encourage those currently engaging in illegal,
19 unlicensed commercial cannabis activities to enter the
20 legal market;



1 (6) Ensure that state and county law enforcement agencies
2 work closely with the Hawaii cannabis authority and
3 vigorously investigate and prosecute illegal cannabis
4 activities that fall outside of safe harbor
5 protection; and

6 (7) Mandate that the Hawaii cannabis authority make the
7 protection of public health and safety its highest
8 priorities.

9 **SA-3 Definitions.** As used in this chapter, unless the
10 context otherwise requires:

11 "Adequate supply" means an amount of cannabis, including
12 medical cannabis, jointly possessed between the medical cannabis
13 patient and the patient's caregiver that is no more than is
14 reasonably necessary to ensure the uninterrupted availability of
15 cannabis for the purpose of alleviating the symptoms or effects
16 of a medical cannabis patient's debilitating medical condition;
17 provided that an adequate supply shall not exceed four ounces of
18 cannabis at any given time. The four ounces of cannabis shall
19 include any combination of cannabis flower and cannabis
20 products, with the cannabis in the cannabis products being



1 calculated using information provided pursuant to section
2 A-113(d).

3 "Adult-use cannabis" means cannabis that may be legally
4 possessed or consumed by a person who is at least twenty-one
5 years of age pursuant to this chapter. "Adult-use cannabis"
6 includes adult-use cannabis products and does not include
7 medical cannabis.

8 "Adult-use cannabis product" means any product containing
9 or derived from cannabis, including an edible cannabis product,
10 and cannabis concentrate, that is legally possessed or consumed
11 by a person who is at least twenty-one years of age. "Adult-use
12 cannabis product" does not include medical cannabis products.

13 "Advertise", "advertisement", or "advertising" means any
14 public communication in any medium that offers or solicits a
15 commercial transaction involving the sale, purchase, or delivery
16 of cannabis.

17 "Applicant" means a person that has submitted an
18 application for licensure, permit, or registration, or for
19 renewal of licensure, permit, or registration pursuant to this
20 chapter, that was received by the authority for review but has
21 not been approved or denied by the authority or board, as



1 appropriate. If the context requires, "applicant" includes a
2 person seeking to assume an ownership interest in a licensed
3 business, a new proposed officer, director, manager, and general
4 partner of the licensed business, and anyone who seeks to assume
5 any power to directly or indirectly control the management,
6 policies, and practices of a licensed business under the license
7 transfer, reorganization, or restructuring application process
8 pursuant to section A-77.

9 "Authority" means the Hawaii cannabis authority established
10 pursuant to section A-11.

11 "Board" means the cannabis control board established
12 pursuant to section A-12.

13 "Bona fide physician-patient relationship" or "bona fide
14 advanced practice registered nurse-patient relationship" means a
15 relationship in which the physician or advanced practice
16 registered nurse, respectively, has an ongoing responsibility
17 for the assessment, care, and treatment of a patient's medical
18 condition.

19 "Business entity" means a partnership, association,
20 company, corporation, limited liability company, or other



1 entity, whether for profit or nonprofit, incorporated or
2 otherwise formed or organized by law.

3 "Cannabinoid" means any of the various naturally occurring,
4 biologically active, chemical constituents of the plant of the
5 genus Cannabis that bind to or interact with receptors of the
6 endogenous cannabinoid system.

7 "Cannabis" has the same meaning as marijuana and marijuana
8 concentrate as provided in section 329-1 and 712-1240; provided
9 that for the purposes of this chapter, "cannabis":

10 (1) Includes:

11 (A) Cannabis flower and cannabis products;

12 (B) Medical cannabis; and

13 (C) Adult-use cannabis; and

14 (2) Does not include:

15 (A) Industrial hemp;

16 (B) Hemp that is cultivated pursuant to section
17 A-132;

18 (C) Hemp that is processed by a licensed hemp
19 processor pursuant to section A-133; and

20 (D) Hemp flower, hemp products, or restricted
21 cannabinoid products.



1 "Cannabis accessories" means equipment, products, devices,
2 or materials of any kind that are intended or designed for use
3 in planting, propagating, cultivating, growing, harvesting,
4 manufacturing, compounding, converting, producing, processing,
5 preparing, testing, analyzing, packaging, repackaging, storing,
6 containing, ingesting, inhaling, or otherwise introducing
7 cannabis into the human body.

8 "Cannabis business" means any person that holds a license
9 or permit issued by the board pursuant to part VII or any rules
10 adopted pursuant to this chapter.

11 "Cannabis concentrate" means the separated resin, whether
12 crude or purified, obtained, derived, or extracted from
13 cannabis.

14 "Cannabis cultivator" means a person licensed to cultivate
15 cannabis pursuant to section A-112.

16 "Cannabis flower" means the flower of a plant of the genus
17 Cannabis that has been harvested, dried, or cured, before any
18 processing whereby the plant material is transformed into a
19 cannabis product.

20 "Cannabis plant" means the plant of the genus Cannabis in
21 the seedling, vegetative, or flowering stages, with readily



1 observable roots and leaves with serrated edges, but does not
2 include a germinated seed, cutting, or clone without readily
3 observable roots and leaves with serrated edges.

4 "Cannabis processor" means a person licensed to process
5 cannabis pursuant to section A-113.

6 "Cannabis product" means any product containing or derived
7 from cannabis, including an edible cannabis product or cannabis
8 concentrate. "Cannabis product" shall include adult-use
9 cannabis products and medical cannabis products.

10 "Cannabis regulation special fund" means the fund
11 established pursuant to section A-17.

12 "Caregiver" means a person eighteen years of age or older
13 who has agreed to undertake responsibility for managing the
14 well-being of a medical cannabis patient with respect to the
15 medical use of cannabis. In the case of a minor or an adult
16 lacking legal capacity, the caregiver shall be a parent,
17 guardian, or person having legal custody.

18 "Certifying medical professional" means a physician or an
19 advanced practice registered nurse who issues written
20 certifications for the medical use of cannabis to qualifying
21 patients pursuant to section A-49.



1 "Chief compliance officer" means the chief compliance
2 officer of the authority established pursuant to section A-11.

3 "Chief equity officer" means the chief equity officer of
4 the authority established pursuant to section A-11.

5 "Chief public health and environmental officer" means the
6 chief public health and environmental officer of the authority
7 established pursuant to section A-11.

8 "Child care facility" has the same meaning as in section
9 346-151.

10 "Child-resistant" means designed or constructed to be
11 significantly difficult for children under five years of age to
12 open, and not difficult for average adults to use properly.

13 "Consumer" means a natural person twenty-one years of age
14 or older purchasing or using cannabis pursuant to this chapter.

15 "Craft cannabis dispensary" means a person licensed to
16 operate a craft cannabis dispensary pursuant to section A-116.

17 "Crude hemp extract" means a hemp product for sale strictly
18 to a hemp processor with a valid license issued by the authority
19 pursuant to section A-133 or equivalent authorization from a
20 regulatory agency in another jurisdiction, and not intended for
21 use or consumption.



1 "Cultivate" or "cultivation" means growing, cloning,
2 propagating, harvesting, drying, curing, grading, or trimming of
3 cannabis plants.

4 "Debilitating medical condition" means:

5 (1) Cancer, glaucoma, lupus, epilepsy, multiple sclerosis,
6 rheumatoid arthritis, positive status for human
7 immunodeficiency virus, acquired immune deficiency
8 syndrome, or the treatment of these conditions;

9 (2) A chronic or debilitating disease or medical condition
10 or its treatment that produces one or more of the
11 following:

12 (A) Cachexia or wasting syndrome;

13 (B) Severe pain;

14 (C) Severe nausea;

15 (D) Seizures, including those characteristic of
16 epilepsy;

17 (E) Severe and persistent muscle spasms, including
18 those characteristic of multiple sclerosis or
19 Crohn's disease; or

20 (F) Post-traumatic stress disorder; or



1 (3) Any other medical condition approved by the board in
2 consultation with the department of health pursuant to
3 rules adopted pursuant to this chapter.

4 "Decarboxylation" means the completion of the chemical
5 reaction that converts naturally occurring cannabinoid acid into
6 a cannabinoid, including delta-9-tetrahydrocannabinol's acids
7 (THCA) into delta-9-tetrahydrocannabinol.

8 "Delta-9-tetrahydrocannabinol" means one of the
9 cannabinoids that function as the primary psychoactive component
10 of cannabis.

11 "Dispense" or "dispensing" means to sell any cannabis to a
12 consumer or medical cannabis patient pursuant to this chapter.

13 "Disproportionately impacted area" means historically
14 disadvantaged communities, areas of persistent poverty, and
15 medically underserved communities, as determined by the board
16 and adopted as rules under this chapter.

17 "Distribute" or "distribution" means to sell at wholesale
18 any cannabis or hemp to a cannabis business pursuant to this
19 chapter.

20 "Edible cannabis product" means a cannabis product intended
21 to be used orally, in whole or in part, for human consumption,



1 including cannabis products that dissolve or disintegrate in the
2 mouth, but does not include any product otherwise defined as
3 cannabis concentrate.

4 "Employment" has the same meaning as in section 378-1.

5 "Executive director" means the executive director of the
6 authority established pursuant to section A-11.

7 "Firearm" has the same meaning as in section 134-1.

8 "Hemp" means all parts of the plant of the genus Cannabis,
9 whether growing or not, including the seeds thereof and all
10 derivatives, extracts, cannabinoids, isomers, acids, salts, and
11 salts of isomers, with a delta-9-tetrahydrocannabinol
12 concentration of no more than 0.3 per cent on a dry weight
13 basis, as measured post-decarboxylation or other similarly
14 reliable method.

15 "Hemp business" means any person that holds a license
16 issued by the board pursuant to part VIII and any rules adopted
17 pursuant to this chapter.

18 "Hemp flower" means the flower of a hemp plant that has
19 been harvested, dried, or cured, before any processing, with a
20 delta-9-tetrahydrocannabinol concentration of no more than 0.3



1 per cent on a dry weight basis, as measured post-decarboxylation
2 or other similarly reliable method.

3 "Hemp product" means any product containing or derived from
4 hemp with a delta-9-tetrahydrocannabinol concentration of no
5 more than 0.3 per cent on a dry weight basis, as measured
6 post-decarboxylation or other similarly reliable method. "Hemp
7 product" does not include industrial hemp.

8 "Independent laboratory" means a person licensed to operate
9 an independent laboratory pursuant to section A-111.

10 "Industrial hemp" means the mature stalks of the plant of
11 the genus Cannabis, fiber produced from the stalks, oil or cake
12 made from the seeds of the plant, any other compound,
13 manufacture, salt, derivative, mixture, or preparation of the
14 mature stalks (except the resin extracted therefrom), fiber
15 produced from the stalks, oil or cake made from the seeds of the
16 plant, or the sterilized seed of the plant that is incapable of
17 germination.

18 "Labeling" means any label or other written, printed, or
19 graphic matter upon any container, packaging, or wrapper that
20 contains cannabis or hemp.



1 "Laboratory agent" means an employee of an independent
2 laboratory, who is registered with the authority and possesses,
3 processes, stores, transports, or tests cannabis or hemp
4 pursuant to section A-111.

5 "Licensed business" means any person that holds a license
6 or permit issued by the board or the authority pursuant to this
7 chapter or any rules adopted thereunder. "Licensed business"
8 includes cannabis business and hemp business.

9 "Licensed premises" means the premises authorized to be
10 used for the operation of a licensed business pursuant to
11 section A-80.

12 "Marijuana" has the same meaning as in section 712-1240.

13 "Marijuana concentrate" has the same meaning as provided in
14 section 712-1240.

15 "Medical cannabis" means cannabis that is dispensed by a
16 medical cannabis dispensary or a retail cannabis store to a
17 medical cannabis patient or the patient's caregiver or cannabis
18 for the medical use of cannabis pursuant to this chapter.

19 "Medical cannabis" includes medical cannabis product.

20 "Medical cannabis cooperative" means a person licensed to
21 operate a medical cannabis cooperative pursuant to A-117.



1 "Medical cannabis dispensary" means a person licensed to
2 operate a medical cannabis dispensary pursuant to section A-114.

3 "Medical cannabis patient" means a qualifying patient or
4 qualifying out-of-state patient that has registered with the
5 authority pursuant to this chapter.

6 "Medical cannabis product" means any product containing or
7 derived from cannabis, including an edible cannabis product and
8 cannabis concentrate, that is solely for medical use by a
9 medical cannabis patient pursuant to this chapter.

10 "Medical cannabis registration card" means a card issued by
11 the authority that certifies the card holder is a medical
12 cannabis patient.

13 "Medical use" means the acquisition, possession,
14 cultivation, use, or transportation of cannabis or cannabis
15 accessories relating to the administration of cannabis to
16 alleviate the symptoms or effects of a medical cannabis
17 patient's debilitating medical condition.

18 "Minor" has the same meaning as in section 712-1240.

19 "Person" means a natural person, firm, corporation,
20 partnership, association, or any form of business or legal
21 entity.



1 "Personal adult use" means the acquisition, possession,
2 cultivation, use, or transportation of adult-use cannabis or
3 cannabis accessories by a person who is at least twenty-one
4 years of age.

5 "Plant canopy" means the square footage dedicated to live
6 plant production, such as maintaining mother plants, propagating
7 plants from seed to plant tissue, clones, and vegetative or
8 flowering area. "Plant canopy" does not include areas such as
9 space used for the storage of fertilizers, pesticides, or other
10 products, quarantine, or office space.

11 "Private residence" means a house, condominium, or
12 apartment, and excludes, unless otherwise authorized by law,
13 dormitories or other on-campus college or university housing;
14 bed-and-breakfast establishments, hotels, motels, or other
15 commercial hospitality operations; and federal public housing,
16 shelters, or residential programs.

17 "Process" or "processing" means to compound, blend,
18 extract, infuse, or otherwise make or prepare a cannabis product
19 or hemp product.

20 "Public health and education special fund" means the fund
21 established pursuant to section A-19.



1 "Public housing project or complex" has the same meaning as
2 in section 712-1249.6.

3 "Qualifying out-of-state patient" means a person residing
4 outside of the State who has been diagnosed by a physician or
5 advanced practice registered nurse as having a debilitating
6 medical condition and registered as such pursuant to section
7 A-48.

8 "Qualifying patient" means a person who has been diagnosed
9 by a physician or advanced practice registered nurse as having a
10 debilitating medical condition and registered as such pursuant
11 to section A-47. "Qualifying patient" does not include
12 qualifying out-of-state patient.

13 "Resealable" means a package that maintains its
14 child-resistant effectiveness, as well as preserving the
15 integrity of cannabis for multiple doses.

16 "Restricted area" means an enclosed and secured area within
17 a licensed premises used to cultivate, process, test, or store
18 cannabis that is only accessible by authorized employees of the
19 licensed business, employees and agents of the authority, state
20 and county law enforcement officers, emergency personnel, and
21 other individuals authorized by law to access.



1 "Restricted cannabinoid" means a cannabinoid on the
2 restricted cannabinoid product list established and maintained
3 by the authority pursuant to section A-131.

4 "Restricted cannabinoid product" means any product
5 containing an amount of any restricted cannabinoid that exceeds
6 the limit allowable for a hemp product, as established by the
7 authority pursuant to section A-131.

8 "Retail cannabis store" means a person licensed to operate
9 a retail cannabis store pursuant to section A-115.

10 "School" has the same meaning as in section 712-1249.6.

11 "School vehicle" has the same meaning as in section
12 286-181.

13 "Seed-to-sale tracking system" means a system for tracking
14 the inventory of cannabis from either the seed or immature plant
15 stage until the cannabis is dispensed or destroyed.

16 "Smoke" or "smoking" means inhaling, exhaling, burning, or
17 carrying any lighted or heated cannabis intended for inhalation
18 in any manner or in any form. "Smoke" or "smoking" includes the
19 use of an electronic smoking device.

20 "Sustainability" has the same meaning as in section 226-2.



1 "Under the influence" means in a state of intoxication
2 accompanied by a perceptible act, a series of acts, or the
3 appearance of an individual that clearly demonstrates the state
4 of intoxication.

5 "Vehicle" means an automobile, airplane, motorcycle,
6 motorboat, or other motor-propelled vehicle.

7 "Written certification" means a written statement issued
8 and signed by a certifying medical professional pursuant to
9 section A-46.

10 **§A-4 General exemptions.** (a) Notwithstanding any law to
11 the contrary, including part IV of chapter 329 and part IV of
12 chapter 712, actions authorized pursuant to this chapter shall
13 be lawful if done in strict compliance with the requirements of
14 this chapter and any rules adopted thereunder.

15 (b) A person may assert strict compliance with this
16 chapter or rules adopted thereunder as an affirmative defense to
17 any prosecution involving marijuana or marijuana concentrate,
18 including under part IV of chapter 329 and part IV of chapter
19 712.

20 (c) Actions that do not strictly comply with the
21 requirements of this chapter and any rules adopted thereunder



1 shall be unlawful and subject to civil, criminal, or
2 administrative procedures and penalties, or all of the above, as
3 provided by law.

4 **§A-5 Limitations; construction with other laws.** Nothing
5 in this chapter shall be construed to:

- 6 (1) Supersede any law relating to operating a vehicle
7 under the influence of an intoxicant;
- 8 (2) Supersede any law involving the performance of any
9 task while impaired by cannabis that would constitute
10 negligence or professional malpractice, or prevent the
11 imposition of any civil, criminal, or other penalty
12 for such conduct;
- 13 (3) Supersede any law prohibiting or relating to smoking
14 or vaping, including chapter 328J;
- 15 (4) Authorize the possession or use of cannabis or
16 cannabis accessories on the grounds of or within a
17 child care facility, school, daycare center, youth
18 center, college, university, or other educational
19 institution, including a nursery school or summer
20 camp; school vehicle; or any correctional facility or
21 detoxification facility; or



1 **SA-11 Hawaii cannabis authority; established.** (a) There
2 shall be established the Hawaii cannabis authority, which shall
3 be a public body corporate and politic and an instrumentality
4 and agency of the State for the purpose of implementing this
5 chapter. The authority shall be governed by the cannabis
6 control board. The authority shall be placed within the
7 department of commerce and consumer affairs for administrative
8 purposes only. The department of commerce and consumer affairs
9 shall not direct or exert authority over the day-to-day
10 operations or functions of the authority.

11 (b) The authority shall exercise its authority, other than
12 powers and duties specifically granted to the board, by and
13 through the executive director. The executive director shall be
14 appointed by the board without regard to chapter 76 or section
15 26-35(a)(4) and serve at the pleasure of the board. The
16 executive director shall have expertise and training in the
17 field of cannabis regulation or public health administration.

18 (c) At a minimum, the staff of the authority shall consist
19 of one full-time executive secretary to the executive director,
20 one full-time chief financial officer, one full-time chief
21 equity officer, one full-time general counsel, one full-time



1 chief public health and environmental officer, one full-time
2 chief technology officer, and one full-time chief compliance
3 officer, each of whom shall be exempt from chapter 76 and
4 section 26-35(a)(4) and serve at the pleasure of the executive
5 director.

6 **§A-12 Cannabis control board; members and terms;**
7 **organization; expenses.** (a) There shall be established the
8 cannabis control board that shall carry out the duties and
9 responsibilities as provided in this chapter. The board shall
10 consist of five members to be placed within the department of
11 commerce and consumer affairs for administrative purposes only.
12 The board shall govern the Hawaii cannabis authority and appoint
13 the executive director of the authority, who shall be
14 responsible for administering and enforcing laws related to the
15 authority and each administrative unit thereof.

16 (b) The protection of public health and safety shall be
17 the highest priorities for the board in exercising licensing,
18 regulatory, and disciplinary functions under this chapter.
19 Whenever the protection of public health and safety is
20 inconsistent with other interests sought to be promoted, the
21 protection of public health and safety shall be paramount.



1 (c) The members of the board shall be appointed by the
2 governor, subject to confirmation by the senate pursuant to
3 section 26-34. The composition of the board shall be as
4 follows:

5 (1) The chair who shall have a professional background in
6 public health, mental health, substance abuse
7 treatment, or toxicology;

8 (2) The vice chair who shall have a professional
9 background in public safety or law enforcement;

10 (3) One member who shall have professional experience in
11 corporate management or a professional background in
12 finance;

13 (4) One member who shall have professional experience in
14 oversight or industry management, including
15 commodities, production, or distribution in a
16 regulated industry; and

17 (5) One member who shall have a professional background in
18 legal, policy, or social justice issues related to a
19 regulated industry.

20 The terms and the filling of a vacancy on the board shall be as
21 provided in section 26-34; provided that initial appointments



1 may be for less than four years to maintain the board with
2 staggered terms.

3 (d) Before appointment to the board, the authority shall
4 conduct a background investigation, which may include the
5 criminal history record check pursuant to section 846-2.7, on
6 prospective members of the board. No person who has been
7 convicted of a felony shall be eligible to serve on the board.

8 (e) A majority of all members to which the board is
9 entitled shall constitute a quorum to do business, and the
10 concurrence of a majority of all members shall be necessary to
11 make an action of the board valid.

12 (f) Regular meetings of the board shall be held no less
13 than once a month. Special meetings may be called by the chair
14 at any time by giving notice thereof to each member present in
15 the State at least ten days before the date of the special
16 meeting; provided that notice shall not be required if all
17 members present in the State agree and sign a written waiver of
18 the notice. To promote efficiency in administration, the chair
19 shall divide or re-divide the work of the board among the board
20 members as the chair deems expedient.



1 (g) Any member of the board may be removed for cause by
2 vote of four of the board's members then in office. For
3 purposes of this subsection, cause shall include without
4 limitation:

5 (1) Malfeasance in office;

6 (2) Failure to attend regularly held meetings;

7 (3) Sentencing for conviction of a felony, to the extent
8 allowed by section 831-2; or

9 (4) Any other cause that may render a member incapable or
10 unfit to discharge the duties of the board required
11 under this chapter.

12 Filing nomination papers for elective office or appointment to
13 elective office, or conviction of a felony consistent with
14 section 831-3.1, shall automatically and immediately disqualify
15 a board member from office.

16 (h) The members of the board shall serve without
17 compensation but shall be entitled to reimbursement for
18 expenses, including travel expenses, necessary for the
19 performance of their duties.



1 **SA-13 Cannabis control board; powers and duties.** The
2 board shall have the following powers and duties as provided for
3 in this chapter to:

- 4 (1) Adopt a seal;
- 5 (2) Administer oaths and affirmations;
- 6 (3) Establish a procedure by which licenses or permits are
7 awarded pursuant to this chapter, including by
8 randomized lottery selection;
- 9 (4) Approve or deny applications, including renewal
10 applications and change in ownership applications, for
11 licenses or permits pursuant to this chapter;
- 12 (5) Suspend, cancel, or revoke for cause any license,
13 permit, or registration issued under this chapter;
- 14 (6) Conduct or commission studies regarding market
15 conditions and, on a periodic basis, determine the
16 maximum number of licenses that may be issued in order
17 to meet estimated production demand and facilitate a
18 reduction in the unauthorized distribution of
19 cannabis;
- 20 (7) Establish and amend cannabis district boundaries to
21 ensure equal access to cannabis, especially for



1 medical use, and encourage the full participation in
2 the regulated cannabis industry from
3 disproportionately impacted areas;

4 (8) Adopt rules, which shall have the force and effect of
5 law; provided that unless otherwise provided in this
6 chapter, the rules shall be adopted pursuant to
7 chapter 91;

8 (9) Take appropriate action against a person who, directly
9 or indirectly, cultivates, processes, sells, or
10 purchases any cannabis without being authorized
11 pursuant to this chapter;

12 (10) Establish additional restrictions, requirements, or
13 conditions, consistent with those prescribed in this
14 chapter, relating to the standards and requirements
15 for cultivating, processing, packaging, advertising,
16 distributing, or dispensing cannabis or hemp,
17 including the ability to regulate ingredients, and the
18 types, forms, potency, and concentration of cannabis
19 products or hemp products that may be processed or
20 sold, to ensure the health and safety of the public
21 and the use of proper ingredients and methods in the



1 processing of all cannabis and hemp to be sold or
2 consumed in the State and to ensure that products are
3 not packaged, marketed, or otherwise sold in a way
4 that targets minors or promotes excessive use of
5 cannabis or cannabis use disorders;

6 (11) Appoint the executive director, not subject to chapter
7 76 or section 26-35(a)(4), and discharge the executive
8 director with or without cause by a majority vote of
9 all members of the board; provided that removal
10 without cause shall not prejudice any contract rights
11 of the executive director;

12 (12) Establish and amend a plan of organization that the
13 board considers expedient;

14 (13) Conduct hearings as required by law pursuant to
15 chapter 91; provided that the board may examine
16 witnesses and take testimony, receive and determine
17 the relevance of evidence, issue subpoenas, regulate
18 the course and conduct of the hearing, and make a
19 final ruling;

20 (14) Appoint hearing officers to conduct hearings as
21 provided by law and under conditions that the board



1 shall establish by rules. Each hearing officer shall
2 be deemed to be an agent of the board with all powers
3 associated with that designation;

4 (15) Establish a social equity program to encourage the
5 full participation in the regulated cannabis industry
6 from disproportionately impacted areas;

7 (16) Delegate to the chair of the board or the executive
8 director, subject to the board's control and
9 responsibility, powers and duties as may be lawful or
10 proper for the performance of the functions vested in
11 the board;

12 (17) Exercise the powers and perform the duties in relation
13 to the administration of the board and authority as
14 necessary but not specifically vested by this chapter,
15 including budgetary and fiscal matters; and

16 (18) Coordinate with state and county law enforcement
17 agencies to effectuate the purposes of this chapter.

18 **§A-14 Executive director; powers and duties.** The
19 executive director shall have the following powers and duties as
20 provided for in this chapter to:



- 1 (1) Exercise the powers and perform the duties in relation
2 to the administration of the authority that are not
3 specifically vested by this chapter in, or delegated
4 by, the board;
- 5 (2) Execute all instruments necessary or convenient for
6 accomplishing the purposes of this chapter;
- 7 (3) Enter into agreements or other transactions with a
8 person, including a public entity or other
9 governmental instrumentality or authority in
10 connection with its powers and duties under this
11 chapter;
- 12 (4) Employ, subject to chapter 76, employees, permanent
13 and temporary, as required; provided that when, in the
14 determination of the executive director, the services
15 to be performed are unique and essential to the
16 execution of the functions of the authority, the
17 executive director may employ, not subject to chapter
18 76 or section 26-35(a)(4), officers and employees,
19 prescribe their duties and qualifications, and fix
20 their salaries;



- 1 (5) Apply for and accept, on behalf of the authority,
2 grants, loans, advances, and contributions of money or
3 property, or other things of value from any source, to
4 be held, used, and applied for its purposes;
- 5 (6) Set, charge, impose, and collect fees, fines, and
6 civil penalties as authorized by this chapter or rules
7 adopted thereunder; provided that all fees, fines, and
8 civil penalties received by the authority shall be
9 deposited into the cannabis regulation special fund;
- 10 (7) Enforce seizure, confiscation, or forfeiture pursuant
11 to this chapter or chapter 712A of any cannabis or
12 hemp not authorized under this chapter or rules
13 adopted thereunder;
- 14 (8) Provide and pay for advisory services and technical
15 assistance as may be necessary in its judgment to
16 carry out this chapter as provided by law;
- 17 (9) Develop and maintain a seed-to-sale tracking system;
- 18 (10) Be present, through its inspectors and agents, at any
19 time, at the premises of a licensed business for the
20 purposes of exercising its regulatory responsibilities



- 1 or inspecting the premises and all equipment and
2 supplies located at the premises;
- 3 (11) Seize and remove from the premises of a licensed
4 business any cannabis, hemp, equipment, supplies,
5 documents, and records obtained or possessed in
6 violation of this chapter for the purpose of
7 examination and inspection;
- 8 (12) For cause, demand and be granted access to, for the
9 purposes of inspection, examination, photocopying, or
10 audit, all books, papers, and records of licensed
11 businesses and close associates of any licensed
12 business whom the authority suspects are involved in
13 the financing, operation, or management of the
14 licensed business; provided that the inspection,
15 examination, photocopying, and audit may take place on
16 the licensed business's or its close associate's
17 premises or elsewhere as practicable and in the
18 presence of the licensed business or its close
19 associate or its agent;
- 20 (13) Register medical cannabis patients for medical use of
21 cannabis pursuant to sections A-47 and A-48;



1 (14) Investigate violations of this chapter and,
2 notwithstanding any law to the contrary, violations of
3 chapter 322 or 342F that are related to cultivation,
4 processing, distribution, sales, dispensing,
5 consumption, possession, or use of cannabis or hemp;
6 include covert operations; and refer criminal
7 violations to the proper federal, state, or local
8 authorities for prosecution as appropriate.

9 Investigations of violations of chapter B shall be
10 referred to the director of taxation to hear and
11 determine complaints against any licensed business;

12 (15) Conduct background checks as necessary for the
13 purposes of implementing this chapter, including
14 criminal history record checks in accordance with
15 section 846-2.7;

16 (16) Gather facts and information applicable to the
17 authority's obligation to investigate applicants,
18 permittees, or licensed businesses for:

19 (A) A violation of this chapter or any rules adopted
20 thereunder; or

21 (B) A wilful violation of an order of the board;



- 1 (17) Delegate the powers provided in this section to other
- 2 officers or employees of the authority as may be
- 3 deemed appropriate by the executive director;
- 4 (18) Exercise the powers and perform the duties as
- 5 delegated by the board;
- 6 (19) Advise and assist the board in carrying out any of its
- 7 functions, powers, and duties;
- 8 (20) Coordinate across state departments and agencies in
- 9 order to research and study any changes in cannabis
- 10 use and the impact that cannabis use and the number of
- 11 licensed businesses may have on access to cannabis,
- 12 public health, and public safety;
- 13 (21) Prepare, publish, and distribute, with or without
- 14 charge as the authority may determine, studies,
- 15 reports, guidance, bulletins, and other materials that
- 16 the authority considers appropriate;
- 17 (22) Implement the social equity program established by the
- 18 board;
- 19 (23) Create and maintain a publicly available directory of
- 20 the names and locations of medical cannabis



- 1 dispensaries, retail cannabis stores, and craft
2 cannabis dispensaries;
- 3 (24) Create a system whereby a licensed business can verify
4 the status of other licensed businesses;
- 5 (25) Develop forms, licenses, identification cards, and
6 applications as are necessary or convenient in the
7 discretion of the executive director for the
8 administration of this chapter or rules adopted
9 thereunder;
- 10 (26) Administer and manage a state cannabis testing
11 facility; and
- 12 (27) Delegate powers and duties of the executive director
13 to other state or county departments or agencies
14 pursuant to memoranda of agreement for the purposes of
15 implementing the provisions of this chapter related to
16 administration, investigation, inspection, fee
17 collection, document management, education and
18 outreach, distribution of individual licenses approved
19 by the board, and technical assistance pertaining to
20 the cultivation of cannabis.



1 **SA-15 Administrative rules; authority.** (a) No later than
2 December 31, 2024, the board shall adopt interim rules, which
3 shall be exempt from chapters 91 and 201M, to effectuate the
4 purposes of this chapter; provided that the interim rules shall
5 remain in effect until December 31, 2029, or until rules are
6 adopted pursuant to subsection (c), whichever occurs sooner.

7 (b) The board may amend the interim rules to effectuate
8 the purposes of this chapter, and the amendments shall be exempt
9 from chapters 91 and 201M; provided that any amended interim
10 rules shall remain in effect until December 31, 2029, or until
11 rules are adopted pursuant to subsection (c), whichever occurs
12 sooner.

13 (c) No later than December 31, 2029, the board shall adopt
14 rules pursuant to chapter 91 to effectuate the purposes of this
15 chapter.

16 **SA-16 Administrative rules; mandatory.** (a) The rules
17 adopted pursuant to section A-15 shall include:

18 (1) Procedures for application that an applicant for a
19 license, permit, or registration shall follow and
20 complete before consideration by the board or
21 authority;



- 1 (2) A schedule of fees including application, license,
2 permit, registration, and renewal fees, in amounts
3 necessary to pay for all regulation and enforcement
4 costs of the authority; provided that fees may be
5 relative to the volume of business conducted or to be
6 conducted by the licensed business;
- 7 (3) Qualifications for licensure or permitting and minimum
8 standards for employment that are directly and
9 demonstrably related to the operation of a licensed
10 business;
- 11 (4) Procedures and policies to promote and encourage full
12 participation in the regulated cannabis industry by
13 people from disproportionately impacted areas;
- 14 (5) Requirements for licensure, permitting, and
15 registration, including updating and renewing
16 licensure, permitting, and registration;
- 17 (6) Requirements for the information to be furnished by a
18 licensed business relating to the licensed business's
19 employees, any necessary registration requirements for
20 employees working at a licensed business, and
21 requirements that all licensed business employees be



- 1 properly trained in their respective professions as
2 necessary;
- 3 (7) Requirements for fingerprinting or other method of
4 identification for the purposes of criminal history
5 record checks as authorized by section 846-2.7;
- 6 (8) Procedures and grounds for penalties for violation of
7 this chapter, including the administrative hold,
8 suspension, or revocation of a license, permit, or
9 registration;
- 10 (9) Requirements for recordkeeping by a licensed business,
11 including the keeping of books, financial records,
12 statements, or other records of a licensed business;
- 13 (10) Requirements and procedures to track cannabis
14 cultivated, processed, transported, delivered,
15 distributed, dispensed, tested, sold, or destroyed by
16 licensed businesses;
- 17 (11) Requirements and procedures for the seed-to-sale
18 tracking system;
- 19 (12) Security requirements for a licensed business
20 sufficient to deter and prevent theft and unauthorized
21 entrance into restricted areas containing cannabis,



1 which shall include the use of security cameras;
2 provided that the requirements shall not prohibit the
3 cultivation of cannabis outdoors or in greenhouses;
4 (13) Requirements for liability insurance coverage for a
5 licensed business or requirements for other adequate
6 security against liabilities, including that a
7 licensed business place a certain sum in escrow to be
8 expended for coverage of liabilities;
9 (14) Requirements and procedures sufficient to ensure the
10 virtual separation of medical cannabis from adult-use
11 cannabis distributed by a cannabis processor or
12 dispensed by a retail cannabis store;
13 (15) Requirements and procedures to prevent the sale,
14 delivery, or transfer of cannabis to persons under
15 twenty-one years of age, or the purchase of cannabis
16 on behalf of a person under twenty-one years of age,
17 including a prohibition on persons under twenty-one
18 years of age entering the premises of a licensed
19 businesses unless otherwise authorized for medical use
20 pursuant to this chapter;



- 1 (16) Standards for manufacturing or extracting cannabinoid
2 oil or butane hash oil;
- 3 (17) The circumstances, manner, and process by which a
4 licensed business may apply for a change in ownership,
5 including procedures and requirements to enable the
6 transfer of a license for a licensed business to
7 another qualified person or to another suitable
8 location subject to the board's approval;
- 9 (18) Health and safety standards, established in
10 consultation with the department of health and
11 department of agriculture, for the cultivation,
12 processing, distribution, and dispensing of cannabis,
13 including standards regarding sanitation for the
14 preparation, storage, handling, and sale of edible
15 cannabis products; including compliance with chapter
16 321 and health inspections by the department of
17 health; provided that the authority to adopt rules
18 pertaining to the use of pesticides shall remain with
19 the department of agriculture;
- 20 (19) Requirements for the packaging of cannabis;



- 1 (20) Requirements for the potency or dosing limitations of
2 cannabis, including separate requirements for the
3 potency or dosing limitations of medical cannabis;
- 4 (21) Requirements for the labeling of a package containing
5 cannabis;
- 6 (22) Procedures and policies, in consultation with the
7 department of agriculture, to promote and encourage
8 full participation in the regulated cannabis industry
9 by farmers and agricultural businesses with emphasis
10 on promoting small farms, diversified agriculture, and
11 indigenous farming practices;
- 12 (23) Requirements for the safe disposal of excess,
13 contaminated, adulterated, or deteriorated cannabis;
- 14 (24) Requirements for advertising, marketing, and branding
15 cannabis;
- 16 (25) Requirements for a process allowing the executive
17 director to order a prohibition on the sale of
18 cannabis found to be detrimental to health or
19 especially appealing to persons under twenty-one years
20 of age;



- 1 (26) Requirements for a process allowing a cannabis
2 business to voluntarily submit a product, its
3 packaging, and intended marketing to the authority for
4 review of whether the product is especially appealing
5 to persons under twenty-one years of age;
- 6 (27) Requirements that prohibit or restrict cannabis
7 processors or hemp processors from altering or
8 utilizing commercially processed or manufactured food
9 products when processing cannabis or hemp unless the
10 food product was commercially manufactured
11 specifically for use by the cannabis processors or
12 hemp processors to infuse with cannabis or hemp;
- 13 (28) Energy and environmental standards for licensure and
14 licensure renewal of cannabis cultivators, cannabis
15 processors, craft cannabis dispensaries, medical
16 cannabis cooperatives, and hemp processors;
- 17 (29) Manners in which licensed premises shall be
18 constructed, arranged, furnished, equipped,
19 maintained, and operated;



1 (30) Classification of any cannabis-derived compound,
2 cannabinoid or hemp-derived compound, or cannabinoid;
3 and

4 (31) Prohibitions or restrictions on the use of a synthetic
5 cannabinoid or artificially derived cannabinoid in any
6 cannabis product or hemp product.

7 (b) For the purposes of this section:

8 "Artificially derived cannabinoid" means a chemical
9 substance created by a chemical reaction that changes the
10 molecular structure of any chemical substance derived from the
11 plant of the genus Cannabis. "Artificially derived cannabinoid"
12 does not include:

13 (1) A naturally occurring chemical substance that is
14 separated from the plant of the genus Cannabis by a
15 chemical or mechanical extraction process; or

16 (2) Cannabinoids that are produced by decarboxylation from
17 naturally occurring cannabinoid acid without the use
18 of a chemical catalyst.

19 "Synthetic cannabinoid" means a cannabinoid that is:



1 (1) Produced artificially, whether from chemicals or from
2 recombinant biological agents including yeast and
3 algae; and

4 (2) Not derived from the plant of the genus Cannabis,
5 including biosynthetic cannabinoids.

6 **§A-17 Cannabis regulation special fund; established.** (a)

7 There shall be created in the treasury of the State the cannabis
8 regulation special fund to be administered and expended by the
9 authority.

10 (b) The moneys in the cannabis regulation special fund
11 shall be used, subject to appropriation, for the implementation,
12 administration, and enforcement of this chapter by the
13 authority.

14 (c) The following shall be deposited into the cannabis
15 regulation special fund:

16 (1) The tax collected pursuant to section 237-13(9)(A);

17 (2) Fees, fines, and civil penalties received pursuant to
18 this chapter and rules adopted thereunder;

19 (3) Appropriations made by the legislature to the special
20 fund; and



1 (4) Interest earned or accrued on moneys in the special
2 fund.

3 (d) Moneys on balance in the cannabis regulation special
4 fund at the close of each fiscal year shall remain in the
5 special fund and shall not lapse to the credit of the general
6 fund.

7 **§A-18 Cannabis social equity special fund; established.**

8 (a) There shall be created in the treasury of the State the
9 cannabis social equity special fund to be administered and
10 expended by the authority.

11 (b) The moneys in the cannabis social equity special fund
12 shall be used, subject to appropriation, for the implementation
13 and administration of the social equity program as provided in
14 part IX.

15 (c) The following shall be deposited into the cannabis
16 social equity special fund:

17 (1) The tax collected pursuant to section 237-13(9)(B);

18 (2) Appropriations made by the legislature to the special
19 fund;

20 (3) Interest earned or accrued on moneys in the special
21 fund; and



1 (4) Contributions, grants, endowments, or gifts in cash or
2 otherwise from any source, including licensed
3 businesses.

4 (d) Moneys on balance in the cannabis social equity
5 special fund at the close of each fiscal year shall remain in
6 the special fund and shall not lapse to the credit of the
7 general fund.

8 **§A-19 Public health and education special fund;**

9 **established.** (a) There shall be created in the treasury of the
10 State the public health and education special fund to be
11 administered and expended by the authority.

12 (b) The moneys in the public health and education special
13 fund shall be used, subject to appropriation, for substance
14 abuse prevention and treatment and education, including
15 preventing and treating substance abuse among youth, controlling
16 and treating substance abuse, and educating the public about
17 cannabis use and laws, and for the implementation and
18 administration of the public health and education campaign and
19 public health and education grant program as provided in part X.

20 (c) The following shall be deposited into the public
21 health and education special fund:



- 1 (1) The tax collected pursuant to section 237-13(9)(C);
- 2 (2) Appropriations made by the legislature to the special
- 3 fund;
- 4 (3) Interest earned or accrued on moneys in the special
- 5 fund; and
- 6 (4) Contributions, grants, endowments, or gifts in cash or
- 7 otherwise from any source, including licensed
- 8 businesses.

9 (d) Moneys on balance in the public health and education
10 special fund at the close of each fiscal year shall remain in
11 the special fund and shall not lapse to the credit of the
12 general fund.

13 **SA-20 Public safety special fund; established.** (a) There
14 shall be created in the treasury of the State the public safety
15 special fund to be administered and expended by the authority.

16 (b) The moneys in the public safety special fund shall be
17 used, subject to appropriation, for the implementation and
18 administration of the public safety grant program as provided in
19 part XI.

20 (c) The following shall be deposited into the public
21 safety special fund:



- 1 (1) The tax collected pursuant to section 237-13(9)(D);
- 2 (2) Appropriations made by the legislature to the special
- 3 fund;
- 4 (3) Interest earned or accrued on moneys in the special
- 5 fund; and
- 6 (4) Contributions, grants, endowments, or gifts in cash or
- 7 otherwise from any source, including licensed
- 8 businesses.

9 (d) Moneys on balance in the public safety special fund at
10 the close of each fiscal year shall remain in the special fund
11 and shall not lapse to the credit of the general fund.

12 **§A-21 Cannabis nuisance abatement special fund;**

13 **established.** (a) There shall be created in the treasury of the
14 State the cannabis nuisance abatement special fund to be
15 administered and expended by the department of the attorney
16 general.

17 (b) The moneys in the cannabis nuisance abatement special
18 fund shall be used, subject to appropriation, for the
19 implementation and administration of the drug nuisance abatement
20 unit established by section 28-131 to provide for the effective
21 enforcement and prosecution of those violations of the drug



1 nuisance abatement laws under part V of chapter 712 relating to
2 cannabis.

3 (c) The following shall be deposited into the cannabis
4 nuisance abatement special fund:

5 (1) The tax collected pursuant to section 237-13(9)(E);

6 (2) Appropriations made by the legislature to the special
7 fund;

8 (3) Interest earned or accrued on moneys in the special
9 fund; and

10 (4) Contributions, grants, endowments, or gifts in cash or
11 otherwise from any source, including licensed
12 businesses.

13 (d) Moneys on balance in the cannabis nuisance abatement
14 special fund at the close of each fiscal year shall remain in
15 the special fund and shall not lapse to the credit of the
16 general fund.

17 **§A-22 Cannabis law enforcement special fund; established.**

18 (a) There shall be created in the treasury of the State the
19 cannabis law enforcement special fund to be administered and
20 expended by the department of law enforcement.



1 (b) The moneys in the cannabis law enforcement special
2 fund shall be used, subject to appropriation, for the
3 implementation and administration of the cannabis enforcement
4 unit established by section A-23.

5 (c) The following shall be deposited into the cannabis law
6 enforcement special fund:

7 (1) The tax collected pursuant to section 237-13(9)(F);

8 (2) Appropriations made by the legislature to the special
9 fund;

10 (3) Interest earned or accrued on moneys in the special
11 fund; and

12 (4) Contributions, grants, endowments, or gifts in cash or
13 otherwise from any source, including licensed
14 businesses.

15 (d) Moneys on balance in the cannabis law enforcement
16 special fund at the close of each fiscal year shall remain in
17 the special fund and shall not lapse to the credit of the
18 general fund.

19 **§A-23 Cannabis enforcement unit; established.** (a) There
20 shall be established in the department of law enforcement the



1 cannabis enforcement unit, which shall have a primary mission to
2 prevent:

- 3 (1) The distribution of cannabis to minors;
- 4 (2) Revenues from the sale of cannabis from going to
5 criminal enterprises, gangs, and cartels;
- 6 (3) The diversion of cannabis from the legal market;
- 7 (4) State-authorized cannabis activity from being used as
8 a cover or pretext for the trafficking of other
9 illegal drugs or activity, including money laundering;
- 10 (5) Violence and the use of firearms in the cultivation
11 and distribution of cannabis; and
- 12 (6) The cultivation of cannabis on public lands and the
13 attendant public safety and environmental dangers
14 posed by cannabis production on public lands.

15 (b) The cannabis enforcement unit shall provide law
16 enforcement assistance to the board and authority in the
17 investigation and enforcement of Hawaii cannabis laws and
18 criminal laws relating to marijuana or marijuana concentrate,
19 particularly those involving the illicit cannabis trade.

20 (c) In providing law enforcement assistance to the board
21 and authority, any law enforcement officer of the cannabis



1 enforcement unit designated by the director of law enforcement
2 as an investigator or detective may:

- 3 (1) Carry firearms;
- 4 (2) Execute and serve search warrants, arrest warrants,
5 administrative inspection warrants, subpoenas, and
6 summonses issued under the authority of this State;
- 7 (3) Make arrests without warrant for any offense under
8 this chapter, chapter 329, and part IV of chapter 712
9 committed in the law enforcement officer's presence,
10 or if the law enforcement officer has probable cause
11 to believe that the person to be arrested has
12 committed or is committing a violation of this
13 chapter, chapter 329, or part IV of chapter 712 that
14 may constitute a crime;
- 15 (4) Make seizures of property pursuant to this chapter,
16 chapter 329, or chapter 712A; or
- 17 (5) Perform other law enforcement duties as the director
18 of law enforcement designates.

19 (d) Nothing in this chapter shall be construed to relieve
20 or diminish law enforcement officers of the department of law
21 enforcement of any authority or responsibility to enforce, or



1 prosecute under, criminal laws related to marijuana or marijuana
2 concentrate in the State, including this chapter, chapter 329,
3 and part IV of chapter 712.

4 **§A-24 County law enforcement and prosecution.** Nothing in
5 this chapter shall be construed to relieve or diminish county
6 law enforcement officers and prosecutors of any authority or
7 responsibility to enforce, or prosecute under, criminal laws
8 related to marijuana or marijuana concentrate, including this
9 chapter, chapter 329, and part IV of chapter 712, in their
10 respective counties.

11 **§A-25 Investigation by a law enforcement agency of**
12 **unlawful activity.** Notwithstanding any other law, the executive
13 director shall disclose any information, documents, and other
14 records regarding licensed businesses, upon request, to any
15 federal, state, or county agency engaged in the criminal
16 investigation or prosecution of violations of applicable
17 federal, state, or county laws or regulations related to the
18 operations or activities of licensed businesses.

19 **§A-26 Inspection; audits; reporting; authority.** (a) Any
20 licensed business shall:



- 1 (1) Be subject to an annual announced inspection and
2 unlimited unannounced inspections of its operations by
3 the authority; provided that inspections for license
4 renewals shall be unannounced;
- 5 (2) Submit reports on at least a quarterly basis, or as
6 otherwise required, and in the format specified by the
7 executive director; and
- 8 (3) Annually cause an independent financial audit, at the
9 licensed business's own expense, to be conducted of
10 the accounts, funds, programs, activities, and
11 functions of the licensed business. The licensed
12 business shall submit the audit's findings to the
13 executive director. All audits shall be conducted in
14 accordance with generally accepted auditing standards
15 established by the American Institute of Certified
16 Public Accountants. The executive director may
17 require a response, in writing, to the audit results.
18 The response shall be made to the executive director
19 within fifteen calendar days of notification.
- 20 (b) The authority and attorney general may examine all
21 records required to be kept or filed under this chapter, and



1 books, papers, and records of any person engaged in the business
2 of cultivating, processing, distributing, dispensing, selling,
3 or transferring cannabis or restricted cannabinoid products, to
4 verify compliance with this chapter and chapter B. Every person
5 in possession of any books, papers, and records, and the
6 person's agents and employees, shall be directed and required to
7 give the authority and attorney general the means, facilities,
8 and opportunities for the examinations.

9 (c) The authority and attorney general may inspect the
10 operations, premises, and storage areas of any entity engaged in
11 cultivating, processing, distributing, dispensing, selling, or
12 transferring of cannabis or restricted cannabinoid products,
13 during regular business hours. This inspection shall include
14 inspection of all statements, books, papers, and records in
15 whatever format, including electronic format, pertaining to the
16 cultivation, processing, acquisition, possession,
17 transportation, sale, or use of cannabis or restricted
18 cannabinoid products, to verify compliance with this chapter and
19 chapter B. This inspection may also be conducted to verify that
20 all cannabis or restricted cannabinoid products were cultivated
21 or processed in compliance with this chapter. Every entity in



1 possession of any books, papers, and records, and the entity's
2 agents and employees, shall be directed and required to give the
3 authority and attorney general the means, facilities, and
4 opportunities for the inspections.

5 (d) If the authority or attorney general has reasonable
6 cause to believe and does believe that cannabis or restricted
7 cannabinoid products are being cultivated, processed, acquired,
8 possessed, transported, kept, sold, or offered for sale in
9 violation of this chapter, the authority or the attorney general
10 may investigate or search the premises or vehicle in which the
11 cannabis or restricted cannabinoid products are believed to be
12 located. If cannabis or restricted cannabinoid products are
13 found in the premises or vehicle in violation of this chapter,
14 the cannabis or restricted cannabinoid products, or other
15 tangible personal property containing the cannabis or restricted
16 cannabinoid products and any books and records in possession of
17 the entity in control or possession of the cannabis or
18 restricted cannabinoid products, may be seized by the authority
19 or attorney general and shall be subject to forfeiture as
20 provided in this chapter and chapter 712A.



1 **§A-27 Forfeiture; confiscation and seizure; disposition.**

2 (a) Any cannabis or restricted cannabinoid product unlawfully
3 cultivated, processed, possessed, kept, stored, retained, held,
4 owned, received, transported, imported, or caused to be
5 imported, acquired, distributed, sold, or offered for sale in
6 violation of this chapter may be seized and confiscated by the
7 attorney general and ordered forfeited pursuant to chapter 712A.

8 (b) The attorney general, department of law enforcement,
9 and police department of each of the counties may seize and
10 confiscate any cannabis or restricted cannabinoid product that
11 is cultivated, processed, possessed, kept, stored, retained,
12 held, owned, received, transported, imported, or caused to be
13 imported, acquired, distributed, sold, or offered for sale in
14 violation of this chapter. Law enforcement agencies seizing
15 live plants as evidence shall not be responsible for the care
16 and maintenance of the plants.

17 (c) Any cannabis or restricted cannabinoid product
18 forfeited as provided in this section shall be ordered
19 destroyed.

20 **§A-28 County authority.** (a) Each county may, by
21 amendment of their zoning ordinances, pursuant to the powers



1 granted under section 46-4, place reasonable restrictions on the
2 location of licensed businesses.

3 (b) Nothing in this chapter shall be construed to
4 supersede or in any manner affect a county smoking ordinance;
5 provided that the ordinance is at least as protective of the
6 rights of nonsmokers as this chapter.

7 **§A-29 Contracts pertaining to lawful operation of cannabis**
8 **business; enforceable.** Notwithstanding any other law to the
9 contrary, contracts related to lawful activities authorized by
10 this chapter shall be enforceable. A contract entered into by a
11 cannabis business, or by those who allow property to be used by
12 a cannabis business, shall not be unenforceable or void solely
13 for the reason that the activity permitted by this chapter is
14 prohibited by federal law.

15 **§A-30 Provision of professional services to cannabis**
16 **business.** A person engaged in a profession or occupation
17 subject to state or county licensure shall not be subject to
18 disciplinary action by a professional licensing authority solely
19 for providing professional services to a cannabis business
20 related to activity permitted by this chapter.



1 **SA-31 Authority employees; background checks.** (a) The
2 authority shall conduct background checks, which may include
3 criminal history record checks in accordance with section
4 846-2.7, on:

- 5 (1) Current or prospective members of the board;
- 6 (2) Current or prospective employees of the authority; and
- 7 (3) Current or prospective contractors or subcontractors
8 and employees of current or prospective contractors or
9 subcontractors of the authority.

10 The authority shall develop procedures for conducting
11 background checks.

12 (b) The authority may refuse to employ or deny employment
13 to an applicant or terminate or refuse to secure the services of
14 any contractor or subcontractor if the person has been convicted
15 of a crime, and if the executive director finds by reason of the
16 nature and circumstances of the crime that the person poses a
17 risk to the integrity of the authority.

18 (c) Refusal, revocation, or termination may occur only
19 after appropriate investigation and notification to the current
20 or prospective employee, contractor, or subcontractor of results
21 and planned action, and after the current or prospective



1 employee, contractor, or subcontractor is given an opportunity
2 to meet and rebut the finding. Nothing in this section shall
3 abrogate any applicable appeal rights under chapter 76 or 89.

4 **SA-32 Annual report; report on criminal offenses.** (a) No
5 later than twenty days prior to the convening of the regular
6 session of 2026, and every year thereafter, the executive
7 director shall submit a report to the governor and legislature
8 on the establishment and regulation of cannabis businesses. The
9 report shall cover the information during the prior fiscal year
10 and, at a minimum, include the following information:

- 11 (1) The number of applications for each type of license
12 and permit submitted to the authority pursuant to this
13 chapter, including, if applicable, the number of
14 applications for license and permit renewals;
- 15 (2) The total number of each type of license and permit
16 issued pursuant to this chapter that is actively held
17 by a licensed business;
- 18 (3) The total square footage of plant canopy approved by
19 the board for cannabis cultivation and the percentage
20 of active cannabis cultivation by cultivation tier;



- 1 (4) The total amount of application fees and license,
2 permit, and registration fees collected pursuant to
3 this chapter and the total amount of the excise and
4 sales tax revenue collected on the sale of cannabis;
- 5 (5) The total reported volume and value of cannabis
6 cultivated by all cannabis cultivators;
- 7 (6) The total reported volume and value of cannabis
8 distributed and dispensed by all licensed businesses;
- 9 (7) The number of inspections of licensed businesses
10 performed by the authority and the results of those
11 inspections, including the number of inspections
12 resulting in license violations and the percentage of
13 all licensed businesses inspected;
- 14 (8) The number of license violations committed by licensed
15 businesses and a breakdown of those violations into
16 specific categories based on the type of violation and
17 the outcome of the violation, including the total
18 amount of monetary penalties imposed and collected by
19 the authority and the percentage of total license
20 violations resulting in the imposition of a monetary



1 penalty, administrative hold, license suspension, or
2 license revocation;

3 (9) Public health and safety data, including accidental
4 ingestion by minors and cannabis-related driving
5 accidents, collected, received, or analyzed by the
6 authority; and

7 (10) Recommendations, including any suggested legislation,
8 to address any issues with the regulation of the
9 cannabis industry in the State encountered by the
10 authority, departments, or agencies.

11 (b) No later than twenty days prior to the convening of
12 the regular session of 2027, the executive director shall submit
13 a report to the governor and legislature regarding:

14 (1) The advisability of expunging or sealing low-level
15 criminal offenses related to marijuana;

16 (2) A recommendation regarding which offenses and records
17 should be expunged or sealed, if any; and

18 (3) The best mechanism for expunging and sealing records
19 without causing undue burden on the judiciary, the
20 department of the attorney general, or any other
21 agency.



1 In creating the report, the executive director shall consult
2 with, at a minimum, the judiciary and department of the attorney
3 general.

4 **PART III. AUTHORIZED CONDUCT; MEDICAL USE OF CANNABIS**

5 **SA-41 Possession of cannabis for medical use. (a)**

6 Notwithstanding any law to the contrary, except as limited by
7 this chapter, it shall be lawful for a medical cannabis patient
8 or the patient's caregiver to:

9 (1) Purchase, transport, or possess jointly between the
10 medical cannabis patient and the patient's caregiver,
11 an adequate supply of cannabis; and

12 (2) Transfer an adequate supply of cannabis, without
13 compensation of any kind, from a caregiver to the
14 caregiver's medical cannabis patient.

15 (b) For medical use only, it shall be lawful for a medical
16 cannabis patient to smoke, ingest, or consume cannabis.

17 (c) Notwithstanding any law to the contrary, in addition
18 to an adequate supply of cannabis, a qualifying patient or the
19 patient's caregiver may lawfully possess jointly between them,
20 in their private residence or at the licensed premises of a
21 medical cannabis cooperative to which the qualifying patient is



1 a member, up to one pound of cannabis produced by their
2 cultivation of cannabis for medical use pursuant to section A-
3 42; provided that no more than two pounds of any cannabis in
4 total, whether for medical use or personal adult use, shall be
5 stored at any private residence, regardless of the number of
6 people residing there.

7 (d) All cannabis shall be stored in a sealed
8 child-resistant and resealable packaging with original labels
9 and not easily accessible to any person under the age of
10 twenty-one unless that person is a medical cannabis patient.

11 (e) All cannabis shall be transported in a sealed
12 container, shall not be visible to the public, and shall not be
13 removed from its sealed container or consumed or used in any way
14 while in a public place or vehicle.

15 (f) The medical use of cannabis alone shall not disqualify
16 a person from any needed medical procedure or treatment,
17 including organ and tissue transplants, unless in the judgment
18 of the health care provider the use of cannabis increases the
19 risk for a bad outcome from the procedure or treatment.



1 (g) The authorization of a medical cannabis patient to use
2 medical cannabis shall be inclusive of, and not in addition to,
3 the authorization for personal adult use of cannabis.

4 **SA-42 Cultivation of cannabis for medical use.** (a)

5 Notwithstanding any other law to the contrary, a qualifying
6 patient or the patient's caregiver may:

7 (1) Possess, plant, or cultivate no more than ten cannabis
8 plants, whether mature or immature, for medical use
9 only; and

10 (2) Harvest, dry, and process the cannabis produced by the
11 plants under paragraph (1) for the qualifying
12 patient's medical use only.

13 (b) The personal cultivation of cannabis for medical use
14 shall only be permitted within, or on the grounds of, the
15 private residence of a qualifying patient or the patient's
16 caregiver, or on the licensed premises of a medical cannabis
17 cooperative to which the qualifying patient is a member;
18 provided that no more than ten plants, whether mature or
19 immature and whether for medical use or personal adult use,
20 shall be cultivated at a private residence at any time



1 regardless of the number of qualifying patients, caregivers, or
2 other people residing at the private residence.

3 (c) Cannabis plants cultivated for medical use shall be
4 kept in a secured place not easily accessible to any person
5 under the age of twenty-one unless that person is a qualifying
6 patient.

7 (d) Cannabis plants cultivated for medical use shall not
8 be visible to the public without the use of technology.

9 (e) A landlord, condominium association, planned community
10 association, or similar association may limit or prohibit the
11 personal cultivation of cannabis for medical use through
12 contracts, lease or rental agreements, bylaws, or rules.

13 (f) The board shall adopt rules pursuant to this chapter
14 to establish requirements and restrictions for the personal
15 cultivation of cannabis for medical use, including manners in
16 which cannabis may be cultivated or processed and further
17 restrictions necessary to ensure that the personal cultivation
18 of cannabis for medical use is not utilized for unlicensed
19 illicit activity; provided that any rules adopted by the board
20 shall not completely or essentially prohibit the personal
21 cultivation of cannabis for medical use.



1 **§A-43 Conditions of medical use of cannabis by a**
2 **qualifying patient.** (a) The medical use of cannabis shall only
3 be authorized if:

4 (1) The qualifying patient has been diagnosed by, and is
5 under the continuing care of, a certifying medical
6 professional as having a debilitating medical
7 condition;

8 (2) The qualifying patient's certifying medical
9 professional has issued a written certification for
10 the qualifying patient;

11 (3) The qualifying patient has paid the required fee for
12 registration;

13 (4) The qualifying patient has registered with the
14 authority; and

15 (5) The amount of cannabis possessed by the qualifying
16 patient does not exceed the amount authorized in
17 section A-41.

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 certifying medical
21 professional has explained the potential risks and



1 benefits of the medical use of cannabis to the
2 qualifying patient and a parent, guardian, or person
3 having legal custody of the qualifying patient; and
4 (2) A parent, guardian, or person having legal custody of
5 the qualifying patient consents in writing to:
6 (A) Allow the qualifying patient's medical use of
7 cannabis;
8 (B) Serve as the qualifying patient's caregiver; and
9 (C) Control the acquisition, dosage, and frequency of
10 the medical use of cannabis by the qualifying
11 patient.

12 **SA-44 Reciprocity with other states.** (a) Notwithstanding
13 any law to the contrary, the medical use of cannabis by a
14 qualifying out-of-state patient aged eighteen years or older
15 shall be authorized only if the qualifying out-of-state patient:

- 16 (1) Is legally authorized to use cannabis for medical
17 purposes in another state, a United States territory,
18 or the District of Columbia;
19 (2) Attests under penalty of law pursuant to section
20 710-1063 that the condition for which the qualifying
21 out-of-state patient is legally authorized to use



- 1 cannabis for medical purposes is a debilitating
2 medical condition;
- 3 (3) Provides consent for the authority to obtain
4 information from the qualifying out-of-state patient's
5 certifying medical provider and from the entity that
6 issued the medical cannabis authorization for the
7 purpose of allowing the authority to verify the
8 information provided in the registration process;
- 9 (4) Pays the required fee for out-of-state registration;
- 10 (5) Registers with the authority pursuant to section A-48
11 for the medical use of cannabis in the State;
- 12 (6) Receives a medical cannabis registration card from the
13 authority; and
- 14 (7) Abides by all laws relating to the medical use of
15 cannabis, including not possessing amounts of cannabis
16 that exceed an adequate supply.
- 17 (b) The medical use of cannabis by a qualifying
18 out-of-state patient under eighteen years of age shall be
19 permitted only if:



- 1 (1) The caregiver of the qualifying out-of-state patient
2 provides the information required pursuant to
3 subsection (a); and
- 4 (2) The caregiver of the qualifying out-of-state patient
5 consents in writing to:
- 6 (A) Allow the qualifying out-of-state patient's
7 medical use of cannabis;
- 8 (B) Undertake the responsibility for managing the
9 well-being of the qualifying out-of-state patient
10 with respect to the medical use of cannabis; and
- 11 (C) Control the acquisition, dosage, and frequency of
12 the medical use of cannabis by the qualifying
13 out-of-state patient.

14 **SA-45 Limitation; scope of medical use of cannabis.** The
15 authorization for the medical use of cannabis in this part shall
16 not apply to:

- 17 (1) The medical use of cannabis that endangers the health
18 or well-being of another person;
- 19 (2) The medical use of cannabis:
- 20 (A) In a school vehicle, public transportation, or
21 any vehicle;



- 1 (B) In the workplace of one's employment;
- 2 (C) On any school grounds;
- 3 (D) At any public park, beach, or recreation or youth
4 center;
- 5 (E) In or on any land, facility, building, or vehicle
6 owned, controlled, or operated by the State or
7 any county;
- 8 (F) In or on any federal fort or arsenal, national
9 park or forest, any other federal enclave, or any
10 other property owned, controlled, or operated by
11 the federal government; or
- 12 (G) At any other place open to the public, including
13 smoking or vaping cannabis in public as
14 prohibited by chapter 328J; and
- 15 (3) The medical use of cannabis by anyone that is not a
16 medical cannabis patient, including a parent or
17 caregiver.

18 **§A-46 Written certifications.** (a) A qualifying patient
19 shall have a valid written certification from a certifying
20 medical professional stating that in the certifying medical
21 professional's professional opinion:



- 1 (1) The qualifying patient has a debilitating medical
2 condition; and
- 3 (2) The potential benefits of the medical use of cannabis
4 would likely outweigh the health risks of cannabis use
5 for the qualifying patient.
- 6 (b) The board shall adopt rules pursuant to this chapter
7 to establish procedures and requirements for a written
8 certification; provided that a written certification shall:
- 9 (1) Include the name, address, patient identification
10 number, and other identifying information of the
11 qualifying patient;
- 12 (2) Be valid for one year from the time of signing;
13 provided that the board may allow for the validity of
14 any written certification for up to three years if the
15 qualifying patient's certifying medical professional
16 states that the qualifying patient's debilitating
17 medical condition is chronic in nature;
- 18 (3) Be in a form prescribed by the authority and completed
19 by or on behalf of a qualifying patient; and
- 20 (4) Be issued and certified by a certifying medical
21 professional who has a bona fide physician-patient



1 relationship or bona fide advanced practice registered
2 nurse-patient relationship, as applicable, with the
3 qualifying patient.

4 **§A-47 Registration; qualifying patients; caregivers.** (a)

5 Qualifying patients shall register with the authority. The
6 board shall adopt rules to establish procedures and requirements
7 for the registration of qualifying patients; provided that:

8 (1) Every qualifying patient shall:

9 (A) Provide sufficient identifying information to
10 establish their personal identity;

11 (B) Provide the address of the location where the
12 qualifying patient or the patient's caregiver
13 intends to cultivate cannabis for medical use
14 pursuant to section A-42; provided that if the
15 qualifying patient or patient's caregiver intends
16 to cultivate cannabis for medical use at a
17 medical cannabis cooperative pursuant to section
18 A-117, the license number and documentation
19 verifying that the qualifying patient is a valid
20 member of the medical cannabis cooperative shall
21 be required; and



1 (C) Report a change in any information provided to
2 the authority for registration within ten working
3 days of the change;

4 (2) The registration form prescribed by the authority
5 shall require information from the qualifying patient,
6 the patient's caregiver, and the patient's certifying
7 medical professional as specifically required by this
8 chapter or rules adopted thereunder;

9 (3) The authority shall issue to the qualifying patient a
10 medical cannabis registration card and may charge a
11 fee for the registration in an amount set in rules by
12 the board; and

13 (4) The registration shall be effective until the
14 expiration of the written certification provided by
15 the certifying medical professional.

16 (b) The caregiver of a qualifying patient shall register
17 with the authority. The board shall adopt rules to establish
18 procedures and requirements for the registration of caregivers;
19 provided that:

20 (1) Every caregiver shall provide sufficient identifying
21 information to establish their personal identity;



1 (2) No caregiver shall be registered for more than one
2 qualifying patient at any given time; provided that
3 the authority may permit the parent, guardian, or
4 person having legal custody of more than one
5 qualifying patient who is under eighteen years of age
6 to be the caregiver for each of the qualifying
7 patients who are under eighteen years of age and in
8 their legal custody; and

9 (3) Every qualifying patient shall have only one
10 caregiver; provided that the authority may permit the
11 parents, guardians, or persons having legal custody of
12 a qualifying patient who is under eighteen years of
13 age to each register as caregivers.

14 (c) Upon inquiry by a law enforcement agency, the
15 authority shall immediately verify whether a person who is the
16 subject of the inquiry has registered with the authority and the
17 location of the person's registered cultivation site and shall
18 provide reasonable access to the registry information for
19 official law enforcement purposes. An inquiry and verification
20 under this subsection may be made twenty-four hours a day, seven
21 days a week.



1 (d) This section shall not apply to registration of a
2 qualifying out-of-state patient or a caregiver of a qualifying
3 out-of-state patient.

4 **§A-48 Registration; qualifying out-of-state patients;**
5 **caregivers.** (a) A qualifying out-of-state patient shall
6 register with the authority. The board shall adopt rules to
7 establish procedures and requirements for registration of
8 qualifying out-of-state patients; provided that:

9 (1) Every qualifying out-of-state patient shall:

- 10 (A) Provide a valid government-issued medical
11 cannabis card or any equivalent certificate
12 issued by another state, a United States
13 territory, or the District of Columbia;
- 14 (B) Provide a valid photographic identification card
15 or driver's license issued by the same
16 jurisdiction that issued the medical cannabis
17 card; and
- 18 (C) Have a debilitating medical condition;

19 (2) The registration shall be effective for no more than
20 sixty days and may be renewed for no more than one
21 additional sixty-day period that begins no later than



1 twelve months after the preceding registration date;
2 provided that the authority shall not register any
3 qualifying out-of-state patient for a period that
4 exceeds the term of validity of the qualifying
5 out-of-state patient's authority for the medical use
6 of cannabis in their home jurisdiction; and

7 (3) The authority shall issue to the qualifying
8 out-of-state patient a medical cannabis registration
9 card and shall charge a fee for the registration in an
10 amount set in rules by the board.

11 (b) The caregiver of a qualifying out-of-state patient
12 shall register with the authority. The board shall adopt rules
13 to establish procedures and requirements for registration of
14 caregivers; provided that:

15 (1) Every caregiver shall provide sufficient identifying
16 information to establish their personal identity; and

17 (2) In the case of any qualifying out-of-state patient who
18 is under eighteen years of age, the authority shall
19 register the qualifying out-of-state patient and the
20 patient's caregiver; provided that the authority may
21 register two caregivers for a qualifying out-of-state



1 patient if each caregiver is the parent, guardian, or
2 person having legal custody of the qualifying
3 out-of-state patient who is under eighteen years of
4 age.

5 (c) Upon inquiry by a law enforcement agency, the
6 authority shall immediately verify whether a person who is the
7 subject of the inquiry has registered with the authority and
8 shall provide reasonable access to the registry information for
9 official law enforcement purposes. An inquiry and verification
10 under this subsection may be made twenty-four hours a day, seven
11 days a week.

12 (d) The board may temporarily suspend the registration of
13 qualifying out-of-state patients or their caregivers for a
14 period of up to thirty days if the board determines that the
15 registration process for qualifying patients or their caregivers
16 is being adversely affected or the supply of cannabis for
17 medical use available in medical cannabis dispensaries and
18 retail cannabis stores is insufficient to serve both qualifying
19 patients and qualifying out-of-state patients. A temporary
20 suspension may be extended by thirty-day periods until the board
21 determines that:



1 (1) Adequate capacity exists to register qualifying out-
2 of-state patients and their caregivers in addition to
3 qualifying patients and their caregivers; and

4 (2) The medical cannabis dispensaries and retail cannabis
5 stores are able to meet the demands of both qualifying
6 patients and qualifying out-of-state patients.

7 **SA-49 Certifying medical professionals.** (a) The board
8 shall adopt rules to establish requirements for certifying
9 medical professionals.

10 (b) No certifying medical professional shall be subject to
11 arrest or prosecution, penalized in any manner, or denied any
12 right or privilege for providing a written certification for the
13 medical use of cannabis for a qualifying patient; provided that:

14 (1) The certifying medical professional has diagnosed the
15 patient as having a debilitating medical condition;

16 (2) The certifying medical professional has explained the
17 potential risks and benefits of the medical use of
18 cannabis; and

19 (3) The written certification is based upon the certifying
20 medical professional's professional opinion after
21 having completed a full assessment of the qualifying



1 patient's medical history and current medical
2 condition made in the course of a bona fide
3 physician-patient relationship or bona fide advanced
4 practice registered nurse-patient relationship, as
5 applicable.

6 (c) For purposes of this part, a bona fide
7 physician-patient relationship may be established via
8 telehealth, as defined in section 453-1.3(j), and a bona fide
9 advanced practice registered nurse-patient relationship may be
10 established via telehealth, as defined in section 457-2;
11 provided that certifying a patient for the medical use of
12 cannabis via telehealth shall be allowed only after an initial
13 in-person consultation between the certifying medical
14 professional and patient.

15 **PART IV. AUTHORIZED CONDUCT; PERSONAL ADULT USE OF CANNABIS**

16 **§A-51 Personal adult use of cannabis.** (a)

17 Notwithstanding any other provision of law to the contrary,
18 except as limited by this chapter, beginning January 1, 2026, it
19 shall be lawful for persons twenty-one years of age or older to:

20 (1) Smoke, ingest, or consume adult-use cannabis;



- 1 (2) Purchase, transport, or possess up to one ounce of
2 cannabis flower and up to five grams of adult-use
3 cannabis products as calculated using information
4 provided pursuant to section A-113(d);
- 5 (3) Within a person's private residence only, possess up
6 to ten ounces of adult-use cannabis produced by their
7 personal cultivation of cannabis pursuant to section
8 A-52; provided that no more than two pounds of
9 cannabis in total, whether for medical use or personal
10 adult use, shall be stored at any private residence,
11 regardless of the number of people residing there; and
- 12 (4) Purchase, obtain, transport, or possess cannabis
13 accessories.
- 14 (b) All adult-use cannabis shall be stored in a sealed
15 child-resistant and resealable packaging with original labels
16 and not easily accessible to any person under the age of
17 twenty-one.
- 18 (c) All adult-use cannabis shall be transported in a
19 sealed container, shall not be visible to the public, and shall
20 not be removed from its sealed container or consumed or used in
21 any way while in a public place or vehicle.



1 (d) The use of adult-use cannabis alone shall not
2 disqualify a person from any needed medical procedure or
3 treatment, including organ and tissue transplants, unless in the
4 judgment of the health care provider the use of cannabis
5 increases the risk for a bad outcome from the procedure or
6 treatment.

7 **§A-52 Personal cultivation of adult-use cannabis.** (a)

8 Notwithstanding any other provision of law to the contrary,
9 except as limited by this part, beginning January 1, 2026, it
10 shall be lawful for persons twenty-one years of age or older to:

11 (1) Possess, plant, or cultivate no more than six living
12 cannabis plants, whether mature or immature, for
13 personal adult use only; and

14 (2) Harvest, dry, and process the cannabis produced by the
15 plants under paragraph (1) for personal adult use
16 only.

17 (b) Personal cultivation of adult-use cannabis shall only
18 be permitted within, or on the grounds of, a person's private
19 residence; provided that no more than ten plants, whether mature
20 or immature and whether for medical use or for personal adult
21 use, shall be cultivated at a private residence at any time



1 regardless of the number of people residing at the private
2 residence.

3 (c) Cannabis plants cultivated for personal adult use
4 shall be kept in a secured place not easily accessible to any
5 person under the age of twenty-one.

6 (d) Cannabis plants cultivated for personal adult use
7 shall not be visible to the public without the use of
8 technology.

9 (e) A landlord, condominium association, planned community
10 association, or similar association may limit or prohibit the
11 personal cultivation of adult-use cannabis through contracts,
12 lease or rental agreements, bylaws, or rules.

13 (f) The board shall adopt rules pursuant to this chapter
14 to establish requirements and restrictions for the personal
15 cultivation of adult-use cannabis, including manners in which
16 the adult-use cannabis may be cultivated or processed and
17 further restrictions necessary to ensure that the personal
18 cultivation of adult-use cannabis is not utilized for unlicensed
19 illicit activity.



1 **§A-53 Limitation; scope of personal adult use.** The
2 authorization for the use of adult-use cannabis in this part
3 shall not apply to:

- 4 (1) Any use of cannabis that endangers the health or
5 well-being of another person;
- 6 (2) Any use of cannabis:
- 7 (A) In a school vehicle, public transportation, or
8 any vehicle;
- 9 (B) In the workplace of one's employment;
- 10 (C) On any school grounds;
- 11 (D) At any public park, beach, or recreation or youth
12 center;
- 13 (E) In or on any land, facility, building, or vehicle
14 owned, controlled, or operated by the State or
15 any county;
- 16 (F) In or on any federal fort or arsenal, national
17 park or forest, any other federal enclave, or any
18 other property owned, controlled, or operated by
19 the federal government; or



1 (G) At any other place open to the public, including
2 smoking or vaping cannabis in public as
3 prohibited by chapter 328J; and

4 (3) The use of cannabis by anyone under twenty-one years
5 of age.

6 **PART V. UNLAWFUL CONDUCT**

7 **§A-61 Prohibited acts; flammable solvents; criminal**

8 **offense.** (a) No person shall intentionally or knowingly use
9 butane to extract cannabinoids or any compound from cannabis or
10 hemp.

11 (b) This section shall not apply to licensed businesses
12 acting pursuant to this chapter.

13 (c) Any person who violates this section shall be guilty
14 of a class C felony.

15 **§A-62 Unlawful sale of cannabis; persons under twenty-one**

16 **years of age; criminal offense.** (a) It shall be unlawful to
17 sell cannabis to a person under twenty-one of age unless that
18 person is a medical cannabis patient.

19 (b) All persons engaged in the retail sale of cannabis, as
20 authorized under this chapter, shall check the government-issued



1 photographic identification of a cannabis purchaser to establish
2 the age of the purchaser before the sale of cannabis.

3 (c) It shall be an affirmative defense to subsection (a)
4 that the licensed seller of cannabis had requested, examined,
5 and reasonably relied upon a government-issued photographic
6 identification establishing the cannabis purchaser's age as at
7 least twenty-one years of age before selling cannabis to the
8 person. The failure of a seller to request and examine a
9 government-issued photographic identification pursuant to
10 subsection (b) shall be construed against the seller and form a
11 conclusive basis for the seller's violation of subsection (a).

12 (d) Any person who violates subsection (a) shall be guilty
13 of the offense under section 712-1244 or 712-1249.5, as
14 appropriate.

15 **PART VI. CANNABIS AND HEMP BUSINESSES; GENERAL**

16 **SA-71 Cannabis business; hemp business; authorized.** (a)

17 Notwithstanding any law to the contrary, a cannabis business or
18 hemp business may operate only as authorized by this chapter.

19 (b) No person shall operate a cannabis business or hemp
20 business unless that person holds a valid license or permit
21 issued by the board pursuant to this chapter or rules adopted



1 thereunder; provided that a hemp cultivator shall hold a valid
2 license to produce hemp, issued by the Secretary of the United
3 States Department of Agriculture, and be in compliance with
4 section A-132.

5 (c) Each license or permit issued by the board or
6 authority to a cannabis business or hemp business shall be
7 separate and distinct from any other license or permit issued to
8 the same cannabis business or hemp business pursuant to this
9 chapter or rules adopted thereunder.

10 (d) In addition to any other penalties allowed by law,
11 operating a cannabis business, including distributing, selling,
12 or offering for sale a restricted cannabinoid product, or a hemp
13 business without a valid license or permit issued by the board
14 pursuant to this chapter or rules adopted thereunder shall
15 constitute an unfair method of competition and unfair or
16 deceptive act or practice pursuant to section 480-2 and shall be
17 subject to a civil penalty as provided in section 480-3.1. Each
18 package of cannabis or restricted cannabinoid product sold in
19 violation of this part shall constitute a separate violation.



1 **SA-72 Applicant criteria.** (a) An applicant for a license
2 under this chapter shall meet each of the following criteria, if
3 applicable.

4 (b) If the applicant is a natural person, the applicant
5 shall establish at a minimum that the applicant:

6 (1) Is at least twenty-one years of age;

7 (2) Has been a legal resident of the State for no less
8 than five years preceding the date of application;

9 (3) Has a Hawaii tax identification number and is
10 compliant with the tax laws of the State;

11 (4) Has not been convicted of a felony; provided that a
12 conviction:

13 (A) That is pardoned or expunged; or

14 (B) Solely for a marijuana-related offense, unless
15 the offense involved a minor, including the
16 offense under section 712-1249.6, or a firearm,
17 including the offense under section 134-7(b),
18 shall not disqualify a person from applying for a
19 license; and



1 (5) Has not had any license, permit, certificate,
2 registration, or other government-issued authorization
3 related to cannabis revoked in any jurisdiction.

4 (c) If the applicant is a business entity, the applying
5 business entity shall establish at a minimum that:

6 (1) Every officer, director, manager, and general partner
7 of the applying business entity or any person who has
8 the power to direct the management, policies, and
9 practices of the applying business entity:

10 (A) Is at least twenty-one years of age;

11 (B) Is a natural person who has been a legal resident
12 of the State for no less than five years
13 preceding the date of application;

14 (C) Has not been convicted of a felony; provided that
15 a conviction:

16 (i) That is pardoned or expunged; or

17 (ii) Solely for a marijuana-related offense,
18 unless the offense involved a minor,
19 including the offense under section 712-
20 1249.6, or a firearm, including the offense
21 under section 134-7(b),



1 shall not disqualify a person from applying for a
2 license; and

3 (D) Has not had any license, permit, certificate,
4 registration, or other government-issued
5 authorization related to cannabis revoked in any
6 jurisdiction; and

7 (2) The applying business entity:

8 (A) Is controlled by a majority of the shares,
9 membership interests, partnership interests, or
10 other equity ownership interests that is held or
11 owned by natural persons who are legal residents
12 of the State or by business entities whose owners
13 are all natural persons who are legal residents
14 of the State;

15 (B) Has been organized under the laws of the State;

16 (C) Has a Hawaii tax identification number and is
17 compliant with the tax laws of the State;

18 (D) Has a department of commerce and consumer affairs
19 business registration number and suffix; and

20 (E) Has a federal employer identification number.



1 (d) An applicant shall disclose in or include with its
2 application the names and addresses of the applicant and all
3 persons having a direct or indirect financial interest in the
4 applied-for license and the nature and extent of the financial
5 interest held by each person and the nature and extent of any
6 financial interest the person has in any other license applied
7 for or issued under this chapter.

8 (e) An applicant shall complete all application forms
9 prescribed by the authority fully and truthfully and comply with
10 all information requests by the authority relating to the
11 license application.

12 (f) A license shall be denied or revoked if an applicant
13 knowingly or recklessly makes any false statement of material
14 fact to the authority in applying for a license under this
15 chapter.

16 (g) The board may adopt rules to require additional
17 criteria for licensure for the purposes of protecting the public
18 health and safety, promoting sustainability and agriculture, and
19 encouraging the full participation in the regulated cannabis
20 industry from disproportionately impacted areas.



1 **SA-73 Ownership restrictions.** No person shall be issued
2 or have any direct or indirect interest in more than three
3 licenses for each class of license, but no more than nine
4 licenses in total; provided that no person:

5 (1) Holding a license pursuant to this chapter, or having
6 a direct or indirect interest in a cannabis
7 cultivator, cannabis processor, hemp cultivator, hemp
8 processor, medical cannabis dispensary, or retail
9 cannabis store, shall be issued a license for, or have
10 any direct or indirect interest in, an independent
11 laboratory, a craft cannabis dispensary, or a medical
12 cannabis cooperative;

13 (2) Holding a license for, or having a direct or indirect
14 interest in, an independent laboratory shall be issued
15 a license for, or have any direct or indirect interest
16 in, any other licensed business authorized under this
17 chapter or rules adopted thereunder;

18 (3) Holding a license for, or having a direct or indirect
19 interest in, a craft cannabis dispensary shall be
20 issued a license for, or have any direct or indirect



1 interest in, any other licensed business authorized
2 under this chapter or rules adopted thereunder; and
3 (4) Holding a license for, or having a direct or indirect
4 interest in, a medical cannabis cooperative shall be
5 issued a license for, or have any direct or indirect
6 interest in, any other licensed business authorized
7 under this chapter or rules adopted thereunder.

8 **SA-74 Criminal history background check.** (a) The
9 following shall be subject to background checks conducted by the
10 authority or its designee, which may include criminal history
11 record checks in accordance with section 846-2.7:

12 (1) Each applicant for a license or permit, including
13 every officer, director, manager, and general partner
14 of an applying business entity or any person who has
15 the power to direct the management, policies, and
16 practices of the applying business entity;

17 (2) Each current or prospective employee of a licensed
18 business;

19 (3) Each current or prospective contractor of a licensed
20 business; and



1 (4) Each current or prospective laboratory agent of an
2 independent laboratory.

3 (b) A person who is required to undergo the background
4 check shall provide written consent and all applicable
5 processing fees to the authority or its designee to conduct the
6 background check.

7 **§A-75 License; application; approval; denial; appeal.** (a)

8 The board shall adopt rules to establish procedures for
9 licensure application, review, approval, and denial, including
10 an application fee for each license.

11 (b) The board shall set an open application period for
12 each available license. The authority shall not accept an
13 application outside the open application period.

14 (c) The authority shall publish a notice of the open
15 application period on its website no less than thirty calendar
16 days before the start of the application period. The notice
17 shall contain:

18 (1) The class or classes of licenses available;

19 (2) The number of licenses available for each class of
20 license;



1 (3) The application criteria for each class of license
2 available; and

3 (4) The procedure to select applications for approval from
4 among the applicants that meet the criteria required
5 for each class of license available.

6 (d) The authority shall review and investigate whether the
7 information submitted in the application is complete and valid
8 and meets the criteria required pursuant to this chapter or
9 rules adopted thereunder, and whether the applicant is otherwise
10 disqualified pursuant to this chapter or rules adopted
11 thereunder.

12 (e) If an application form is incomplete or invalid, the
13 authority may request additional information or documentation;
14 provided that if an applicant fails to cure an incomplete or
15 invalid application within a timeframe prescribed by the
16 authority, the application shall be deemed withdrawn, and the
17 application fee shall be forfeited to the authority.

18 (f) Upon completion of the review and investigation of the
19 applications submitted for each open application period, the
20 authority shall refer any application that meets the criteria
21 required under this chapter or rules adopted thereunder and is



1 not otherwise disqualified pursuant to this chapter or rules
2 adopted thereunder to the board with its findings.

3 (g) The board shall approve or deny the applications in
4 accordance with this chapter and rules adopted thereunder;
5 provided that the board may deny an application that meets all
6 of the criteria required for a license if the application was
7 not selected to be approved pursuant to the selection procedure
8 published in the notice pursuant to subsection (c).

9 (h) Upon the board's determination to deny a license
10 application, the board shall notify the applicant in writing of
11 the denial and the basis for the denial.

12 (i) Any person aggrieved by the board's denial of a
13 license application may request a contested case hearing
14 pursuant to chapter 91. To request a contested case hearing,
15 the person shall submit a written request to the board within
16 thirty calendar days of the date of the written notice of
17 denial. Appeal to the circuit court under section 91-14, or any
18 other applicable statute, shall only be taken from the board's
19 final order pursuant to a contested case.

20 **SA-76 License term; renewal.** (a) All licenses under this
21 chapter shall be effective for one year from the date of



1 issuance and may be renewed annually pursuant to this section.
2 The board shall adopt rules to set forth requirements and
3 procedures for the submission, processing, and approval of a
4 renewal application, including a renewal application fee.

5 (b) An applicant for renewal shall submit to the authority
6 information, on the form prescribed by the authority, and
7 documentation necessary to verify that the applicant continues
8 to meet the criteria required pursuant to this chapter and rules
9 adopted thereunder and is in compliance with all the
10 requirements pursuant to this chapter and rules adopted
11 thereunder, including compliance with chapter B and all other
12 laws governing entities doing business in the State, including
13 chapters 237, 383, 386, 392, and 393.

14 (c) In addition to the review and verification of the
15 information and documentation submitted by the applicant, the
16 authority shall conduct an unannounced inspection of the
17 applicant to verify compliance as required by subsection (b).

18 (d) Upon submission of the renewal application fee and
19 verification that the applicant meets the requirements under
20 subsection (b), the authority shall renew the applicant's
21 license.



1 (e) If the authority determines that the applicant is
2 disqualified for renewal for any reason, the authority shall
3 refer the renewal application to the board with its findings.
4 Upon the board's determination to deny the renewal application,
5 the board shall notify the applicant in writing of the denial
6 and the basis for the denial or, if held for further action, the
7 conditions for approval. The failure to meet the conditions set
8 by the board shall result in denial of the renewal application.

9 (f) Any person aggrieved by the board's denial of license
10 renewal may request a contested case hearing pursuant to chapter
11 91. To request a contested case hearing, the person shall
12 submit a written request to the board within thirty calendar
13 days of the date of the written notice of denial. Appeal to the
14 circuit court under section 91-14, or any other applicable
15 statute, shall only be taken from the board's final order
16 pursuant to a contested case.

17 (g) A licensee that files a renewal application and pays
18 all required fees under this section before the expiration of
19 the license may continue to operate under that license
20 notwithstanding its expiration until such time as the authority
21 or board takes final action on the renewal application, unless



1 the board suspends or revokes the license before taking final
2 action on the renewal application.

3 (h) Except as provided in subsection (g), upon expiration
4 of a license, the licensed business shall immediately cease all
5 activities previously authorized by the license and ensure that
6 all cannabis in the licensed business's possession is forfeited
7 to the authority for destruction pursuant to section A-91.

8 **§A-77 Transfer of ownership; structural reorganization.**

9 (a) A licensed business shall not sell or otherwise transfer
10 any license issued under this chapter to another person,
11 reorganize its ownership structure, or restructure its business
12 entity, unless otherwise authorized under this section.

13 (b) The board shall adopt rules to establish procedures
14 and requirements for the submission of a license transfer,
15 reorganization, or restructuring application and standards for
16 the approval or denial of the application.

17 (c) A licensed business may apply to the authority, on the
18 form prescribed by the authority, for approval to transfer
19 ownership interests in the license, reorganize its ownership
20 structure, or restructure its business entity.



1 (d) A person seeking to assume an ownership interest in
2 the licensed business, a new proposed officer, director,
3 manager, or general partner of the licensed business, or anyone
4 who seeks to assume any power to directly or indirectly control
5 the management, policies, and practices of the licensed business
6 shall demonstrate that the person meets all applicable criteria
7 and requirements for licensure pursuant to this chapter and
8 rules adopted thereunder, including the background checks and
9 ownership restrictions.

10 (e) Any license transfer, reorganization, or restructuring
11 done without board approval, or that results in a violation of
12 the ownership restrictions pursuant to section A-73, shall be
13 void and the license shall be subject to immediate revocation.

14 **SA-78 Fees; disposition of fees.** All fees charged
15 pursuant to this chapter or rules adopted thereunder shall be
16 paid to the authority in the form required by the authority.
17 All fees collected under this chapter or rules adopted
18 thereunder shall be deposited in the cannabis regulation special
19 fund established in section A-17.



1 **SA-79 Licensed business operations.** (a) The board shall
2 adopt rules to establish requirements for the operation of a
3 licensed business.

4 (b) In addition to requirements established by any other
5 provision of this chapter and rules adopted thereunder, a
6 licensed business shall secure:

7 (1) Every entrance to the restricted areas of licensed
8 premises so that access to restricted areas is
9 restricted to employees and others permitted by law to
10 access the restricted area; and

11 (2) Its inventory and equipment during and after operating
12 hours to deter and prevent theft of cannabis.

13 (c) No licensed business shall cultivate, process, test,
14 or store cannabis at any location other than within an area that
15 is enclosed and secured in a manner that prevents access by
16 persons not authorized to access the restricted area. A
17 greenhouse or outdoor cannabis cultivation area shall have
18 sufficient security measures to demonstrate that outdoor areas
19 are not readily accessible by unauthorized individuals,
20 including perimeter security fencing designed to prevent
21 unauthorized entry.



1 (d) No licensed business shall refuse employees or agents
2 of the authority the right at any time of operation to inspect
3 the entire licensed premises or to audit the books, papers, and
4 records of the licensed business.

5 (e) No licensed business shall allow any person under
6 twenty-one years of age to work for the licensed business.

7 (f) No licensed business shall allow any person that has
8 been convicted of a felony to work for the licensed business;
9 provided that a conviction:

10 (1) That is pardoned or expunged; or

11 (2) Solely for a marijuana-related offense, unless the
12 offense involved a minor, including the offense under
13 section 712-1249.6, or a firearm, including the
14 offense under section 134-7(b),

15 shall not disqualify a person from working for the licensed
16 business.

17 (g) A licensed business shall:

18 (1) Register each employee with the authority; and

19 (2) Notify the authority within one working day if an
20 employee ceases to be associated with the licensed
21 business.



1 (h) A person under twenty-one years of age shall not enter
2 a licensed business; provided that a medical cannabis patient
3 who is eighteen years of age or older may enter a medical
4 cannabis dispensary, retail cannabis store, or medical cannabis
5 cooperative of which the patient is a member.

6 (i) A licensed business shall ensure that unauthorized
7 persons under twenty-one years of age do not enter the licensed
8 premises; provided that the board may adopt rules to allow a
9 medical cannabis dispensary or retail cannabis store to use a
10 controlled, indoor entry area in the medical cannabis dispensary
11 or retail cannabis store to verify the identification and age of
12 persons before allowing access beyond the entry area.

13 (j) No licensed business shall cultivate, process,
14 distribute, dispense, or otherwise transact business with any
15 products containing cannabis other than those that were
16 cultivated, processed, distributed, and taxed in accordance with
17 this chapter and chapter B.

18 **§A-80 Licensed premises; where.** (a) Each license issued
19 under this chapter shall authorize the operation of the licensed
20 business only at the single place described in the license.



1 (b) Licensed premises shall not be located within a seven
2 hundred fifty-foot radius of an existing school, public park, or
3 public housing project or complex.

4 **§A-81 Laboratory standards and testing.** (a) No person or
5 licensed business shall distribute, dispense, or otherwise sell
6 cannabis or hemp unless the cannabis or hemp has been tested and
7 shown to meet the requirements and standards established under
8 this chapter and rules adopted thereunder for content,
9 contamination, and consistency.

10 (b) The board shall adopt rules to establish requirements
11 and standards for the mandatory laboratory testing of cannabis
12 and hemp that conform with the best practices generally used
13 within the cannabis industry, including:

14 (1) The processes, protocols, and standards regarding the
15 collection of samples of cannabis and hemp;

16 (2) Mandatory laboratory testing for cannabis flower and
17 hemp flower that shall include:

18 (A) Dangerous molds and mildew;

19 (B) Harmful microbes, including *Escherichia coli* and
20 salmonella;

21 (C) Pesticides, fungicides, and insecticides; and



- 1 (D) THC potency, homogeneity, and cannabinoid
2 profiles to ensure correct labeling;
- 3 (3) Mandatory laboratory testing for cannabis products,
4 medical cannabis products, and hemp products, except
5 for crude hemp extract, that shall include:
- 6 (A) Residual solvents, poisons, and toxins;
7 (B) Harmful chemicals;
8 (C) Dangerous molds and mildew;
9 (D) Harmful microbes, including *Escherichia coli* and
10 salmonella;
11 (E) Pesticides, fungicides, and insecticides; and
12 (F) THC potency, homogeneity, and cannabinoid
13 profiles to ensure correct labeling; and
- 14 (4) Mandatory laboratory testing for crude hemp extract
15 that shall include:
- 16 (A) Residual solvents, poisons, and toxins; and
17 (B) THC potency, homogeneity, and cannabinoid
18 profiles to ensure correct labeling.
- 19 (c) A licensed business shall maintain a record of all
20 laboratory testing that includes a description of the cannabis



1 or hemp provided to the independent laboratory, the identity of
2 the independent laboratory, and the results of the test.

3 (d) The board may adopt rules to establish other quality
4 assurance mechanisms that may include the designation or
5 creation of a state cannabis testing facility, creation of a
6 secret shopper program, round-robin testing, or any other
7 mechanism to ensure the accuracy of product testing and
8 labeling.

9 (e) For the purposes of this section, "THC" means the
10 cannabinoids that function as the primary psychoactive component
11 of cannabis.

12 **§A-82 Packaging.** (a) No cannabis or hemp shall be
13 distributed, dispensed, or otherwise sold unless it is packaged
14 in accordance with this section and rules adopted pursuant to
15 this chapter.

16 (b) The board shall adopt rules to establish requirements
17 for the packaging of cannabis and hemp; provided that the rules
18 for the packaging of cannabis shall:

19 (1) Require the packaging to be opaque and certified
20 child-resistant and resealable;



- 1 (2) Restrict packaging containing cannabis for medical use
2 to black lettering on a white background with no
3 pictures or graphics;
- 4 (3) Restrict packaging containing cannabis for personal
5 adult use to black lettering on a background of a
6 singular, solid color approved by the authority with
7 no pictures or graphics;
- 8 (4) Restrict the use of colors, pictures, graphics, or
9 designs on or inside packaging to ensure that
10 packaging is not designed to appeal particularly to a
11 person less than twenty-one years of age;
- 12 (5) Require the division of each serving within a package
13 containing multiple servings in a manner that allows
14 consumers and medical cannabis patients to easily
15 identify a single serving; and
- 16 (6) Prohibit packaging that imitates or resembles any
17 existing branded consumer products, including foods
18 and beverages, that do not contain cannabis.
- 19 (c) No licensed business shall offer, at no cost or at
20 cost, any packaging that does not meet the requirements under
21 this chapter or rules adopted thereunder.



1 **§A-83 Labeling.** (a) No cannabis or hemp shall be
2 distributed, dispensed, or otherwise sold unless it is labeled
3 in accordance with this section and rules adopted pursuant to
4 this chapter.

5 (b) The board shall adopt rules to establish labeling
6 requirements for cannabis and hemp; provided that labeling on
7 each cannabis package shall, at a minimum, contain:

- 8 (1) A universal symbol prescribed by the authority that
9 indicates that the package contains cannabis;
- 10 (2) The name and contact information of the cultivator or
11 processor who produced the cannabis;
- 12 (3) The results of sampling, testing, and analysis
13 conducted by an independent laboratory;
- 14 (4) A list of pharmacologically active ingredients and
15 possible allergens;
- 16 (5) The number of servings in the package if there are
17 multiple servings;
- 18 (6) The amount of cannabinoids in the package and in each
19 serving as expressed in absolute terms and as a
20 percentage of volume;
- 21 (7) The appellation of origin;



1 (8) If the product is medical cannabis, the statement "For
2 medical use only"; and

3 (9) The following statement in bold print, including
4 capitalization: "This product has not been analyzed
5 or approved by the FDA. There is limited information
6 on the side effects of using this product, and there
7 may be associated health risks. Cannabis use during
8 pregnancy and breast-feeding may pose potential harms.
9 It is against the law to drive when under the
10 influence of this product. KEEP THIS PRODUCT AWAY FROM
11 CHILDREN."

12 (c) For the purposes of this section, "universal symbol"
13 means an image developed by the authority that indicates that a
14 container, package, or product contains cannabis.

15 **§A-84 Cannabis and cannabis product standards.** (a) The
16 board shall adopt rules to establish requirements, restrictions,
17 and standards regarding the types, ingredients, and designs of
18 cannabis and hemp, including potency limits and limits on
19 servings per package; provided that each cannabis product shall
20 be registered with the authority on forms prescribed by the
21 authority.



1 (b) Edible products shall not be designed to resemble
2 commercially available candy or other products marketed to
3 children. The words "candy" and "candies" shall not be used on
4 packaging, labeling, advertising, product lists, or product
5 menus. Edible cannabis products shall not be in the shape of or
6 contain a depiction of a human, animal, or fruit, or a shape or
7 depiction that bears the likeness or contains characteristics of
8 a realistic or fictional human, animal, or fruit, including
9 artistic, caricature, or cartoon renderings.

10 (c) Except for a cannabis product intended for external
11 topical application to the skin or hair, no person shall
12 distribute, dispense, sell, or offer for sale any cannabis
13 product intended to be introduced via non-oral routes of entry
14 to the body, including use in eyes, ears, and nasal cavities.

15 **SA-85 Advertising; marketing; branding.** (a) The board
16 shall adopt rules to establish requirements for advertising,
17 marketing, and branding of cannabis or hemp, and any licensed
18 business, that include at a minimum:

19 (1) A prohibition on advertising, marketing, and branding
20 in such a manner that is deemed to be deceptive,
21 false, or misleading;



- 1 (2) A prohibition or restriction on advertising,
2 marketing, and branding through or on a certain
3 medium, method, or location, as determined by the
4 authority, to minimize advertising, marketing, and
5 brand exposure of licensed businesses to a person less
6 than twenty-one years of age;
- 7 (3) A prohibition on advertising, marketing, and branding
8 that utilizes statements, designs, representations,
9 pictures, or illustrations that portray anyone less
10 than twenty-one years of age;
- 11 (4) A prohibition on advertising, marketing, and branding,
12 including mascots, cartoons, candies, toys, fruits,
13 brand sponsorships, and celebrity endorsements, that
14 is deemed to appeal to a person less than twenty-one
15 years of age;
- 16 (5) A prohibition on advertising, marketing, and branding,
17 including statements by a licensed business, that
18 makes any false or misleading statements concerning
19 other licensed businesses and the conduct and products
20 of the other licensed businesses;



- 1 (6) A prohibition on advertising, marketing, and branding
2 through certain identified promotional items as
3 determined by the authority, including giveaways,
4 coupons, samples, prizes, or "free", "donated", or
5 "premium" cannabis or hemp;
- 6 (7) A prohibition on advertising, marketing, and branding
7 by a licensed business that asserts its products are
8 safe, other than labeling required pursuant to this
9 chapter or rules adopted thereunder;
- 10 (8) A reasonable restriction on timing and use of
11 illuminated external signage, which shall comply with
12 any other provisions of law applicable thereto,
13 including local ordinances and requirements, and a
14 prohibition on neon signage;
- 15 (9) A requirement that any website or social media account
16 of a licensed business shall verify that the entrant
17 is at least twenty-one years of age;
- 18 (10) A prohibition on the use of unsolicited pop-up
19 advertisements on the Internet;
- 20 (11) A requirement that all advertising, marketing, and
21 branding materials for cannabis or hemp contain a



1 standard health warning developed by the authority in
2 consultation with the department of health; and

3 (12) A requirement that all advertising, marketing, and
4 branding accurately and legibly identify the licensed
5 business responsible for its content, by adding, at a
6 minimum, the licensed business's name and license
7 number.

8 (b) No person, other than the holder of a license or
9 permit issued pursuant to this chapter or rules adopted
10 thereunder or a person who provides professional services
11 related to a licensed business, shall advertise any cannabis or
12 services related to cannabis in the State.

13 (c) No person shall place or maintain, or cause to be
14 placed or maintained, any sign or other advertisement for a
15 business or product related to cannabis, in any form or through
16 any medium whatsoever, within seven hundred fifty feet of the
17 real property comprising of a school, public park, or public
18 housing project or complex.

19 **SA-86 Signage.** The board shall adopt rules to establish
20 requirements for signage at the licensed premises that shall, at
21 a minimum, require that:



- 1 (1) All cannabis businesses that are open to the public
2 conspicuously post a notice at each entry to all
3 licensed premises that persons under twenty-one years
4 of age are not allowed on the premises unless they are
5 a medical cannabis patient who is at least eighteen
6 years of age;
- 7 (2) All cannabis businesses that are open to the public
8 conspicuously post a sign in or about the premises
9 notifying all customers and other persons of the
10 dangers of, and possible sanctions that may be imposed
11 for, operating a vehicle under the influence of
12 cannabis;
- 13 (3) All cannabis businesses that are open to the public
14 conspicuously post a sign in or about the premises
15 notifying all customers and other persons that the
16 possession and sale of cannabis is illegal under
17 federal law and a person is subject to federal law
18 while traveling interisland; and
- 19 (4) Every license issued and in effect under this chapter
20 shall at all times be conspicuously posted to view,
21 convenient for inspection, on the licensed premises.



1 **SA-87 Seed-to-sale tracking system.** (a) The authority
2 shall establish, maintain, and control a seed-to-sale tracking
3 system that shall have real-time, twenty-four-hour access to the
4 data of all licensed businesses. The board shall adopt rules
5 pursuant to this chapter to establish procedures and
6 requirements for the seed-to-sale tracking system.

7 (b) The seed-to-sale tracking system shall collect data,
8 including:

9 (1) The total amount of cannabis in possession of all
10 cannabis businesses from either the seed or immature
11 plant state, including all plants that are derived
12 from cuttings or cloning, until the cannabis is
13 sampled, dispensed, or destroyed;

14 (2) The total amount of cannabis products and medical
15 cannabis products inventory, as appropriate, including
16 the equivalent physical weight of cannabis that is
17 used to produce the products;

18 (3) The amount of waste produced by each plant at harvest;
19 and

20 (4) The transport of cannabis between cannabis businesses,
21 including tracking the quantity and type of cannabis,



1 the identity of the person transporting the cannabis,
2 and the make, model, and license number of the vehicle
3 being used for the transport.

4 (c) The procurement of the seed-to-sale tracking system
5 established pursuant to this section shall be exempt from
6 chapter 103D; provided that:

7 (1) The authority shall publicly solicit at least three
8 proposals for the seed-to-sale tracking system; and

9 (2) The selection of the seed-to-sale tracking system
10 shall be approved by the board and chief information
11 officer.

12 (d) Notwithstanding any other provision of this section to
13 the contrary, if the authority's seed-to-sale tracking system is
14 inoperable, as an alternative to requiring a cannabis business
15 to temporarily cease operations, the authority may implement an
16 alternate tracking system that will enable a cannabis business
17 to operate on a temporary basis.

18 (e) A cannabis business shall purchase, operate, and
19 maintain a computer software tracking system that shall
20 interface with the authority's seed-to-sale tracking system



1 established pursuant to subsection (a) and allow each cannabis
2 business to submit to the authority any required data.

3 **SA-88 Violations; penalties.** (a) In addition to any
4 other penalties allowed by law, any person who violates this
5 chapter or rules adopted thereunder shall be fined no more than
6 \$1,000 for each separate violation. Unless otherwise provided
7 by applicable law, each day on which a violation occurs or
8 continues shall be counted as a separate violation.

9 (b) Upon the authority's determination to impose an
10 administrative penalty on a person pursuant to subsection (a),
11 the authority shall provide the person with written notice of
12 the administrative penalty and the basis for the administrative
13 penalty. Any notice of an administrative penalty may be
14 accompanied by a cease-and-desist order or corrective action
15 order. The violation of the cease-and-desist order or
16 corrective action order shall constitute a further violation of
17 this chapter.

18 (c) Any person aggrieved by the imposition of an
19 administrative penalty may request a contested case hearing
20 pursuant to chapter 91. To request a contested case hearing,
21 the person shall submit a written request to the board within



1 thirty calendar days of the date of the written notice. Appeal
2 to the circuit court under section 91-14, or any other
3 applicable statute, shall only be taken from the board's final
4 order pursuant to a contested case.

5 (d) Any action taken to recover, collect, or enforce the
6 penalty provided for in this section shall be considered a civil
7 action. For any judicial proceeding to recover or collect an
8 administrative penalty imposed pursuant to subsection (a) or to
9 enforce a cease-and-desist order or corrective action order
10 issued pursuant to subsection (b), the authority may petition
11 any court of appropriate jurisdiction and need only show that:

- 12 (1) Notice was given;
- 13 (2) A hearing was held, or the time granted for requesting
14 a hearing has expired without such a request;
- 15 (3) The administrative penalty, cease-and-desist order, or
16 corrective action order was imposed on the person; and
- 17 (4) The penalty remains unpaid, or the order was not
18 complied with.

19 (e) All monetary penalties imposed pursuant to this
20 chapter shall be paid by the person to the authority in the form
21 required by the authority. All monetary penalties paid to the



1 authority pursuant to this chapter shall be deposited into the
2 cannabis regulation special fund established in section A-17.

3 **§A-89 License; permit; suspension; revocation.** (a) In
4 addition to any other actions authorized by law, the board may
5 suspend or revoke any license or permit issued by the board or
6 authority under this chapter or rules adopted thereunder for
7 violating this chapter, rules adopted thereunder, chapter B, or
8 for any good cause, including:

- 9 (1) Procuring a license or permit through fraud,
10 misrepresentation, or deceit;
- 11 (2) Professional misconduct, gross carelessness, or
12 manifest incapacity;
- 13 (3) False, fraudulent, or deceptive advertising;
- 14 (4) Any other conduct constituting fraudulent or dishonest
15 dealings;
- 16 (5) Failure to comply with an order from the board or
17 authority; and
- 18 (6) Making a false statement on any document submitted or
19 required to be filed by this chapter, including
20 furnishing false or fraudulent material information in
21 any application.



1 (b) The board shall adopt rules to establish procedures
2 and standards for the suspension and revocation of a license or
3 permit.

4 (c) If the authority determines that conduct by a licensed
5 business warrants suspension or revocation, the authority shall
6 refer the matter to the board with its findings. Upon the
7 board's determination to suspend or revoke a license or permit,
8 the board shall provide the licensed business with written
9 notice and order describing the basis for the suspension or
10 revocation.

11 (d) Any person aggrieved by the board's suspension or
12 revocation determination may request a contested case hearing
13 pursuant to chapter 91. To request a contested case hearing,
14 the person shall submit a written request to the board within
15 thirty calendar days of the date of the notice of the suspension
16 or revocation. Appeal to the circuit court under section 91-14,
17 or any other applicable statute, shall only be taken from the
18 board's final order pursuant to a contested case.

19 (e) A licensed business whose license or permit has been
20 suspended shall not, for the duration of the period of



1 suspension, engage in any activities relating to the operation
2 of the licensed business, including:

3 (1) Distributing, dispensing, selling, transferring,
4 transporting, or otherwise disposing of any cannabis
5 or hemp owned by or in the possession of the licensed
6 business; or

7 (2) Processing any cannabis or hemp.

8 (f) A person whose license or permit has been revoked
9 shall immediately cease all activities relating to the operation
10 of the licensed business and ensure that all cannabis or hemp
11 owned by or in the possession of the person pursuant to that
12 license or permit shall be forfeited to the authority for
13 destruction pursuant to section A-91.

14 (g) If any license or permit is revoked or otherwise
15 terminated by the board, any fees paid for the license or permit
16 shall be forfeited to the State.

17 **SA-90 Relinquishment no bar to jurisdiction.** The
18 forfeiture, nonrenewal, surrender, voluntary relinquishment, or
19 abandonment of a license or permit issued by the board or
20 authority under this chapter or rules adopted thereunder shall
21 not bar jurisdiction by the board or authority to proceed with



1 any investigation, action, or proceeding to restrict, condition,
2 limit, suspend, or revoke the license or permit, or otherwise
3 penalize a licensed business or an individual licensee, or both.

4 **SA-91 Forfeiture; destruction.** (a) In addition to any
5 action authorized by law, the board may order the forfeiture and
6 destruction of all or a portion of the cannabis or hemp, owned
7 by or in the possession of a licensed business, if it makes a
8 determination that the cannabis or hemp is not authorized by, or
9 is in violation of, this chapter.

10 (b) The board shall adopt rules to establish procedures
11 and standards for the forfeiture and destruction of cannabis or
12 hemp.

13 (c) If the authority determines that a violation by a
14 licensed business warrants forfeiture and destruction of all or
15 a portion of the cannabis or hemp held by that licensed
16 business, the authority shall refer the matter to the board with
17 its findings. Upon the board's determination to order the
18 forfeiture and destruction of cannabis or hemp, the board shall
19 provide the licensed business with a written notice and order
20 describing the basis for the forfeiture and destruction, a
21 description of the cannabis or hemp subject to forfeiture and



1 destruction, and a timeframe in which the cannabis or hemp must
2 be forfeited.

3 (d) A licensed business subject to an order directing the
4 destruction of any cannabis or hemp in the possession of the
5 licensed business shall forfeit the cannabis or hemp described
6 in the order to the authority for destruction within the
7 timeframe described in the order.

8 (e) Any person aggrieved by the board's forfeiture and
9 destruction determination may request a contested case hearing
10 pursuant to chapter 91. To request a contested case hearing,
11 the person shall submit a written request to the board within
12 thirty calendar days of the date of the notice and order of
13 forfeiture and destruction. Appeal to the circuit court under
14 section 91-14, or any other applicable statute, shall only be
15 taken from the board's final order pursuant to a contested case.

16 (f) If the authority is notified by a law enforcement
17 agency that there is a pending investigation of a licensed
18 business subject to an order for forfeiture and destruction of
19 cannabis or hemp, the authority shall not destroy any cannabis
20 or hemp of that licensed business until the destruction is
21 approved by the law enforcement agency.



1 **SA-92 Administrative holds.** (a) In addition to any
2 action authorized by law, the authority may impose an
3 administrative hold on a licensed business if there are
4 reasonable grounds to believe the licensed business has
5 committed or is committing a violation of this chapter or rules
6 adopted thereunder.

7 (b) The authority shall provide a licensed business
8 subject to an administrative hold with written notice of the
9 imposition of that hold, which shall:

- 10 (1) Include a statement of the basis for the
11 administrative hold;
- 12 (2) Detail the cannabis or hemp subject to the
13 administrative hold;
- 14 (3) Describe any operational restrictions to be placed on
15 the licensed business during the duration of the
16 administrative hold; and
- 17 (4) Indicate actions that must be taken by the licensed
18 business as a result of the administrative hold.

19 (c) An administrative hold shall take effect at the time
20 that the written notice is provided to the licensed business.



1 (d) A licensed business subject to an administrative hold
2 shall physically segregate, in a limited access area approved by
3 the authority, any cannabis or hemp subject to the
4 administrative hold from any other cannabis or hemp not subject
5 to the administrative hold.

6 (e) For the duration of the administrative hold, the
7 licensed business shall not sell, transfer, transport,
8 distribute, dispense, dispose of, or destroy any cannabis or
9 hemp subject to the administrative hold, but may, as applicable,
10 cultivate or otherwise maintain any cannabis plants or hemp
11 plants subject to the administrative hold unless specifically
12 restricted by the authority from engaging in such activities.

13 (f) A licensed business subject to an administrative hold,
14 for the duration of the administrative hold, shall maintain the
15 licensed premises and may otherwise continue to operate the
16 licensed business in compliance with this chapter, rules adopted
17 thereunder, and the provisions of the administrative hold.
18 Except as specifically restricted by the authority, the licensed
19 business may, for the duration of the administrative hold,
20 cultivate, process, distribute, or dispense any cannabis or hemp
21 not subject to the administrative hold pursuant to its license.



1 (g) The authority may terminate an administrative hold at
2 any time following the imposition of the administrative hold;
3 provided that an administrative hold under this section shall
4 not be imposed for a period exceeding thirty business days from
5 the date notice is issued. The authority shall provide the
6 licensed business with written notice of the termination of an
7 administrative hold.

8 **§A-93 Liability to the State under this chapter as debt.**

9 (a) Any liability to the State under this chapter shall
10 constitute a debt to the State. Once a statement naming a
11 licensed business is recorded, registered, or filed, any such
12 debt shall constitute a lien on all commercial property owned by
13 the business in the State and shall have priority over an
14 encumbrance recorded, registered, or filed with respect to any
15 property.

16 (b) If a lien imposed by subsection (a) is properly
17 recorded, registered, or filed, and three hundred sixty-five
18 calendar days have elapsed from the date of recording,
19 registration, or filing with no response or action by the debtor
20 against whom the lien was recorded, registered, or filed, the
21 executive director may apply to the circuit court to have the



1 lien converted into a civil judgment. The circuit court shall
2 issue a civil judgment for an amount equivalent to the value of
3 the lien.

4 **§A-94 Unauthorized access to a restricted area; criminal**
5 **offense.** (a) No person shall intentionally or knowingly enter
6 or remain in a restricted area unless the person is:

7 (1) An individual licensee or registered employee of the
8 licensed business;

9 (2) A government employee or official acting in the
10 person's official capacity; or

11 (3) Escorted by an individual licensee or registered
12 employee of the licensed business at all times while
13 in the restricted area; provided that:

14 (A) The person is at least twenty-one years of age,
15 as verified by a valid government-issued
16 identification card;

17 (B) The person is only permitted within those
18 portions of the restricted area as necessary to
19 fulfill the person's purpose for entering;

20 (C) The person is only permitted within the
21 restricted area during the times and for the



1 duration necessary to fulfill the person's
2 purpose for entering; and
3 (D) The licensed business shall keep a photographic
4 copy of the valid government-issued
5 identification card and an accurate record of the
6 date and times upon entering and exiting the
7 restricted area, the purpose for entering, and
8 the identity of the escort.

9 (b) No individual licensee or registered employee of the
10 licensed business with control over or responsibility for the
11 licensed premises shall intentionally or knowingly allow another
12 person to enter or remain in a restricted area, unless that
13 person is permitted to enter and remain as specified in
14 subsection (a).

15 (c) A violation of this section shall be a petty
16 misdemeanor.

17 **§A-95 Diversion from a licensed business; criminal**
18 **offense.** (a) A person commits diversion from a licensed
19 business if the person is a licensed business or an operator,
20 agent, or employee of a licensed business and intentionally or
21 knowingly diverts to the person's own use or other unauthorized



1 or illegal use, or takes, makes away with, or secretes, with
2 intent to divert to the person's own use or other unauthorized
3 or illegal use, any cannabis under the person's possession,
4 care, or custody as a licensed business or an operator, agent,
5 or employee of a licensed business.

6 (b) Any person who violates this section shall be guilty
7 of a class C felony.

8 **§A-96 Alteration or falsification of licensed business**

9 **records; criminal offense.** (a) A person commits the offense of
10 alteration or falsification of licensed business records if the
11 person intentionally or knowingly:

12 (1) Makes or causes a false entry in licensed business
13 records;

14 (2) Alters, erases, obliterates, deletes, removes, or
15 destroys a true entry in licensed business records;

16 (3) Omits to make a true entry in licensed business
17 records in violation of a duty that the person knows
18 to be imposed upon the person by law or by the nature
19 of the person's position; or

20 (4) Prevents the making of a true entry or causes the
21 omission thereof in licensed business records.



1 (b) Alteration or falsification of licensed business
2 records shall be a class C felony.

3 (c) For the purposes of this section:

4 "Electronic" means relating to technology having
5 electrical, digital, magnetic, wireless, optical,
6 electromagnetic, or other similar capabilities.

7 "Information" includes data, text, images, sounds, codes,
8 computer programs, software, or databases.

9 "Licensed business records" means any inventory tracking
10 records and other records maintained by a licensed business that
11 are required by law to be created and retained or provided to
12 the authority or department of taxation.

13 "Record" means information that is written or printed or
14 that is stored in an electronic or other medium and is
15 retrievable in a perceivable form.

16 **SA-97 Unlawful restricted cannabinoid product retailing.**

17 (a) A person required to obtain a restricted cannabinoid
18 product permit commits the offense of unlawful restricted
19 cannabinoid product retailing if the person recklessly fails to
20 obtain a valid permit required under section A-119 and
21 recklessly distributes, sells, or offers for sale any restricted



1 cannabinoid product or possesses, stores, or acquires any
2 restricted cannabinoid product for the purpose of distribution,
3 sale, or offering for sale.

4 (b) Unlawful restricted cannabinoid product retailing
5 shall be a petty misdemeanor; provided that any offense under
6 subsection (a) that occurs within five years of a prior
7 conviction for unlawful restricted cannabinoid product retailing
8 shall be a misdemeanor.

9 **SA-98 Law enforcement access to licensed business records.**

10 Notwithstanding any other law, a licensed business shall
11 disclose information, documents, tax records, and other records
12 regarding its licensed business operation, upon request, to any
13 federal, state, or county agency engaged in the administrative
14 regulation, criminal investigation, or prosecution of violations
15 of applicable federal, state, or county laws or regulations
16 related to the operations or activities of a licensed business.

17 **PART VII. CANNABIS BUSINESSES; AUTHORIZED**

18 **SA-111 Independent laboratory; license required.** (a) An
19 independent laboratory license shall authorize the sampling,
20 limited possession, and testing of cannabis and hemp pursuant to
21 this chapter and rules adopted thereunder.



1 (b) The board shall adopt rules for the licensure,
2 operations, and oversight of independent laboratories, including
3 protocols for the sampling, testing, and analysis of cannabis
4 and hemp. The rules shall address sampling and analysis related
5 to cannabinoid profiles and biological and chemical
6 contaminants, including terpenoids, pesticides, plant growth
7 regulators, metals, microbiological contaminants, mycotoxins,
8 and residual solvents introduced through cultivation of cannabis
9 plants or hemp plants and post-harvest processing and handling
10 of cannabis, hemp, or any related ingredients.

11 (c) An independent laboratory shall report any results
12 indicating contamination to the authority within seventy-two
13 hours of identification of contamination.

14 (d) No independent laboratory shall have a direct or
15 indirect interest, including by stock ownership, interlocking
16 directors, mortgage or lien, personal or real property,
17 management agreement, shared parent companies or affiliated
18 organizations, or any other means, in any other type of licensed
19 business authorized by this chapter or rules adopted thereunder.

20 (e) No other licensed business shall have a direct or
21 indirect interest, including by stock ownership, interlocking



1 directors, mortgage or lien, personal or real property,
2 management agreement, shared parent companies or affiliated
3 organizations, or any other means, in an independent laboratory.

4 (f) No individual who possesses an interest in or is a
5 laboratory agent employed by an independent laboratory, and no
6 immediate family member of that individual, shall possess an
7 interest in or be employed by any other licensed business
8 authorized by this chapter or rules adopted thereunder.

9 (g) No independent laboratory, laboratory agent, or
10 employee of an independent laboratory shall receive direct or
11 indirect compensation, other than reasonable contractual fees to
12 conduct testing, from any entity for which it is conducting
13 testing pursuant to this chapter or rules adopted thereunder.

14 (h) An independent laboratory shall:

15 (1) Register each laboratory agent with the authority; and

16 (2) Notify the authority within one working day if a
17 laboratory agent ceases to be associated with the
18 independent laboratory.

19 (i) No one who has been convicted of a felony drug offense
20 shall be a laboratory agent or an employee of an independent
21 laboratory. The authority shall conduct criminal history record



1 checks of laboratory agents and employees of an independent
2 laboratory in accordance with section 846-2.7, and the board may
3 by rules set standards and procedures to enforce this
4 subsection.

5 (j) A laboratory agent shall not be subject to arrest,
6 prosecution, civil penalty, sanctions, or disqualifications, and
7 shall not be subject to seizure or forfeiture of assets under
8 laws of the State, for actions taken under the authority of an
9 independent laboratory, including possessing, processing,
10 storing, transferring, or testing cannabis; provided that the
11 laboratory agent is:

- 12 (1) Registered with the authority; and
13 (2) Acting in accordance with all the requirements under
14 this chapter and rules adopted thereunder.

15 **SA-112 Cannabis cultivator; license required.** (a) A
16 cannabis cultivator license shall authorize:

- 17 (1) The acquisition and cultivation of cannabis plants,
18 seeds, cuttings, or clones; and
19 (2) The distribution of cannabis plants and cannabis
20 flower to:
21 (A) A cannabis cultivator;



1 (B) A cannabis processor;

2 (C) A medical cannabis dispensary; and

3 (D) A retail cannabis store.

4 (b) A cannabis cultivator shall track the cannabis it
5 cultivates from acquisition to testing, distribution, or
6 destruction.

7 (c) A cannabis cultivator shall maintain a record of all
8 samples provided to an independent laboratory, the identity of
9 the independent laboratory, and the testing results.

10 (d) The maximum size of plant canopy the board may
11 authorize for each cannabis cultivator license shall be two
12 thousand square feet of plant canopy for indoor cultivations and
13 five thousand square feet of plant canopy for outdoor
14 cultivations.

15 (e) A cannabis cultivator shall comply with all laws and
16 rules applicable to an agricultural operation, including laws
17 and rules regarding pesticide use, water use, and the
18 environment, and all other requirements and standards as
19 prescribed by rules adopted by the board. The requirements and
20 standards prescribed by the board shall be guided by sustainable
21 farming principles and practices such as organic, regenerative,



1 and integrated pest management models to the extent possible;
2 limit the use of pesticides, whenever possible; and encourage
3 the use of renewable energies or resources.

4 **§A-113 Cannabis processor; license required.** (a) A
5 cannabis processor license shall authorize the acquisition,
6 possession, and processing of cannabis into cannabis products,
7 and distribution of cannabis to:

- 8 (1) A cannabis processor;
9 (2) A medical cannabis dispensary; and
10 (3) A retail cannabis store.

11 (b) A cannabis processor shall track the cannabis it
12 processes from acquisition to testing, distribution, or
13 destruction.

14 (c) A cannabis processor shall maintain a record of all
15 samples provided to an independent laboratory, the identity of
16 the independent laboratory, and the testing results.

17 (d) A cannabis processor shall calculate the equivalent
18 physical weight of the cannabis flower that is used to process
19 the cannabis product and shall make the equivalency calculations
20 available to the authority, consumer, and medical cannabis
21 patient.



1 **§A-114 Medical cannabis dispensary; license required.** (a)

2 A medical cannabis dispensary license shall authorize:

- 3 (1) The acquisition and possession of cannabis;
- 4 (2) The distribution of cannabis to a retail cannabis
- 5 store or medical cannabis dispensary; and
- 6 (3) The dispensing of cannabis from the licensed premises
- 7 only to medical cannabis patients or their caregivers.

8 (b) A medical cannabis dispensary shall track all cannabis

9 it possesses from acquisition to testing, distribution,

10 dispensing, or destruction.

11 (c) A medical cannabis dispensary shall maintain a record

12 of all samples provided to an independent laboratory, the

13 identity of the independent laboratory, and the testing results.

14 (d) Notwithstanding any other law to the contrary, a

15 medical cannabis dispensary shall not be subject to the

16 prescription requirement of section 329-38 or the board of

17 pharmacy licensure or regulatory requirements under chapter 461.

18 **§A-115 Retail cannabis store; license required.** (a) A

19 retail cannabis store license shall authorize:

- 20 (1) The acquisition and possession of cannabis;



- 1 (2) The distribution of cannabis to a retail cannabis
- 2 store or medical cannabis dispensary;
- 3 (3) The dispensing of adult-use cannabis from the licensed
- 4 premises to consumers; and
- 5 (4) The dispensing of cannabis from the licensed premises
- 6 to medical cannabis patients or a medical cannabis
- 7 patient's caregiver.

8 (b) A retail cannabis store shall ensure adequate access

9 and product supply to accommodate medical cannabis patients.

10 The board shall adopt rules to implement this section, including

11 requirements for:

- 12 (1) Priority access or business hours, or both, for
- 13 medical cannabis patients; and
- 14 (2) Product supply to ensure medical cannabis patients
- 15 have access to the cannabis used to treat their
- 16 debilitating medical condition.

17 (c) A retail cannabis store shall track all cannabis it

18 possesses from acquisition to testing, distribution, dispensing,

19 or destruction.



1 (d) A retail cannabis store shall maintain a record of all
2 samples provided to an independent laboratory, the identity of
3 the independent laboratory, and the testing results.

4 (e) Notwithstanding any other law to the contrary, a
5 retail cannabis store shall not be subject to the prescription
6 requirement of section 329-38 or the board of pharmacy licensure
7 or regulatory requirements under chapter 461.

8 **§A-116 Craft cannabis dispensary; license required. (a)**

9 A craft cannabis dispensary license shall authorize the limited:

10 (1) Acquisition and cultivation of cannabis plants, seeds,
11 cuttings, or clones, and possession and processing of
12 adult-use cannabis;

13 (2) Distribution of adult-use cannabis to:

14 (A) A cannabis processor;

15 (B) A medical cannabis dispensary; and

16 (C) A retail cannabis store; and

17 (3) Dispensing of adult-use cannabis from the licensed
18 premises to consumers.

19 (b) A craft cannabis dispensary shall distribute only its
20 own cannabis.



1 (c) A craft cannabis dispensary shall dispense only its
2 own cannabis directly to consumers.

3 (d) A craft cannabis dispensary shall not process,
4 distribute, or dispense medical cannabis products.

5 (e) No craft cannabis dispensary shall have a direct or
6 indirect interest, including by stock ownership, interlocking
7 directors, mortgage or lien, personal or real property, or any
8 other means, in any other licensed business authorized by this
9 chapter or rules adopted thereunder, including another craft
10 cannabis dispensary.

11 (f) No licensed business shall have a direct or indirect
12 interest, including by stock ownership, interlocking directors,
13 mortgage or lien, personal or real property, or any other means,
14 in any craft cannabis dispensary.

15 (g) A craft cannabis dispensary shall track all cannabis
16 it possesses from acquisition to testing, distribution,
17 dispensing, or destruction.

18 (h) A craft cannabis dispensary shall maintain a record of
19 all samples provided to an independent laboratory, the identity
20 of the independent laboratory, and the testing results.



1 (i) The size, scope, and eligibility criteria of a craft
2 cannabis dispensary shall be determined by rules adopted
3 pursuant to this chapter; provided that the granting of a craft
4 cannabis dispensary license shall promote social equity
5 applicants as provided for in this chapter and small farms with
6 a focus on indigenous crops or farming practices.

7 **§A-117 Medical cannabis cooperative; license required.**

8 (a) A medical cannabis cooperative license shall authorize the
9 cultivation, possession, and processing of cannabis for medical
10 use only on the licensed premises, and limited dispensing of
11 medical cannabis only by and between the members of the medical
12 cannabis cooperative.

13 (b) A medical cannabis cooperative shall be comprised of
14 up to five qualifying patients. A medical cannabis cooperative
15 member shall be a natural person and shall not be a member of
16 more than one medical cannabis cooperative. A qualifying
17 out-of-state patient shall not be a member of a medical cannabis
18 cooperative.

19 (c) A medical cannabis cooperative shall not acquire,
20 cultivate, possess, or process cannabis for medical use that
21 exceeds the quantities allowed for each of its members combined.



1 (d) A medical cannabis cooperative shall not dispense any
2 cannabis for medical use to any of its members that exceeds the
3 quantities allowed for that member.

4 (e) Each medical cannabis cooperative member shall
5 designate the licensed premises as their grow site and shall not
6 cultivate cannabis on any other premises.

7 (f) No medical cannabis cooperative shall operate on the
8 same premises as any other licensed business, including another
9 medical cannabis cooperative.

10 (g) No medical cannabis cooperative member shall have a
11 direct or indirect financial or controlling interest in any
12 other licensed business authorized by this chapter or rules
13 adopted thereunder, including another medical cannabis
14 cooperative.

15 (h) No medical cannabis cooperative shall have a direct or
16 indirect interest, including by stock ownership, interlocking
17 directors, mortgage or lien, personal or real property, or any
18 other means, in any other licensed business authorized by this
19 chapter or rules adopted thereunder, including another medical
20 cannabis cooperative.



1 (i) No other licensed business authorized by this chapter
2 or rules adopted thereunder shall have a direct or indirect
3 interest, including by stock ownership, interlocking directors,
4 mortgage or lien, personal or real property, or any other means,
5 in any medical cannabis cooperative.

6 (j) The board shall adopt rules related to medical
7 cannabis cooperatives, including the size and scope of medical
8 cannabis cooperatives and other measures designed to incentivize
9 the use and licensure of medical cannabis cooperatives.

10 **§A-118 Other licenses authorized.** The board may establish
11 additional license types and grant temporary licenses of any
12 type specified in this part, in accordance with conditions set
13 forth in rules adopted pursuant to this chapter.

14 **§A-119 Special use permits.** (a) The board may issue
15 permits for carrying on activities consistent with the policy
16 and purpose of this chapter with respect to cannabis and hemp.

17 (b) The board may adopt rules to implement this section,
18 including reasonable fees, eligibility criteria, types of
19 permits, and time limits for any permit issued. The types of
20 permits may include:



- 1 (1) Industrial hemp permits to authorize the purchase of
- 2 industrial hemp from a licensed business for use in
- 3 the manufacture and sale of a legal product containing
- 4 industrial hemp, such as textiles, construction
- 5 materials, and products that are generally recognized
- 6 as safe (GRAS) by the United States Food and Drug
- 7 Administration for use in foods;
- 8 (2) Special event and social consumption permits;
- 9 (3) Trucking permits to allow for the trucking or
- 10 transportation of cannabis by a person other than a
- 11 licensed business; and
- 12 (4) Restricted cannabinoid product permits that allow for
- 13 the distribution, dispensing, or sale of a restricted
- 14 cannabinoid product.

15 **PART VIII. HEMP**

16 **SA-131 Restricted cannabinoid product list.** (a) The

17 authority shall create and maintain a list of restricted

18 cannabinoid products, derived from hemp, that shall only be sold

19 pursuant to a permit issued by the board under section A-119;

20 provided that the authority may establish an amount of any

21 restricted cannabinoid that may be allowed in a hemp product;



1 provided further that the authority may prohibit any restricted
2 cannabinoid product from being distributed, sold, or offered for
3 sale entirely. The authority shall publish and make available
4 the list of restricted cannabinoid products.

5 (b) The board shall adopt rules establishing a process and
6 procedure for the authority to create and maintain the
7 restricted cannabinoid product list; provided that the
8 procedures shall include at a minimum:

- 9 (1) Criteria based on public health and safety for the
10 authority to determine what constitutes a restricted
11 cannabinoid product;
- 12 (2) Criteria based on public health and safety for the
13 authority to establish allowable limits for restricted
14 cannabinoids in hemp products; provided that the
15 authority may prohibit the restricted cannabinoid
16 entirely; and
- 17 (3) A process for petitioning the board to add or remove a
18 cannabinoid or restricted cannabinoid product from the
19 restricted cannabinoid product list.

20 **SA-132 Hemp cultivator; license required.** (a) No person
21 shall cultivate hemp except in accordance with this section.



1 Cultivating hemp without a license to produce hemp issued by the
2 Secretary of the United States Department of Agriculture
3 pursuant to title 7 United States Code section 1639q shall be
4 considered unlicensed cultivation of cannabis.

5 (b) Notwithstanding any law to the contrary, it shall be
6 legal for a person to cultivate hemp only if they hold a license
7 to produce hemp, issued by the Secretary of the United States
8 Department of Agriculture pursuant to title 7 United States Code
9 section 1639q; provided that hemp shall not be:

- 10 (1) Cultivated within three hundred feet of pre-existing
11 real property comprising a playground, child care
12 facility, or school;
- 13 (2) Cultivated within one hundred feet of any pre-existing
14 house, dwelling unit, residential apartment, or other
15 residential structure that is not owned or controlled
16 by the license holder;
- 17 (3) Cultivated, stored, or comingled with cannabis; and
- 18 (4) Cultivated on any premises licensed under this
19 chapter, except on the licensed premises of a hemp
20 processor.



1 (c) A hemp cultivator may distribute or sell hemp flower;
2 provided that the hemp flower:

- 3 (1) Has passed all compliance testing required by the
4 United States Department of Agriculture; and
5 (2) Meets all other requirements for selling hemp,
6 including testing, packaging, and labeling, as
7 provided in this chapter and rules adopted thereunder.

8 (d) A hemp cultivator licensed by the United States
9 Department of Agriculture to cultivate hemp in the State shall
10 comply with all regulations established by the United States
11 Department of Agriculture, including all inspection, sampling,
12 and compliance testing requirements.

13 (e) The board shall adopt rules pursuant to this chapter
14 to implement this section; provided that the rules adopted by
15 the board shall not require pre-harvest inspections, pre-harvest
16 sampling, or pre-harvest compliance testing with respect to the
17 cultivation of hemp as regulated by the United States Department
18 of Agriculture.

19 (f) In addition to any other penalties allowed by law, any
20 person who violates this section or any rule adopted pursuant to
21 this section shall be fined no more than \$1,000 for each



1 separate violation. Each day on which a violation occurs or
2 continues shall be counted as a separate violation.

3 (g) Any notice of violation of this section may be
4 accompanied by a cease-and-desist order. The violation of the
5 cease-and-desist order shall constitute a further violation of
6 this section.

7 (h) Any person aggrieved by a notice of violation issued
8 under this section may request a contested case hearing pursuant
9 to chapter 91. To request a contested case hearing, the person
10 shall submit a written request to the board within thirty
11 calendar days of the date of the notice of violation. Appeal to
12 the circuit court under section 91-14, or any other applicable
13 statute, shall only be taken from the board's final order
14 pursuant to a contested case.

15 (i) Any action taken to recover, collect, or enforce the
16 administrative penalty provided for in this section shall be
17 considered a civil action. For any judicial proceeding to
18 recover an administrative penalty imposed pursuant to subsection
19 (f) or to enforce a cease-and-desist order issued pursuant to
20 subsection (g), the authority may petition any court of
21 appropriate jurisdiction and need only show that:



- 1 (1) Notice was given;
- 2 (2) A hearing was held, or the time granted for requesting
- 3 a hearing has expired without such a request;
- 4 (3) The administrative penalty or cease-and-desist order
- 5 was imposed on the person cultivating hemp; and
- 6 (4) The penalty remains unpaid, or the order was not
- 7 complied with.

8 **SA-133 Hemp processor; license required.** (a) No person
9 shall process hemp without a hemp processor license issued
10 pursuant to this chapter and any rules adopted thereunder;
11 provided that this section shall not apply to industrial hemp.

12 (b) A hemp processor license shall authorize the
13 acquisition, possession, and processing of hemp into hemp
14 products and the distribution of hemp products in compliance
15 with this chapter.

16 (c) A hemp processor license shall not authorize the
17 distribution, dispensing, or sale of any cannabis or restricted
18 cannabinoid product.

19 (d) Hemp shall be processed within an indoor facility in
20 compliance with all applicable state laws and county ordinances,
21 including zoning ordinances, building codes, and fire codes.



1 Hemp may be processed in an agricultural building or structure
2 pursuant to section 46-88; provided that the hemp is processed
3 without the use of heat, volatile compounds, or gases under
4 pressure and the building and processing operation is in
5 compliance with all applicable state laws and county ordinances,
6 including zoning ordinances and fire codes.

7 **SA-134 Hemp products.** (a) The board shall adopt rules
8 pursuant to this chapter to establish requirements,
9 restrictions, and standards regarding the types, ingredients,
10 and designs of hemp and hemp products, including potency limits
11 and cannabinoid limits on hemp products; provided that this
12 section shall not apply to industrial hemp.

13 (b) No person shall distribute, sell, or offer for sale
14 crude hemp extract to any person; provided that crude hemp
15 extract may be sold only to a hemp processor with a valid
16 license issued by the authority pursuant to section A-133 or
17 equivalent authorization from a regulatory agency in another
18 jurisdiction.

19 (c) No person shall distribute, sell, or offer for sale
20 any restricted cannabinoid product unless that person holds a
21 permit to distribute, sell, or offer for sale restricted



1 cannabinoid products issued by the board pursuant to section
2 A-119.

3 (d) No person shall distribute, sell, or offer for sale
4 any hemp product used to aerosolize for respiratory routes of
5 delivery, such as an inhaler, a vape pen, or other device
6 designed for that purpose.

7 (e) Except for a hemp product intended for external
8 topical application to the skin or hair, no person shall
9 distribute, sell, or offer for sale any hemp product intended to
10 be introduced via non-oral routes of entry to the body,
11 including use in eyes, ears, and nasal cavities.

12 **PART IX. SOCIAL EQUITY**

13 **SA-141 Definitions.** As used in this part, unless the
14 context otherwise requires, "social equity applicant" means an
15 applicant for licensure or permit under this chapter, or for a
16 grant pursuant to the social equity program established under
17 section A-142, who is a resident of the State that meets one or
18 more of the following criteria:

19 (1) An applicant with at least fifty-one per cent
20 ownership and control by one or more individuals who



1 have resided for at least five of the preceding ten
2 years in a disproportionately impacted area;

3 (2) For applicants with a minimum of ten full-time
4 employees, an applicant with at least fifty-one per
5 cent of current employees who currently reside in a
6 disproportionately impacted area; or

7 (3) An applicant satisfying any other criteria determined
8 by the board and adopted as rules under this chapter.

9 **SA-142 Social equity program.** (a) The board shall
10 establish a social equity program for the purposes of providing
11 grants to social equity applicants.

12 (b) The authority, through the chief equity officer or
13 executive director, shall have the power to:

14 (1) Provide grants to assist social equity applicants in
15 gaining entry to, and successfully operating in, the
16 State's regulated cannabis industry, including grants
17 for financial assistance, industry training, and
18 technical assistance;

19 (2) Provide grants to assist social equity applicants that
20 are community-based organizations for the purpose of
21 developing, implementing, and supporting nonprofit



- 1 projects, services, and programs that address
2 community needs of disproportionately impacted areas,
3 including housing and child care programs;
- 4 (3) Provide staff, administration, and related support
5 required to administer this section;
- 6 (4) Enter into agreements that set forth terms and
7 conditions of the grants, accept funds or grants, and
8 cooperate with private entities and state or county
9 agencies to carry out the purposes of this section;
- 10 (5) Fix, determine, charge, and collect any premiums,
11 fees, charges, costs, and expenses, including
12 application fees, commitment fees, program fees,
13 financing charges, and publication fees in connection
14 with the social equity program;
- 15 (6) Take whatever actions are necessary or appropriate to
16 protect the State's interest in the event of
17 bankruptcy, default, foreclosure, or noncompliance
18 with the terms and conditions of grants provided under
19 this section, including the ability to recapture funds
20 if the grant recipient is found to be noncompliant
21 with the terms and conditions of the grant agreement;



- 1 (7) Establish application, notification, contract, and
2 other forms and procedures deemed necessary and
3 appropriate to implement the social equity program; .
4 and
- 5 (8) Utilize vendors or contract work to carry out the
6 purposes of this part.
- 7 (c) The board shall adopt rules pursuant to this chapter
8 to implement this part, including:
- 9 (1) Additional requirements and qualifications for
10 determining eligibility of social equity applicants
11 for grants;
- 12 (2) Preferences and priorities in determining eligibility
13 for grants;
- 14 (3) Conditions, consistent with the purpose of this
15 chapter, for the awarding of grants;
- 16 (4) Requirements for the inspection at reasonable hours of
17 facilities, books, and records of a social equity
18 applicant or grant recipient;
- 19 (5) Requirements for the submission of progress and final
20 reports by grant recipients; and



1 (6) Appropriate management counseling and monitoring of
2 business activities for grant recipients.

3 (d) The authority shall submit an annual report on the
4 social equity program to the governor and legislature no later
5 than twenty days prior to the convening of each regular session.
6 The report shall detail the outcomes and effectiveness of this
7 section during the prior fiscal year, including the following:

8 (1) The number of social equity applicants who received
9 financial assistance under this section;

10 (2) The amount of grants awarded in the aggregate;

11 (3) The location of the project engaged in by each grant
12 recipient; and

13 (4) If applicable, the number of new jobs and other forms
14 of economic output created as a result of the grants.

15 (e) The authority shall include engagement with
16 individuals with limited English proficiency as part of the
17 social equity program.

18 (f) The authority shall make available to the public its
19 rubric for determining eligibility for social equity grants.

20 **§A-143 Social equity grants; standards and conditions.**

21 (a) Grants made under this part shall be awarded on a



1 competitive and annual basis. Grants made under this part shall
2 further and promote the goals of the social equity program.

3 (b) Applications for grants shall be made to the authority
4 and contain information as shall be required by rules adopted
5 thereunder. At a minimum, an applicant shall show:

6 (1) The name of the applying business entity or
7 individual;

8 (2) That the applicant meets the criteria for a social
9 equity applicant;

10 (3) The intended use of the grant; and

11 (4) The target group or community to be benefited by the
12 grant.

13 (c) Recipients of grants shall be subject to the following
14 conditions:

15 (1) The recipient of a grant shall not use public funds
16 for purposes of entertainment or perquisites,
17 including lobbying activities;

18 (2) The recipient of a grant shall comply with state laws
19 and county ordinances;



- 1 (3) The recipient of a grant shall comply with any other
2 requirements that may be prescribed by rules adopted
3 pursuant to this chapter;
- 4 (4) The recipient of a grant shall allow the authority,
5 legislative bodies, and legislative auditor full
6 access to records, reports, files, and other related
7 documents so that the program, management, and fiscal
8 practices of the grant recipient may be monitored and
9 evaluated to assure the proper and effective
10 expenditure of public funds;
- 11 (5) Every grant shall be monitored according to rules
12 adopted pursuant to this chapter to ensure compliance
13 with this part; and
- 14 (6) Any recipient of a grant under this part who withholds
15 or omits any material fact or deliberately
16 misrepresents facts to the authority or who violates
17 the terms of the grant agreement shall be in violation
18 of this section and, in addition to any other
19 penalties provided by law, shall be prohibited from
20 applying for a grant or any other benefits under this



1 part for a period of five years from the date of
2 termination.

3 **§A-144 Fee waivers.** (a) For social equity applicants,
4 the authority shall waive fifty per cent of any license
5 application fees and any fees associated with purchasing a
6 license to operate a licensed business for the initial five
7 years of the social equity applicant's operations; provided that
8 the social equity applicant meets the following qualifications
9 at the time the payment is due:

10 (1) The applicant, including all persons with a direct or
11 indirect interest in the applicant, has less than a
12 total of \$750,000 of income in the previous calendar
13 year; and

14 (2) The applicant, including all persons with a direct or
15 indirect interest in the applicant, has no more than
16 three other licenses under this chapter.

17 (b) The authority shall require social equity applicants
18 to attest that they meet the requirements for a fee waiver as
19 provided in subsection (a) and to provide evidence of annual
20 total income in the previous calendar year.



1 (c) If the authority determines that an applicant who
2 applied for a fee waiver is not eligible as a social equity
3 applicant, the applicant shall be provided an additional ten
4 calendar days to provide alternative evidence that the applicant
5 qualifies as a social equity applicant. Alternatively, the
6 applicant may pay the remainder of the waived fee and be
7 considered as a non-social equity applicant. If the applicant
8 fails to do either, the authority may retain the initial
9 application fee and the application shall be deemed withdrawn.

10 **PART X. PUBLIC HEALTH AND EDUCATION**

11 **SA-151 Public health and education campaign.** No later
12 than July 1, 2025, the authority shall develop and implement a
13 comprehensive public health and education campaign regarding the
14 legalization of cannabis and the impact of cannabis use on
15 public health and safety, including the health risks associated
16 with cannabis and ways to protect children. The public health
17 and education campaign shall also include education to the
18 public about the Hawaii cannabis law, including the potential
19 risks associated with patronizing unlicensed dispensary
20 locations, or otherwise procuring cannabis through persons not
21 authorized by the authority. After the initial campaign, the



1 authority shall continue to develop and implement a
2 comprehensive public health and education campaign on issues
3 related to cannabis periodically, as necessary.

4 **SA-152 Public health and education grant program.** (a)

5 The board shall establish a public health and education grant
6 program for the purposes of providing grants to substance abuse
7 prevention and treatment programs and programs dedicated to
8 preventing and treating substance abuse, especially among youth,
9 and educating the public about cannabis use and laws.

10 (b) The authority, through the chief public health and
11 environmental officer or executive director, shall have the
12 power to:

- 13 (1) Provide grants to assist substance abuse prevention
14 and treatment programs in the State;
- 15 (2) Provide grants to assist community-based organizations
16 with developing, implementing, and supporting youth
17 services, including youth recreational centers,
18 services for housing, counseling, and preventing or
19 treating youth substance abuse;
- 20 (3) Provide grants to assist community-based organizations
21 with developing, implementing, and supporting programs



1 for individuals with a dual diagnosis of mental
2 disorder and substance abuse problem, including
3 services for housing, residential treatment,
4 outpatient treatment, counseling, and other related
5 services;

6 (4) Provide staff, administration, and related support
7 required to administer this part;

8 (5) Enter into agreements that set forth terms and
9 conditions of the grants, accept funds or grants, and
10 cooperate with private entities and state or county
11 agencies to carry out the purposes of this part;

12 (6) Fix, determine, charge, and collect any premiums,
13 fees, charges, costs, and expenses, including
14 application fees, commitment fees, program fees,
15 financing charges, or publication fees in connection
16 with its activities under this section;

17 (7) Take whatever actions are necessary or appropriate to
18 protect the State's interest in the event of
19 bankruptcy, default, foreclosure, or noncompliance
20 with the terms and conditions of grants provided under
21 this section, including the ability to recapture funds



- 1 if the grant recipient is found to be noncompliant
2 with the terms and conditions of the grant agreement;
- 3 (8) Establish application, notification, contract, and
4 other forms and procedures deemed necessary and
5 appropriate to administer this part; and
- 6 (9) Utilize vendors or contract work to carry out the
7 purposes of this part.
- 8 (c) The board shall adopt rules pursuant to this chapter
9 to implement this part, including:
- 10 (1) Additional requirements and qualifications for
11 determining eligibility of applicants for grants;
- 12 (2) Preferences and priorities in determining eligibility
13 for grants;
- 14 (3) Conditions, consistent with the purpose of this
15 chapter, for the awarding of grants;
- 16 (4) Requirements for the inspection at reasonable hours of
17 facilities, books, and records of a grant applicant or
18 grant recipient;
- 19 (5) Requirements for the submission of progress and final
20 reports by grant recipients; and



1 (6) Appropriate management counseling and monitoring of
2 business activities for grant recipients.

3 (d) The authority shall submit an annual report on the
4 public health and education grant program to the governor and
5 legislature no later than twenty days prior to the convening of
6 each regular session. The report shall detail the outcomes and
7 effectiveness of this section during the prior fiscal year,
8 including the following:

- 9 (1) The number of persons or businesses who received
10 financial assistance under this section;
- 11 (2) The amount of grants awarded in the aggregate;
- 12 (3) The location of the project engaged in by each grant
13 recipient; and
- 14 (4) If applicable, the number of new jobs and other forms
15 of economic output created as a result of the grants.

16 **§A-153 Public health and education grants; standards and**
17 **conditions.** (a) Grants made under this part shall be awarded
18 on a competitive and annual basis. Grants made under this part
19 shall further and promote the goals of this chapter.



1 (b) Applications for grants shall be made to the authority
2 and contain information as shall be required by rules adopted
3 thereunder. At a minimum, an applicant shall show:

- 4 (1) The name of the applying organization or individual;
- 5 (2) That the applicant meets the criteria for the grant;
- 6 (3) The intended use of the grant; and
- 7 (4) The target group or community to be benefited by the
8 grant.

9 (c) Recipients of grants shall be subject to the following
10 conditions:

- 11 (1) The recipient of a grant shall not use public funds
12 for purposes of entertainment or perquisites,
13 including lobbying activities;
- 14 (2) The recipient of a grant shall comply with state laws
15 and county ordinances;
- 16 (3) The recipient of a grant shall comply with any other
17 requirements that may be prescribed by rules adopted
18 pursuant to this chapter;
- 19 (4) The recipient of a grant shall allow the authority,
20 legislative bodies, and legislative auditor full
21 access to records, reports, files, and other related



1 documents so that the program, management, and fiscal
2 practices of the grant recipient may be monitored and
3 evaluated to assure the proper and effective
4 expenditure of public funds;

5 (5) Every grant shall be monitored according to rules
6 adopted pursuant to this chapter to ensure compliance
7 with this part; and

8 (6) Any recipient of a grant under this part who withholds
9 or omits any material fact or deliberately
10 misrepresents facts to the authority or who violates
11 the terms of the grant agreement shall be in violation
12 of this section and, in addition to any other
13 penalties provided by law, shall be prohibited from
14 applying for a grant or any other benefits under this
15 part for a period of five years from the date of
16 termination.

17 **PART XI. PUBLIC SAFETY**

18 **SA-161 Public safety grant program.** (a) The board shall
19 establish a public safety grant program for the purposes of
20 providing grants to state and county agencies and private



1 entities to assist with public safety resources relating to
2 cannabis, including law enforcement resources.

3 (b) The authority, through the chief compliance officer or
4 executive director, shall have the power to:

5 (1) Provide grants to train and certify state and county
6 law enforcement officers as drug recognition experts
7 for detecting, identifying, and apprehending
8 individuals operating a vehicle under the influence of
9 an intoxicant or otherwise impaired;

10 (2) Provide grants to develop, implement, and support
11 crisis intervention services, including alternative
12 response programs and co-response programs that
13 provide trained social service providers or mental
14 health counselors to respond to, or assist law
15 enforcement agencies with responding to, nonviolent
16 emergencies, including welfare checks, public
17 intoxication, and mental health episodes;

18 (3) Provide grants to train state and county law
19 enforcement officers in mental health first aid;



- 1 (4) Provide grants for the effective enforcement and
2 prosecution of violations of the nuisance abatement
3 laws under part V of chapter 712;
- 4 (5) Provide grants to harm reduction programs, including
5 crisis outreach programs, food banks, mental health
6 support programs, homeless outreach programs,
7 outpatient treatment programs, and housing assistance
8 programs;
- 9 (6) Provide grants to improve data sharing across law
10 enforcement agencies and the judiciary;
- 11 (7) Provide grants to state and county law enforcement
12 agencies for equipment and training to assist with
13 investigating and prosecuting illegal activities
14 related to cannabis;
- 15 (8) Provide staff, administration, and related support
16 required to administer this part;
- 17 (9) Enter into agreements that set forth terms and
18 conditions of the grants, accept funds or grants, and
19 cooperate with private entities and state or county
20 agencies to carry out the purposes of this part;



- 1 (10) Fix, determine, charge, and collect any premiums,
2 fees, charges, costs, and expenses, including
3 application fees, commitment fees, program fees,
4 financing charges, or publication fees in connection
5 with its activities under this section;
- 6 (11) Take whatever actions are necessary or appropriate to
7 protect the State's interest in the event of
8 bankruptcy, default, foreclosure, or noncompliance
9 with the terms and conditions of grants provided under
10 this section, including the ability to recapture funds
11 if the grant recipient is found to be noncompliant
12 with the terms and conditions of the grant agreement;
- 13 (12) Establish application, notification, contract, and
14 other forms and procedures deemed necessary and
15 appropriate to administer this part; and
- 16 (13) Utilize vendors or contract work to carry out the
17 purposes of this part.
- 18 (c) The board shall adopt rules pursuant to this chapter
19 to implement this part, including:
- 20 (1) Additional requirements and qualifications for
21 determining eligibility of applicants for grants;



- 1 (2) Preferences and priorities in determining eligibility
2 for grants;
- 3 (3) Conditions, consistent with the purpose of this
4 chapter, for the awarding of grants;
- 5 (4) Requirements for the inspection at reasonable hours of
6 facilities, books, and records of a grant applicant or
7 grant recipient;
- 8 (5) Requirements for the submission of progress and final
9 reports by grant recipients; and
- 10 (6) Appropriate management counseling and monitoring of
11 business activities for grant recipients.
- 12 (d) The authority shall submit an annual report on the
13 public safety grant program to the governor and legislature no
14 later than twenty days prior to the convening of each regular
15 session. The report shall detail the outcomes and effectiveness
16 of this section during the prior fiscal year, including the
17 following:
- 18 (1) The number of persons, businesses, or agencies
19 receiving financial assistance under this section;
- 20 (2) The amount of grants awarded in the aggregate;



1 (3) The location of the project engaged in by the person,
2 business, or agency; and

3 (4) If applicable, the number of new jobs and other forms
4 of economic output created as a result of the grants.

5 **SA-162 Public safety grants; standards and conditions.**

6 (a) Grants made under this part shall be awarded on a
7 competitive and annual basis. Grants made under this part shall
8 further and promote the goals of this chapter.

9 (b) Applications for grants shall be made to the authority
10 and contain information as shall be required by rules adopted
11 thereunder. At a minimum, an applicant shall show:

12 (1) The name of the applying organization or individual;

13 (2) That the applicant meets the criteria for the grant;

14 (3) The intended use of the grant; and

15 (4) The target group or community to be benefited by the
16 grant.

17 (c) Recipients of grants shall be subject to the following
18 conditions:

19 (1) The recipient of a grant shall not use public funds
20 for purposes of entertainment or perquisites,
21 including lobbying activities;



- 1 (2) The recipient of a grant shall comply with state laws
2 and county ordinances;
- 3 (3) The recipient of a grant shall comply with any other
4 requirements that may be prescribed by rules adopted
5 pursuant to this chapter;
- 6 (4) The recipient of a grant shall allow the authority,
7 legislative bodies, and legislative auditor full
8 access to records, reports, files, and other related
9 documents so that the program, management, and fiscal
10 practices of the grant recipient may be monitored and
11 evaluated to assure the proper and effective
12 expenditure of public funds;
- 13 (5) Every grant shall be monitored according to rules
14 adopted pursuant to this chapter to ensure compliance
15 with this part; and
- 16 (6) Any recipient of a grant under this part who withholds
17 or omits any material fact or deliberately
18 misrepresents facts to the authority or who violates
19 the terms of the grant agreement shall be in violation
20 of this section and, in addition to any other
21 penalties provided by law, shall be prohibited from



1 (c) Notwithstanding any other law to the contrary, upon
2 receipt of a written request and waiver pursuant to subsection
3 (b), the authority may share the cannabis business's
4 application, license, and other regulatory and financial
5 information with the financial institution designated by the
6 cannabis business in that request for the purpose of
7 facilitating the provision of financial services for that
8 cannabis business.

9 (d) A cannabis business that provides a waiver may
10 withdraw that waiver in writing at any time. Upon receipt of
11 the written withdrawal of the waiver, the authority shall cease
12 to share application, license, or other regulatory or financial
13 information with the financial institution.

14 (e) This section shall be construed to refer only to the
15 disclosure of information by the authority reasonably necessary
16 to facilitate the provision of financial services for the
17 cannabis business making a request pursuant to this section.
18 Nothing in this section shall be construed to authorize the
19 disclosure of confidential or privileged information, nor waive
20 a cannabis business's rights to assert confidentiality or
21 privilege, except to a financial institution as provided herein



1 and except as reasonably necessary to facilitate the provision
2 of financial services for the cannabis business making the
3 request.

4 (f) For the purpose of this section:

5 "Application, license, and other regulatory and financial
6 information" includes, but is not limited to, information in the
7 tracking system established pursuant to section A-87.

8 "Financial institution" has the same meaning as in section
9 412:1-109.

10 **§A-172 Hawaii-grown labeling.** In addition to all other
11 labeling requirements, the identity statement used for labeling
12 or advertising cannabis or hemp shall identify the percentage of
13 Hawaii-grown cannabis or hemp; provided that any hemp product
14 containing hemp not grown or processed in Hawaii shall identify
15 the origin and percentage of the hemp from outside Hawaii in the
16 hemp product; provided further that if the hemp product contains
17 hemp from multiple origins, the hemp product shall identify the
18 percentage of hemp origin as "United States" or "Foreign" if the
19 hemp product includes hemp from a source outside of the United
20 States.



1 **SA-173 Data collection and research.** (a) The authority
2 shall collect data and develop a research agenda in order to
3 understand the social and economic trends of cannabis in the
4 State, to inform future decisions that would aid in the closure
5 of the illicit marketplace, and to inform the authority on the
6 public health impacts of cannabis. The research agenda shall
7 include:

- 8 (1) Patterns of use, methods of consumption, sources of
9 purchase, and general perceptions of cannabis among
10 minors, college and university students, and adults;
- 11 (2) Incidents of driving under the influence,
12 hospitalization, and use of other health care services
13 related to cannabis use;
- 14 (3) Economic and fiscal impacts for the State, including
15 the impact of legalization on the production and
16 distribution of cannabis in the illicit market and the
17 costs and benefits to state revenue;
- 18 (4) Ownership and employment trends in the cannabis
19 industry;
- 20 (5) A market analysis examining the expansion or
21 contraction of the illicit and legal marketplaces,



1 including estimates and comparisons of pricing and
2 product availability in both markets;

3 (6) A compilation of data on the number of incidents of
4 discipline in schools, including suspensions or
5 expulsions, resulting from the use or possession of
6 cannabis; and

7 (7) A compilation of data on the number of civil
8 penalties, arrests, prosecutions, incarcerations, and
9 sanctions imposed for violations of chapter A for
10 possession, distribution, or trafficking of cannabis.

11 (b) The authority shall incorporate available data into
12 its research agenda, including baseline studies, and coordinate
13 and form partnerships with the department of health, department
14 of education, department of agriculture, department of the
15 attorney general, department of law enforcement, and police
16 department of each county. The departments listed in this
17 subsection shall:

18 (1) Provide the authority with any existing data requested
19 by the authority, subject to any applicable
20 confidentiality laws and rules regarding personally



1 identifying information and personal health
2 information; and

3 (2) Collect data, as reasonably requested by the
4 authority, to complete the authority's research
5 agenda.

6 (c) Any personally identifiable information or personal
7 health information contained in data acquired through this
8 section shall not be considered a public record and shall not be
9 subject to disclosure.

10 (d) The authority shall annually report on the results of
11 its research agenda and, when appropriate, make recommendations
12 for further research or policy changes. The annual reports
13 shall be posted online in a machine-readable format on the
14 authority's website."

15 PART III

16 SECTION 3. The purpose of this part is to impose a tax on
17 the retail sale of cannabis for personal adult use.

18 SECTION 4. The Hawaii Revised Statutes is amended by
19 adding a new chapter to title 14 to be appropriately designated
20 and to read as follows:

21 "CHAPTER B



HAWAII CANNABIS TAX LAW

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§B-1 Definitions. As used in this chapter, unless the context otherwise requires:

"Cannabis" has the same meaning as in section A-3.

"Cannabis retailer" means a person who engages in the retail sale of cannabis pursuant to a license or permit issued under chapter A. "Cannabis retailer" includes a retail cannabis store, a craft cannabis dispensary, and any permit holder who engages in the retail sale of cannabis pursuant to a permit issued under chapter A and does not include a medical cannabis dispensary.

"Craft cannabis dispensary" has the same meaning as in section A-3.

"Department" means the department of taxation.

"Director" means the director of taxation.

"Medical cannabis dispensary" has the same meaning as in section A-3.

"Person" includes one or more individuals, a company, a corporation, a partnership, an association, or any other type of legal entity, and also includes an officer or employee of a corporation, a partner or employee of a partnership, a trustee

1 of a trust, a fiduciary of an estate, or a member, employee, or
2 principal of any other entity, who as such officer, employee,
3 partner, trustee, fiduciary, member, or principal is under a
4 duty to perform and is principally responsible for performing
5 the act.

6 "Retail cannabis store" has the same meaning as in section
7 A-3.

8 "Retail sale" has the same meaning as "retailing" or "sales
9 at retail" in section 237-1.

10 **SB-2 Cannabis tax permit.** (a) No person shall engage in
11 the retail sale of cannabis unless a permit has been issued to
12 the person as hereinafter prescribed, and the permit is in full
13 force and effect.

14 (b) Beginning January 1, 2025, every person engaged in
15 sales at retail of cannabis shall obtain a cannabis tax permit
16 before engaging in such sales.

17 (c) The cannabis tax permit shall be issued by the
18 department upon application and compliance with all requirements
19 of the permit by the applicant. The cannabis tax permit shall
20 be issued in the form and manner prescribed by the department
21 and following the payment of an application fee of \$25.



1 (d) No cannabis tax permit shall be issued to a cannabis
2 retailer that is not compliant with the tax filing and payment
3 obligations under title 14.

4 (e) Cannabis tax permits shall be valid for no more than
5 one year and expire on December 31 of the permit application
6 year. Cannabis tax permits may be renewed annually upon
7 application by a cannabis retailer in the form and manner
8 prescribed by the department and the payment of a renewal fee of
9 \$25. Whenever a cannabis tax permit is defaced, destroyed, or
10 lost, or the permittee relocates the permittee's business, the
11 department may issue a duplicate cannabis tax permit to the
12 permittee for a fee of \$5 per copy.

13 (f) A separate cannabis tax permit shall be obtained for
14 each place of business owned, controlled, or operated by a
15 cannabis retailer. A cannabis retailer who owns or controls
16 more than one place of business may submit a single application
17 for more than one cannabis tax permit; provided that the
18 application fee of \$25 shall be required for each permit. Each
19 cannabis tax permit issued shall clearly describe the place of
20 business where the operation of the cannabis retailer is
21 conducted.



1 (g) A cannabis tax permit shall be non-assignable and non-
2 transferable. A cannabis tax permit may be transferred from one
3 business location to another business location after an
4 application has been filed with the department requesting that
5 transfer, the applicant has paid a transfer fee of \$25, and
6 approval has been obtained from the department.

7 (h) Any cannabis tax permit issued under this chapter
8 shall be displayed at all times in a conspicuous place at each
9 of the licensed premises of the cannabis retailer.

10 **SB-3 Tax.** (a) Upon every person engaging or continuing
11 in the retail sale of cannabis, there is hereby levied and shall
12 be assessed and collected a tax pursuant to section 237-13(9).
13 Where the tax imposed has been paid on cannabis that thereafter
14 becomes the subject of a casualty loss deduction allowable under
15 chapter 235, the tax paid shall be refunded or credited to the
16 account of the permittee.

17 (b) The taxes imposed under subsection (a) shall not apply
18 to sales of medical cannabis by a cannabis retailer.

19 (c) For the purposes of this section, "medical cannabis"
20 has the same meaning as in section A-3.



1 **§B-4 Return; forms; contents.** Every person engaging or
2 continuing in the retail sale of cannabis shall, on or before
3 the twentieth day of each month, file with the department in the
4 taxation district in which the person's places of business are
5 located, or with the department in Honolulu, a return showing
6 all sales of cannabis and of the taxes chargeable against the
7 person engaging or continuing in the retail sale of cannabis
8 under section B-3 made by the person during the preceding month,
9 showing separately the amount of the nontaxable sales, the
10 amount of the taxable sales, and the tax payable thereon. The
11 form of return shall be prescribed by the department and shall
12 contain information that the department may deem necessary for
13 the proper administration of this chapter.

14 **§B-5 Payment of tax; penalties.** (a) At the time of the
15 filing of the return required under section B-4 and within the
16 time prescribed therefor, each person engaging or continuing in
17 the retail sale of cannabis shall pay to the department the tax
18 imposed by this chapter, required to be shown by the return.

19 (b) Penalties and interest shall be added to and become a
20 part of the tax, when and as provided by section 231-39.



1 **§B-6 Limitation period for assessment levy, collection, or**
2 **credit; net operating loss carrybacks.** (a) General rule. The
3 amount of taxes imposed by this chapter shall be assessed or
4 levied and the overpayment, if any, shall be credited within
5 three years after filing of the return for the taxable period,
6 or within three years of the due date prescribed for the filing
7 of the return, whichever is later. No proceeding in court
8 without assessment for the collection of the taxes or the
9 enforcement of the liability shall be begun after the expiration
10 of the period. Where the assessment of the tax imposed by this
11 chapter has been made within the period of limitation applicable
12 thereto, the tax may be collected by levy or by a proceeding in
13 court under chapter 231; provided that the levy is made, or the
14 proceeding was begun, within fifteen years after the assessment
15 of the tax.

16 Notwithstanding any other provision to the contrary in this
17 section, the limitation on collection after assessment in this
18 section shall be suspended for the period:

- 19 (1) The taxpayer agrees to suspend the period;
- 20 (2) The assets of the taxpayer are in control or custody
- 21 of a court in any proceeding before any court of the



1 United States or any state, and for six months
2 thereafter;

3 (3) An offer in compromise under section 231-3(10) is
4 pending; and

5 (4) During which the taxpayer is outside the State for a
6 continuous period of at least six months; provided
7 that if at the time of the taxpayer's return to the
8 State the period of limitations on collection after
9 assessment would expire before the expiration of six
10 months from the date of the taxpayer's return, the
11 period shall not expire before the expiration of the
12 six months.

13 (b) Limitations on credit or refund. Claim for credit or
14 refund of an overpayment of any tax imposed by this chapter
15 shall be filed by the taxpayer or employer within three years
16 from the time the return was filed or from the due date
17 prescribed for the filing of the return, or within two years
18 from the time the tax was paid, whichever is later. For the
19 purposes of this section, taxes paid before the due date of the
20 return shall be deemed to have been paid on the due date of the
21 return determined without regard to any extensions.



1 (1) If the claim was filed by the taxpayer during the
2 three-year period prescribed in this subsection, the
3 amount of the credit or refund shall not exceed the
4 portion of the tax paid within the period, immediately
5 preceding the filing of the claim, equal to three
6 years plus the period of any extension of time for
7 filing the return.

8 (2) If the claim was not filed within the three-year
9 period, the amount of the credit or refund shall not
10 exceed the portion of the tax paid during the two
11 years immediately preceding the filing of the claim.

12 (3) If no claim was filed, the credit or refund shall not
13 exceed the amount that would be allowable under
14 paragraph (1) or (2), as the case may be, if the claim
15 was filed on the date the credit or refund is allowed.

16 (c) Exceptions; fraudulent return or no return. In the
17 case of a false or fraudulent return with intent to evade tax or
18 liability, or of a failure to file return, the tax or liability
19 may be assessed or levied at any time; provided that the burden
20 of proof with respect to the issues of falsity or fraud and
21 intent to evade tax shall be upon the State.



1 (d) Extension by agreement. Where, before the expiration
2 of the time prescribed in subsection (a) for the assessment,
3 levy, and collection of the tax or liability, or in subsection
4 (b) for the credit or refund of an overpayment, both the
5 department and taxpayer have consented in writing to its
6 assessment or levy after that date, the tax or liability may be
7 assessed or levied or the overpayment, if any, may be credited
8 at any time before the expiration of the period previously
9 agreed upon. The period so agreed upon may be extended by
10 subsequent agreements in writing made before the expiration of
11 the period previously agreed upon.

12 (e) Overpayment of carrybacks. If an overpayment results
13 from a net operating loss carryback, the statute of limitations
14 in subsections (a) and (b) shall not apply. The overpayment
15 shall be credited within three years of the due date prescribed
16 for filing the return (including extensions thereof) for the
17 taxable year of the net operating loss, or the period agreed to
18 under subsection (d) with respect to the taxable year, whichever
19 expires later.



1 **§B-7 Disposition of revenues.** The tax collected pursuant
2 to this chapter shall be distributed as provided in section
3 237-13(9).

4 **§B-8 Records to be kept.** (a) Every person engaging or
5 continuing in the retail sale of cannabis shall keep records of
6 all sales of cannabis, in a form prescribed by the department.
7 All such records shall be offered for inspection and examination
8 at any time upon demand by the department or Hawaii cannabis
9 authority and shall be preserved for a period of five years;
10 provided that the department may in writing consent to the
11 records' destruction within that period or may adopt rules that
12 require that the records be kept longer.

13 The department may by rule require the person engaging or
14 continuing in the retail sale of cannabis to keep other records
15 as it may deem necessary for the proper enforcement of this
16 chapter.

17 (b) If any person engaging or continuing in the retail
18 sale of cannabis fails to keep records from which a proper
19 determination of the tax due under this chapter may be made, the
20 department may fix the amount of tax for any period from the



1 best information obtainable by it, and assess the tax as
2 hereinbefore provided.

3 (c) Every person engaging or continuing in the retail sale
4 of cannabis shall keep a complete and accurate record of that
5 person's cannabis inventory. The records shall:

6 (1) Include:

7 (A) A written statement containing the name and
8 address of the source of cannabis;

9 (B) The date of delivery, quantity, weight, and price
10 of the cannabis; and

11 (C) Documentation in the form of any purchase orders,
12 invoices, bills of lading, other written
13 statements, books, papers, or records in whatever
14 format, including electronic format, that
15 substantiate the purchase or acquisition of the
16 cannabis stored or offered for sale; and

17 (2) Be offered for inspection and examination within
18 twenty-four hours of demand by the department or
19 Hawaii cannabis authority and shall be preserved for a
20 period of five years; provided that the department may
21 in writing consent to the records' destruction within



1 that period or may adopt rules that require that the
2 records be kept longer.

3 **§B-9 Inspection.** (a) A person engaging or continuing in
4 the retail sale of cannabis shall be subject to the inspection
5 and investigation provisions in chapters 231 and 237 and shall
6 provide the department with any information deemed necessary to
7 verify compliance with the requirements of this chapter.

8 (b) The department and Hawaii cannabis authority may
9 examine all records required to be kept under this chapter, and
10 books, papers, and records of any person engaging or continuing
11 in the retail sale of cannabis to verify the accuracy of the
12 payment of the tax imposed by this chapter and other compliance
13 with this chapter and rules adopted pursuant thereto. Every
14 person in possession of such books, papers, and records and the
15 person's agents and employees shall give the department and
16 Hawaii cannabis authority the means, facilities, and
17 opportunities for examination.

18 (c) Returns, return information, or reports under this
19 chapter and relating only to this chapter may be provided to the
20 Hawaii cannabis authority by the department for the purpose of
21 enforcing or ensuring compliance with chapter A.



1 Notwithstanding the foregoing, the inspection, review, or
2 production of any and all federal tax return and return
3 information shall only be provided as permitted in accordance
4 with applicable federal law.

5 **§B-10 Tax in addition to other taxes.** The tax imposed by
6 this chapter, unless expressly prohibited, shall be in addition
7 to any other tax imposed upon the business of selling cannabis
8 or upon any of the transactions, acts, or activities taxed by
9 law.

10 **§B-11 Suspensions, revocations, and renewal denials.** (a)
11 In addition to any other acts or conditions provided by law, the
12 department may suspend, revoke, condition, or decline to issue
13 or renew any cannabis tax permit required under this chapter
14 whenever the department finds that the person engaging or
15 continuing in the retail sale of cannabis has failed to comply
16 with this chapter or any rule adopted under this chapter, or for
17 any other good cause. Good cause includes instances where a
18 person engaging or continuing in the retail sale of cannabis
19 has:

20 (1) Failed to comply with the provisions of title 14, or
21 any rule or order of the director;



- 1 (2) Submitted a false or fraudulent application or
- 2 provided a false statement in an application;
- 3 (3) Possessed or displayed a false or fraudulent cannabis
- 4 tax permit;
- 5 (4) Failed to comply with, violated, or been convicted of
- 6 violating any county or state law directly pertaining
- 7 to the sale of cannabis;
- 8 (5) Been fined under this chapter or had a cannabis tax
- 9 permit suspended, revoked, or declined to be issued or
- 10 renewed within two years of the permit application;
- 11 (6) Sold cannabis without a permit within two years of the
- 12 permit application;
- 13 (7) Failed to maintain complete and accurate records when
- 14 and if required to be kept; or
- 15 (8) Had a license or permit issued under chapter A
- 16 suspended, revoked, or declined to be renewed within
- 17 two years of the permit application.
- 18 (b) Upon suspending or revoking any cannabis tax permit,
- 19 the department may request that the person engaging or
- 20 continuing in the retail sale of cannabis immediately surrender
- 21 any cannabis tax permit or duplicate issued to or printed by the



1 person engaging or continuing in the retail sale of cannabis,
2 and the person engaging or continuing in the retail sale of
3 cannabis shall promptly surrender the permit and duplicate, if
4 applicable, to the department as requested.

5 (c) Whenever the department suspends, revokes, or declines
6 to issue or renew a cannabis tax permit, the department shall
7 notify the person engaging or continuing in the retail sale of
8 cannabis immediately and afford a hearing, if requested;
9 provided that a hearing has not already been afforded. The
10 department shall provide no less than thirty-day notice to the
11 person engaging or continuing in the retail sale of cannabis of
12 a hearing afforded under this subsection. After the hearing,
13 the department shall:

- 14 (1) Rescind its order of suspension;
- 15 (2) Continue the suspension;
- 16 (3) Revoke the cannabis tax permit;
- 17 (4) Rescind its order of revocation;
- 18 (5) Decline to issue or renew the cannabis tax permit;
- 19 (6) Issue or renew the cannabis tax permit; or
- 20 (7) Take other appropriate action.



1 (d) No cannabis tax permit shall be suspended by the
2 department for a period exceeding five years. A person whose
3 permit has been suspended may apply for reinstatement of the
4 permit to the extent authorized by law and upon complete
5 compliance with any term or condition imposed by the order of
6 suspension. The application for reinstatement shall be
7 accompanied by all applicable fees, including reinstatement
8 fees.

9 (e) Upon the final order or decision to suspend, revoke,
10 or decline to renew a cannabis tax permit, the department shall
11 notify the Hawaii cannabis authority of the name and address of
12 every cannabis retailer whose permit has been suspended,
13 revoked, or declined to be renewed. Any license or permit
14 issued under chapter A to the cannabis retailer whose cannabis
15 tax permit has been suspended shall be suspended until the
16 suspension on the cannabis tax permit is lifted. Any license or
17 permit issued under chapter A to the cannabis retailer whose
18 cannabis tax permit has been revoked or declined to be renewed
19 shall be deemed forfeited.

20 (f) A cannabis retailer may apply for a new permit after
21 the time designated in an order of revocation has passed or, if



1 the order does not specify a time period, after five years from
2 the effective date of the revocation of the permit, by filing an
3 application and upon complete compliance with any term or
4 condition imposed by the order of revocation. The application
5 for reinstatement shall be accompanied by all applicable fees.

6 (g) In every case in which the department refuses to
7 issue, renew, or reinstate a permit, the proceeding before the
8 department shall be conducted in accordance with section 231-7.

9 (h) Any person aggrieved by a final decision or order of
10 the director in a contested case, as defined in chapter 91,
11 relating to this section, shall be entitled to judicial review
12 thereof by the circuit court of the circuit in which the person
13 has its principal place of business. The judicial review of
14 contested cases shall be as provided by chapter 91.

15 (i) The department shall notify the Hawaii cannabis
16 authority of the name and address of every cannabis retailer who
17 has failed to file any return required, pay any tax prescribed,
18 secure a permit, or perform any duty or act imposed under this
19 chapter, and the Hawaii cannabis authority shall thereupon
20 suspend any license or permit issued under chapter A until the



1 time that the cannabis retailer complies with this chapter and
2 chapter A.

3 **SB-12 Appeals.** Any person aggrieved by any assessment of
4 the tax imposed by this chapter may appeal from the assessment
5 in the manner and within the time and in all other respects as
6 provided in the case of income tax appeals by section 235-114.
7 The hearing and disposition of the appeal, including the
8 distribution of costs, shall be as provided in chapter 232.

9 **SB-13 Other provisions applicable.** All of the provisions
10 of chapters 231, 235, and 237 not inconsistent with this chapter
11 and which may appropriately be applied to the taxes, persons,
12 circumstances, and situations involved in this chapter,
13 including (without prejudice to the generality of the foregoing)
14 provisions as to penalties and interest, granting administrative
15 powers to the director, and for the assessment, levy, and
16 collection of taxes, shall be applicable to the taxes imposed by
17 this chapter, and to the assessment, levy, and collection
18 thereof.

19 **SB-14 Audits, investigations, hearings, and subpoenas.**
20 The director, and any agent authorized by the director, may
21 conduct any inquiry, civil audit, criminal investigation,



1 investigation, or hearing relating to any assessment, the amount
2 of any tax, or the collection of any delinquent tax, including
3 any audit or investigation into the financial resources of any
4 delinquent taxpayer or the collectability of any delinquent tax,
5 in the manner provided in section 231-7.

6 **§B-15 Administration by director; rules.** The
7 administration of this chapter is vested in the director who may
8 adopt and enforce rules for the enforcement and administration
9 of this chapter.

10 The director shall adopt rules pursuant to chapter 91.

11 **§B-16 Penalties.** (a) The penalties provided by this
12 chapter shall apply to any person, whether acting as principal,
13 agent, officer, or director, for oneself, itself, or for another
14 person and shall apply to each single violation.

15 (b) In addition to the penalties imposed under title 14,
16 including this chapter, and under chapter A, any person or
17 cannabis retailer who sells cannabis without a permit as
18 required by this chapter shall be fined no more than \$1,000 per
19 violation. Each day a violation continues shall constitute a
20 separate violation."

21 PART IV



1 SECTION 5. The purpose of this part is to prohibit:

2 (1) Consuming or possessing an open container of marijuana
3 or marijuana concentrate while operating, or while a
4 passenger in, a motor vehicle or moped; and

5 (2) Operating a vehicle under the influence of marijuana
6 or marijuana concentrate.

7 SECTION 6. Chapter 291, Hawaii Revised Statutes, is
8 amended by adding three new sections to part I to be
9 appropriately designated and to read as follows:

10 "§291- _____ Consuming or possessing marijuana or marijuana
11 concentrate while operating motor vehicle or moped. (a) No
12 person shall consume, including through secondhand or passive
13 smoking, any marijuana or marijuana concentrate while operating
14 a motor vehicle or moped upon any public street, road, or
15 highway.

16 (b) No person shall possess within any passenger area of a
17 motor vehicle or moped, while operating the motor vehicle or
18 moped upon any public street, road, or highway, any bottle, can,
19 package, wrapper, smoking device, cartridge, or other receptacle
20 containing any marijuana or marijuana concentrate that has been
21 opened, or a seal broken, or the contents of which have been



1 partially removed, or loose marijuana or marijuana concentrate
2 not in a container.

3 (c) Any person violating this section shall be guilty of a
4 petty misdemeanor and shall be fined no more than \$2,000 or
5 imprisoned no more than thirty days, or both.

6 §291- Consuming or possessing marijuana or marijuana
7 concentrate while a passenger in a motor vehicle or on a moped.

8 (a) No person shall consume any marijuana or marijuana
9 concentrate while a passenger in any motor vehicle or on any
10 moped upon any public street, road, or highway.

11 (b) No person shall possess within any passenger area of a
12 motor vehicle or moped, while a passenger in the motor vehicle
13 or on the moped upon any public street, road, or highway, any
14 bottle, can, package, wrapper, smoking device, cartridge, or
15 other receptacle containing any marijuana or marijuana
16 concentrate that has been opened, or a seal broken, or the
17 contents of which have been partially removed, or loose
18 marijuana or marijuana concentrate not in a container.

19 (c) Any person violating this section shall be guilty of a
20 petty misdemeanor and shall be fined no more than \$2,000 or
21 imprisoned no more than thirty days, or both.



1 §291- **Marijuana or marijuana concentrate; prima facie**
2 **evidence.** Any bottle, can, package, wrapper, smoking device,
3 cartridge, or other receptacle that displays or is imprinted
4 with a label indicating that the contents contain marijuana or
5 marijuana concentrate shall be prima facie evidence that the
6 contents of the bottle, can, package, wrapper, smoking device,
7 cartridge, or other receptacle contains marijuana or marijuana
8 concentrate."

9 SECTION 7. Chapter 291E, Hawaii Revised Statutes, is
10 amended as follows:

11 1. By adding a new section to part II to be appropriately
12 designated and to read:

13 "§291E-A **Refusal to submit to testing for measurable**
14 **amount of THC; district court hearing; sanctions; appeals;**
15 **admissibility.** (a) If a person under arrest for operating a
16 vehicle after consuming a measurable amount of THC or, if the
17 person is a medical cannabis patient, THC at a concentration of
18 five or more nanograms per milliliter of blood, pursuant to
19 section 291E-B, refuses to submit to a blood test, none shall be
20 given, except as provided in section 291E-21, but the arresting
21 law enforcement officer, as soon as practicable, shall submit an



1 affidavit to a district judge of the circuit in which the arrest
2 was made stating that:

3 (1) At the time of the arrest, the arresting officer had
4 probable cause to believe the person arrested was
5 under the age of twenty-one and had been operating a
6 vehicle upon a public way, street, road, or highway or
7 on or in the waters of the State with a measurable
8 amount of THC or, if the person arrested is a medical
9 cannabis patient, THC at a concentration of five or
10 more nanograms per milliliter of blood;

11 (2) The person arrested was informed that they may refuse
12 to submit to a blood test, in compliance with section
13 291E-11;

14 (3) The person arrested had refused to submit to a blood
15 test;

16 (4) The person arrested was:
17 (A) Informed of the sanctions of this section; and
18 (B) Secondly queried if they still refuse to submit
19 to a blood test, in compliance with the
20 requirements of section 291E-15; and



1 (5) The person arrested continued to refuse to submit to a
2 blood test.

3 (b) Upon receipt of the affidavit, the district judge
4 shall hold a hearing within twenty days. The district judge
5 shall hear and determine whether:

6 (1) The arresting law enforcement officer had probable
7 cause to believe that the person was under the age of
8 twenty-one and had been operating a vehicle upon a
9 public way, street, road, or highway or on or in the
10 waters of the State with a measurable amount of THC
11 or, if the person is the medical cannabis patient, THC
12 at a concentration of five or more nanograms per
13 milliliter of blood;

14 (2) The person was lawfully arrested;

15 (3) The person was informed that the person may refuse to
16 submit to a blood test, in compliance with section
17 291E-11;

18 (4) The person refused to submit to a test of the person's
19 blood;

20 (5) The person was:



1 (A) Informed of the sanctions of this section; and
2 then
3 (B) Asked if the person still refuses to submit to a
4 blood test, in compliance with the requirements
5 of section 291E-15; and
6 (6) The person continued to refuse to submit to a blood
7 test.
8 (c) If the district judge finds the statements contained
9 in the affidavit are true, the judge shall suspend the arrested
10 person's license and privilege to operate a vehicle as follows:
11 (1) For a first suspension, or any suspension not preceded
12 within a five-year period by a suspension under this
13 section, for a period of twelve months; and
14 (2) For any subsequent suspension under this section, for
15 a period no less than two years and no more than five
16 years.
17 (d) An order of a district court issued under this section
18 may be appealed to the supreme court."

19 2. By adding a new section to part IV to be appropriately
20 designated and to read:



1 "§291E-B Operating a vehicle after consuming a measurable
2 amount of THC; persons under the age of twenty-one; exception.

3 (a) It shall be unlawful for any person under the age of
4 twenty-one years to operate any vehicle with a measurable amount
5 of THC; provided that if the person under the age of twenty-one
6 years is a medical cannabis patient as defined in section A-3,
7 it shall be unlawful to operate any vehicle with THC at a
8 concentration of five or more nanograms per milliliter of blood.

9 A law enforcement officer may arrest a person under this section
10 when the officer has probable cause to believe the person
11 arrested is under the age of twenty-one and had been operating a
12 vehicle upon a public way, street, road, or highway or on or in
13 the waters of the State with a measurable amount of THC or with
14 THC at a concentration of five or more nanograms per milliliter
15 of blood for a medical cannabis patient who provides valid proof
16 that the person is a medical cannabis patient. The valid proof
17 shall include a current and valid medical cannabis registration
18 card issued by the Hawaii cannabis authority under section A-47
19 or A-48.

20 (b) A person who violates this section shall be sentenced
21 as follows:



1 (1) For a first violation or any violation not preceded
2 within a five-year period by a prior drug enforcement
3 contact:

4 (A) The court shall impose:

5 (i) A requirement that the person and, if the
6 person is under the age of eighteen, the
7 person's parent or guardian, attend a
8 substance abuse education and counseling
9 program for no more than ten hours; and

10 (ii) A one hundred eighty-day prompt suspension
11 of license and privilege to operate a
12 vehicle with absolute prohibition from
13 operating a vehicle during the suspension
14 period; provided that in the case of a
15 person eighteen years of age or older, the
16 court may impose, in lieu of the one hundred
17 eighty-day prompt suspension of license, a
18 minimum thirty-day prompt suspension of
19 license with absolute prohibition from
20 operating a vehicle and, for the remainder
21 of the one hundred eighty-day period, a



1 restriction on the license that allows the
2 person to drive for limited work-related
3 purposes and to participate in substance
4 abuse education and treatment programs; and

5 (B) In addition, the court may impose any one or more
6 of the following:

7 (i) No more than thirty-six hours of community
8 service work; or

9 (ii) A fine of no less than \$150 but no more than
10 \$500;

11 (2) For a violation that occurs within five years of a
12 prior drug enforcement contact:

13 (A) The court shall impose prompt suspension of
14 license and privilege to operate a vehicle for a
15 period of one year with absolute prohibition from
16 operating a vehicle during the suspension period;
17 and

18 (B) In addition, the court may impose any of the
19 following:

20 (i) No more than fifty hours of community
21 service work; or



1 (ii) A fine of no less than \$300 but no more than
2 \$1,000; and

3 (3) For a violation that occurs within five years of two
4 or more prior drug enforcement contacts:

5 (A) The court shall impose revocation of license and
6 privilege to operate a vehicle for a period of
7 two years; and

8 (B) In addition, the court may impose any of the
9 following:

10 (i) No more than one hundred hours of community
11 service work; or

12 (ii) A fine of no less than \$300 but no more than
13 \$1,000.

14 (c) Notwithstanding any other law to the contrary, any
15 conviction or plea under this section shall be considered a
16 prior drug enforcement contact.

17 (d) Whenever a court sentences a person pursuant to
18 subsection (b)(2) or (3), it also shall require that the person
19 be referred to the driver's education program for an assessment,
20 by a certified substance abuse counselor, of the person's
21 substance abuse or dependence and the need for appropriate



1 treatment. The counselor shall submit a report with
2 recommendations to the court. The court shall require the
3 person to obtain appropriate treatment if the counselor's
4 assessment establishes the person's substance abuse or
5 dependence. All costs for assessment and treatment shall be
6 borne by the person or by the person's parent or guardian, if
7 the person is under the age of eighteen.

8 (e) Notwithstanding section 831-3.2 or any other law to
9 the contrary, a person convicted of a first-time violation under
10 subsection (b) (1), who had no prior drug enforcement contacts,
11 may apply to the court for an expungement order upon attaining
12 the age of twenty-one, or thereafter, if the person has
13 fulfilled the terms of the sentence imposed by the court and has
14 had no subsequent alcohol or drug related enforcement contacts.

15 (f) Notwithstanding any other law to the contrary,
16 whenever a court revokes a person's driver's license pursuant to
17 this section, the examiner of drivers shall not grant to the
18 person an application for a new driver's license for a period to
19 be determined by the court.

20 (g) Any person sentenced under this section may be ordered
21 to reimburse the county for the cost of any blood tests



1 conducted pursuant to section 291E-11. The court shall order
2 the person to make restitution in a lump sum, or in a series of
3 prorated installments, to the police department or other agency
4 incurring the expense of the blood test.

5 (h) The requirement to provide proof of financial
6 responsibility pursuant to section 287-20 shall not be based
7 upon a sentence imposed under subsection (b) (1).

8 (i) Any person who violates this section shall be guilty
9 of a violation.

10 (j) As used in this section, the terms "driver's license"
11 and "examiner of drivers" have the same meanings as provided in
12 section 286-2."

13 SECTION 8. Section 291-1, Hawaii Revised Statutes, is
14 amended by adding two new definitions to be appropriately
15 inserted and to read as follows:

16 "Marijuana" has the same meaning as in section 712-1240.

17 "Marijuana concentrate" has the same meaning as in section
18 712-1240."

19 SECTION 9. Section 291E-1, Hawaii Revised Statutes, is
20 amended by adding five new definitions to be appropriately
21 inserted and to read as follows:



1 "Marijuana" has the same meaning as in section 712-1240.

2 "Marijuana concentrate" has the same meaning as in section
3 712-1240.

4 "Medical cannabis patient" has the same meaning as in
5 section A-3.

6 "Medical cannabis registration card" has the same meaning
7 as in section A-3.

8 "THC" means the cannabinoids that function as the primary
9 psychoactive component of marijuana or marijuana concentrate."

10 SECTION 10. Section 291E-3, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) In any criminal prosecution for a violation of
13 section 291E-61 or 291E-61.5 or in any proceeding under part
14 III:

15 (1) .08 or more grams of alcohol per one hundred
16 milliliters or cubic centimeters of the person's
17 blood;

18 (2) .08 or more grams of alcohol per two hundred ten
19 liters of the person's breath; [~~or~~]

20 (3) THC at a concentration of five or more nanograms per
21 milliliter of blood; or



1 [~~3~~] (4) The presence of one or more drugs in an amount
2 sufficient to impair the person's ability to operate a
3 vehicle in a careful and prudent manner,
4 within three hours after the time of the alleged violation as
5 shown by chemical analysis or other approved analytical
6 techniques of the person's blood, breath, or urine shall be
7 competent evidence that the person was under the influence of an
8 intoxicant at the time of the alleged violation."

9 SECTION 11. Section 291E-11, Hawaii Revised Statutes, is
10 amended by amending subsections (d) and (e) to read as follows:

11 "(d) If there is probable cause to believe that a person
12 is in violation of section 291E-61 or 291E-61.5, as a result of
13 having consumed any drug~~[7]~~ except for THC, then the person
14 shall elect to take a blood or urine test, or both, for the
15 purpose of determining the drug content. Drug content shall be
16 measured by the presence of any drug or its metabolic products,
17 or both. If there is probable cause to believe that a person is
18 in violation of section 291E-B, as a result of being under the
19 age of twenty-one and having consumed a measurable amount of THC
20 or, if the person is a medical cannabis patient, having consumed
21 THC at a concentration of five or more nanograms per milliliter



1 of blood, or section 291E-61 or 291E-61.5, as a result of having
2 consumed THC at a concentration of five or more nanograms per
3 milliliter of blood, then the person shall take a blood test,
4 and may also elect to take a urine test in addition to the blood
5 test.

6 (e) A person who chooses to submit to a breath test under
7 subsection (c) also may be requested to submit to a blood or
8 urine test, if the law enforcement officer has probable cause to
9 believe that the person was operating a vehicle while under the
10 influence of any drug under section 291E-61 or 291E-61.5 and the
11 officer has probable cause to believe that a blood or urine test
12 will reveal evidence of the person being under the influence of
13 any drug. The law enforcement officer shall state in the
14 officer's report the facts upon which that belief is based. The
15 person shall elect to take a blood or urine test, or both, for
16 the purpose of determining the person's drug content[-], unless
17 the drug being tested for is THC in which case the person shall
18 take a blood test and may also elect to take a urine test in
19 addition to the blood test. Results of a blood or urine test
20 conducted to determine drug content also shall be admissible for
21 the purpose of determining the person's alcohol concentration.



1 Submission to testing for drugs under subsection (d) or this
2 subsection shall not be a substitute for alcohol tests requested
3 under subsection (c)."

4 SECTION 12. Section 291E-21, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) If a health care provider who is providing medical
7 care, in a health care facility, to any person involved in a
8 vehicle collision:

9 (1) Becomes aware, as a result of any blood or urine test
10 performed in the course of medical treatment, that:

11 (A) The alcohol concentration in the person's blood
12 meets or exceeds the amount specified in section
13 291E-61(a)(4) or 291E-61.5(a)(2)(D); ~~[or]~~

14 (B) The THC concentration in the person's blood meets
15 or exceeds the amount specified in section
16 291E-61(a)(5) or 291E-61.5(a)(2)(E); or

17 ~~[(B)]~~ (C) The person's blood or urine contains one or
18 more drugs that are capable of impairing a
19 person's ability to operate a vehicle in a
20 careful and prudent manner; and



1 (2) Has a reasonable belief that the person was the
2 operator of a vehicle involved in the collision,
3 the health care provider shall notify, as soon as reasonably
4 possible, any law enforcement officer present at the health care
5 facility to investigate the collision. If no law enforcement
6 officer is present, the health care provider shall notify the
7 county police department in the county where the collision
8 occurred. If the health care provider is aware of any blood or
9 urine test result, as provided in paragraph (1), but lacks
10 information to form a reasonable belief as to the identity of
11 the operator involved in a vehicle collision, as provided in
12 paragraph (2), then the health care provider shall give notice
13 to a law enforcement officer present or ~~to~~ the county police
14 department, as applicable, for each person involved in a vehicle
15 collision whose alcohol concentration in the person's blood
16 meets or exceeds the amount specified in section 291E-61(a)(4)
17 or 291E-61.5(a)(2)(D), whose THC concentration in the person's
18 blood meets or exceeds the amount specified in section
19 291E-61(a)(5) or 291E-61.5(a)(2)(E), or whose blood or urine
20 contains one or more drugs. The notice by the health care
21 provider shall consist of the name of the person being treated,



1 the blood alcohol concentration, THC concentration in the
2 person's blood, or drug content disclosed by the test, and the
3 date and time of the administration of the test. This notice
4 shall be deemed to satisfy the intoxication element necessary to
5 establish the probable cause requirement set forth in subsection
6 (c)."

7 SECTION 13. Section 291E-33, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) Whenever a person is arrested for a violation of
10 section 291E-61 or 291E-61.5 on a determination by the arresting
11 law enforcement officer that[+] there was:

12 (1) [~~There was reasonable~~] Reasonable suspicion to stop
13 the vehicle or the vehicle was stopped at an
14 intoxicant control roadblock established and operated
15 in compliance with sections 291E-19 and 291E-20; and

16 (2) [~~There was probable~~] Probable cause to believe that
17 the person was operating the vehicle while under the
18 influence of an intoxicant[+],

19 the law enforcement officer shall take possession of any license
20 held by the person and request the person to take a test for
21 alcohol concentration, in the case of an alcohol related



1 offense, or a test for drug content in the blood or urine, in
2 the case of a drug related offense. The law enforcement officer
3 shall inform the person that, in the case of an alcohol related
4 offense, the person shall elect to take a breath test, a blood
5 test, or both, pursuant to section 291E-11, but that the person
6 may refuse to submit to testing under this chapter. In the case
7 of a drug related offense, the person shall elect to take a
8 blood test, a urine test, or both, unless the drug being tested
9 for is THC in which case the person shall take a blood test and
10 may also elect to take a urine test in addition to the blood
11 test pursuant to section 291E-11, after being informed that the
12 person may refuse to submit to testing under this chapter."

13 SECTION 14. Section 291E-35, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

15 "(b) In cases involving a drug related offense, if a test
16 conducted in accordance with part II and section 321-161 and the
17 rules adopted thereunder shows that a respondent had a THC
18 concentration of less than five nanograms per milliliter of
19 blood, or fails to show the presence, in the respondent's blood
20 or urine, of any drug that is capable of impairing the
21 respondent's ability to operate a vehicle in a careful and



1 prudent manner, the director or [~~the~~] arresting law enforcement
2 agency [~~immediately~~] shall immediately return the respondent's
3 license along with a certified statement that administrative
4 revocation proceedings have been terminated with prejudice."

5 SECTION 15. Section 291E-36, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) Whenever a respondent has been arrested for a
8 violation of section 291E-61 or 291E-61.5 and submits to a test
9 that establishes: the respondent's alcohol concentration was
10 .08 or more; the respondent's THC concentration was five or more
11 nanograms per milliliter of blood; the presence, in the
12 respondent's blood or urine, of any drug that is capable of
13 impairing the respondent's ability to operate a vehicle in a
14 careful and prudent manner; or whenever a respondent has been
15 involved in a collision resulting in injury or death and a blood
16 or urine test performed pursuant to section 291E-21 establishes
17 that the respondent's alcohol concentration was .08 or more, the
18 respondent's THC concentration was five or more nanograms per
19 milliliter of blood, or establishes the presence in the
20 respondent's blood or urine of any drug that is capable of
21 impairing the respondent's ability to operate a vehicle in a



1 careful and prudent manner, the following shall be forwarded
2 immediately to the director:

3 (1) A copy of the arrest report or the report of the law
4 enforcement officer who issued the notice of
5 administrative revocation to the person involved in a
6 collision resulting in injury or death and the sworn
7 statement of the arresting law enforcement officer or
8 the officer who issued the notice of administrative
9 revocation, stating facts that establish that:

10 (A) There was reasonable suspicion to stop the
11 vehicle, the vehicle was stopped at an intoxicant
12 control roadblock established and operated in
13 compliance with sections 291E-19 and 291E-20, or
14 the respondent was tested pursuant to section
15 291E-21;

16 (B) There was probable cause to believe that the
17 respondent had been operating the vehicle while
18 under the influence of an intoxicant; and

19 (C) The respondent agreed to be tested or the person
20 was tested pursuant to section 291E-21;



- 1 (2) In a case involving an alcohol related offense, the
2 sworn statement of the person responsible for
3 maintenance of the testing equipment, stating facts
4 that establish that, pursuant to section 321-161 and
5 rules adopted thereunder:
- 6 (A) The equipment used to conduct the test was
7 approved for use as an alcohol testing device in
8 this State;
- 9 (B) The person had been trained and at the time the
10 test was conducted was certified and capable of
11 maintaining the testing equipment; and
- 12 (C) The testing equipment used had been properly
13 maintained and was in good working condition when
14 the test was conducted;
- 15 (3) In a case involving an alcohol related offense, the
16 sworn statement of the person who conducted the test,
17 stating facts that establish that, pursuant to section
18 321-161 and rules adopted thereunder:
- 19 (A) The person was trained and at the time the test
20 was conducted was certified and capable of
21 operating the testing equipment;



- 1 (B) The person followed the procedures established
2 for conducting the test;
- 3 (C) The equipment used to conduct the test functioned
4 in accordance with operating procedures and
5 indicated that the respondent's alcohol
6 concentration was at, or above, the prohibited
7 level; and
- 8 (D) The person whose breath or blood was tested is
9 the respondent;
- 10 (4) In a case involving a drug related offense, including
11 THC, the sworn statement of the person responsible for
12 maintenance of the testing equipment, stating facts
13 that establish that, pursuant to section 321-161 and
14 rules adopted thereunder:
- 15 (A) The equipment used to conduct the test was
16 approved for use in drug testing;
- 17 (B) The person conducting the test had been trained
18 and, at the time of the test, was certified and
19 capable of maintaining the testing equipment; and



1 (C) The testing equipment used had been properly
2 maintained and was in good working condition when
3 the test was conducted;

4 (5) In a case involving a drug related offense, including
5 THC, the sworn statement of the person who conducted
6 the test, stating facts that establish that, pursuant
7 to section 321-161 and rules adopted thereunder:

8 (A) At the time the test was conducted, the person
9 was trained and capable of operating the testing
10 equipment;

11 (B) The person followed the procedures established
12 for conducting the test;

13 (C) The equipment used to conduct the test functioned
14 in accordance with operating procedures and
15 indicated the presence of one or more drugs or
16 their metabolites in the respondent's blood or
17 urine; and

18 (D) The person whose blood or urine was tested is the
19 respondent;



1 (6) A copy of the notice of administrative revocation
2 issued by the law enforcement officer to the
3 respondent;

4 (7) Any license taken into possession by the law
5 enforcement officer; and

6 (8) A listing of any prior alcohol or drug enforcement
7 contacts involving the respondent."

8 SECTION 16. Section 291E-61, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) A person commits the offense of operating a vehicle
11 under the influence of an intoxicant if the person operates or
12 assumes actual physical control of a vehicle:

13 (1) While under the influence of alcohol in an amount
14 sufficient to impair the person's normal mental
15 faculties or ability to care for the person and guard
16 against casualty;

17 (2) While under the influence of any drug that impairs the
18 person's ability to operate the vehicle in a careful
19 and prudent manner;

20 (3) With .08 or more grams of alcohol per two hundred ten
21 liters of breath; [~~or~~]



- 1 (4) With .08 or more grams of alcohol per one hundred
- 2 milliliters or cubic centimeters of blood[-]; or
- 3 (5) With THC at a concentration of five or more nanograms
- 4 per milliliter of blood."

5 SECTION 17. Section 291E-61.5, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) A person commits the offense of habitually operating
8 a vehicle under the influence of an intoxicant if:

- 9 (1) The person is a habitual operator of a vehicle while
- 10 under the influence of an intoxicant; and
- 11 (2) The person operates or assumes actual physical control
- 12 of a vehicle:
 - 13 (A) While under the influence of alcohol in an amount
 - 14 sufficient to impair the person's normal mental
 - 15 faculties or ability to care for the person and
 - 16 guard against casualty;
 - 17 (B) While under the influence of any drug that
 - 18 impairs the person's ability to operate the
 - 19 vehicle in a careful and prudent manner;
 - 20 (C) With .08 or more grams of alcohol per two hundred
 - 21 ten liters of breath; [~~or~~]



- 1 (D) With .08 or more grams of alcohol per one hundred
- 2 milliliters or cubic centimeters of blood[-]; or
- 3 (E) With THC at a concentration of five or more
- 4 nanograms per milliliter of blood."

5 PART V

6 SECTION 18. Section 26-35.5, Hawaii Revised Statutes, is

7 amended by amending subsection (a) to read as follows:

8 "(a) For purposes of this section, "member" means any

9 person who is appointed, in accordance with the law, to serve on

10 a temporary or permanent state board, including members of the

11 board of education, the governing board of any charter school

12 established under chapter 302D, council, authority, committee,

13 or commission, established by law or elected to the board of

14 trustees of the employees' retirement system under section 88-

15 24, the cannabis control board under section A-12, or the

16 corporation board of the Hawaii health systems corporation under

17 section 323F-3 and its regional system boards under section

18 323F-3.5; provided that "member" shall not include any person

19 elected to serve on a board or commission in accordance with

20 chapter 11."



1 SECTION 19. Section 28-8.3, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) No department of the State other than the attorney
5 general may employ or retain any attorney, by contract or
6 otherwise, for the purpose of representing the State or the
7 department in any litigation, rendering legal counsel to the
8 department, or drafting legal documents for the department;
9 provided that the foregoing provision shall not apply to the
10 employment or retention of attorneys:

11 (1) By the public utilities commission, [~~the~~] labor and
12 industrial relations appeals board, and [~~the~~] Hawaii
13 labor relations board;

14 (2) By any court or judicial or legislative office of the
15 State; provided further that if the attorney general
16 is requested to provide representation to a court or
17 judicial office by the chief justice or the chief
18 justice's designee, or to a legislative office by the
19 speaker of the house of representatives and [~~the~~]
20 president of the senate jointly, and the attorney
21 general declines to provide [~~such~~] the representation



1 on the grounds of conflict of interest, the attorney
2 general shall retain an attorney for the court,
3 judicial[7] office, or legislative office, subject to
4 approval by the court, judicial[7] office, or
5 legislative office;

6 (3) By the legislative reference bureau;

7 (4) By any compilation commission that may be constituted
8 from time to time;

9 (5) By the real estate commission for any action involving
10 the real estate recovery fund;

11 (6) By the contractors license board for any action
12 involving the contractors recovery fund;

13 (7) By the office of Hawaiian affairs;

14 (8) By the department of commerce and consumer affairs for
15 the enforcement of violations of chapters 480 and
16 485A;

17 (9) As grand jury counsel;

18 (10) By the Hawaii health systems corporation, or its
19 regional system boards, or any of their facilities;

20 (11) By the auditor;

21 (12) By the office of ombudsman;



- 1 (13) By the insurance division;
- 2 (14) By the University of Hawaii;
- 3 (15) By the Kahoolawe island reserve commission;
- 4 (16) By the division of consumer advocacy;
- 5 (17) By the office of elections;
- 6 (18) By the campaign spending commission;
- 7 (19) By the Hawaii tourism authority, as provided in
- 8 section 201B-2.5;
- 9 (20) By the division of financial institutions;
- 10 (21) By the office of information practices;
- 11 (22) By the school facilities authority;
- 12 (23) By the Mauna Kea stewardship and oversight authority;
- 13 [~~24~~]
- 14 (24) By the Hawaii cannabis authority; or
- 15 [~~(24)~~] (25) By a department, if the attorney general, for
- 16 reasons deemed by the attorney general to be good and
- 17 sufficient, declines to employ or retain an attorney
- 18 for a department; provided further that the governor
- 19 waives the provision of this section."
- 20 2. By amending subsection (c) to read:



1 "(c) Every attorney employed by any department on a full-
2 time basis, except an attorney employed by the public utilities
3 commission, the labor and industrial relations appeals board,
4 the Hawaii labor relations board, the office of Hawaiian
5 affairs, the Hawaii health systems corporation or its regional
6 system boards, the department of commerce and consumer affairs
7 in prosecution of consumer complaints, the insurance division,
8 the division of consumer advocacy, the University of Hawaii, the
9 Hawaii tourism authority as provided in section 201B-2.5, the
10 Mauna Kea stewardship and oversight authority, the Hawaii
11 cannabis authority, the office of information practices, or as
12 grand jury counsel, shall be a deputy attorney general."

13 SECTION 20. Section 46-4, Hawaii Revised Statutes, is
14 amended by amending subsection (f) to read as follows:

15 "(f) Neither this section nor any other law, county
16 ordinance, or rule shall prohibit the use of land for ~~[medical]~~
17 cannabis ~~[production centers or medical cannabis dispensaries]~~
18 businesses established and licensed pursuant to chapter ~~[329D;~~
19 ~~provided that the land is otherwise zoned for agriculture,~~
20 ~~manufacturing, or retail purposes.]~~ A, except as provided in
21 section A-28."



1 SECTION 21. Section 76-16, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) The civil service to which this chapter applies shall
4 comprise all positions in the State now existing or hereafter
5 established and embrace all personal services performed for the
6 State, except the following:

7 (1) Commissioned and enlisted personnel of the Hawaii
8 National Guard as such, and positions in the Hawaii
9 National Guard that are required by state or federal
10 laws or regulations or orders of the National Guard to
11 be filled from those commissioned or enlisted
12 personnel;

13 (2) Positions filled by persons employed by contract where
14 the director of human resources development has
15 certified that the service is special or unique or is
16 essential to the public interest and that, because of
17 circumstances surrounding its fulfillment, personnel
18 to perform the service cannot be obtained through
19 normal civil service recruitment procedures. Any such
20 contract may be for any period not exceeding one year;



- 1 (3) Positions that must be filled without delay to comply
2 with a court order or decree if the director
3 determines that recruitment through normal recruitment
4 civil service procedures would result in delay or
5 noncompliance, such as the Felix-Cayetano consent
6 decree;
- 7 (4) Positions filled by the legislature or by either house
8 or any committee thereof;
- 9 (5) Employees in the office of the governor and office of
10 the lieutenant governor, and household employees at
11 Washington Place;
- 12 (6) Positions filled by popular vote;
- 13 (7) Department heads, officers, and members of any board,
14 commission, or other state agency whose appointments
15 are made by the governor or are required by law to be
16 confirmed by the senate;
- 17 (8) Judges, referees, receivers, masters, jurors, notaries
18 public, land court examiners, court commissioners, and
19 attorneys appointed by a state court for a special
20 temporary service;



1 (9) One bailiff for the chief justice of the supreme court
2 who shall have the powers and duties of a court
3 officer and bailiff under section 606-14; one
4 secretary or clerk for each justice of the supreme
5 court, each judge of the intermediate appellate court,
6 and each judge of the circuit court; one secretary for
7 the judicial council; one deputy administrative
8 director of the courts; three law clerks for the chief
9 justice of the supreme court, two law clerks for each
10 associate justice of the supreme court and each judge
11 of the intermediate appellate court, one law clerk for
12 each judge of the circuit court, two additional law
13 clerks for the civil administrative judge of the
14 circuit court of the first circuit, two additional law
15 clerks for the criminal administrative judge of the
16 circuit court of the first circuit, one additional law
17 clerk for the senior judge of the family court of the
18 first circuit, two additional law clerks for the civil
19 motions judge of the circuit court of the first
20 circuit, two additional law clerks for the criminal
21 motions judge of the circuit court of the first



1 circuit, and two law clerks for the administrative
2 judge of the district court of the first circuit; and
3 one private secretary for the administrative director
4 of the courts, the deputy administrative director of
5 the courts, each department head, each deputy or first
6 assistant, and each additional deputy, or assistant
7 deputy, or assistant defined in paragraph (16);

8 (10) First deputy and deputy attorneys general, the
9 administrative services manager of the department of
10 the attorney general, one secretary for the
11 administrative services manager, an administrator and
12 any support staff for the criminal and juvenile
13 justice resources coordination functions, and law
14 clerks;

15 (11) (A) Teachers, principals, vice-principals, complex
16 area superintendents, deputy and assistant
17 superintendents, other certificated personnel, no
18 more than twenty noncertificated administrative,
19 professional, and technical personnel not engaged
20 in instructional work;



1 (B) Effective July 1, 2003, teaching assistants,
2 educational assistants, bilingual/bicultural
3 school-home assistants, school psychologists,
4 psychological examiners, speech pathologists,
5 athletic health care trainers, alternative school
6 work study assistants, alternative school
7 educational/supportive services specialists,
8 alternative school project coordinators, and
9 communications aides in the department of
10 education;

11 (C) The special assistant to the state librarian and
12 one secretary for the special assistant to the
13 state librarian; and

14 (D) Members of the faculty of the University of
15 Hawaii, including research workers, extension
16 agents, personnel engaged in instructional work,
17 and administrative, professional, and technical
18 personnel of the university;

19 (12) Employees engaged in special, research, or
20 demonstration projects approved by the governor;



- 1 (13) (A) Positions filled by inmates, patients of state
2 institutions, and persons with severe physical or
3 mental disabilities participating in the work
4 experience training programs;
- 5 (B) Positions filled with students in accordance with
6 guidelines for established state employment
7 programs; and
- 8 (C) Positions that provide work experience training
9 or temporary public service employment that are
10 filled by persons entering the workforce or
11 persons transitioning into other careers under
12 programs such as the federal Workforce Investment
13 Act of 1998, as amended, or the Senior Community
14 Service Employment Program of the Employment and
15 Training Administration of the United States
16 Department of Labor, or under other similar state
17 programs;
- 18 (14) A custodian or guide at Iolani Palace, the Royal
19 Mausoleum, and Hulihee Palace;
- 20 (15) Positions filled by persons employed on a fee,
21 contract, or piecework basis, who may lawfully perform



1 their duties concurrently with their private business
2 or profession or other private employment and whose
3 duties require only a portion of their time, if it is
4 impracticable to ascertain or anticipate the portion
5 of time to be devoted to the service of the State;

6 (16) Positions of first deputies or first assistants of
7 each department head appointed under or in the manner
8 provided in section 6, article V, of the Hawaii State
9 Constitution; three additional deputies or assistants
10 either in charge of the highways, harbors, and
11 airports divisions or other functions within the
12 department of transportation as may be assigned by the
13 director of transportation, with the approval of the
14 governor; one additional deputy in the department of
15 human services either in charge of welfare or other
16 functions within the department as may be assigned by
17 the director of human services; four additional
18 deputies in the department of health, each in charge
19 of one of the following: behavioral health,
20 environmental health, hospitals, and health resources
21 administration, including other functions within the



1 department as may be assigned by the director of
2 health, with the approval of the governor; two
3 additional deputies in charge of the law enforcement
4 programs, administration, or other functions within
5 the department of law enforcement as may be assigned
6 by the director of law enforcement, with the approval
7 of the governor; three additional deputies each in
8 charge of the correctional institutions,
9 rehabilitation services and programs, and
10 administration or other functions within the
11 department of corrections and rehabilitation as may be
12 assigned by the director of corrections and
13 rehabilitation, with the approval of the governor; an
14 administrative assistant to the state librarian; and
15 an administrative assistant to the superintendent of
16 education;

17 (17) Positions specifically exempted from this part by any
18 other law; provided that:

19 (A) Any exemption created after July 1, 2014, shall
20 expire three years after its enactment unless



- 1 affirmatively extended by an act of the
2 legislature; and
- 3 (B) All of the positions defined by paragraph (9)
4 shall be included in the position classification
5 plan;
- 6 (18) Positions in the state foster grandparent program and
7 positions for temporary employment of senior citizens
8 in occupations in which there is a severe personnel
9 shortage or in special projects;
- 10 (19) Household employees at the official residence of the
11 president of the University of Hawaii;
- 12 (20) Employees in the department of education engaged in
13 the supervision of students during meal periods in the
14 distribution, collection, and counting of meal
15 tickets, and in the cleaning of classrooms after
16 school hours on a less than half-time basis;
- 17 (21) Employees hired under the tenant hire program of the
18 Hawaii public housing authority; provided that ~~not~~
19 no more than twenty-six per cent of the authority's
20 workforce in any housing project maintained or



- 1 operated by the authority shall be hired under the
2 tenant hire program;
- 3 (22) Positions of the federally funded expanded food and
4 nutrition program of the University of Hawaii that
5 require the hiring of nutrition program assistants who
6 live in the areas they serve;
- 7 (23) Positions filled by persons with severe disabilities
8 who are certified by the state vocational
9 rehabilitation office that they are able to perform
10 safely the duties of the positions;
- 11 (24) The sheriff;
- 12 (25) A gender and other fairness coordinator hired by the
13 judiciary;
- 14 (26) Positions in the Hawaii National Guard youth and adult
15 education programs;
- 16 (27) In the state energy office in the department of
17 business, economic development, and tourism, all
18 energy program managers, energy program specialists,
19 energy program assistants, and energy analysts;
- 20 (28) Administrative appeals hearing officers in the
21 department of human services;



- 1 (29) In the Med-QUEST division of the department of human
2 services, the division administrator, finance officer,
3 health care services branch administrator, medical
4 director, and clinical standards administrator;
- 5 (30) In the director's office of the department of human
6 services, the enterprise officer, information security
7 and privacy compliance officer, security and privacy
8 compliance engineer, security and privacy compliance
9 analyst, information technology implementation
10 manager, assistant information technology
11 implementation manager, resource manager,
12 community/project development director, policy
13 director, special assistant to the director, and
14 limited English proficiency project
15 manager/coordinator;
- 16 (31) The Alzheimer's disease and related dementia services
17 coordinator in the executive office on aging;
- 18 (32) In the Hawaii emergency management agency, the
19 executive officer, public information officer, civil
20 defense administrative officer, branch chiefs, and
21 emergency operations center state warning point



1 personnel; provided that for state warning point
2 personnel, the director shall determine that
3 recruitment through normal civil service recruitment
4 procedures would result in delay or noncompliance;

5 (33) The executive director and seven full-time
6 administrative positions of the school facilities
7 authority;

8 (34) Positions in the Mauna Kea stewardship and oversight
9 authority;

10 (35) In the office of homeland security of the department
11 of law enforcement, the statewide interoperable
12 communications coordinator; [~~and~~]

13 (36) In the social services division of the department of
14 human services, the business technology analyst[~~-~~];

15 (37) In the Hawaii cannabis authority, the executive
16 director, executive secretary to the executive
17 director, chief financial officer, chief equity
18 officer, general counsel, chief public health and
19 environmental officer, chief technology officer, and
20 chief compliance officer; and



1 (38) In the department of taxation, the tax law change
2 specialist to assist with the implementation of
3 chapter B.

4 The director shall determine the applicability of this
5 section to specific positions.

6 Nothing in this section shall be deemed to affect the civil
7 service status of any incumbent as it existed on July 1, 1955."

8 SECTION 22. Section 91-13.5, Hawaii Revised Statutes, is
9 amended by amending subsection (f) to read as follows:

10 "(f) This section shall not apply to:

11 (1) Any proceedings of the public utilities commission;
12 [~~or~~]

13 (2) Any proceedings of the cannabis control board or
14 Hawaii cannabis authority; or

15 [~~2~~] (3) Any county or county agency that is exempted by
16 county ordinance from this section."

17 SECTION 23. Section 209E-2, Hawaii Revised Statutes, is
18 amended by amending the definition of "eligible business
19 activity" to read as follows:

20 ""Eligible business activity" means the:



- 1 (1) Manufacture of tangible personal property, the
- 2 wholesale sale of tangible personal property as
- 3 described in section 237-4, or a service business as
- 4 defined in this section;
- 5 (2) Production of agricultural products where the business
- 6 is a producer as defined in section 237-5, or the
- 7 processing of agricultural products, all or some of
- 8 which were grown within an enterprise zone;
- 9 (3) Research, development, sale, or production of all
- 10 types of genetically-engineered medical, agricultural,
- 11 or maritime biotechnology products; or
- 12 (4) Production of electric power from wind energy for sale
- 13 primarily to a public utility company for resale to
- 14 the public;

15 provided that [~~medical cannabis dispensary~~] the activities of a
16 cannabis business pursuant to chapter [329D] A shall not be
17 considered an eligible business activity for the purposes of
18 this chapter."

19 SECTION 24. Section 235-1, Hawaii Revised Statutes, is
20 amended by adding a new definition to be appropriately inserted
21 and to read as follows:



1 "Cannabis" has the same meaning as in section A-3."

2 SECTION 25. Section 235-2.4, Hawaii Revised Statutes, is
3 amended by amending subsection (v) to read as follows:

4 "(v) Section 280E (with respect to expenditures in
5 connection with the illegal sale of drugs) of the Internal
6 Revenue Code shall be operative for the purposes of this
7 chapter~~[, except]~~; provided that section 280E shall not be
8 operative with respect to the ~~[production]~~ cultivation,
9 processing, and sale of ~~[medical]~~ cannabis ~~[and manufactured~~
10 ~~cannabis products]~~ by ~~[dispensaries]~~ cannabis businesses
11 licensed or permitted under chapter ~~[329D and their~~
12 ~~subcontractors, as defined in section 329D-1.]~~ A."

13 SECTION 26. Section 237-13, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§237-13 Imposition of tax.** There is hereby levied and
16 shall be assessed and collected annually privilege taxes against
17 persons on account of their business and other activities in the
18 State measured by the application of rates against values of
19 products, gross proceeds of sales, or gross income, whichever is
20 specified, as follows:

21 (1) Tax on manufacturers.



- 1 (A) Upon every person engaging or continuing within
2 the State in the business of manufacturing,
3 including compounding, canning, preserving,
4 packing, printing, publishing, milling,
5 processing, refining, or preparing for sale,
6 profit, or commercial use, either directly or
7 through the activity of others, in whole or in
8 part, any article or articles, substance or
9 substances, commodity or commodities, the amount
10 of the tax to be equal to the value of the
11 articles, substances, or commodities,
12 manufactured, compounded, canned, preserved,
13 packed, printed, milled, processed, refined, or
14 prepared for sale, as shown by the gross proceeds
15 derived from the sale thereof by the manufacturer
16 or person compounding, preparing, or printing
17 them, multiplied by one-half of one per cent.
- 18 (B) The measure of the tax on manufacturers is the
19 value of the entire product for sale.
- 20 (2) Tax on business of selling tangible personal property;
21 producing.



1 (A) Upon every person engaging or continuing in the
2 business of selling any tangible personal
3 property whatsoever, there is likewise hereby
4 levied, and shall be assessed and collected, a
5 tax equivalent to four per cent of the gross
6 proceeds of sales of the business; provided that,
7 in the case of a wholesaler, the tax shall be
8 equal to one-half of one per cent of the gross
9 proceeds of sales of the business; [and] provided
10 further that insofar as the sale of tangible
11 personal property is a wholesale sale under
12 section 237-4(a)(8), the tax shall be one-half of
13 one per cent of the gross proceeds. Upon every
14 person engaging or continuing within this State
15 in the business of a producer, the tax shall be
16 equal to one-half of one per cent of the gross
17 proceeds of sales of the business, or the value
18 of the products, for sale.

19 (B) Gross proceeds of sales of tangible property in
20 interstate and foreign commerce shall constitute
21 a part of the measure of the tax imposed on



1 persons in the business of selling tangible
2 personal property, to the extent, under the
3 conditions, and in accordance with the provisions
4 of the Constitution of the United States and the
5 Acts of the Congress of the United States [~~which~~
6 that may be now in force or may be hereafter
7 adopted, and whenever there occurs in the State
8 an activity to which, under the Constitution and
9 Acts of Congress, there may be attributed gross
10 proceeds of sales, the gross proceeds shall be so
11 attributed.

12 (C) No manufacturer or producer, engaged in such
13 business in the State and selling the
14 manufacturer's or producer's products for
15 delivery outside of the State (for example,
16 consigned to a mainland purchaser via common
17 carrier f.o.b. Honolulu), shall be required to
18 pay the tax imposed in this chapter for the
19 privilege of so selling the products, and the
20 value or gross proceeds of sales of the products
21 shall be included only in determining the measure



1 of the tax imposed upon the manufacturer or
2 producer.

3 (D) A manufacturer or producer, engaged in such
4 business in the State, shall pay the tax imposed
5 in this chapter for the privilege of selling its
6 products in the State, and the value or gross
7 proceeds of sales of the products, thus subjected
8 to tax, may be deducted insofar as duplicated as
9 to the same products by the measure of the tax
10 upon the manufacturer or producer for the
11 privilege of manufacturing or producing in the
12 State; provided that no producer of agricultural
13 products who sells the products to a purchaser
14 who will process the products outside the State
15 shall be required to pay the tax imposed in this
16 chapter for the privilege of producing or selling
17 those products.

18 (E) A taxpayer selling to a federal cost-plus
19 contractor may make the election provided for by
20 paragraph (3)(C), and in that case the tax shall
21 be computed pursuant to the election,



1 notwithstanding this paragraph or paragraph (1)
2 to the contrary.

3 (F) The department, by rule, may require that a
4 seller take from the purchaser of tangible
5 personal property a certificate, in a form
6 prescribed by the department, certifying that the
7 sale is a sale at wholesale; provided that:

8 (i) Any purchaser who furnishes a certificate
9 shall be obligated to pay to the seller,
10 upon demand, the amount of the additional
11 tax that is imposed upon the seller whenever
12 the sale in fact is not at wholesale; and

13 (ii) The absence of a certificate in itself shall
14 give rise to the presumption that the sale
15 is not at wholesale unless the sales of the
16 business are exclusively at wholesale.

17 (3) Tax upon contractors.

18 (A) Upon every person engaging or continuing within
19 the State in the business of contracting, the tax
20 shall be equal to four per cent of the gross
21 income of the business.



1 (B) In computing the tax levied under this paragraph,
2 there shall be deducted from the gross income of
3 the taxpayer so much thereof as has been included
4 in the measure of the tax levied under
5 subparagraph (A), on another taxpayer who is a
6 contractor, as defined in section 237-6; provided
7 that any person claiming a deduction under this
8 paragraph shall be required to show in the
9 person's return the name and general excise
10 number of the person paying the tax on the amount
11 deducted by the person.

12 (C) In computing the tax levied under this paragraph
13 against any federal cost-plus contractor, there
14 shall be excluded from the gross income of the
15 contractor so much thereof as fulfills the
16 following requirements:

17 (i) The gross income exempted shall constitute
18 reimbursement of costs incurred for
19 materials, plant, or equipment purchased
20 from a taxpayer licensed under this chapter,
21 not exceeding the gross proceeds of sale of



1 the taxpayer on account of the transaction;
2 and

3 (ii) The taxpayer making the sale shall have
4 certified to the department that the
5 taxpayer is taxable with respect to the
6 gross proceeds of the sale, and that the
7 taxpayer elects to have the tax on gross
8 income computed the same as upon a sale to
9 the state government.

10 (D) A person who, as a business or as a part of a
11 business in which the person is engaged, erects,
12 constructs, or improves any building or
13 structure, of any kind or description, or makes,
14 constructs, or improves any road, street,
15 sidewalk, sewer, or water system, or other
16 improvements on land held by the person (whether
17 held as a leasehold, fee simple, or otherwise),
18 upon the sale or other disposition of the land or
19 improvements, even if the work was not done
20 pursuant to a contract, shall be liable to the
21 same tax as if engaged in the business of



1 contracting, unless the person shows that at the
2 time the person was engaged in making the
3 improvements the person intended, and for the
4 period of at least one year after completion of
5 the building, structure, or other improvements
6 the person continued to intend to hold and not
7 sell or otherwise dispose of the land or
8 improvements. The tax in respect of the
9 improvements shall be measured by the amount of
10 the proceeds of the sale or other disposition
11 that is attributable to the erection,
12 construction, or improvement of such building or
13 structure, or the making, constructing, or
14 improving of the road, street, sidewalk, sewer,
15 or water system, or other improvements. The
16 measure of tax in respect of the improvements
17 shall not exceed the amount which would have been
18 taxable had the work been performed by another,
19 subject as in other cases to the deductions
20 allowed by subparagraph (B). Upon the election
21 of the taxpayer, this paragraph may be applied



1 notwithstanding that the improvements were not
2 made by the taxpayer, or were not made as a
3 business or as a part of a business, or were made
4 with the intention of holding the same. However,
5 this paragraph shall not apply in respect of any
6 proceeds that constitute or are in the nature of
7 rent, which shall be taxable under paragraph
8 [~~(9)~~] (10); provided that insofar as the
9 business of renting or leasing real property
10 under a lease is taxed under section 237-16.5,
11 the tax shall be levied by section 237-16.5.

12 (4) Tax upon theaters, amusements, radio broadcasting
13 stations, etc.

14 (A) Upon every person engaging or continuing within
15 the State in the business of operating a theater,
16 opera house, moving picture show, vaudeville,
17 amusement park, dance hall, skating rink, radio
18 broadcasting station, or any other place at which
19 amusements are offered to the public, the tax
20 shall be equal to four per cent of the gross
21 income of the business, and in the case of a sale



1 of an amusement at wholesale under section 237-
2 4(a)(13), the tax shall be one-half of one per
3 cent of the gross income.

4 (B) The department may require that the person
5 rendering an amusement at wholesale take from the
6 licensed seller a certificate, in a form
7 prescribed by the department, certifying that the
8 sale is a sale at wholesale; provided that:

9 (i) Any licensed seller who furnishes a
10 certificate shall be obligated to pay to the
11 person rendering the amusement, upon demand,
12 the amount of additional tax that is imposed
13 upon the seller whenever the sale is not at
14 wholesale; and

15 (ii) The absence of a certificate in itself shall
16 give rise to the presumption that the sale
17 is not at wholesale unless the person
18 rendering the sale is exclusively rendering
19 the amusement at wholesale.

20 (5) Tax upon sales representatives, etc. Upon every
21 person classified as a representative or purchasing



1 agent under section 237-1, engaging or continuing
2 within the State in the business of performing
3 services for another, other than as an employee, there
4 is likewise hereby levied and shall be assessed and
5 collected a tax equal to four per cent of the
6 commissions and other compensation attributable to the
7 services so rendered by the person.

8 (6) Tax on service business.

9 (A) Upon every person engaging or continuing within
10 the State in any service business or calling
11 including professional services not otherwise
12 specifically taxed under this chapter, there is
13 likewise hereby levied and shall be assessed and
14 collected a tax equal to four per cent of the
15 gross income of the business, and in the case of
16 a wholesaler under section 237-4(a)(10), the tax
17 shall be equal to one-half of one per cent of the
18 gross income of the business.

19 (B) The department may require that the person
20 rendering a service at wholesale take from the
21 licensed seller a certificate, in a form



1 prescribed by the department, certifying that the
2 sale is a sale at wholesale; provided that:

3 (i) Any licensed seller who furnishes a
4 certificate shall be obligated to pay to the
5 person rendering the service, upon demand,
6 the amount of additional tax that is imposed
7 upon the seller whenever the sale is not at
8 wholesale; and

9 (ii) The absence of a certificate in itself shall
10 give rise to the presumption that the sale
11 is not at wholesale unless the person
12 rendering the sale is exclusively rendering
13 services at wholesale.

14 (C) Where any person is engaged in the business of
15 selling interstate or foreign common carrier
16 telecommunication services within and without the
17 State, other than as a home service provider, the
18 tax shall be imposed on that portion of gross
19 income received by a person from service which is
20 originated or terminated in this State and is
21 charged to a telephone number, customer, or



1 account in this State notwithstanding any other
2 state law (except for the exemption under section
3 237-23(a)(1)) to the contrary. If, under the
4 Constitution and laws of the United States, the
5 entire gross income as determined under this
6 paragraph of a business selling interstate or
7 foreign common carrier telecommunication services
8 cannot be included in the measure of the tax, the
9 gross income shall be apportioned as provided in
10 section 237-21; provided that the apportionment
11 factor and formula shall be the same for all
12 persons providing those services in the State.

13 (D) Where any person is engaged in the business of a
14 home service provider, the tax shall be imposed
15 on the gross income received or derived from
16 providing interstate or foreign mobile
17 telecommunications services to a customer with a
18 place of primary use in this State when the
19 services originate in one state and terminate in
20 another state, territory, or foreign country;
21 provided that all charges for mobile



1 telecommunications services which are billed by
2 or for the home service provider are deemed to be
3 provided by the home service provider at the
4 customer's place of primary use, regardless of
5 where the mobile telecommunications originate,
6 terminate, or pass through; provided further that
7 the income from charges specifically derived from
8 interstate or foreign mobile telecommunications
9 services, as determined by books and records that
10 are kept in the regular course of business by the
11 home service provider in accordance with section
12 239-24, shall be apportioned under any
13 apportionment factor or formula adopted under
14 subparagraph (C). Gross income shall not
15 include:

16 (i) Gross receipts from mobile
17 telecommunications services provided to a
18 customer with a place of primary use outside
19 this State;



- 1 (ii) Gross receipts from mobile
- 2 telecommunications services that are subject
- 3 to the tax imposed by chapter 239;
- 4 (iii) Gross receipts from mobile
- 5 telecommunications services taxed under
- 6 section 237-13.8; and
- 7 (iv) Gross receipts of a home service provider
- 8 acting as a serving carrier providing mobile
- 9 telecommunications services to another home
- 10 service provider's customer.

11 For the purposes of this paragraph, "charges for
12 mobile telecommunications services", "customer",
13 "home service provider", "mobile
14 telecommunications services", "place of primary
15 use", and "serving carrier" have the same meaning
16 as in section 239-22.

17 (7) Tax on insurance producers. Upon every person engaged
18 as a licensed producer pursuant to chapter 431, there
19 is hereby levied and shall be assessed and collected a
20 tax equal to 0.15 per cent of the commissions due to
21 that activity.



1 (8) Tax on receipts of sugar benefit payments. Upon the
2 amounts received from the United States government by
3 any producer of sugar (or the producer's legal
4 representative or heirs), as defined under and by
5 virtue of the Sugar Act of 1948, as amended, or other
6 Acts of the Congress of the United States relating
7 thereto, there is hereby levied a tax of one-half of
8 one per cent of the gross amount received; provided
9 that the tax levied hereunder on any amount so
10 received and actually disbursed to another by a
11 producer in the form of a benefit payment shall be
12 paid by the person or persons to whom the amount is
13 actually disbursed, and the producer actually making a
14 benefit payment to another shall be entitled to claim
15 on the producer's return a deduction from the gross
16 amount taxable hereunder in the sum of the amount so
17 disbursed. The amounts taxed under this paragraph
18 shall not be taxable under any other paragraph,
19 subsection, or section of this chapter.

20 (9) Tax on persons engaging or continuing in the business
21 of retailing cannabis. In addition to the tax levied,



1 assessed, and collected pursuant to other applicable
2 provisions of this section, beginning on January 1,
3 2025, and thereafter, upon every person engaging
4 within the State in the business of selling cannabis
5 at retail the tax shall be equal to ten per cent of
6 the gross proceeds of sales from cannabis; provided
7 that this tax shall not apply to the sales of medical
8 cannabis as defined in section A-3; provided further
9 that any amounts levied, assessed, and collected
10 pursuant to this section, including amounts levied,
11 assessed, and collected on the sales of cannabis at
12 wholesale and the amounts levied, assessed, and
13 collected on the sales of medical cannabis, shall be
14 deposited quarterly as follows:

15 (A) Thirty-five per cent of the tax collected shall
16 be deposited into the cannabis regulation special
17 fund established by section A-17;

18 (B) Twenty-five per cent of the tax collected shall
19 be deposited into the cannabis social equity
20 special fund established by section A-18;



- 1 (C) Fifteen per cent of the tax collected shall be
- 2 deposited into the public health and education
- 3 special fund established by section A-19;
- 4 (D) Ten per cent of the tax collected shall be
- 5 deposited into the public safety special fund
- 6 established by section A-20;
- 7 (E) Seven and one-half per cent of the tax collected
- 8 shall be deposited into the cannabis nuisance
- 9 abatement special fund established by section
- 10 A-21; and
- 11 (F) Seven and one-half per cent of the tax collected
- 12 shall be deposited into the cannabis law
- 13 enforcement special fund established by section
- 14 A-22.
- 15 ~~[(9)]~~ (10) Tax on other business. Upon every person
- 16 engaging or continuing within the State in any
- 17 business, trade, activity, occupation, or calling not
- 18 included in the preceding paragraphs or any other
- 19 provisions of this chapter, there is likewise hereby
- 20 levied and shall be assessed and collected, a tax
- 21 equal to four per cent of the gross income thereof.



1 In addition, the rate prescribed by this paragraph
2 shall apply to a business taxable under one or more of
3 the preceding paragraphs or other provisions of this
4 chapter, as to any gross income thereof not taxed
5 thereunder as gross income or gross proceeds of sales
6 or by taxing an equivalent value of products, unless
7 specifically exempted."

8 SECTION 27. Section 237-24.3, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§237-24.3 Additional amounts not taxable.** In addition to
11 the amounts not taxable under section 237-24, this chapter shall
12 not apply to:

13 (1) Amounts received from the loading, transportation, and
14 unloading of agricultural commodities shipped for a
15 producer or produce dealer on one island of this State
16 to a person, firm, or organization on another island
17 of this State. The terms "agricultural commodity",
18 "producer", and "produce dealer" shall be defined in
19 the same manner as they are defined in section 147-1;
20 provided that agricultural commodities need not have
21 been produced in the State;



1 (2) Amounts received by the manager, submanager, or board
2 of directors of:

3 (A) An association of a condominium property regime
4 established in accordance with chapter 514B or
5 any predecessor thereto; or

6 (B) A nonprofit homeowners or community association
7 incorporated in accordance with chapter 414D or
8 any predecessor thereto and existing pursuant to
9 covenants running with the land,
10 in reimbursement of sums paid for common expenses;

11 (3) Amounts received or accrued from:

12 (A) The loading or unloading of cargo from ships,
13 barges, vessels, or aircraft, including
14 stevedoring services as defined in section 382-1,
15 whether or not the ships, barges, vessels, or
16 aircraft travel between the State and other
17 states or countries or between the islands of the
18 State;

19 (B) Tugboat services including pilotage fees
20 performed within the State, and the towage of



1 ships, barges, or vessels in and out of state
2 harbors, or from one pier to another;
3 (C) The transportation of pilots or governmental
4 officials to ships, barges, or vessels offshore;
5 rigging gear; checking freight and similar
6 services; standby charges; and use of moorings
7 and running mooring lines; and
8 (D) Wharfage and demurrage imposed under chapter 266
9 that is paid to the department of transportation;
10 (4) Amounts received by an employee benefit plan by way of
11 contributions, dividends, interest, and other income;
12 and amounts received by a nonprofit organization or
13 office, as payments for costs and expenses incurred
14 for the administration of an employee benefit plan;
15 provided that this exemption shall not apply to any
16 gross rental income or gross rental proceeds received
17 after June 30, 1994, as income from investments in
18 real property in this State; ~~and~~ provided further
19 that gross rental income or gross rental proceeds from
20 investments in real property received by an employee
21 benefit plan after June 30, 1994, under written



1 contracts executed [~~prior to~~] before July 1, 1994,
2 shall not be taxed until the contracts are
3 renegotiated, renewed, or extended, or until after
4 December 31, 1998, whichever is earlier. For the
5 purposes of this paragraph, "employee benefit plan"
6 means any plan as defined in title 29 United States
7 Code section 1002(3), as amended;

8 (5) Amounts received for purchases made with United States
9 Department of Agriculture food coupons under the
10 federal food stamp program, and amounts received for
11 purchases made with United States Department of
12 Agriculture food vouchers under the Special
13 Supplemental Foods Program for Women, Infants and
14 Children;

15 (6) Amounts received by a hospital, infirmary, medical
16 clinic, health care facility, pharmacy, or a
17 practitioner licensed to administer the drug to an
18 individual for selling prescription drugs or
19 prosthetic devices to an individual; provided that
20 this paragraph shall not apply to any amounts received



1 for services provided in selling prescription drugs or
2 prosthetic devices. As used in this paragraph:

3 "Prescription drugs" are those drugs defined
4 under section 328-1 and dispensed by filling or
5 refilling a written or oral prescription by a
6 practitioner licensed under law to administer the drug
7 and sold by a licensed pharmacist under section 328-16
8 or practitioners licensed to administer drugs;
9 provided that "prescription drugs" shall not include
10 any cannabis [~~or manufactured cannabis products~~]
11 authorized pursuant to [~~chapters 329 and 329D;~~]
12 chapter A; and

13 "Prosthetic device" means any artificial device
14 or appliance, instrument, apparatus, or contrivance,
15 including their components, parts, accessories, and
16 replacements thereof, used to replace a missing or
17 surgically removed part of the human body, which is
18 prescribed by a licensed practitioner of medicine,
19 osteopathy, or podiatry and that is sold by the
20 practitioner or that is dispensed and sold by a dealer
21 of prosthetic devices; provided that "prosthetic



- 1 device" shall not mean any auditory, ophthalmic,
2 dental, or ocular device or appliance, instrument,
3 apparatus, or contrivance;
- 4 (7) Taxes on transient accommodations imposed by chapter
5 237D and passed on and collected by operators holding
6 certificates of registration under that chapter;
- 7 (8) Amounts received as dues by an unincorporated
8 merchants association from its membership for
9 advertising media, promotional, and advertising costs
10 for the promotion of the association for the benefit
11 of its members as a whole and not for the benefit of
12 an individual member or group of members less than the
13 entire membership;
- 14 (9) Amounts received by a labor organization for real
15 property leased to:
- 16 (A) A labor organization; or
17 (B) A trust fund established by a labor organization
18 for the benefit of its members, families, and
19 dependents for medical or hospital care, pensions
20 on retirement or death of employees,



1 apprenticeship and training, and other membership
2 service programs.

3 As used in this paragraph, "labor organization" means
4 a labor organization exempt from federal income tax
5 under section 501(c)(5) of the Internal Revenue Code,
6 as amended;

7 (10) Amounts received from foreign diplomats and consular
8 officials who are holding cards issued or authorized
9 by the United States Department of State granting them
10 an exemption from state taxes; and

11 (11) Amounts received as rent for the rental or leasing of
12 aircraft or aircraft engines used by the lessees or
13 renters for interstate air transportation of
14 passengers and goods. For purposes of this paragraph,
15 payments made pursuant to a lease shall be considered
16 rent regardless of whether the lease is an operating
17 lease or a financing lease. The definition of
18 "interstate air transportation" is the same as in 49
19 U.S.C. section 40102."



1 SECTION 28. Section 245-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "e-liquid" to read as
3 follows:

4 "'E-liquid" means any liquid or like substance, which may
5 or may not contain nicotine, that is designed or intended to be
6 used in an electronic smoking device, whether or not packaged in
7 a cartridge or other container.

8 "E-liquid" does not include:

- 9 (1) Prescription drugs;
- 10 (2) Cannabis [~~for medical use pursuant to chapter 329 or~~
11 ~~manufactured~~], cannabis products, or cannabis
12 accessories authorized pursuant to chapter [329D+] A;
13 or
- 14 (3) Medical devices used to aerosolize, inhale, or ingest
15 prescription drugs [~~, including manufactured cannabis~~
16 ~~products described in section 329D-10]."~~

17 SECTION 29. Section 329-43.5, Hawaii Revised Statutes, is
18 amended by amending subsection (e) to read as follows:

19 "(e) Subsections (a) and (b) shall not apply to a person
20 who is [~~authorized to:~~



- 1 ~~(1) Acquire, possess, cultivate, use, distribute, or~~
2 ~~transport cannabis pursuant to the definition of~~
3 ~~"medical use" under section 329-121, while the person~~
4 ~~is facilitating the medical use of cannabis by a~~
5 ~~qualifying patient; or~~
- 6 ~~(2) Dispense, manufacture, or produce cannabis or~~
7 ~~manufactured cannabis products pursuant to and in~~
8 ~~compliance with chapter 329D, while the person is~~
9 ~~facilitating the medical use of cannabis by a~~
10 ~~qualifying patient pursuant to part IX of chapter~~
11 ~~329.] acting in strict compliance with chapter A with~~
12 ~~respect to marijuana."~~

13 SECTION 30. Section 378-2.5, Hawaii Revised Statutes, is
14 amended by amending subsection (d) to read as follows:

15 "(d) Notwithstanding subsections (b) and (c), the
16 requirement that inquiry into and consideration of a prospective
17 employee's conviction record may take place only after the
18 individual has received a conditional job offer, and the
19 limitation to the most recent seven-year period for felony
20 convictions and the most recent five-year period for misdemeanor
21 convictions, excluding the period of incarceration, shall not



1 apply to employers who are expressly permitted to inquire into
2 an individual's criminal history for employment purposes
3 pursuant to any federal or state law other than subsection (a),
4 including:

- 5 (1) The State or any of its branches, political
6 subdivisions, or agencies pursuant to sections 78-2.7
7 and 831-3.1; provided that any state law permitting
8 the State and any of its branches, political
9 subdivisions, agencies, or semi-autonomous public
10 bodies corporate and politic to conduct more extensive
11 inquiries into an individual's criminal history for
12 employment purposes than those permitted under this
13 section shall prevail;
- 14 (2) The department of education pursuant to section 302A-
15 601.5;
- 16 (3) The department of health with respect to employees,
17 providers, or subcontractors in positions that place
18 them in direct contact with clients when providing
19 non-witnessed direct mental health services pursuant
20 to section 321-171.5;
- 21 (4) The judiciary pursuant to section 571-34;



- 1 (13) The department of human services pursuant to sections
- 2 346-2.5, 346-97, and 352-5.5;
- 3 (14) The public library system pursuant to section 302A-
- 4 601.5;
- 5 (15) The department of law enforcement pursuant to section
- 6 353C-5;
- 7 (16) The board of directors of a cooperative housing
- 8 corporation or the manager of a cooperative housing
- 9 project pursuant to section 421I-12;
- 10 (17) The board of directors of an association under chapter
- 11 514B, or the managing agent or resident manager of a
- 12 condominium pursuant to section 514B-133;
- 13 (18) The department of health pursuant to section 321-15.2;
- 14 [and]
- 15 (19) The department of corrections and rehabilitation
- 16 pursuant to section 353-1.5[-];
- 17 (20) Licensed business pursuant to section A-74; and
- 18 (21) The cannabis control board and Hawaii cannabis
- 19 authority pursuant to sections A-12 and A-31F."

20 SECTION 31. Section 421J-16, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "**§421J-16 Medical cannabis; discrimination.** A provision
2 in any association document allowing for any of the
3 discriminatory practices listed in section 515-3(a)(1) to (7)
4 against a person residing in a unit who has a valid
5 [~~certificate~~] medical cannabis registration card for the medical
6 use of cannabis as provided in section [~~329-123~~] A-47 in any
7 form is void, unless the association document prohibits the
8 smoking of tobacco and the medical cannabis is used by means of
9 smoking. Nothing in this section shall be construed to diminish
10 the obligation of a planned community association to provide
11 reasonable accommodations for persons with disabilities pursuant
12 to section 515-3(a)(9)."

13 SECTION 32. Section 453-8, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) In addition to any other actions authorized by law,
16 any license to practice medicine and surgery may be revoked,
17 limited, or suspended by the board at any time in a proceeding
18 before the board, or may be denied, for any cause authorized by
19 law, including but not limited to the following:

20 (1) Procuring, or aiding or abetting in procuring, an
21 abortion that is unlawful under the laws of this State



- 1 or that would be unlawful under the laws of this State
2 if performed within this State;
- 3 (2) Employing any person to solicit patients for one's
4 self;
- 5 (3) Engaging in false, fraudulent, or deceptive
6 advertising, including but not limited to:
- 7 (A) Making excessive claims of expertise in one or
8 more medical specialty fields;
- 9 (B) Assuring a permanent cure for an incurable
10 disease; or
- 11 (C) Making any untruthful and improbable statement in
12 advertising one's medical or surgical practice or
13 business;
- 14 (4) Being habituated to the excessive use of drugs or
15 alcohol; or being addicted to, dependent on, or a
16 habitual user of a narcotic, barbiturate, amphetamine,
17 hallucinogen, or other drug having similar effects;
- 18 (5) Practicing medicine while the ability to practice is
19 impaired by alcohol, drugs, physical disability, or
20 mental instability;



- 1 (6) Procuring a license through fraud, misrepresentation,
2 or deceit, or knowingly permitting an unlicensed
3 person to perform activities requiring a license;
- 4 (7) Professional misconduct, hazardous negligence causing
5 bodily injury to another, or manifest incapacity in
6 the practice of medicine or surgery;
- 7 (8) Incompetence or multiple instances of negligence,
8 including but not limited to the consistent use of
9 medical service, which is inappropriate or
10 unnecessary;
- 11 (9) Conduct or practice contrary to recognized standards
12 of ethics of the medical profession as adopted by the
13 Hawaii Medical Association, the American Medical
14 Association, the Hawaii Association of Osteopathic
15 Physicians and Surgeons, or the American Osteopathic
16 Association;
- 17 (10) Violation of the conditions or limitations upon which
18 a limited or temporary license is issued;
- 19 (11) Revocation, suspension, or other disciplinary action
20 by another state or federal agency of a license,
21 certificate, or medical privilege, except when the



1 revocation, suspension, or other disciplinary action
2 was based on the provision or assistance in receipt or
3 provision of medical, surgical, pharmaceutical,
4 counseling, or referral services relating to the human
5 reproductive system, including but not limited to
6 services relating to pregnancy, contraception, or the
7 termination of a pregnancy, so long as the provision
8 or assistance in receipt or provision of the services
9 was in accordance with the laws of this State or would
10 have been in accordance with the laws of this State if
11 it occurred within this State;

12 (12) Conviction, whether by nolo contendere or otherwise,
13 of a penal offense substantially related to the
14 qualifications, functions, or duties of a physician or
15 osteopathic physician, notwithstanding any statutory
16 provision to the contrary, except when the conviction
17 was based on the provision or assistance in receipt or
18 provision of medical, surgical, pharmaceutical,
19 counseling, or referral services relating to the human
20 reproductive system, including but not limited to
21 services relating to pregnancy, contraception, or the



1 termination of a pregnancy, so long as the provision
2 or assistance in receipt or provision of the services
3 was in accordance with the laws of this State or would
4 have been in accordance with the laws of this State if
5 it occurred within this State;

6 (13) Violation of chapter 329, the uniform controlled
7 substances act, or any rule adopted thereunder except
8 as provided in section [~~329-122,~~] A-49;

9 (14) Failure to report to the board, in writing, any
10 disciplinary decision issued against the licensee or
11 the applicant in another jurisdiction within thirty
12 days after the disciplinary decision is issued; or

13 (15) Submitting to or filing with the board any notice,
14 statement, or other document required under this
15 chapter, which is false or untrue or contains any
16 material misstatement or omission of fact."

17 SECTION 33. Section 514B-113, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "**§514B-113 Medical cannabis; discrimination.** A provision
20 in any articles of incorporation, declaration, bylaws,
21 administrative rules, house rules, or association documents of a



1 condominium allowing for any of the discriminatory practices
2 listed in section 515-3(a)(1) to (7) against a person residing
3 in a unit who has a valid [~~certificate~~] medical cannabis
4 registration card for the medical use of cannabis as provided in
5 section [~~329-123~~] A-47 in any form is void, unless the documents
6 prohibit the smoking of tobacco and the medical cannabis is used
7 by means of smoking. Nothing in this section shall be construed
8 to diminish the obligation of a condominium association to
9 provide reasonable accommodations for persons with disabilities
10 pursuant to section 515-3(a)(9)."

11 SECTION 34. Section 521-39, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "**§521-39 Medical cannabis; tenant use; eviction.** A
14 provision in a rental agreement allowing for eviction of a
15 tenant who has a valid [~~certificate~~] medical cannabis
16 registration card for the medical use of cannabis as provided in
17 section [~~329-123~~] A-47 in any form is void, unless the rental
18 agreement allows for eviction for smoking tobacco and the
19 medical cannabis is used by means of smoking; provided that this
20 section shall not apply where the articles of incorporation,
21 declaration, bylaws, administrative rules, house rules,



1 association documents, or a similar document of a condominium
2 property regime or planned community association prohibits the
3 ~~[medical]~~ use of cannabis."

4 SECTION 35. Section 709-903.5, Hawaii Revised Statutes, is
5 amended by amending subsection (1) to read as follows:

6 "(1) Except as provided in subsection (2), a person
7 commits the offense of endangering the welfare of a minor in the
8 first degree if, having care or custody of a minor, the person:

9 (a) Intentionally or knowingly allows another person to
10 inflict serious or substantial bodily injury on the
11 minor; or

12 (b) Intentionally or knowingly causes or permits the minor
13 to inject, ingest, inhale, or otherwise introduce into
14 the minor's body any controlled substance listed in
15 sections 329-14, 329-16, 329-18, and 329-20 that has
16 not been prescribed by a physician for the minor,
17 except as permitted under section ~~[329-122.]~~ A-41."

18 SECTION 36. Section 709-904, Hawaii Revised Statutes, is
19 amended by amending subsection (1) to read as follows:



1 "(1) Except as provided in section 709-903.5(2), a person
2 commits the offense of endangering the welfare of a minor in the
3 second degree if, having care or custody of a minor, the person:

4 (a) Recklessly allows another person to inflict serious or
5 substantial bodily injury on the minor; or

6 (b) Recklessly causes or permits the minor to inject,
7 ingest, inhale, or otherwise introduce into the
8 minor's body any controlled substance listed in
9 sections 329-14, 329-16, 329-18, and 329-20 that has
10 not been prescribed by a physician for the minor,
11 except as permitted under section [~~329-122.~~] A-41.

12 This subsection shall not apply to nursing mothers who
13 may cause the ingestion or introduction of detectable
14 amounts of any controlled substance listed in sections
15 329-14, 329-16, 329-18, and 329-20 to their minor
16 children through breastfeeding."

17 SECTION 37. Section 712-1240.1, Hawaii Revised Statutes,
18 is amended by amending subsection (2) to read as follows:

19 "(2) It is an affirmative defense to prosecution for any
20 marijuana-related offense defined in this part that the person
21 who possessed or distributed the marijuana was authorized to



1 possess or distribute the marijuana [~~for medical purposes~~
2 ~~pursuant to part IX of chapter 329.] pursuant to chapter A."~~

3 SECTION 38. Section 712-1244, Hawaii Revised Statutes, is
4 amended by amending subsection (1) to read as follows:

5 "(1) A person commits the offense of promoting a harmful
6 drug in the first degree if the person knowingly:

7 (a) Possesses one hundred or more capsules or tablets or
8 dosage units containing one or more of the harmful
9 drugs or one or more of the marijuana concentrates, or
10 any combination thereof;

11 (b) Possesses one or more preparations, compounds,
12 mixtures, or substances, of an aggregate weight of one
13 ounce or more containing one or more of the harmful
14 drugs or one or more of the marijuana concentrates, or
15 any combination thereof;

16 (c) Distributes twenty-five or more capsules or tablets or
17 dosage units containing one or more of the harmful
18 drugs or one or more of the marijuana concentrates, or
19 any combination thereof;

20 (d) Distributes one or more preparations, compounds,
21 mixtures, or substances, of an aggregate weight of



1 one- eighth ounce or more, containing one or more of
 2 the harmful drugs or one or more of the marijuana
 3 concentrates, or any combination thereof; or

4 (e) Distributes any harmful drug [~~or any marijuana~~
 5 ~~concentrate~~] in any amount to a minor[-]; or

6 (f) Distributes any marijuana concentrate in any amount to
 7 a person under the age of twenty-one."

8 SECTION 39. Section 712-1249, Hawaii Revised Statutes, is
 9 amended to read as follows:

10 **"§712-1249 Promoting a detrimental drug in the third**

11 **degree.** (1) A person commits the offense of promoting a
 12 detrimental drug in the third degree if the person knowingly
 13 possesses any marijuana or any Schedule V substance in any
 14 amount.

15 (2) Promoting a detrimental drug in the third degree [~~is~~]
 16 shall be a petty misdemeanor; provided that possession by a
 17 person twenty-one years old or older of three grams or less of
 18 marijuana [~~is~~] shall be a violation, punishable by a fine of
 19 \$130.

20 (3) Any person under the age of eighteen who violates this
 21 section based on the possession of three grams or less of



1 marijuana shall be subject to the jurisdiction of the family
2 court.

3 (4) Whenever any person is charged with a violation of
4 this section based on the possession of three grams or less of
5 marijuana and the person was under twenty-one years of age at
6 the time of the offense, the court, without entering a judgment
7 of guilt or adjudication of the matter and with the consent of
8 the accused, may defer further proceedings and place the accused
9 on probation upon terms and conditions. Upon a violation of a
10 term or condition of probation, the court may enter an
11 adjudication of guilt or law violation and proceed as otherwise
12 provided. In cases in which the court has deferred further
13 proceedings:

14 (a) The court shall order as a term of probation that the
15 person complete a drug education program or substance
16 abuse assessment or substance abuse treatment;

17 (b) Upon fulfillment of the terms and conditions ordered
18 by the court, the court shall discharge and dismiss
19 the proceedings against the person; and

20 (c) Discharge and dismissal under this section shall be
21 without adjudication of guilt or law violation and is



1 not a conviction for purposes of this section or for
2 purposes of disqualifications or disabilities imposed
3 by law upon conviction of a crime.

4 (5) Upon the dismissal of such person and discharge of the
5 proceeding against the person pursuant to subsection (4), the
6 person may apply to the court for an order to expunge from all
7 official records all recordation relating to the person's
8 arrest, indictment, complaint, information, trial, adjudication,
9 finding of guilt, and dismissal and discharge pursuant to this
10 section.

11 (a) If the court determines, after hearing, that such
12 person was dismissed and the proceedings against the
13 person discharged and that the person was under
14 twenty-one years of age at the time of the offense, it
15 shall enter such order.

16 (b) The effect of such order shall be to restore such
17 person, in the contemplation of the law, to the status
18 the person occupied before such arrest, indictment,
19 complaint, or information.

20 (c) No person as to whom such order has been entered shall
21 be held thereafter under any provision of any law to



1 be guilty of perjury or otherwise giving a false
2 statement by reason of the person's failures to recite
3 or acknowledge such arrest, indictment, complaint,
4 information, trial, adjudication, finding of guilt,
5 and dismissal and discharge in response to any inquiry
6 made of the person for any purpose.

7 (6) Nothing contained in subsections (4) and (5) shall
8 prohibit a person from seeking a conditional discharge pursuant
9 to section 712-1255 or a deferral of the person's plea pursuant
10 to section 853-1."

11 SECTION 40. Section 712-1249.5, Hawaii Revised Statutes,
12 is amended by amending subsection (1) to read as follows:

13 "(1) A person commits the offense of commercial promotion
14 of marijuana in the second degree if the person knowingly:

- 15 (a) Possesses marijuana having an aggregate weight of two
16 pounds or more;
- 17 (b) Distributes marijuana having an aggregate weight of
18 one pound or more;
- 19 (c) Possesses, cultivates, or has under the person's
20 control fifty or more marijuana plants;



- 1 (d) Cultivates on land owned by another person, including
2 land owned by the government or other legal entity,
3 any marijuana plant, unless the person has the express
4 permission from the owner of the land to cultivate the
5 marijuana or the person has a legal or an equitable
6 ownership interest in the land or the person has a
7 legal right to occupy the land; or
- 8 (e) Sells or barter[s] ~~[any marijuana or]~~ any Schedule V
9 substance in any amount to a minor[-]; or
- 10 (f) Distributes any marijuana in any amount to a person
11 who is less than twenty-one years old."

12 SECTION 41. Section 712-1252, Hawaii Revised Statutes, is
13 amended to read as follows:

14 **"§712-1252 Knowledge of character, nature, or quantity of**
15 **substance, or age of transferee; prima facie evidence.** (1) The
16 fact that a person engaged in the conduct specified by any
17 section in this part is prima facie evidence that the person
18 engaged in that conduct with knowledge of the character, nature,
19 and quantity of the dangerous drug, harmful drug, detrimental
20 drug, or intoxicating compounds possessed, distributed, or sold.



1 (2) The fact that the defendant distributed or sold a
2 dangerous drug, harmful drug, detrimental drug, or intoxicating
3 compound to a minor is prima facie evidence that the defendant
4 knew the transferee to be a minor.

5 (3) The fact that the defendant distributed or sold
6 marijuana or marijuana concentrate to a person who is less than
7 twenty-one years old is prima facie evidence that the defendant
8 knew the transferee to be a person who is less than twenty-one
9 years old."

10 SECTION 42. Section 712A-4, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§712A-4 Covered offenses.** Offenses for which property is
13 subject to forfeiture under this chapter are:

- 14 (a) All offenses that specifically authorize forfeiture;
- 15 (b) Murder; kidnapping; labor trafficking; unlicensed sale
16 of liquor; unlicensed manufacture of liquor; gambling;
17 criminal property damage; robbery; bribery; extortion;
18 theft; unauthorized entry into motor vehicle;
19 burglary; money laundering; trademark counterfeiting;
20 insurance fraud; promoting a dangerous, harmful, or
21 detrimental drug; commercial promotion of marijuana;



1 methamphetamine trafficking; manufacturing of a
2 controlled substance with a child present; promoting
3 child abuse; promoting prostitution; sex trafficking;
4 commercial sexual exploitation of a minor; habitual
5 commercial sexual exploitation; or electronic
6 enticement of a child that is chargeable as a felony
7 offense under state law;

8 (c) The manufacture, sale, or distribution of a controlled
9 substance in violation of chapter 329, promoting
10 detrimental drugs or intoxicating compounds, promoting
11 pornography, promoting pornography for minors, or
12 commercial sexual exploitation near schools or public
13 parks, which is chargeable as a felony or misdemeanor
14 offense, but not as a petty misdemeanor, under state
15 law; provided that the activities authorized under
16 chapter A shall not be subject to forfeiture under
17 this chapter; and

18 (d) The attempt, conspiracy, solicitation, coercion, or
19 intimidation of another to commit any offense for
20 which property is subject to forfeiture."



1 SECTION 43. Section 846-2.7, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Criminal history record checks may be conducted by:

4 (1) The department of health or its designee on operators
5 of adult foster homes for individuals with
6 developmental disabilities or developmental
7 disabilities domiciliary homes and their employees, as
8 provided by section 321-15.2;

9 (2) The department of health or its designee on
10 prospective employees, persons seeking to serve as
11 providers, or subcontractors in positions that place
12 them in direct contact with clients when providing
13 non-witnessed direct mental health or health care
14 services as provided by section 321-171.5;

15 (3) The department of health or its designee on all
16 applicants for licensure or certification for,
17 operators for, prospective employees, adult
18 volunteers, and all adults, except adults in care, at
19 healthcare facilities as defined in section 321-15.2;

20 (4) The department of education on employees, prospective
21 employees, and teacher trainees in any public school



- 1 in positions that necessitate close proximity to
2 children as provided by section 302A-601.5;
- 3 (5) The counties on employees and prospective employees
4 who may be in positions that place them in close
5 proximity to children in recreation or child care
6 programs and services;
- 7 (6) The county liquor commissions on applicants for liquor
8 licenses as provided by section 281-53.5;
- 9 (7) The county liquor commissions on employees and
10 prospective employees involved in liquor
11 administration, law enforcement, and liquor control
12 investigations;
- 13 (8) The department of human services on operators and
14 employees of child caring institutions, child placing
15 organizations, and resource family homes as provided
16 by section 346-17;
- 17 (9) The department of human services on prospective
18 adoptive parents as established under section 346-
19 19.7;
- 20 (10) The department of human services or its designee on
21 applicants to operate child care facilities, household



1 members of the applicant, prospective employees of the
2 applicant, and new employees and household members of
3 the provider after registration or licensure as
4 provided by section 346-154, and persons subject to
5 section 346-152.5;

6 (11) The department of human services on persons exempt
7 pursuant to section 346-152 to be eligible to provide
8 child care and receive child care subsidies as
9 provided by section 346-152.5;

10 (12) The department of health on operators and employees of
11 home and community-based case management agencies and
12 operators and other adults, except for adults in care,
13 residing in community care foster family homes as
14 provided by section 321-15.2;

15 (13) The department of human services on staff members of
16 the Hawaii youth correctional facility as provided by
17 section 352-5.5;

18 (14) The department of human services on employees,
19 prospective employees, and volunteers of contracted
20 providers and subcontractors in positions that place
21 them in close proximity to youth when providing



- 1 services on behalf of the office or the Hawaii youth
2 correctional facility as provided by section 352D-4.3;
- 3 (15) The judiciary on employees and applicants at detention
4 and shelter facilities as provided by section 571-34;
- 5 (16) The department of corrections and rehabilitation on
6 employees and prospective employees who are directly
7 involved with the treatment and care of persons
8 committed to a correctional facility as provided by
9 section 353-1.5 and the department of law enforcement
10 on employees and prospective employees whose duties
11 involve or may involve the exercise of police powers
12 including the power of arrest as provided by section
13 353C-5;
- 14 (17) The board of private detectives and guards on
15 applicants for private detective or private guard
16 licensure as provided by section 463-9;
- 17 (18) Private schools and designated organizations on
18 employees and prospective employees who may be in
19 positions that necessitate close proximity to
20 children; provided that private schools and designated
21 organizations receive only indications of the states



- 1 from which the national criminal history record
2 information was provided pursuant to section 302C-1;
- 3 (19) The public library system on employees and prospective
4 employees whose positions place them in close
5 proximity to children as provided by section 302A-
6 601.5;
- 7 (20) The State or any of its branches, political
8 subdivisions, or agencies on applicants and employees
9 holding a position that has the same type of contact
10 with children, vulnerable adults, or persons committed
11 to a correctional facility as other public employees
12 who hold positions that are authorized by law to
13 require criminal history record checks as a condition
14 of employment as provided by section 78-2.7;
- 15 (21) The department of health on licensed adult day care
16 center operators, employees, new employees,
17 subcontracted service providers and their employees,
18 and adult volunteers as provided by section 321-15.2;
- 19 (22) The department of human services on purchase of
20 service contracted and subcontracted service providers



- 1 and their employees and volunteers, as provided by
2 sections 346-2.5 and 346-97;
- 3 (23) The department of human services on foster grandparent
4 program, senior companion program, and respite
5 companion program participants as provided by section
6 346-97;
- 7 (24) The department of human services on contracted and
8 subcontracted service providers and their current and
9 prospective employees that provide home and community-
10 based services under section 1915(c) of the Social
11 Security Act, title 42 United States Code section
12 1396n(c), or under any other applicable section or
13 sections of the Social Security Act for the purposes
14 of providing home and community-based services, as
15 provided by section 346-97;
- 16 (25) The department of commerce and consumer affairs on
17 proposed directors and executive officers of a bank,
18 savings bank, savings and loan association, trust
19 company, and depository financial services loan
20 company as provided by section 412:3-201;



- 1 (26) The department of commerce and consumer affairs on
2 proposed directors and executive officers of a
3 nondepository financial services loan company as
4 provided by section 412:3-301;
- 5 (27) The department of commerce and consumer affairs on the
6 original chartering applicants and proposed executive
7 officers of a credit union as provided by section
8 412:10-103;
- 9 (28) The department of commerce and consumer affairs on:
- 10 (A) Each principal of every non-corporate applicant
11 for a money transmitter license;
- 12 (B) Each person who upon approval of an application
13 by a corporate applicant for a money transmitter
14 license will be a principal of the licensee; and
- 15 (C) Each person who upon approval of an application
16 requesting approval of a proposed change in
17 control of licensee will be a principal of the
18 licensee,
- 19 as provided by sections 489D-9 and 489D-15;



- 1 (29) The department of commerce and consumer affairs on
2 applicants for licensure and persons licensed under
3 title 24;
- 4 (30) The Hawaii health systems corporation on:
- 5 (A) Employees;
- 6 (B) Applicants seeking employment;
- 7 (C) Current or prospective members of the corporation
8 board or regional system board; or
- 9 (D) Current or prospective volunteers, providers, or
10 contractors,
- 11 in any of the corporation's health facilities as
12 provided by section 323F-5.5;
- 13 (31) The department of commerce and consumer affairs on:
- 14 (A) An applicant for a mortgage loan originator
15 license, or license renewal; and
- 16 (B) Each control person, executive officer, director,
17 general partner, and managing member of an
18 applicant for a mortgage loan originator company
19 license or license renewal,
- 20 as provided by chapter 454F;



- 1 (32) The state public charter school commission or public
2 charter schools on employees, teacher trainees,
3 prospective employees, and prospective teacher
4 trainees in any public charter school for any position
5 that places them in close proximity to children, as
6 provided in section 302D-33;
- 7 (33) The counties on prospective employees who work with
8 children, vulnerable adults, or senior citizens in
9 community-based programs;
- 10 (34) The counties on prospective employees for fire
11 department positions that involve contact with
12 children or vulnerable adults;
- 13 (35) The counties on prospective employees for emergency
14 medical services positions that involve contact with
15 children or vulnerable adults;
- 16 (36) The counties on prospective employees for emergency
17 management positions and community volunteers whose
18 responsibilities involve planning and executing
19 homeland security measures including viewing,
20 handling, and engaging in law enforcement or



1 classified meetings and assisting vulnerable citizens
2 during emergencies or crises;

3 (37) The State and counties on employees, prospective
4 employees, volunteers, and contractors whose position
5 responsibilities require unescorted access to secured
6 areas and equipment related to a traffic management
7 center;

8 (38) The State and counties on employees and prospective
9 employees whose positions involve the handling or use
10 of firearms for other than law enforcement purposes;

11 (39) The State and counties on current and prospective
12 systems analysts and others involved in an agency's
13 information technology operation whose position
14 responsibilities provide them with access to
15 proprietary, confidential, or sensitive information;

16 (40) The department of commerce and consumer affairs on:

17 (A) Applicants for real estate appraiser licensure or
18 certification as provided by chapter 466K;

19 (B) Each person who owns more than ten per cent of an
20 appraisal management company who is applying for



1 registration as an appraisal management company,
2 as provided by section 466L-7; and
3 (C) Each of the controlling persons of an applicant
4 for registration as an appraisal management
5 company, as provided by section 466L-7;
6 (41) The ~~[department of health]~~ Hawaii cannabis authority
7 or its designee on all license and permit applicants,
8 ~~[licensees,]~~ current or prospective employees~~[,]~~ and
9 ~~contractors[, and prospective employees of medical~~
10 ~~cannabis dispensaries, and individuals permitted to~~
11 ~~enter and remain in medical cannabis dispensary~~
12 ~~facilities as provided under sections 329D-15(a)(4)~~
13 ~~and 329D-16(a)(3);]~~ of licensed businesses, and
14 current and prospective laboratory agents of
15 independent laboratories, as provided by section A-74;
16 current or prospective members of the cannabis control
17 board, as provided by section A-12; and current or
18 prospective employees, contractors, and subcontractors
19 of the Hawaii cannabis authority, as provided by
20 section A-31;



- 1 (42) The department of commerce and consumer affairs on
2 applicants for nurse licensure or license renewal,
3 reactivation, or restoration as provided by sections
4 457-7, 457-8, 457-8.5, and 457-9;
- 5 (43) The county police departments on applicants for
6 permits to acquire firearms pursuant to section 134-2,
7 on individuals registering their firearms pursuant to
8 section 134-3, and on applicants for new or renewed
9 licenses to carry a pistol or revolver and ammunition
10 pursuant to section 134-9;
- 11 (44) The department of commerce and consumer affairs on:
12 (A) Each of the controlling persons of the applicant
13 for licensure as an escrow depository, and each
14 of the officers, directors, and principals who
15 will be in charge of the escrow depository's
16 activities upon licensure; and
17 (B) Each of the controlling persons of an applicant
18 for proposed change in control of an escrow
19 depository licensee, and each of the officers,
20 directors, and principals who will be in charge



1 of the licensee's activities upon approval of the
2 application,

3 as provided by chapter 449;

4 (45) The department of taxation on current or prospective
5 employees or contractors who have access to federal
6 tax information in order to comply with requirements
7 of federal law, regulation, or procedure, as provided
8 by section 231-1.6;

9 (46) The department of labor and industrial relations on
10 current or prospective employees or contractors who
11 have access to federal tax information in order to
12 comply with requirements of federal law, regulation,
13 or procedure, as provided by section 383-110;

14 (47) The department of human services on current or
15 prospective employees or contractors who have access
16 to federal tax information in order to comply with
17 requirements of federal law, regulation, or procedure,
18 and on current or prospective employees, volunteers,
19 contractors, or contractors' employees or volunteers,
20 subcontractors, or subcontractors' employees or
21 volunteers, whose position places or would place them



- 1 in close proximity to minors, young adults, or
2 vulnerable adults, as provided by section 346-2.5;
- 3 (48) The child support enforcement agency on current or
4 prospective employees, or contractors who have access
5 to federal tax information in order to comply with
6 federal law, regulation, or procedure, as provided by
7 section 576D-11.5;
- 8 (49) The department of the attorney general on current or
9 prospective employees or employees or agents of
10 contractors who have access to federal tax information
11 to comply with requirements of federal law,
12 regulation, or procedure, as provided by section 28-
13 17;
- 14 (50) The department of commerce and consumer affairs on
15 each control person, executive officer, director,
16 general partner, and managing member of an installment
17 loan licensee, or an applicant for an installment loan
18 license, as provided in chapter 480J;
- 19 (51) The University of Hawaii on current and prospective
20 employees and contractors whose duties include



1 ensuring the security of campus facilities and
2 persons; and

3 (52) Any other organization, entity, or the State, its
4 branches, political subdivisions, or agencies as may
5 be authorized by state law."

6 SECTION 44. Act 14, Session Laws of Hawaii 2020, as
7 amended by section 2 of Act 137, Session Laws of Hawaii 2022, as
8 amended by section 15 of Act 263, Session Laws of Hawaii 2023,
9 is amended by amending section 9 to read as follows:

10 "SECTION 9. This Act shall take effect upon its approval,
11 and shall be repealed on July 1, [~~2027;~~] 2024; provided that the
12 definition of "marijuana" in section 329-1, Hawaii Revised
13 Statutes, and the definitions of "marijuana" and "marijuana
14 concentrate" in section 712-1240, Hawaii Revised Statutes, shall
15 be reenacted in the form in which they read on the day prior to
16 the effective date of this Act."

17 SECTION 45. Act 263, Session Laws of Hawaii 2023, is
18 amended by amending section 19 to read as follows:

19 "SECTION 19. This Act shall take effect on July 1, 2023,
20 and shall be repealed on July 1, [~~2027.~~] 2024; provided that
21 part III of the Act shall be repealed on August 30, 2024."



1 SECTION 46. Chapter 329, part IX, Hawaii Revised Statutes,
2 is repealed.

3 SECTION 47. Chapter 329D, Hawaii Revised Statutes, is
4 repealed.

5 PART VI

6 SECTION 48. Licenses previously issued under chapters 328G
7 or 329D, Hawaii Revised Statutes, shall remain in full effect
8 until the previously issued licenses expire on their own terms;
9 provided that the licensees shall be regulated under chapter A,
10 Hawaii Revised Statutes, and rules adopted thereunder.

11 SECTION 49. (a) Each existing medical cannabis dispensary
12 whose license remains effective pursuant to section 48 of this
13 Act may convert their operation into licenses under chapter A,
14 Hawaii Revised Statutes, before January 1, 2025; provided that
15 the existing medical cannabis dispensary may only convert
16 existing licensed operations and premises; provided further that
17 an existing medical cannabis dispensary may only be issued up to
18 three cannabis cultivator licenses, three cannabis processor
19 licenses, three medical cannabis dispensary licenses, and three
20 retail cannabis store licenses, but not to exceed nine licenses



1 in total, in accordance with chapter A, Hawaii Revised Statutes,
2 and rules adopted thereunder.

3 (b) To convert an existing medical cannabis dispensary
4 license into a license or licenses under chapter A, Hawaii
5 Revised Statutes, before the expiration of the existing license,
6 but no later than October 1, 2025, the existing medical cannabis
7 dispensary shall apply to the Hawaii cannabis authority, on
8 forms prescribed by the authority, and shall establish to the
9 authority's satisfaction:

- 10 (1) The existing medical cannabis dispensary's existing
11 ownership structure;
- 12 (2) All persons with a direct or indirect interest in the
13 existing medical cannabis dispensary;
- 14 (3) The existing medical cannabis dispensary is currently
15 in full compliance with the terms and conditions under
16 which the license was issued;
- 17 (4) The existing medical cannabis dispensary meets the
18 application criteria required by chapter A, Hawaii
19 Revised Statutes, and rules adopted thereunder;
- 20 (5) The existing medical cannabis dispensary is in
21 compliance with any other requirements of chapter A,



1 Hawaii Revised Statutes, including the ownership
2 restrictions; and

3 (6) The existing medical cannabis dispensary is capable of
4 sustaining the product supply and access for the
5 registered qualifying patients they serve.

6 (c) An existing medical cannabis dispensary shall pay a
7 one-time conversion fee of \$50,000 per retail dispensing
8 location being converted and \$25,000 per production facility
9 being converted. The one-time conversion fee may be paid in
10 separate installments; provided that it be paid in full on or
11 before January 1, 2026. If the conversion fee is not paid by
12 January 1, 2026, any license held by the licensee shall be
13 subject to revocation in accordance with chapter A, Hawaii
14 Revised Statutes, and rules adopted thereunder.

15 (d) The Hawaii cannabis authority shall audit the existing
16 medical cannabis dispensary ownership to ensure compliance with
17 the ownership restrictions in chapter A, Hawaii Revised
18 Statutes.

19 (e) Upon full or partial payment of the conversion fee,
20 and a complete and valid conversion application, the Hawaii
21 cannabis authority shall issue licenses under chapter A, Hawaii



1 Revised Statutes, for the premises and operations of the
2 existing medical cannabis dispensary that have been approved for
3 conversion by the authority. The converted licenses shall be
4 issued no later than January 1, 2025.

5 SECTION 50. All functions of the department of health
6 office of cannabis control and regulation shall be transferred
7 to the Hawaii cannabis authority.

8 All employees who occupy civil service positions and whose
9 functions are transferred by this Act shall retain their civil
10 service status (permanent or temporary). Employees shall be
11 transferred without loss of salary, seniority (except as
12 prescribed by collective bargaining agreements), retention
13 points, prior service credit, any vacation and sick leave
14 credits previously earned, and other rights, benefits, and
15 privileges, in accordance with state personnel laws and this
16 Act; provided that the employees possess the minimum
17 qualifications and public employment requirements for the class
18 or position to which transferred or appointed, as applicable;
19 provided further that subsequent changes in status may be made
20 pursuant to applicable civil service and compensation laws.



1 Any employee who, before this Act, is exempt from civil
2 service and is transferred as a consequence of this Act may
3 continue to retain the employee's exempt status but shall not be
4 appointed to a civil service position because of this Act. An
5 exempt employee who is transferred by this Act shall not suffer
6 any loss of prior service credit, any vacation and sick leave
7 credits previously earned, or other employee benefits or
8 privileges as a consequence of this Act; provided that the
9 employee possesses legal and public employment requirements for
10 the position to which transferred or appointed, as applicable;
11 provided further that subsequent changes in status may be made
12 pursuant to applicable employment and compensation laws. The
13 Hawaii cannabis authority to which the employee is transferred
14 may prescribe the duties and qualifications of the employees and
15 fix their salaries without regard to chapter 76, Hawaii Revised
16 Statutes.

17 SECTION 51. All leases, contracts, loans, agreements,
18 permits, or other documents executed or entered into by or on
19 behalf of the department of health or department of agriculture
20 pursuant to the provisions of the Hawaii Revised Statutes that
21 are reenacted or made applicable to the Hawaii cannabis



1 authority by this Act shall remain in full force and effect. On
2 the effective date of this Act, every reference to the
3 department of health, director of health, department of
4 agriculture, or chairperson of agriculture in those leases,
5 contracts, loans, agreements, permits, or other documents shall
6 be construed as a reference to the Hawaii cannabis authority or
7 executive director of the Hawaii cannabis authority, as
8 appropriate.

9 SECTION 52. All appropriations, records, equipment,
10 machines, files, supplies, contracts, books, papers, documents,
11 maps, and other personal property heretofore made, used,
12 acquired, or held by the department of health and department of
13 agriculture relating to the functions transferred to the Hawaii
14 cannabis authority shall be transferred with the functions to
15 which they relate.

16 SECTION 53. All rules, policies, procedures, guidelines,
17 and other material adopted or developed by the department of
18 health or department of agriculture to implement provisions of
19 the Hawaii Revised Statutes that are reenacted or made
20 applicable to the cannabis control board, Hawaii cannabis
21 authority, or executive director of the Hawaii cannabis



1 authority by this Act, as appropriate, shall remain in full
2 force and effect until amended or repealed by the cannabis
3 control board pursuant to chapter 91, Hawaii Revised Statutes.
4 In the interim, every reference to the department of health,
5 director of health, department of agriculture, or chairperson of
6 agriculture in those rules, policies, procedures, guidelines,
7 and other material is amended to refer to the cannabis control
8 board, Hawaii cannabis authority, or executive director of the
9 Hawaii cannabis authority, as appropriate.

10 SECTION 54. The right of appeal from administrative
11 actions or determinations as provided by law shall not be
12 impaired by this Act. Except as otherwise provided by this Act,
13 whenever a right of appeal from administrative actions or
14 determinations is provided by law to or from any officer, board,
15 department, bureau, commission, administrative agency, or
16 instrumentality of the State, or any of the programs of which,
17 that is transferred by this Act to the cannabis control board,
18 Hawaii cannabis authority, or executive director of the Hawaii
19 cannabis authority, as the case may be, the right of appeal
20 shall lie to or from the cannabis control board, Hawaii cannabis
21 authority, or executive director of the Hawaii cannabis



1 authority, as the case may be, when the transfer is made. The
2 right of appeal shall exist to the same extent and in accordance
3 with the applicable procedures that are in effect immediately
4 before the effective date of the applicable part.

5 If the provisions of the preceding paragraph relating to
6 appeals cannot be effected by reason of abolishment, splitting,
7 or shifting of functions or otherwise, the right of appeal shall
8 lie to the circuit court of the State pursuant to the Hawaii
9 rules of civil procedure.

10 SECTION 55. Notwithstanding any other provision of law to
11 the contrary, from the effective date of this Act to
12 December 31, 2027, the Hawaii cannabis authority shall be exempt
13 from procurement requirements under chapter 103D, Hawaii Revised
14 Statutes, if the procurement is for:

15 (1) Banking services for the Hawaii cannabis authority or
16 department of taxation, or both, to collect fees and
17 tax revenue;

18 (2) Banking services to help support cannabis businesses
19 to transition from an all-cash system;

20 (3) A consultant to support the Hawaii cannabis authority
21 in the process for cannabis licensure, including



1 services related to investigations and the financial
2 or criminal history review of applicants or licensed
3 businesses;

4 (4) A consultant to support the Hawaii cannabis authority
5 to draft rules to implement this chapter;

6 (5) A consultant to provide technical assistance regarding
7 the social equity program;

8 (6) Communication services for public and consumer
9 education campaigns on cannabis laws and rules and
10 potential health and safety risks associated with
11 cannabis use;

12 (7) Establishing a state cannabis testing facility; and

13 (8) A consultant to support the Hawaii cannabis authority
14 in administering grant programs.

15 SECTION 56. The following positions are established within
16 the Hawaii cannabis authority:

17 (1) Executive director;

18 (2) Executive secretary to the executive director;

19 (3) Chief financial officer;

20 (4) Chief equity officer;

21 (5) General counsel;



- 1 (6) Chief public health and environmental officer;
- 2 (7) Chief technology officer; and
- 3 (8) Chief compliance officer.

4 SECTION 57. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$10,000,000 or so
6 much thereof as may be necessary for fiscal year 2024-2025 to be
7 deposited into the cannabis regulation special fund.

8 SECTION 58. There is appropriated out of the cannabis
9 regulation special fund the sum of \$10,000,000 or so much
10 thereof as may be necessary for fiscal year 2024-2025 for the
11 hiring and filling of the eight full-time equivalent (8.0 FTE)
12 positions established by this Act and fifteen full-time
13 equivalent positions (15.0 FTE) within the Hawaii cannabis
14 authority established by this Act, the administration and
15 enforcement of the Hawaii cannabis law by the Hawaii cannabis
16 authority, and other associated administrative costs.

17 The sum appropriated shall be expended by the Hawaii
18 cannabis authority for the purposes of this Act.

19 SECTION 59. The following positions are established within
20 the department of taxation to implement part III of this Act:

- 21 (1) One full-time equivalent (1.0 FTE) analyst position;



- 1 (2) One full-time equivalent (1.0 FTE) auditor position;
2 (3) One full-time equivalent (1.0 FTE) investigator
3 position;
4 (4) Three full-time equivalent (3.0 FTE) cashier
5 positions; and
6 (5) One full-time equivalent (1.0 FTE) tax law change
7 specialist.

8 In filling these positions, the director of taxation may
9 appoint a tax law change specialist who shall be exempt from
10 chapter 76, Hawaii Revised Statutes.

11 SECTION 60. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$750,000 or so much
13 thereof as may be necessary for fiscal year 2024-2025 for the
14 department of taxation to carry out part III of this Act,
15 including the hiring and filling of the seven full-time
16 equivalent (7.0 FTE) positions within the department established
17 by this Act, and other associated administrative costs.

18 The sum appropriated shall be expended by the department of
19 taxation for the purposes of this Act.

20 SECTION 61. The following positions are established within
21 the department of attorney general for the drug nuisance



1 abatement unit pursuant to section 28-131, Hawaii Revised
2 Statutes, to carry out part II of this Act:

3 (1) One full-time equivalent (1.0 FTE) supervising deputy
4 attorney general position;

5 (2) One full-time equivalent (1.0 FTE) deputy attorney
6 general position;

7 (3) One full-time equivalent (1.0 FTE) administrative
8 assistant position;

9 (4) One full-time equivalent (1.0 FTE) supervisory special
10 agent (investigator VI) position; and

11 (5) Four full-time equivalent (4.0 FTE) special agent
12 (investigator V) positions.

13 SECTION 62. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$1,500,000 or so much
15 thereof as may be necessary for fiscal year 2024-2025 to be
16 deposited into the cannabis nuisance abatement special fund.

17 SECTION 63. There is appropriated out of the cannabis
18 nuisance abatement special fund the sum of \$1,500,000 or so much
19 thereof as may be necessary for fiscal year 2024-2025 for the
20 department of attorney general to carry out part II of this Act,
21 including the hiring and filling of the eight full-time



1 equivalent (8.0 FTE) positions within the department established
2 by this Act, equipment costs, and other associated
3 administrative costs.

4 The sum appropriated shall be expended by the department of
5 attorney general for the purposes of this Act.

6 SECTION 64. The following positions are established within
7 the department of law enforcement for the cannabis enforcement
8 unit pursuant to part II of this Act:

9 (1) Three full-time equivalent (3.0 FTE) permanent
10 supervisory positions;

11 (2) Eleven full-time equivalent (11.0 FTE) permanent
12 investigator or detective positions; and

13 (3) Three full-time equivalent (3.0 FTE) permanent
14 administrative support positions.

15 SECTION 65. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$2,500,000 or so much
17 thereof as may be necessary for fiscal year 2024-2025 to be
18 deposited into the cannabis law enforcement special fund.

19 SECTION 66. There is appropriated out of the cannabis law
20 enforcement special fund the sum of \$2,500,000 or so much
21 thereof as may be necessary for fiscal year 2024-2025 for the



1 department of law enforcement to carry out part II of this Act,
2 including the hiring and filling of the seventeen full-time
3 equivalent (17.0 FTE) positions established by this Act, and
4 other associated administrative costs.

5 The sum appropriated shall be expended by the department of
6 law enforcement for the purposes of this Act.

7 SECTION 67. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$10,000,000 or so
9 much thereof as may be necessary for fiscal year 2024-2025 to be
10 deposited into the cannabis social equity special fund.

11 SECTION 68. There is appropriated out of the cannabis
12 social equity special fund the sum of \$10,000,000 or so much
13 thereof as may be necessary for fiscal year 2024-2025 for the
14 implementation and administration of the social equity program
15 established by this Act.

16 The sum appropriated shall be expended by the Hawaii
17 cannabis authority for the purposes of this Act.

18 SECTION 69. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$5,000,000 or so much
20 thereof as may be necessary for fiscal year 2024-2025 to be
21 deposited into the public health and education special fund.



1 SECTION 70. There is appropriated out of the public health
2 and education special fund the sum of \$5,000,000 or so much
3 thereof as may be necessary for fiscal year 2024-2025 to the
4 Hawaii cannabis authority for the administration and
5 implementation of the public health and education grant program.

6 The sum appropriated shall be expended by the Hawaii
7 cannabis authority for the purposes of this Act.

8 SECTION 71. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$4,000,000 or so much
10 thereof as may be necessary for fiscal year 2024-2025 to be
11 deposited into the public safety special fund.

12 SECTION 72. There is appropriated out of the public safety
13 special fund the sum of \$4,000,000 or so much thereof as may be
14 necessary for fiscal year 2024-2025 for the implementation and
15 administration of the public safety grant program.

16 The sum appropriated shall be expended by the Hawaii
17 cannabis authority for the purposes of this Act.

18 SECTION 73. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$5,000,000 or so much
20 thereof as may be necessary for fiscal year 2024-2025 for the



1 purposes of establishing a state cannabis testing facility
2 within the Hawaii cannabis authority.

3 The sum appropriated shall be expended by the Hawaii
4 cannabis authority for the purposes of this Act.

5 SECTION 74. The appropriations made by this Act shall not
6 lapse at the end of the fiscal biennium for which the
7 appropriations are made; provided that all moneys from the
8 appropriations unencumbered as of June 30, 2026, shall lapse as
9 of that date.

10 SECTION 75. Any unexpended or unencumbered balance in the:

- 11 (1) Industrial hemp special fund, established by section
12 141-14, Hawaii Revised Statutes;
- 13 (2) Medical cannabis registry and regulation special fund,
14 established by section 321-30.1, Hawaii Revised
15 Statutes; and
- 16 (3) Hawaii hemp processing special fund, established by
17 section 328G-7, Hawaii Revised Statutes,
18 shall be transferred to the cannabis regulation special fund,
19 established by section A-17, Hawaii Revised Statutes, as of the
20 close of business on the effective date of this Act.



1 SECTION 76. In accordance with section 9 of article VII of
2 the Hawaii State Constitution and sections 37-91 and 37-93,
3 Hawaii Revised Statutes, the legislature has determined that the
4 appropriations contained in H.B. No. , will cause the state
5 general fund expenditure ceiling for fiscal year 2024-2025 to be
6 exceeded by \$ or per cent. In addition, the
7 appropriation contained in this Act will cause the general fund
8 expenditure ceiling for fiscal year 2024-2025 to be further
9 exceeded by \$ or per cent. The combined total
10 amount of general fund appropriations contained in only these
11 two Acts will cause the state general fund expenditure ceiling
12 for fiscal year 2024-2025 to be exceeded by
13 \$ or per cent. The reasons for exceeding the
14 general fund expenditure ceiling are that:

- 15 (1) The appropriation made in this Act is necessary to
16 serve the public interest; and
17 (2) The appropriation made in this Act meets the needs
18 addressed by this Act.

19 SECTION 77. This Act shall not be applied to impair any
20 contract existing as of the effective date of this Act in a
21 manner violative of either the Constitution of the State of



1 Hawaii or Article I, section 10, of the United States
2 Constitution

3 SECTION 78. This Act shall not affect rights and duties
4 that matured, penalties and forfeitures that were incurred, and
5 proceedings that were begun before its effective date.

6 SECTION 79. If any provision of this Act or the
7 application thereof to any person or circumstance is held
8 invalid, the invalidity does not affect other provisions or
9 applications of the Act that can be given effect without the
10 invalid provision or application, and to this end the provisions
11 of this Act are severable.

12 SECTION 80. If any part of this Act is found to be in
13 conflict with federal requirements that are a prescribed
14 condition for the allocation of federal funds to the State, the
15 conflicting part of this Act is inoperative solely to the extent
16 of the conflict and with respect to the agencies directly
17 affected, and this finding does not affect the operation of the
18 remainder of this Act in its application to the agencies
19 concerned. The rules under this Act shall meet federal
20 requirements that are a necessary condition to the receipt of
21 federal funds by the State.



1 SECTION 81. In codifying the new sections added by
2 sections 2, 4, and 7 of the Act, the revisor of statutes shall
3 substitute appropriate section numbers for the letters used in
4 designating the new sections in this Act.

5 SECTION 82. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 83. This Act shall take effect on July 1, 2024;
8 provided that:

9 (1) Sections A-51 through A-53, Hawaii Revised Statutes,
10 of section 2 of this Act shall take effect on January
11 1, 2026; and

12 (2) Amendments made to section 291E-61, Hawaii Revised
13 Statutes, by section 16 of this Act and 291E-61.5,
14 Hawaii Revised Statutes, by section 17 of this Act
15 shall not be repealed when those sections are
16 reenacted on June 30, 2028, pursuant to section 11 of
17 Act 196, Session Laws of Hawaii 2021, as amended by
18 section 8 of Act 148, Session Laws of Hawaii 2023.

19

INTRODUCED BY: _____



S.B. NO. 3335

Report Title:

DCCA; DOH; Department of Agriculture; Hawaii Cannabis Authority; Cannabis Control Board; Adult-use Cannabis; Medical Cannabis; Hemp; Appropriation; Expenditure Ceiling

Description:

Establishes the Hawaii Cannabis Authority and Cannabis Control Board within the Department of Commerce and Consumer Affairs to regulate all aspects of the cannabis plant. Beginning January 1, 2026, legalizes the personal adult use of cannabis. Establishes taxes for adult-use cannabis sales. Transfers the personnel and assets of the Department of Health and assets Department of Agriculture to the Hawaii Cannabis Authority. Appropriates funds.

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

