
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 Recognizing the diverse beneficial applications of
11 cannabis, particularly in medicinal use and pain management,
12 many states have enacted laws legalizing and regulating medical
13 use cannabis. In Hawaii, chapter 329D, Hawaii Revised Statutes,
14 establishes the operational guidelines for medical use cannabis
15 dispensaries in the State and creates a safe harbor from state
16 criminal prosecution relating to medical use cannabis.



1 In addition to legalizing medical use cannabis, numerous
2 states and jurisdictions, including Hawaii, have opted to
3 decriminalize the possession of small amounts of non-medical use
4 cannabis. These decisions are motivated by a variety of
5 compelling reasons, including the prioritization of more serious
6 crimes, advancements in criminal justice reform, evolving public
7 opinion, and long-standing social equity concerns within the
8 context of cannabis regulation.

9 Moreover, an increasing number of states have legalized and
10 initiated the regulation and taxation of the cultivation,
11 processing, and sale of non-medical use cannabis to adults aged
12 twenty-one years and older. Many states have witnessed
13 substantial benefits from the revenue generated through taxes,
14 including use and licensing fees, as well as general excise and
15 sales taxes on the non-medical adult-use cannabis industry.

16 Recognizing these developments in other jurisdictions,
17 pursuant to Act 169, Session Laws of Hawaii 2021, the department
18 of health office of medical cannabis control and regulation
19 convened a task force to explore the development of a dual-
20 system program for cannabis legalization. This task force
21 issued findings and recommendations for future regulation,



1 covering aspects, such as taxation, social equity, market
2 structure, medical use, and public health and safety.

3 In light of the task force report, the legislature finds
4 that the legalization of cannabis for personal use is a natural,
5 logical, and reasonable outgrowth of the current science of and
6 attitude toward cannabis. The legislature further finds that
7 cannabis cultivation and sales hold the potential for economic
8 development, increased tax revenues, and reduction in crime.
9 Consequently, the legislature is prepared to move forward with
10 the legalization of non-medical adult-use cannabis.

11 In addition, with the enactment of the Agriculture
12 Improvement Act of 2018 (P.L. 115-334), also known as the 2018
13 Farm Bill, the United States Congress removed hemp (cannabis
14 with no more than 0.3 per cent delta-9-THC by weight) from
15 schedule I of the federal Controlled Substances Act, paving the
16 way for hemp-derived products and the industrial use of hemp.
17 In response, the legislature enacted House Bill No. 1359, H.D.
18 2, S.D. 2, C.D. 1, now known as Act 263, Session Laws of Hawaii
19 2023 (Act 263), to reform hemp industry regulations and
20 acknowledge that hemp is a high-value crop with the potential to
21 generate significant and diverse revenues for Hawaii.



1 In alignment with the federal recognition of hemp as a
2 valuable crop with tens of thousands of uses, including for
3 food, fiber, fuel, and remediating soil and capturing carbon,
4 the legislature acknowledges that hemp provides numerous
5 opportunities for diversifying Hawaii's agriculture and rural
6 economic development while furthering Hawaii's food security,
7 energy independence, and sustainability goals. The vision of
8 many of Hawaii's founding hemp farmers was to integrate hemp and
9 food crops so that the higher margins of high-quality craft hemp
10 products might offset the costs of food production, potentially
11 creating greater financial stability for Hawaii's family farms
12 and supporting greater food security. Given the significant
13 potential for hemp, the legislature intends to support hemp
14 farming by establishing a grant program to provide technical
15 assistance and offset the impact to the hemp industry by this
16 Act.

17 The legislature further finds that, while hemp holds
18 considerable value for Hawaii's economy and local farmers,
19 certain concerns have surfaced regarding the regulation and
20 enforcement of hemp-derived products that have been processed
21 with the intent to surpass legal THC limits. These items not



1 only contravene the established medical cannabis framework by
2 surpassing permissible THC levels at dispensaries, but have also
3 been marketed toward minors, causing at least one documented
4 case of illness in children who consumed the hemp-derived
5 products. Regulating these products is crucial for the State to
6 uphold public health and safety.

7 The issues posed by hemp-derived products, coupled with the
8 growing pains observed in sister states relating to non-medical
9 adult-use cannabis, underscore the necessity to establish
10 uniform regulations for the entire cannabis plant, including
11 hemp. This approach has emerged as the best practice in the
12 legalization of adult-use cannabis.

13 This legislative effort has six main pillars: (1) the
14 enactment of the Hawaii Cannabis Law - a legal safe harbor from
15 state criminal prosecution concerning activities relating to
16 cannabis for those who strictly comply with its provisions; (2)
17 the creation of a robust, independent body - the Hawaii cannabis
18 and hemp authority - with the power to regulate all aspects of
19 the cannabis plant (whether medical use cannabis, non-medical
20 adult-use cannabis, or hemp) in accordance with the Hawaii
21 Cannabis Law; (3) the continuing role of law enforcement



1 agencies in addressing illegal cannabis operations not acting in
2 accordance with the Hawaii Cannabis Law, which pose threats to
3 public order, public health, and business operators who choose
4 to operate in the legal market; (4) a vibrant, well-funded
5 social equity program to be implemented by the Hawaii cannabis
6 and hemp authority with the intent to bring greater economic
7 opportunity to disadvantaged regions of the State and help
8 transition formerly illicit operators into the legal market; (5)
9 a delayed effective date of approximately eighteen months for
10 the legalization of non-medical adult-use cannabis and the first
11 legal retail sales to allow the Hawaii cannabis and hemp
12 authority, law enforcement, licensees, and the public to
13 prepare; and (6) the implementation of extensive, well-funded
14 public health protections, including a public health and
15 education campaign to inform the public about the new laws, the
16 continuing risks to public health - especially to children -
17 posed by cannabis, and financial assistance for public health
18 services, such as addiction and substance abuse treatment.

19 Accordingly, the purpose of this Act is to:

20 (1) Enact the Hawaii Cannabis Law to:



- 1 (A) Provide a legal safe harbor from state or county
2 criminal prosecution concerning activities
3 relating to cannabis for those who strictly
4 comply with the provisions of the law;
- 5 (B) Establish the Hawaii cannabis and hemp authority
6 as an independent body with the power to
7 administratively regulate all aspects of the
8 cannabis plant;
- 9 (C) Legalize the sale and possession of cannabis for
10 personal adult use beginning January 1, 2026;
- 11 (D) Provide economic opportunities to
12 disproportionately impacted areas;
- 13 (E) Encourage those currently engaging in illegal,
14 unlicensed commercial cannabis activities to
15 enter the legal market;
- 16 (F) Ensure that state and county law enforcement
17 agencies work closely with the Hawaii cannabis
18 and hemp authority and vigorously investigate and
19 prosecute illegal cannabis activities that fall
20 outside any safe harbor protection; and



- 1 (G) Mandate that the Hawaii cannabis and hemp
2 authority make the protection of public health
3 and safety its highest priorities;
- 4 (2) Establish a tax on the retail sale of cannabis and a
5 tax on the sale of medical use cannabis and require
6 every business engaged in the sale of cannabis to
7 obtain a cannabis tax permit;
- 8 (3) Add new traffic offenses relating to the consumption
9 or possession of marijuana or marijuana concentrate
10 and clarifying existing traffic offenses as they
11 relate to marijuana and marijuana concentrate;
- 12 (4) Making conforming amendments relating to the
13 legalization of personal adult use of cannabis under
14 the Hawaii Cannabis Law;
- 15 (5) Establish the temporary cannabis and hemp control
16 implementation advisory committee to advise and assist
17 the cannabis and hemp control board regarding the
18 Hawaii Cannabis Law;
- 19 (6) Transfer the personnel and assets of the department of
20 health and assets of the department of agriculture



1 relating to cannabis and hemp to the Hawaii hemp and
2 cannabis authority;

3 (7) Establish positions and appropriate funds; and

4 (8) Make other conforming and housekeeping amendments.

5 PART II

6 SECTION 2. The Hawaii Revised Statutes is amended by
7 adding a new chapter to be appropriately designated and to read
8 as follows:

9 "CHAPTER A

10 HAWAII CANNABIS LAW

11 PART I. GENERAL PROVISIONS

12 §A-1 Title. This chapter shall be known and may be cited
13 as the Hawaii Cannabis Law.

14 §A-2 Purpose and intent. The purpose and intent of this
15 chapter is to:

16 (1) Provide a legal safe harbor from state or county
17 criminal prosecution concerning activities relating to
18 cannabis for those who strictly comply with the
19 provisions of this chapter;

20 (2) Establish the Hawaii cannabis and hemp authority as an
21 independent body with the power to administratively



- 1 regulate all aspects of the cannabis plant in
2 accordance with this chapter;
- 3 (3) Legalize the sale and possession of cannabis for
4 personal adult use beginning January 1, 2026, in
5 accordance with this chapter;
- 6 (4) Provide economic opportunities to disproportionately
7 impacted areas;
- 8 (5) Encourage those engaging in illegal, unlicensed
9 commercial cannabis activities before the enactment of
10 this chapter to enter the legal market;
- 11 (6) Ensure that state and county law enforcement agencies
12 work closely with the Hawaii cannabis and hemp
13 authority and vigorously investigate and prosecute
14 illegal cannabis activities that fall outside of safe
15 harbor protection; and
- 16 (7) Mandate that the Hawaii cannabis and hemp authority
17 make the protection of public health and safety its
18 highest priorities.

19 **§A-3 Definitions.** As used in this chapter, unless the
20 context otherwise requires:

1 "Adequate supply" means an amount of cannabis, including
2 medical cannabis, jointly possessed between the medical cannabis
3 patient and the patient's caregiver that is no more than is
4 reasonably necessary to ensure the uninterrupted availability of
5 cannabis for the purpose of alleviating the symptoms or effects
6 of a medical cannabis patient's debilitating medical condition;
7 provided that an adequate supply shall not exceed four ounces of
8 cannabis at any given time. For purposes of this definition,
9 the ounces of cannabis shall include any combination of cannabis
10 flower and cannabis products, with the cannabis in the cannabis
11 products being calculated using information provided pursuant to
12 section A-113(d).

13 "Adult-use cannabis" means cannabis that may be legally
14 possessed or consumed by a person who is at least twenty-one
15 years of age pursuant to this chapter. "Adult-use cannabis"
16 includes adult-use cannabis products and does not include
17 medical cannabis.

18 "Adult-use cannabis product" means any product containing
19 or derived from cannabis, including an edible cannabis product,
20 and cannabis concentrate, that may be legally possessed or
21 consumed by a person who is at least twenty-one years of age.



1 "Adult-use cannabis product" does not include medical cannabis
2 products.

3 "Advertise", "advertisement", or "advertising" means any
4 public communication in any medium that offers or solicits a
5 commercial transaction involving the delivery, purchase, or sale
6 of cannabis.

7 "Applicant" means a person that has submitted an
8 application for licensure, permit, or registration, or for
9 renewal of licensure, permit, or registration pursuant to this
10 chapter, that was received by the authority for review but has
11 not been approved or denied by the authority or board, as
12 appropriate. If the context requires, "applicant" includes a
13 person seeking to assume an ownership interest in a licensed
14 business, a new proposed officer, director, manager, and general
15 partner of the licensed business, and anyone who seeks to assume
16 any power to directly or indirectly control the management,
17 policies, and practices of a licensed business under the license
18 transfer, reorganization, or restructuring application process
19 pursuant to section A-77.

20 "Authority" means the Hawaii cannabis and hemp authority
21 established pursuant to section A-11.



1 "Board" means the cannabis and hemp control board
2 established pursuant to section A-12.

3 "Bona fide physician-patient relationship" or "bona fide
4 advanced practice registered nurse-patient relationship" means a
5 relationship in which the physician or advanced practice
6 registered nurse, respectively, has an ongoing responsibility
7 for the assessment, care, and treatment of a patient's medical
8 condition.

9 "Business entity" means an association, a corporation, a
10 limited liability company, a partnership, or other legal entity,
11 whether for profit or nonprofit, incorporated or otherwise
12 formed or organized by law.

13 "Cannabinoid" means any of the various naturally occurring,
14 biologically active, chemical constituents of the plant of the
15 genus Cannabis that bind to or interact with receptors of the
16 endogenous cannabinoid system.

17 "Cannabis" has the same meaning as "marijuana" and
18 "marijuana concentrate" as defined in sections 329-1 and 712-
19 1240. "Cannabis":

20 (1) Includes:

21 (A) Cannabis flower and cannabis products;



- 1 (B) Medical cannabis; and
- 2 (C) Adult-use cannabis; and
- 3 (2) Does not include:
 - 4 (A) Hemp that is cultivated by a licensed hemp
 - 5 cultivator pursuant to section A-132;
 - 6 (B) Hemp that is processed by a licensed hemp extract
 - 7 processor pursuant to section A-133; and
 - 8 (C) Hemp products.

9 "Cannabis accessories" means equipment, products, devices,
10 or materials of any kind that are intended or designed for use
11 in planting, propagating, cultivating, growing, harvesting,
12 manufacturing, compounding, converting, producing, processing,
13 preparing, testing, analyzing, packaging, repackaging, storing,
14 or containing cannabis, or ingesting, inhaling, or otherwise
15 introducing cannabis into the human body.

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

19 "Cannabis concentrate" means the separated resin, whether
20 crude or purified, obtained, derived, or extracted from
21 cannabis.



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

3 "Cannabis flower" means the flower of a plant of the genus
4 Cannabis that has been harvested, dried, or cured, before any
5 processing whereby the plant material is transformed into a
6 cannabis product.

7 "Cannabis plant" means the plant of the genus Cannabis in
8 the seedling, vegetative, or flowering stages, with readily
9 observable roots and leaves with serrated edges. "Cannabis
10 plant" does not include a germinated seed, cutting, or clone
11 without readily observable roots and leaves with serrated edges.

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

14 "Cannabis product" means any product containing or derived
15 from cannabis, including an edible cannabis product or cannabis
16 concentrate. "Cannabis product" includes adult-use cannabis
17 products and medical cannabis products.

18 "Cannabis regulation, nuisance abatement, and law
19 enforcement special fund" means the fund established pursuant to
20 section A-17.



1 "Caregiver" means a person who is at least eighteen years
2 of age who has agreed to undertake responsibility for managing
3 the well-being of a medical cannabis patient with respect to the
4 medical use of cannabis. In the case of a minor or an adult
5 lacking legal capacity, the caregiver shall be a parent,
6 guardian, or person having legal custody.

7 "Certifying medical professional" means a physician or an
8 advanced practice registered nurse who issues written
9 certifications for the medical use of cannabis to qualifying
10 patients pursuant to section A-49.

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

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

15 "Chief public health and environmental officer" means the
16 chief public health and environmental officer of the authority
17 established pursuant to section A-11.

18 "Child care facility" has the same meaning as defined in
19 section 346-151.



1 "Child-resistant" means designed or constructed to be
2 significantly difficult for children under the age of five to
3 open, and not difficult for average adults to use properly.

4 "Consumer" means a natural person who is at least twenty-
5 one years of age purchasing or using cannabis pursuant to this
6 chapter.

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

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

14 "Cultivate" or "cultivation" means cloning, curing, drying,
15 grading, growing, harvesting, propagating, or trimming of
16 cannabis plants or hemp plants.

17 "Debilitating medical condition" means:

- 18 (1) Acquired immunodeficiency syndrome, cancer, epilepsy,
19 glaucoma, lupus, multiple sclerosis, positive status
20 for human immunodeficiency virus, rheumatoid
21 arthritis, or the treatment of these conditions;



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

4 (A) Cachexia or wasting syndrome;

5 (B) Severe pain;

6 (C) Severe nausea;

7 (D) Seizures, including those characteristic of
8 epilepsy;

9 (E) Severe and persistent muscle spasms, including
10 those characteristic of multiple sclerosis or
11 Crohn's disease; or

12 (F) Post-traumatic stress disorder; or

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

16 "Decarboxylation" means the completion of the chemical
17 reaction that converts naturally occurring cannabinoid acid into
18 a cannabinoid, including delta-9-tetrahydrocannabinol's acids
19 (THCA) into delta-9-tetrahydrocannabinol.



1 "Delta-9-tetrahydrocannabinol" means one of the
2 cannabinoids that function as the primary psychoactive component
3 of cannabis.

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

6 "Disproportionately impacted area" means historically
7 disadvantaged communities, areas of persistent poverty, and
8 medically underserved communities, as determined by the board in
9 rules adopted pursuant to this chapter.

10 "Distribute" or "distribution" means to sell at wholesale
11 any cannabis or hemp to a cannabis business pursuant to this
12 chapter.

13 "Edible cannabis product" means a cannabis product intended
14 to be used orally, in whole or in part, for human consumption,
15 including cannabis products that dissolve or disintegrate in the
16 mouth. "Edible cannabis product" does not include any product
17 otherwise defined as cannabis concentrate.

18 "Employment" has the same meaning as defined in section
19 378-1.

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



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

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

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

12 "Hemp coordinator" means the hemp coordinator of the
13 authority established pursuant to section A-11.

14 "Hemp extract product" means any hemp product derived from
15 hemp, including all derivatives, extracts, cannabinoids,
16 isomers, acids, salts, and salts of isomers, with a delta-9-
17 tetrahydrocannabinol concentration of no more than 0.3 per cent
18 on a dry weight basis, as measured post-decarboxylation or other
19 similarly reliable method. "Hemp extract product" does not
20 include industrial hemp products.



1 "Hemp flower" means the flower of a hemp plant that has
2 been harvested, dried, or cured, before any processing, with a
3 delta-9-tetrahydrocannabinol concentration of no more than 0.3
4 per cent on a dry weight basis, as measured post-decarboxylation
5 or other similarly reliable method.

6 "Hemp product" means any product containing or derived from
7 hemp with a delta-9-tetrahydrocannabinol concentration of no
8 more than 0.3 per cent on a dry weight basis, as measured
9 post-decarboxylation or other similarly reliable method.

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

12 "Industrial hemp product" means any hemp product that is
13 either:

- 14 (1) Intended for industrial use and not for human
15 consumption, including textiles and construction
16 materials; or
- 17 (2) Intended for human consumption and generally
18 recognized as safe (GRAS) by the United States Food
19 and Drug Administration for use in foods.



1 "Labeling" means any label or other written, printed, or
2 graphic matter upon any container, packaging, or wrapper that
3 contains cannabis or hemp.

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

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

11 "Licensed business" includes a cannabis business and hemp
12 business.

13 "Licensed premises" means the premises authorized to be
14 used for the operation of a licensed business pursuant to
15 section A-80.

16 "Marijuana" has the same meaning as defined in section 712-
17 1240.

18 "Marijuana concentrate" has the same meaning as defined in
19 section 712-1240.

20 "Medical cannabis" means cannabis that is dispensed by a
21 medical cannabis dispensary or retail cannabis store to a



1 medical cannabis patient or the patient's caregiver or cannabis
2 for the medical use of cannabis pursuant to this chapter.

3 "Medical cannabis" includes a medical cannabis product.

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

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

8 "Medical cannabis patient" means a qualifying patient or
9 qualifying out-of-state patient that has registered with the
10 authority pursuant to this chapter.

11 "Medical cannabis product" means any product containing or
12 derived from cannabis, including an edible cannabis product and
13 cannabis concentrate, that is solely for medical use by a
14 medical cannabis patient pursuant to this chapter.

15 "Medical cannabis registration card" means a card issued by
16 the authority that certifies the card holder is a medical
17 cannabis patient.

18 "Medical use" means the acquisition, cultivation,
19 possession, transportation, or use of cannabis or cannabis
20 accessories relating to the administration of cannabis to



1 alleviate the symptoms or effects of a medical cannabis
2 patient's debilitating medical condition.

3 "Minor" has the same meaning as defined in section 712-
4 1240.

5 "Person" means a natural person, association, corporation,
6 firm, partnership, or any form of business or legal entity.

7 "Personal adult use" means the acquisition, cultivation,
8 possession, transportation, or use of adult-use cannabis or
9 cannabis accessories by a person who is at least twenty-one
10 years of age.

11 "Plant canopy" means the square footage dedicated to live
12 plant production, such as maintaining mother plants, propagating
13 plants from seed to plant tissue, clones, and vegetative or
14 flowering area. "Plant canopy" does not include areas such as
15 space used for the storage of fertilizers, pesticides, or other
16 products, quarantine, or office space.

17 "Private residence" means a house, condominium, or
18 apartment. "Private residence" does not include, unless
19 otherwise authorized by law, dormitories or other on-campus
20 college or university housing; bed-and-breakfast establishments,



1 hotels, motels, or other commercial hospitality operations; and
2 federal public housing, shelters, or residential programs.

3 "Process" or "processing" means to blend, compound,
4 extract, infuse, or otherwise make or prepare a cannabis product
5 or hemp product.

6 "Public housing project or complex" has the same meaning as
7 defined in section 712-1249.6.

8 "Qualifying out-of-state patient" means a person residing
9 outside of the State who has been diagnosed by a physician or an
10 advanced practice registered nurse as having a debilitating
11 medical condition and registered pursuant to section A-48.

12 "Qualifying patient" means a person who has been diagnosed
13 by a physician or an advanced practice registered nurse as
14 having a debilitating medical condition and registered pursuant
15 to section A-47. "Qualifying patient" does not include a
16 qualifying out-of-state patient.

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

20 "Restricted area" means an enclosed and secured area within
21 a licensed premises used to cultivate, process, store, or test



1 cannabis that is only accessible by authorized employees of the
2 licensed business, employees and agents of the authority, state
3 and county law enforcement officers, emergency personnel, and
4 other individuals authorized by law to access.

5 "Restricted cannabinoid" means a cannabinoid on the
6 restricted cannabinoid product list established and maintained
7 by the authority pursuant to section A-131.

8 "Restricted cannabinoid product" means any product
9 containing an amount of any restricted cannabinoid that exceeds
10 the limit allowable for a hemp product, as established by the
11 authority pursuant to section A-131.

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

14 "School" has the same meaning as defined in section 712-
15 1249.6.

16 "School vehicle" has the same meaning as defined in section
17 286-181.

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



1 "Smoke" or "smoking" means inhaling, exhaling, burning, or
2 carrying any lighted or heated cannabis or hemp intended for
3 inhalation in any manner or in any form. "Smoke" or "smoking"
4 includes the use of an electronic smoking device.

5 "Tetrahydrocannabinol" or "THC" means the group of
6 cannabinoids that function as the primary psychoactive component
7 of cannabis.

8 "Under the influence" means in a state of intoxication
9 accompanied by a perceptible act, a series of acts, or the
10 appearance of an individual that clearly demonstrates the state
11 of intoxication.

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

14 "Written certification" means a written statement issued
15 and signed by a certifying medical professional pursuant to
16 section A-46.

17 **§A-4 General exemptions.** (a) Notwithstanding any law to
18 the contrary, including part IV of chapter 329 and part IV of
19 chapter 712, actions authorized pursuant to this chapter shall
20 be lawful if done in strict compliance with the requirements of
21 this chapter and any rules adopted pursuant to this chapter.



1 (b) A person may assert strict compliance with this
2 chapter or rules adopted pursuant to this chapter as an
3 affirmative defense to any prosecution involving marijuana or
4 marijuana concentrate, including under part IV of chapter 329
5 and part IV of chapter 712.

6 (c) Actions that do not strictly comply with the
7 requirements of this chapter and any rules adopted pursuant to
8 this chapter shall be unlawful and subject to civil, criminal,
9 or administrative procedures and penalties, or all of the above,
10 as provided by law.

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

13 (1) Supersede any law relating to operating a vehicle
14 under the influence of an intoxicant;

15 (2) Supersede any law involving the performance of any
16 task while impaired by cannabis that would constitute
17 negligence or professional malpractice, or prevent the
18 imposition of any civil, criminal, or other penalty
19 for the conduct;

20 (3) Supersede any law prohibiting or relating to smoking
21 or vaping, including chapter 328J;



1 (4) Authorize the possession or use of cannabis or
2 cannabis accessories on the grounds of or within a
3 child care facility, school, daycare center, youth
4 center, college, university, or other educational
5 institution, including a nursery school or summer
6 camp; school vehicle; or any correctional facility or
7 detoxification facility; provided that a caregiver may
8 administer a medical cannabis product that is not
9 intended for inhalation to a medical cannabis patient
10 under the age of twenty-one on school grounds and in a
11 vehicle; provided further that a college or university
12 may authorize the possession or use of cannabis or
13 cannabis accessories by persons who are at least
14 twenty-one years of age on the grounds of or within
15 the college or university in accordance with this
16 chapter, but shall allow the medical use or personal
17 adult use of cannabis by a college or university
18 faculty member or student while the faculty member or
19 student is within faculty or student housing; or
20 (5) Require any person, corporation, or any other entity
21 that occupies, owns, or controls real property to



1 allow the consumption, cultivation, dispensing,
2 display, distribution, or processing of cannabis on or
3 within that property; provided that in the case of the
4 rental of a residential dwelling, a landlord shall not
5 prohibit the possession of cannabis or the consumption
6 of cannabis that is not intended for inhalation,
7 unless:
8 (A) The tenant is renting a room or rooms in only a
9 portion of a residence, where the rest of the
10 residence is rented to other people or occupied
11 by the landlord;
12 (B) The residence is incidental to detention or the
13 provision of counseling, educational, geriatric,
14 medical, religious, or similar service;
15 (C) The residence is a transitional housing facility;
16 or
17 (D) Failing to prohibit the possession or use of
18 cannabis would violate federal law or regulations
19 or cause the landlord to lose a monetary or
20 licensing-related benefit under federal law or
21 regulations.



PART II. ADMINISTRATION

§A-11 Hawaii cannabis and hemp authority; established.

(a) There shall be established the Hawaii cannabis and hemp authority, which shall be a public body corporate and politic and an instrumentality and agency of the State for the purpose of implementing this chapter. The authority shall be governed by the cannabis and hemp control board. The authority shall be placed within the department of commerce and consumer affairs for administrative purposes only. The department of commerce and consumer affairs shall not direct or exert authority over the day-to-day operations or functions of the authority.

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

(c) At a minimum, the staff of the authority shall consist of:

- (1) One full-time chief compliance officer;



- 1 (2) One full-time chief equity officer;
- 2 (3) One full-time chief financial officer;
- 3 (4) One full-time chief public health and environmental
- 4 officer;
- 5 (5) One full-time chief technology officer;
- 6 (6) One full-time executive secretary to the executive
- 7 director;
- 8 (7) One full-time general counsel; and
- 9 (8) One full-time hemp coordinator,
- 10 each of whom shall be exempt from chapter 76 and section
- 11 26-35(a) (4) and serve at the pleasure of the executive director.

12 **§A-12 Cannabis and hemp control board; members and terms;**
 13 **organization; expenses.** (a) There shall be established the
 14 cannabis and hemp control board that shall carry out the duties
 15 and responsibilities as provided in this chapter. The board
 16 shall consist of seven members to be placed within the
 17 department of commerce and consumer affairs for administrative
 18 purposes only. The board shall govern the Hawaii cannabis and
 19 hemp authority and appoint the executive director of the
 20 authority, who shall be responsible for administering and



1 enforcing laws related to the authority and each administrative
2 unit of the authority.

3 (b) The protection of public health and safety shall be
4 the highest priorities for the board in exercising licensing,
5 regulatory, and disciplinary functions under this chapter.

6 Whenever the protection of public health and safety is
7 inconsistent with other interests sought to be promoted, the
8 protection of public health and safety shall be paramount.

9 (c) The members of the board shall be appointed by the
10 governor, subject to confirmation by the senate pursuant to
11 section 26-34. The terms and the filling of a vacancy on the
12 board shall be as provided in section 26-34; provided that
13 initial appointments may be for less than four years to maintain
14 the board with staggered terms.

15 At minimum, the composition of the board shall include the
16 following:

17 (1) One member who shall have a professional background in
18 the hemp industry;

19 (2) One member who shall have professional experience in
20 oversight or industry management, including



1 commodities, production, or distribution, in the
2 cannabis industry;

3 (3) One member who shall have a professional background in
4 public health, mental health, substance abuse
5 treatment, or toxicology;

6 (4) One member who shall have a professional background in
7 public safety or law enforcement; and

8 (5) One member who shall have expertise in Hawaii's
9 agricultural community.

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

15 (e) A majority of all members to which the board is
16 entitled shall constitute a quorum to do business, and the
17 concurrence of a majority of all members shall be necessary to
18 make an action of the board valid.

19 (f) Regular meetings of the board shall be held no less
20 than once a month. Special meetings may be called by the
21 chairperson at any time by giving notice to each member present



1 in the State at least ten days before the date of the special
2 meeting; provided that notice shall not be required if all
3 members present in the State agree and sign a written waiver of
4 the notice. To promote efficiency in administration, the
5 chairperson shall divide or re-divide the work of the board
6 among the board members as the chairperson deems expedient.

7 (g) Any member of the board may be removed for cause by
8 vote of four of the board's members then in office.

9 For purposes of this subsection, "cause" includes without
10 limitation:

- 11 (1) Malfeasance in office;
- 12 (2) Failure to attend regularly held meetings;
- 13 (3) Sentencing for conviction of a felony, to the extent
14 allowed by section 831-2; or
- 15 (4) Any other cause that may render a member incapable or
16 unfit to discharge the duties of the board required
17 under this chapter.

18 Filing nomination papers for elective office or appointment to
19 elective office, or conviction of a felony consistent with
20 section 831-3.1, shall automatically and immediately disqualify
21 a board member from office.



1 (h) The members of the board shall serve without
2 compensation but shall be entitled to reimbursement for
3 expenses, including travel expenses, necessary for the
4 performance of their duties.

5 (i) At the first meeting where a quorum is established,
6 the board shall solicit nominees from its members to elect a
7 chairperson and a vice-chairperson from among its members who
8 shall be elected by majority vote. In the event of a tie, the
9 governor shall cast a tie-breaking vote. The chairperson and
10 vice-chairperson shall serve until their successors are elected.

11 **§A-13 Cannabis and hemp control board; powers and duties.**

12 The board shall have the following powers and duties as provided
13 for in this chapter to:

- 14 (1) Adopt a seal;
- 15 (2) Administer oaths and affirmations;
- 16 (3) Establish a procedure by which licenses or permits are
17 awarded pursuant to this chapter, including by
18 randomized lottery selection;
- 19 (4) Approve or deny applications, including renewal
20 applications and change in ownership applications, for
21 licenses or permits pursuant to this chapter;



- 1 (5) Suspend, cancel, or revoke for cause any license,
2 permit, or registration issued under this chapter;
- 3 (6) Conduct or commission studies regarding market
4 conditions and, on a periodic basis, determine the
5 maximum number of licenses that may be issued to meet
6 estimated production demand and facilitate a reduction
7 in the unauthorized distribution of cannabis;
- 8 (7) Establish and amend cannabis district boundaries to
9 ensure equal access to cannabis, especially for
10 medical use, and encourage the full participation in
11 the regulated cannabis industry from
12 disproportionately impacted areas;
- 13 (8) Adopt rules, which shall have the force and effect of
14 law; provided that unless otherwise provided in this
15 chapter, the rules shall be adopted pursuant to
16 chapter 91;
- 17 (9) Take appropriate action against a person who, directly
18 or indirectly, cultivates, processes, sells, or
19 purchases any cannabis without being authorized
20 pursuant to this chapter;



- 1 (10) Establish additional restrictions, requirements, or
2 conditions, consistent with those prescribed in this
3 chapter, relating to the standards and requirements
4 for cultivating, processing, packaging, advertising,
5 distributing, or dispensing cannabis or hemp,
6 including the ability to regulate ingredients, and the
7 types, forms, potency, and concentration of cannabis
8 products or hemp extract products that may be
9 processed or sold, to ensure the health and safety of
10 the public and the use of proper ingredients and
11 methods in the processing of all cannabis and hemp to
12 be sold or consumed in the State and to ensure that
13 cannabis products and hemp extract products are not
14 packaged, marketed, or otherwise sold in a way that
15 targets minors or promotes excessive use of cannabis
16 or cannabis use disorders;
- 17 (11) Appoint the executive director, not subject to chapter
18 76 or section 26-35(a)(4), and discharge the executive
19 director with or without cause by a majority vote of
20 all members of the board; provided that removal



- 1 without cause shall not prejudice any contract rights
2 of the executive director;
- 3 (12) Establish and amend a plan of organization that the
4 board considers expedient;
- 5 (13) Conduct hearings as required by law pursuant to
6 chapter 91; provided that the board may examine
7 witnesses and take testimony, receive and determine
8 the relevance of evidence, issue subpoenas, regulate
9 the course and conduct of the hearing, and make a
10 final ruling;
- 11 (14) Appoint hearing officers to conduct hearings as
12 provided by law and under conditions that the board
13 shall establish by rules. Each hearing officer shall
14 be deemed to be an agent of the board with all powers
15 associated with that designation;
- 16 (15) Establish a social equity program to encourage the
17 full participation in the regulated cannabis industry
18 from disproportionately impacted areas;
- 19 (16) Delegate to the chairperson of the board or the
20 executive director, subject to the board's control and
21 responsibility, powers and duties as may be lawful or



1 proper for the performance of the functions vested in
2 the board;

3 (17) Exercise the powers and perform the duties in relation
4 to the administration of the authority and board as
5 necessary but not specifically vested by this chapter,
6 including budgetary and fiscal matters; and

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

9 **§A-14 Executive director; powers and duties.** The
10 executive director shall have the following powers and duties:

11 (1) Exercise the powers and perform the duties in relation
12 to the administration of the authority that are not
13 specifically vested by this chapter in, or delegated
14 by, the board;

15 (2) Execute all instruments necessary or convenient for
16 accomplishing the purposes of this chapter;

17 (3) Enter into agreements or other transactions with a
18 person, including a public entity or other
19 governmental instrumentality or governmental authority
20 in connection with its powers and duties under this
21 chapter;



- 1 (4) Employ, subject to chapter 76, employees, permanent
2 and temporary, as required; provided that when, in the
3 determination of the executive director, the services
4 to be performed are unique and essential to the
5 execution of the functions of the authority, the
6 executive director may employ, not subject to chapter
7 76 or section 26-35(a) (4), officers and employees,
8 prescribe their duties and qualifications, and fix
9 their salaries;
- 10 (5) Apply for and accept, on behalf of the authority,
11 grants, loans, advances, and contributions of money or
12 property, or other things of value from any source, to
13 be held, used, and applied for the authority's
14 purposes;
- 15 (6) Set, charge, impose, and collect fees, fines, and
16 civil penalties as authorized by this chapter or rules
17 adopted pursuant to this chapter; provided that all
18 fees, fines, and civil penalties received by the
19 authority shall be deposited into the cannabis
20 regulation, nuisance abatement, and law enforcement
21 special fund;



- 1 (7) Enforce seizure, confiscation, or forfeiture pursuant
- 2 to this chapter or chapter 712A of any cannabis or
- 3 hemp not authorized under this chapter or rules
- 4 adopted pursuant to this chapter;
- 5 (8) Provide and pay for advisory services and technical
- 6 assistance as may be necessary in the executive
- 7 director's judgment to carry out this chapter as
- 8 provided by law;
- 9 (9) Develop and maintain a seed-to-sale tracking system;
- 10 (10) Be present, through the authority's inspectors and
- 11 agents, at any time, at the licensed premises of a
- 12 licensed business for the purposes of exercising the
- 13 authority's regulatory responsibilities or inspecting
- 14 the licensed premises and all equipment and supplies
- 15 located at the licensed premises;
- 16 (11) Seize and remove from the licensed premises of a
- 17 licensed business any cannabis, hemp, equipment,
- 18 supplies, documents, and records obtained or possessed
- 19 in violation of this chapter for the purpose of
- 20 examination and inspection;



- 1 (12) For cause, demand and be granted access to, for the
2 purposes of inspection, examination, photocopying, or
3 audit, all books, papers, and records of licensed
4 businesses; provided that the inspection, examination,
5 photocopying, and audit may take place on the licensed
6 business's licensed premises or elsewhere as
7 practicable and in the presence of the licensed
8 business or its agent;
- 9 (13) Register qualifying patients and qualifying out-of-
10 state patients for medical use of cannabis pursuant to
11 sections A-47 and A-48;
- 12 (14) Investigate violations of this chapter and,
13 notwithstanding any law to the contrary, violations of
14 chapter 322 or 342F that are related to cultivation,
15 processing, distribution, sales, dispensing,
16 consumption, possession, or use of cannabis or hemp,
17 including covert operations, and refer criminal
18 violations to the proper federal, state, or local
19 authorities for prosecution as appropriate.
20 Investigations of violations of chapter B shall be



- 1 referred to the director of taxation to hear and
2 determine complaints against any licensed business;
- 3 (15) Conduct background checks as necessary for the
4 purposes of implementing this chapter, including
5 criminal history record checks in accordance with
6 section 846-2.7;
- 7 (16) Gather facts and information applicable to the
8 authority's obligation to investigate applicants,
9 permittees, or licensed businesses for:
- 10 (A) A violation of this chapter or any rules adopted
11 pursuant to this chapter; or
- 12 (B) A wilful violation of an order of the board;
- 13 (17) Delegate the powers provided in this section to other
14 officers or employees of the authority as may be
15 deemed appropriate by the executive director;
- 16 (18) Exercise the powers and perform the duties as
17 delegated by the board;
- 18 (19) Advise and assist the board in carrying out any of its
19 functions, powers, and duties;
- 20 (20) Coordinate across state departments and agencies to
21 research and study any changes in cannabis use and the



- 1 impact that cannabis use and the number of licensed
2 businesses may have on access to cannabis, public
3 health, and public safety;
- 4 (21) Prepare, publish, and distribute, with or without
5 charge as the authority may determine, studies,
6 reports, guidance, bulletins, and other materials that
7 the authority considers appropriate;
- 8 (22) Implement the social equity program established by the
9 board;
- 10 (23) Create and maintain a publicly available directory of
11 the names and locations of medical cannabis
12 dispensaries, retail cannabis stores, and craft
13 cannabis dispensaries;
- 14 (24) Create a system whereby a licensed business can verify
15 the status of other licensed businesses;
- 16 (25) Develop forms, licenses, identification cards, and
17 applications as are necessary or convenient in the
18 discretion of the executive director for the
19 administration of this chapter or rules adopted
20 pursuant to this chapter;



- 1 (26) Administer and manage a state cannabis testing
- 2 facility; and
- 3 (27) Delegate powers and duties of the executive director
- 4 to other state or county departments or agencies
- 5 pursuant to memoranda of agreement for the purposes of
- 6 implementing the provisions of this chapter related to
- 7 administration, investigation, inspection, fee
- 8 collection, document management, education and
- 9 outreach, distribution of individual licenses approved
- 10 by the board, and technical assistance pertaining to
- 11 the cultivation of cannabis.

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

18 (b) The board may amend the interim rules to effectuate
19 the purposes of this chapter, and the amendments shall be exempt
20 from chapters 91 and 201M; provided that any amended interim
21 rules shall remain in effect until December 31, 2029, or until



1 rules are adopted pursuant to subsection (c), whichever occurs
2 sooner.

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

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

8 (1) Procedures for application that an applicant for a
9 license, permit, or registration must follow and
10 complete before consideration by the authority or
11 board;

12 (2) A schedule of fees including application, license,
13 permit, registration, and renewal fees, in amounts
14 necessary to pay for all regulation and enforcement
15 costs of the authority; provided that fees may be
16 relative to the volume of business conducted or to be
17 conducted by the licensed business;

18 (3) Qualifications for licensure or permitting and minimum
19 standards for employment that are directly and
20 demonstrably related to the operation of a licensed
21 business;



- 1 (4) Procedures and policies to promote and encourage full
2 participation in the regulated cannabis industry by
3 people from disproportionately impacted areas;
- 4 (5) Requirements for licensure, permitting, and
5 registration, including updating and renewing
6 licensure, permitting, and registration;
- 7 (6) Requirements for the information to be furnished by a
8 licensed business relating to the licensed business's
9 employees, any necessary registration requirements for
10 employees working at a licensed business, and
11 requirements that all licensed business employees be
12 properly trained in their respective professions as
13 necessary;
- 14 (7) Requirements for fingerprinting or other method of
15 identification for the purposes of criminal history
16 record checks as authorized by section 846-2.7;
- 17 (8) Procedures and grounds for penalties for violation of
18 this chapter, including the administrative hold,
19 suspension, or revocation of a license, permit, or
20 registration;



- 1 (9) Requirements for recordkeeping by a licensed business,
2 including the keeping of books, financial records,
3 statements, or other records of a licensed business;
- 4 (10) Requirements and procedures to track cannabis
5 cultivated, processed, transported, delivered,
6 distributed, dispensed, tested, sold, or destroyed by
7 licensed businesses;
- 8 (11) Requirements and procedures for the seed-to-sale
9 tracking system;
- 10 (12) Security requirements for a licensed business
11 sufficient to deter and prevent theft and unauthorized
12 entrance into restricted areas containing cannabis,
13 which shall include the use of security cameras;
14 provided that the requirements shall not prohibit the
15 cultivation of cannabis outdoors or in greenhouses;
- 16 (13) Requirements for liability insurance coverage for a
17 licensed business or requirements for other adequate
18 security against liabilities, including that a
19 licensed business place a certain sum in escrow to be
20 expended for coverage of liabilities;



- 1 (14) Requirements and procedures sufficient to ensure the
2 virtual separation of medical cannabis from adult-use
3 cannabis distributed by a cannabis processor or
4 dispensed by a retail cannabis store;
- 5 (15) Requirements and procedures to prevent the sale,
6 delivery, or transfer of cannabis to persons under the
7 age of twenty-one, or the purchase of cannabis on
8 behalf of a person under the age of twenty-one,
9 including a prohibition on persons under the age of
10 twenty-one entering the licensed premises of a
11 licensed business unless otherwise authorized for
12 medical use pursuant to this chapter;
- 13 (16) Standards for manufacturing or extracting cannabinoid
14 oil or butane hash oil;
- 15 (17) The circumstances, manner, and process by which a
16 licensed business may apply for a change in ownership,
17 including procedures and requirements to enable the
18 transfer of a license for a licensed business to
19 another qualified person or to another suitable
20 location subject to the board's approval;



- 1 (18) Health and safety standards, established in
- 2 consultation with the department of health and
- 3 department of agriculture, for the cultivation,
- 4 processing, distribution, and dispensing of cannabis,
- 5 including standards regarding sanitation for the
- 6 preparation, storage, handling, and sale of edible
- 7 cannabis products and compliance with chapter 321 and
- 8 health inspections by the department of health;
- 9 provided that the power to adopt rules pertaining to
- 10 the use of pesticides shall remain with the department
- 11 of agriculture;
- 12 (19) Requirements for the packaging of cannabis and hemp;
- 13 (20) Requirements for the potency or dosing limitations of
- 14 cannabis, including separate requirements for the
- 15 potency or dosing limitations of medical cannabis;
- 16 (21) Requirements for the labeling of a package containing
- 17 cannabis or hemp;
- 18 (22) Procedures and policies, in consultation with the
- 19 department of agriculture, to promote and encourage
- 20 full participation in the regulated cannabis industry
- 21 by farmers and agricultural businesses with emphasis



- 1 on promoting small farms, diversified agriculture, and
2 indigenous farming practices;
- 3 (23) Requirements for the safe disposal of excess,
4 contaminated, adulterated, or deteriorated cannabis;
- 5 (24) Requirements for advertising, marketing, and branding
6 cannabis and hemp;
- 7 (25) Requirements for a process allowing the executive
8 director to order a prohibition on the sale of
9 cannabis found to be detrimental to health or
10 especially appealing to persons under the age of
11 twenty-one;
- 12 (26) Requirements for a process allowing a cannabis
13 business to voluntarily submit a cannabis product, its
14 packaging, and intended marketing to the authority for
15 review of whether the cannabis product is especially
16 appealing to persons under the age of twenty-one;
- 17 (27) Energy and environmental standards for licensure and
18 licensure renewal of cannabis cultivators, cannabis
19 processors, craft cannabis dispensaries, medical
20 cannabis cooperatives, and hemp extract processors;



1 (28) Manners in which licensed premises shall be
2 constructed, arranged, furnished, equipped,
3 maintained, and operated;

4 (29) Classification of any cannabis-derived compound,
5 cannabinoid or hemp-derived compound, or cannabinoid;
6 and

7 (30) Prohibitions or restrictions on the use of a synthetic
8 cannabinoid or artificially derived cannabinoid in any
9 cannabis product or hemp product.

10 (b) For the purposes of this section:

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

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

19 (2) Cannabinoids that are produced by decarboxylation from
20 naturally occurring cannabinoid acid without the use
21 of a chemical catalyst.



1 "Synthetic cannabinoid" means a cannabinoid that is:
2 (1) Produced artificially, whether from chemicals or from
3 recombinant biological agents including yeast and
4 algae; and
5 (2) Not derived from the plant of the genus Cannabis,
6 including biosynthetic cannabinoids.

7 **SA-17 Cannabis regulation, nuisance abatement, and law**
8 **enforcement special fund; established.** (a) There shall be
9 established in the treasury of the State the cannabis
10 regulation, nuisance abatement, and law enforcement special fund
11 to be administered and expended by:

- 12 (1) The authority, for the implementation, administration,
13 and enforcement of this chapter by the authority;
14 (2) The department of the attorney general, for the
15 implementation and administration of the drug nuisance
16 abatement unit established by section 28-131 to
17 provide for the effective enforcement and prosecution
18 of those violations of the drug nuisance abatement
19 laws under part V of chapter 712 relating to cannabis;
20 and



1 (3) The department of law enforcement, for the
2 implementation and administration of the cannabis
3 enforcement unit established by section A-19.

4 (b) The following shall be deposited into the cannabis
5 regulation, nuisance abatement, and law enforcement special
6 fund:

7 (1) The tax collected pursuant to section B-7(1);

8 (2) Fees, fines, and civil penalties received pursuant to
9 this chapter and rules adopted pursuant to this
10 chapter;

11 (3) Appropriations made by the legislature to the special
12 fund;

13 (4) Interest earned or accrued on moneys in the special
14 fund; and

15 (5) Contributions, grants, endowments, or gifts in cash or
16 otherwise from any source, including licensed
17 businesses.

18 (c) Moneys on balance in the cannabis regulation, nuisance
19 abatement, and law enforcement special fund at the close of each
20 fiscal year shall remain in the special fund and shall not lapse
21 to the credit of the general fund.



1 **§A-18 Cannabis social equity, public health and education,**
2 **and public safety special fund; established.** (a) There shall
3 be established in the treasury of the State the cannabis social
4 equity, public health and education, and public safety special
5 fund to be administered and expended by the authority, for:

6 (1) The implementation and administration of the social
7 equity program as provided in part IX;

8 (2) Substance abuse prevention and treatment and
9 education, including preventing and treating substance
10 abuse among youth, controlling and treating substance
11 abuse, and educating the public about cannabis use and
12 laws, and for the implementation and administration of
13 the public health and education campaign and public
14 health and education grant program as provided in part
15 X;

16 (3) The implementation and administration of the public
17 safety grant program as provided in part XI; and

18 (4) The implementation and administration of the Hawaii
19 hemp grant program as provided in sections A-174 and
20 A-175.



1 (b) The following shall be deposited into the cannabis
2 social equity, public health and education, and public safety
3 special fund:

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

12 (c) Moneys on balance in the cannabis social equity,
13 public health and education, and public safety special fund at
14 the close of each fiscal year shall remain in the special fund
15 and shall not lapse to the credit of the general fund.

16 **SA-19 Cannabis enforcement unit; established.** (a) There
17 shall be established in the department of law enforcement the
18 cannabis enforcement unit, which shall have a primary mission to
19 prevent:

- 20 (1) The distribution of cannabis to persons under the age
21 of twenty-one, especially minors;



- 1 (2) Revenues from the sale of cannabis from going to
- 2 criminal enterprises, gangs, and cartels;
- 3 (3) The diversion of cannabis from the legal market;
- 4 (4) State-authorized cannabis activity from being used as
- 5 a cover or pretext for the trafficking of other
- 6 illegal drugs or activity, including money laundering;
- 7 (5) Violence and the use of firearms in the cultivation
- 8 and distribution of cannabis; and
- 9 (6) The cultivation of cannabis on public lands and the
- 10 attendant public safety and environmental dangers
- 11 posed by cannabis production on public lands.
- 12 (b) The cannabis enforcement unit shall provide law
- 13 enforcement assistance to the authority and board in the
- 14 investigation and enforcement of this chapter and criminal laws
- 15 relating to marijuana or marijuana concentrate, particularly
- 16 those involving the illicit cannabis trade.
- 17 (c) In providing law enforcement assistance to the
- 18 authority and board, any law enforcement officer of the cannabis
- 19 enforcement unit designated by the director of law enforcement
- 20 as an investigator or detective may:
- 21 (1) Carry firearms;



- 1 (2) Execute and serve search warrants, arrest warrants,
2 administrative inspection warrants, subpoenas, and
3 summonses issued under the authority of this State;
- 4 (3) Make arrests without warrant for any offense under
5 this chapter, chapter 329, and part IV of chapter 712
6 committed in the law enforcement officer's presence,
7 or if the law enforcement officer has probable cause
8 to believe that the person to be arrested has
9 committed or is committing a violation of this
10 chapter, chapter 329, or part IV of chapter 712 that
11 may constitute a crime;
- 12 (4) Make seizures of property pursuant to this chapter,
13 chapter 329, or chapter 712A; or
- 14 (5) Perform other law enforcement duties as the director
15 of law enforcement designates.
- 16 (d) Nothing in this chapter shall be construed to relieve
17 or diminish law enforcement officers of the department of law
18 enforcement of any authority or responsibility to enforce, or
19 prosecute under, criminal laws related to marijuana or marijuana
20 concentrate in the State, including this chapter, chapter 329,
21 and part IV of chapter 712.



1 **§A-20 County law enforcement and prosecution.** Nothing in
2 this chapter shall be construed to relieve or diminish county
3 law enforcement officers and prosecutors of any authority or
4 responsibility to enforce, or prosecute under, criminal laws
5 related to marijuana or marijuana concentrate, including this
6 chapter, chapter 329, and part IV of chapter 712, in their
7 respective counties.

8 **§A-21 Investigation by a law enforcement agency of**
9 **unlawful activity.** Notwithstanding any other law, the executive
10 director shall disclose any information, documents, and other
11 records regarding licensed businesses, upon request, to any
12 federal, state, or county agency engaged in the criminal
13 investigation or prosecution of violations of applicable
14 federal, state, or county laws or regulations related to the
15 operations or activities of licensed businesses.

16 **§A-22 Inspection; audits; reporting; authority.** (a) Any
17 licensed business shall:

18 (1) Be subject to an annual announced inspection and
19 unlimited unannounced inspections of its operations by
20 the authority; provided that inspections for license
21 renewals shall be unannounced;



1 (2) Submit reports on at least a quarterly basis, or as
2 otherwise required, and in the format specified by the
3 executive director; and

4 (3) Annually cause an independent financial audit, at the
5 licensed business's own expense, to be conducted of
6 the accounts, funds, programs, activities, and
7 functions of the licensed business. The licensed
8 business shall submit the audit's findings to the
9 executive director. All audits shall be conducted in
10 accordance with generally accepted auditing standards
11 established by the American Institute of Certified
12 Public Accountants. The executive director may
13 require a response, in writing, to the audit results.
14 The response shall be made to the executive director
15 within fifteen calendar days of notification.

16 (b) The authority and attorney general may examine all
17 records required to be kept or filed under this chapter, and
18 books, papers, and records of any person engaged in the business
19 of cultivating, processing, distributing, dispensing, selling,
20 or transferring cannabis or restricted cannabinoid products, to
21 verify compliance with this chapter and chapter B. Every person



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

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



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

17 **§A-23 Forfeiture; confiscation and seizure; disposition.**

18 (a) Any cannabis or restricted cannabinoid product unlawfully
19 cultivated, processed, possessed, kept, stored, retained, held,
20 owned, received, transported, imported, or caused to be
21 imported, acquired, distributed, sold, or offered for sale in



1 violation of this chapter may be seized and confiscated by the
2 attorney general and ordered forfeited pursuant to chapter 712A.

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

12 (c) Any cannabis or restricted cannabinoid product
13 forfeited as provided in this section shall be ordered
14 destroyed.

15 **SA-24 County authority.** (a) Each county may, by
16 amendment of their zoning ordinances, pursuant to the powers
17 granted under section 46-4, place reasonable restrictions on the
18 location of licensed businesses.

19 (b) Nothing in this chapter shall be construed to
20 supersede or in any manner affect a county smoking ordinance;



1 provided that the ordinance is at least as protective of the
2 rights of nonsmokers as this chapter.

3 **§A-25 Contracts pertaining to lawful operation of a**
4 **cannabis business; enforceable.** Notwithstanding any other law
5 to the contrary, contracts related to lawful activities
6 authorized by this chapter shall be enforceable. A contract
7 entered into by a cannabis business, or by those who allow
8 property to be used by a cannabis business, shall not be
9 unenforceable or void solely for the reason that the activity
10 permitted by this chapter is prohibited by federal law.

11 **§A-26 Provision of professional services to a cannabis**
12 **business.** A person engaged in a profession or occupation
13 subject to state or county licensure shall not be subject to
14 disciplinary action by a professional licensing authority solely
15 for providing professional services to a cannabis business
16 related to activity permitted by this chapter.

17 **§A-27 Authority employees; background checks.** (a) The
18 authority shall conduct background checks, which may include
19 criminal history record checks in accordance with section
20 846-2.7, on:

21 (1) Current or prospective members of the board;

- 1 (2) Current or prospective employees of the authority; and
- 2 (3) Current or prospective contractors or subcontractors
- 3 and employees of current or prospective contractors or
- 4 subcontractors of the authority.

5 The authority shall develop procedures for conducting
6 background checks.

7 (b) The authority may refuse to employ or deny employment
8 to an applicant or terminate or refuse to secure the services of
9 any contractor or subcontractor if the person has been convicted
10 of a crime, and if the executive director finds by reason of the
11 nature and circumstances of the crime that the person poses a
12 risk to the integrity of the authority; provided that the
13 authority shall not refuse to employ or deny employment to an
14 applicant or terminate or refuse to secure the services of any
15 contractor or subcontractor if the person's conviction:

- 16 (1) Is pardoned or expunged;
- 17 (2) Resulted in a term of probation, incarceration, or
- 18 supervised release that was completed more than ten
- 19 years ago; or
- 20 (3) Is solely for a marijuana-related offense, unless the
- 21 offense involved a minor, including the offense under



1 section 712-1249.6, or a firearm, including the
2 offense under section 134-7(b).

3 (c) Refusal, revocation, or termination may occur only
4 after appropriate investigation and notification to the current
5 or prospective employee, contractor, or subcontractor of results
6 and planned action, and after the current or prospective
7 employee, contractor, or subcontractor is given an opportunity
8 to meet and rebut the finding. Nothing in this section shall
9 abrogate any applicable appeal rights under chapter 76 or 89.

10 **§A-28 Annual report; report on criminal offenses.** No
11 later than twenty days prior to the convening of the regular
12 session of 2026, and every year thereafter, the executive
13 director shall submit a report to the governor and legislature
14 on the establishment and regulation of cannabis businesses. The
15 report shall cover the information during the prior fiscal year
16 and, at a minimum, include the following information:

17 (1) The number of applications for each type of license
18 and permit submitted to the authority pursuant to this
19 chapter, including, if applicable, the number of
20 applications for license and permit renewals;



- 1 (2) The total number of each type of license and permit
2 issued pursuant to this chapter that is actively held
3 by a licensed business;
- 4 (3) The total square footage of plant canopy approved by
5 the board for cannabis cultivation and the percentage
6 of active cannabis cultivation by cultivation tier;
- 7 (4) The total amount of application fees and license,
8 permit, and registration fees collected pursuant to
9 this chapter and the total amount of the tax revenue
10 collected on the sale of cannabis;
- 11 (5) The total reported volume and value of cannabis
12 cultivated by all cannabis cultivators;
- 13 (6) The total reported volume and value of cannabis
14 distributed and dispensed by all licensed businesses;
- 15 (7) The number of inspections of licensed businesses
16 performed by the authority and the results of those
17 inspections, including the number of inspections
18 resulting in license violations and the percentage of
19 all licensed businesses inspected;
- 20 (8) The number of license violations committed by licensed
21 businesses and a breakdown of those violations into



1 specific categories based on the type of violation and
2 the outcome of the violation, including the total
3 amount of monetary penalties imposed and collected by
4 the authority and the percentage of total license
5 violations resulting in the imposition of a monetary
6 penalty, administrative hold, license suspension, or
7 license revocation;

8 (9) Public health and safety data, including accidental
9 ingestion by minors and cannabis-related driving
10 accidents, collected, received, or analyzed by the
11 authority; and

12 (10) Recommendations, including any proposed legislation,
13 to address any issues with the regulation of the
14 cannabis industry in the State encountered by the
15 authority, departments, or agencies.

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

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

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



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

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

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

9 (c) Notwithstanding any law to the contrary, in addition
10 to an adequate supply of cannabis, a qualifying patient or the
11 patient's caregiver may lawfully possess jointly between them,
12 in their private residences or at the licensed premises of a
13 medical cannabis cooperative of which the qualifying patient is
14 a member, up to one pound of cannabis produced by their
15 cultivation of cannabis for medical use pursuant to section
16 A-42; provided that no more than two pounds of any cannabis in
17 total, whether for medical use or personal adult use, shall be
18 stored at any private residence, regardless of the number of
19 people residing there.

20 (d) All medical cannabis shall be stored in a sealed
21 child-resistant and resealable packaging with original labels



1 and not easily accessible to any person under the age of
2 twenty-one unless that person is a medical cannabis patient.

3 (e) All cannabis shall be transported in a sealed
4 container, shall not be visible to the public, and shall not be
5 removed from its sealed container or consumed or used in any way
6 while in a public place or vehicle.

7 (f) The medical use of cannabis alone shall not disqualify
8 a person from any needed medical procedure or treatment,
9 including organ and tissue transplants, unless in the judgment
10 of the health care provider the use of cannabis increases the
11 risk for an adverse outcome from the procedure or treatment.

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

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

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

18 (1) Possess, plant, or cultivate no more than ten living
19 cannabis plants, whether mature or immature, for
20 medical use only; and



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

4 (b) The personal cultivation of cannabis for medical use
5 shall only be permitted within, or on the grounds of, the
6 private residence of a qualifying patient or the patient's
7 caregiver, or on the licensed premises of a medical cannabis
8 cooperative of which the qualifying patient is a member;
9 provided that no more than ten plants, whether mature or
10 immature and whether for medical use or personal adult use,
11 shall be cultivated at a private residence at any time
12 regardless of the number of qualifying patients, caregivers, or
13 other people residing at the private residence.

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

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

20 (e) A landlord, condominium association, planned community
21 association, or similar association may limit or prohibit the



1 personal cultivation of cannabis for medical use through
2 contracts, lease or rental agreements, bylaws, or rules.

3 (f) The board shall adopt rules pursuant to this chapter
4 to establish requirements and restrictions for the personal
5 cultivation of cannabis for medical use, including manners in
6 which cannabis may be cultivated or processed and further
7 restrictions necessary to ensure that the personal cultivation
8 of cannabis for medical use is not utilized for unlicensed
9 illicit activity; provided that any rules adopted by the board
10 shall not completely or essentially prohibit the personal
11 cultivation of cannabis for medical use.

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

15 (1) The qualifying patient has been diagnosed by, and is
16 under the continuing care of, a certifying medical
17 professional as having a debilitating medical
18 condition;

19 (2) The qualifying patient's certifying medical
20 professional has issued a written certification for
21 the qualifying patient;



1 (3) The qualifying patient has paid the required fee for
2 registration;

3 (4) The qualifying patient has registered with the
4 authority pursuant to section A-47; and

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

8 (b) Subsection (a) shall not apply to a qualifying patient
9 under the age of eighteen, unless:

10 (1) The qualifying patient's certifying medical
11 professional has explained the potential risks and
12 benefits of the medical use of cannabis to the
13 qualifying patient and a parent, guardian, or person
14 having legal custody of the qualifying patient; and

15 (2) A parent, guardian, or person having legal custody of
16 the qualifying patient consents in writing to:

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

19 (B) Serve as the qualifying patient's caregiver; and



1 (C) Control the acquisition, dosage, and frequency of
2 the medical use of cannabis by the qualifying
3 patient.

4 **SA-44 Reciprocity with other states; qualifying out-of-**
5 **state patients.** (a) Notwithstanding any law to the contrary,
6 the medical use of cannabis by a qualifying out-of-state patient
7 who is at least eighteen years of age shall be authorized only
8 if the qualifying out-of-state patient:

9 (1) Is legally authorized to use cannabis for medical
10 purposes in another state, the District of Columbia,
11 or a United States territory;

12 (2) Attests under penalty of law pursuant to section
13 710-1063 that the condition for which the qualifying
14 out-of-state patient is legally authorized to use
15 cannabis for medical purposes is a debilitating
16 medical condition;

17 (3) Provides consent for the authority to obtain
18 information from the qualifying out-of-state patient's
19 certifying physician or advanced practice registered
20 nurse and from the entity that issued the medical
21 cannabis authorization for the purpose of allowing the



- 1 authority to verify the information provided in the
2 registration process;
- 3 (4) Pays the required fee for out-of-state registration;
- 4 (5) Registers with the authority pursuant to section A-48;
- 5 (6) Receives a medical cannabis registration card from the
6 authority; and
- 7 (7) Abides by all laws relating to the medical use of
8 cannabis, including not possessing amounts of cannabis
9 that exceed an adequate supply.
- 10 (b) The medical use of cannabis by a qualifying
11 out-of-state patient under the age of eighteen shall be
12 permitted only if:
- 13 (1) The caregiver of the qualifying out-of-state patient
14 provides the information required pursuant to, and
15 abides by the requirements of, subsection (a); and
- 16 (2) The caregiver of the qualifying out-of-state patient
17 consents in writing to:
- 18 (A) Allow the qualifying out-of-state patient's
19 medical use of cannabis;



1 (B) Undertake the responsibility for managing the
2 well-being of the qualifying out-of-state patient
3 with respect to the medical use of cannabis; and

4 (C) Control the acquisition, dosage, and frequency of
5 the medical use of cannabis by the qualifying
6 out-of-state patient.

7 **§A-45 Limitation; scope of medical use of cannabis.** The
8 authorization for the medical use of cannabis in this part shall
9 not apply to:

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

12 (2) The medical use of cannabis:

13 (A) In a school vehicle, public transportation, or
14 any vehicle;

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

16 (C) On any school grounds;

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

19 (E) In or on any land, facility, building, or vehicle
20 owned, controlled, or operated by the State or
21 any county;



1 (F) In or on any federal fort or arsenal, national
2 park or forest, any other federal enclave, or any
3 other property owned, controlled, or operated by
4 the federal government; or
5 (G) At any other place open to the public, including
6 smoking or vaping cannabis in public as
7 prohibited by chapter 328J;
8 provided that a caregiver may administer a medical
9 cannabis product that is not intended for inhalation
10 to a medical cannabis patient under the age of twenty-
11 one on school grounds and in a vehicle; provided
12 further that a college or university may authorize the
13 medical use of cannabis by persons who are at least
14 twenty-one years of age on the grounds of or within
15 the college or university in accordance with this
16 chapter, but shall allow medical use of cannabis by a
17 college or university faculty member or student while
18 the faculty member or student is within faculty or
19 student housing; and



1 (3) The medical use of cannabis by any person that is not
2 a medical cannabis patient, including a parent or
3 caregiver.

4 **SA-46 Written certifications; qualifying patients.** (a) A
5 qualifying patient shall have a valid written certification from
6 a certifying medical professional stating that in the certifying
7 medical professional's professional opinion:

8 (1) The qualifying patient has a debilitating medical
9 condition; and

10 (2) The potential benefits of the medical use of cannabis
11 would likely outweigh the health risks of cannabis use
12 for the qualifying patient.

13 (b) The board shall adopt rules pursuant to this chapter
14 to establish procedures and requirements for a written
15 certification; provided that a written certification shall:

16 (1) Include the name, address, patient identification
17 number, and other identifying information of the
18 qualifying patient;

19 (2) Be valid for one year from the time of signing;
20 provided that the board may allow for the validity of
21 any written certification for up to three years if the



1 qualifying patient's certifying medical professional
2 states that the qualifying patient's debilitating
3 medical condition is chronic in nature;

4 (3) Be in a form prescribed by the authority and completed
5 by or on behalf of a qualifying patient; and

6 (4) Be issued and certified by a certifying medical
7 professional who has a bona fide physician-patient
8 relationship or bona fide advanced practice registered
9 nurse-patient relationship, as applicable, with the
10 qualifying patient.

11 **SA-47 Registration; qualifying patients; caregivers.** (a)

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

15 (1) Every qualifying patient shall:

16 (A) Provide sufficient identifying information to
17 establish their personal identity;

18 (B) Provide the address of the location where the
19 qualifying patient or the patient's caregiver
20 intends to cultivate cannabis for medical use
21 pursuant to section A-42; provided that if the



1 qualifying patient or patient's caregiver intends
2 to cultivate cannabis for medical use at a
3 medical cannabis cooperative pursuant to section
4 A-117, the license number and documentation
5 verifying that the qualifying patient is a valid
6 member of the medical cannabis cooperative shall
7 be required; and

8 (C) Report a change in any information provided to
9 the authority for registration within ten working
10 days of the change;

11 (2) The registration form prescribed by the authority
12 shall require information from the qualifying patient,
13 the patient's caregiver, and the patient's certifying
14 medical professional as specifically required by this
15 chapter or rules adopted pursuant to this section;

16 (3) The authority shall issue to the qualifying patient a
17 medical cannabis registration card and may charge a
18 fee for the registration in an amount set in rules by
19 the board; and



1 (4) The registration shall be effective until the
2 expiration of the written certification provided by
3 the certifying medical professional.

4 (b) The caregiver of a qualifying patient shall register
5 with the authority. The board shall adopt rules to establish
6 procedures and requirements for the registration of caregivers;
7 provided that:

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

10 (2) No caregiver shall be registered for more than one
11 qualifying patient at any given time; provided that
12 the authority may permit the parent, guardian, or
13 person having legal custody of more than one
14 qualifying patient who is under the age of eighteen to
15 be the caregiver for each of the qualifying patients
16 who are under the age of eighteen and in their legal
17 custody; and

18 (3) Every qualifying patient shall have only one
19 caregiver; provided that the authority may permit the
20 parents, guardians, or persons having legal custody of



1 a qualifying patient who is under the age of eighteen
2 to each register as caregivers.

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

11 (d) This section shall not apply to registration of a
12 qualifying out-of-state patient or a caregiver of a qualifying
13 out-of-state patient.

14 **§A-48 Registration; qualifying out-of-state patients;**
15 **caregivers.** (a) A qualifying out-of-state patient shall
16 register with the authority. The board shall adopt rules to
17 establish procedures and requirements for registration of
18 qualifying out-of-state patients; provided that:

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

20 (A) Provide a valid government-issued medical
21 cannabis card or any equivalent certificate



1 issued by another state, the District of
2 Columbia, or a United States territory;

3 (B) Provide a valid photographic identification card
4 or driver's license issued by the same
5 jurisdiction that issued the medical cannabis
6 card; and

7 (C) Have a debilitating medical condition;

8 (2) The registration shall be effective for no more than
9 sixty days and may be renewed for no more than one
10 additional sixty-day period that begins no later than
11 twelve months after the preceding registration date;
12 provided that the authority shall not register any
13 qualifying out-of-state patient for a period that
14 exceeds the term of validity of the qualifying
15 out-of-state patient's authority for the medical use
16 of cannabis in their home jurisdiction; and

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

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

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

7 (2) In the case of any qualifying out-of-state patient who
8 is under the age of eighteen, the authority shall
9 register the qualifying out-of-state patient and the
10 patient's caregiver; provided that the authority may
11 register two caregivers for a qualifying out-of-state
12 patient if each caregiver is the parent, guardian, or
13 person having legal custody of the qualifying
14 out-of-state patient who is under the age of eighteen.

15 (c) Upon inquiry by a law enforcement agency, the
16 authority shall immediately verify whether a person who is the
17 subject of the inquiry has registered with the authority and
18 shall 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) The board may temporarily suspend the registration of
2 qualifying out-of-state patients or their caregivers for a
3 period of up to thirty days if the board determines that the
4 registration process for qualifying patients or their caregivers
5 is being adversely affected or the supply of cannabis for
6 medical use available in medical cannabis dispensaries and
7 retail cannabis stores is insufficient to serve both qualifying
8 patients and qualifying out-of-state patients. A temporary
9 suspension may be extended by thirty-day periods until the board
10 determines that:

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

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

17 **SA-49 Certifying medical professionals.** (a) The board
18 shall adopt rules to establish requirements for certifying
19 medical professionals.

20 (b) No certifying medical professional shall be subject to
21 arrest or prosecution, penalized in any manner, or denied any



1 right or privilege for providing a written certification for the
2 medical use of cannabis for a qualifying patient; provided that:

- 3 (1) The certifying medical professional has diagnosed the
4 patient as having a debilitating medical condition;
- 5 (2) The certifying medical professional has explained the
6 potential risks and benefits of the medical use of
7 cannabis; and
- 8 (3) The written certification is based upon the certifying
9 medical professional's professional opinion after
10 having completed a full assessment of the qualifying
11 patient's medical history and current medical
12 condition made in the course of a bona fide
13 physician-patient relationship or bona fide advanced
14 practice registered nurse-patient relationship, as
15 applicable.

16 (c) For purposes of this part, a bona fide
17 physician-patient relationship may be established via
18 telehealth, as defined in section 453-1.3(j), and a bona fide
19 advanced practice registered nurse-patient relationship may be
20 established via telehealth, as defined in section 457-2;
21 provided that certifying a patient for the medical use of

1 cannabis via telehealth shall be allowed only after an initial
2 in-person consultation between the certifying medical
3 professional and patient.

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

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

6 Notwithstanding any other provision of law to the contrary,
7 except as limited by this chapter, beginning January 1, 2026, it
8 shall be lawful for persons who are at least twenty-one years of
9 age to:

- 10 (1) Smoke, ingest, or consume adult-use cannabis;
- 11 (2) Purchase, transport, or possess up to one ounce of
12 cannabis flower and up to five grams of adult-use
13 cannabis products as calculated using information
14 provided pursuant to section A-113(d);
- 15 (3) Within a person's private residence only, possess up
16 to ten ounces of adult-use cannabis produced by their
17 personal cultivation of cannabis pursuant to section
18 A-52; provided that no more than two pounds of
19 cannabis in total, whether for medical use or personal
20 adult use, shall be stored at any private residence,
21 regardless of the number of people residing there; and



1 (4) Purchase, obtain, transport, or possess cannabis
2 accessories.

3 (b) All adult-use cannabis shall be stored in a sealed
4 child-resistant and resealable packaging with original labels
5 and not easily accessible to any person under the age of
6 twenty-one.

7 (c) No school shall refuse to enroll or otherwise
8 penalize, and no landlord shall refuse to lease property to or
9 otherwise penalize, a person solely for the person's personal
10 adult use of cannabis under this part, unless failing to do so
11 would cause the school or landlord to lose a monetary or
12 licensing-related benefit under federal law or regulation;
13 provided that the person strictly complied with the requirements
14 of this part.

15 (d) For the purposes of medical care, including organ
16 transplants, a person's personal adult use of cannabis in
17 compliance with this part shall be considered the equivalent of
18 the use of any other medication under the direction of a
19 physician and shall not constitute the use of an illicit
20 substance or otherwise disqualify a person from medical care.



1 (e) No person shall be denied custody, visitation, or
2 parenting time with a minor for conduct allowed under this
3 chapter and no presumption of neglect or child endangerment
4 shall arise therefrom; provided that this subsection shall not
5 apply if the person's conduct creates a danger to the safety of
6 the minor as established by a preponderance of the evidence.

7 (f) Except as provided in this chapter, the State and any
8 of its political subdivisions shall not impose any discipline
9 upon an employee or deny an employee any benefit or entitlement
10 for conduct permitted under this chapter or for the presence of
11 cannabinoids or cannabinoid metabolites in the urine, blood,
12 saliva, breath, hair, or other tissue or fluid of a person who
13 is at least twenty-one years of age, unless the failure to do so
14 would cause the State or any of its political subdivisions to
15 lose a monetary or licensing-related benefit under a contract or
16 federal law, or otherwise violate federal law. This subsection
17 shall not be construed to prohibit the State or any of its
18 political subdivisions from conducting drug testing and using
19 the results of those tests for the discipline of an employee if
20 the testing is done to comply with federal requirements or in
21 accordance with the applicable collective bargaining agreement.



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

2 Notwithstanding any other provision of law to the contrary,
3 except as limited by this part, beginning January 1, 2026, it
4 shall be lawful for persons who are at least twenty-one years of
5 age to:

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

9 (2) Harvest, dry, and process the cannabis produced by the
10 plants under paragraph (1) for personal adult use
11 only.

12 (b) Personal cultivation of adult-use cannabis shall only
13 be permitted within, or on the grounds of, a person's private
14 residence; provided that no more than ten plants, whether mature
15 or immature and whether for medical use or for personal adult
16 use, shall be cultivated at a private residence at any time
17 regardless of the number of people residing at the private
18 residence.

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



1 (d) Cannabis plants cultivated for personal adult use
2 shall not be visible to the public without the use of
3 technology.

4 (e) A landlord, condominium association, planned community
5 association, or similar association may limit or prohibit the
6 personal cultivation of adult-use cannabis through contracts,
7 lease or rental agreements, bylaws, or rules.

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

15 **§A-53 Limitation; scope of personal adult use of cannabis.**

16 The authorization for the personal adult use of cannabis in this
17 part shall not apply to:

- 18 (1) Any use of cannabis that endangers the health or
19 well-being of another person;
- 20 (2) Any use of cannabis:



- 1 (A) In a school vehicle, public transportation, or
- 2 any vehicle;
- 3 (B) In the workplace of one's employment;
- 4 (C) On any school grounds;
- 5 (D) At any public park, beach, or recreation or youth
- 6 center;
- 7 (E) In or on any land, facility, building, or vehicle
- 8 owned, controlled, or operated by the State or
- 9 any county;
- 10 (F) In or on any federal fort or arsenal, national
- 11 park or forest, any other federal enclave, or any
- 12 other property owned, controlled, or operated by
- 13 the federal government; or
- 14 (G) At any other place open to the public, including
- 15 smoking or vaping cannabis in public as
- 16 prohibited by chapter 328J;
- 17 provided that a college or university may authorize
- 18 the use of adult-use cannabis on the grounds of or
- 19 within the college or university in accordance with
- 20 this chapter, but shall allow the use of adult-use
- 21 cannabis by a college or university faculty member or

1 student while the faculty member or student is within
2 faculty or student housing; and

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

5 **§A-54 Cannabis accessories; authorized.** (a)

6 Notwithstanding any other provision of law to the contrary, it
7 shall be lawful for persons who are at least twenty-one years of
8 age to manufacture, possess, possess with intent to distribute,
9 or purchase cannabis accessories, or distribute or sell cannabis
10 accessories to persons who are at least twenty-one years of age.

11 (b) This section is intended to meet the requirements of
12 title 21 United States Code section 863(f) by authorizing, under
13 state law, any person in compliance with this chapter to
14 manufacture, possess, or distribute cannabis accessories.

15 **PART V. UNLAWFUL CONDUCT**

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

17 **offense.** (a) No person shall intentionally or knowingly use
18 butane to extract cannabinoids or any compound from cannabis or
19 hemp.

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

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

3 **§A-62 Unlawful sale of cannabis; persons under the age of**
4 **twenty-one; criminal offense.** (a) It shall be unlawful to sell
5 cannabis to a person under the age of twenty-one unless that
6 person is a medical cannabis patient.

7 (b) All persons engaged in the retail sale of cannabis, as
8 authorized under this chapter, shall check the government-issued
9 photographic identification of a cannabis purchaser to establish
10 the age of the purchaser before the sale of cannabis.

11 (c) The fact that the defendant sold cannabis to a person
12 under the age of twenty-one is prima facie evidence that the
13 defendant knew the transferee to be a person under the age of
14 twenty-one.

15 (d) It shall be an affirmative defense to subsection (a)
16 that the licensed seller of cannabis had requested, examined,
17 and reasonably relied upon a government-issued photographic
18 identification establishing the cannabis purchaser's age as at
19 least twenty-one years of age before selling cannabis to the
20 person. The failure of a seller to request and examine a
21 government-issued photographic identification pursuant to



1 subsection (b) shall be construed against the seller and form a
2 conclusive basis for the seller's violation of subsection (a).

3 (e) Any person who violates subsection (a) shall be guilty
4 of a misdemeanor.

5 **§A-63 Criminal offenses; records; expungement.** (a)

6 Records relating to the arrest, criminal charge, or conviction
7 of a person for an offense under chapter 329, part IV of chapter
8 712, or any other offense, the basis of which is an act
9 permitted by this chapter or decriminalized under Act ,
10 Session Laws of Hawaii 2024, including the possession of
11 marijuana, shall be ordered to be expunged in accordance with
12 the provisions of this section.

13 (b) Beginning January 1, 2026:

14 (1) A person arrested for or charged with an offense under
15 chapter 329, part IV of chapter 712, or any other
16 offense, the basis of which is an act permitted by
17 this chapter or decriminalized under Act ,
18 Session Laws of Hawaii 2024, including the possession
19 or distribution of marijuana, shall have the right to
20 petition the attorney general, at any time and without
21 limitation to the number of petitions a person may



1 file, for the expungement of the person's records
 2 relating to the arrest or criminal charge pursuant to
 3 procedures established by the attorney general; and
 4 (2) A person convicted for an offense under chapter 329,
 5 part IV of chapter 712, or any other offense, the
 6 basis of which is an act permitted by this chapter or
 7 decriminalized under Act _____, Session Laws of Hawaii
 8 2024, shall have the right to petition the appropriate
 9 court of record, at any time and without limitation to
 10 the number of petitions a person may file, for the
 11 expungement of the person's records relating to the
 12 conviction and review and adjustment of the person's
 13 sentence pursuant to procedures established by the
 14 judiciary.

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

16 **§A-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 pursuant to this chapter; provided that a hemp cultivator shall
2 hold a valid license to produce hemp issued by the United States
3 Secretary of Agriculture and be in compliance with section A-
4 132.

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

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
14 authority or board pursuant to this chapter or rules adopted
15 pursuant to this chapter shall constitute an unfair method of
16 competition and unfair or deceptive act or practice pursuant to
17 section 480-2 and shall be subject to a civil penalty as
18 provided in section 480-3.1. Each package of cannabis or
19 restricted cannabinoid product sold in violation of this part
20 shall constitute a separate violation.



1 **§A-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 provided that this paragraph shall not apply to an
10 applicant for a license pursuant to part VIII;

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

13 (4) Has not been convicted of a felony; provided that a
14 conviction:

15 (A) That is pardoned or expunged;

16 (B) That resulted in a term of probation,
17 incarceration, or supervised release that was
18 completed more than ten years preceding the
19 application; or

20 (C) Solely for a marijuana-related offense, unless
21 the offense involved a minor, including the



1 offense under section 712-1249.6, or a firearm,
2 including the offense under section 134-7(b),
3 shall not disqualify a person from applying for a
4 license; and

5 (5) Has not had any license, permit, certificate,
6 registration, or other government-issued authorization
7 related to cannabis or hemp revoked in any
8 jurisdiction.

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

11 (1) Every officer, director, manager, and general partner
12 of the applying business entity or any person who has
13 the power to direct the management, policies, and
14 practices of the applying business entity:

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

16 (B) Is a natural person who has been a legal resident
17 of the State for no less than five years
18 preceding the date of application; provided that
19 this subparagraph shall not apply to an applicant
20 for a license pursuant to part VIII;



- 1 (C) Has not been convicted of a felony; provided that
- 2 a conviction:
- 3 (i) That is pardoned or expunged;
- 4 (ii) That resulted in a term of probation,
- 5 incarceration, or supervised release that
- 6 was completed more than ten years preceding
- 7 the application; or
- 8 (iii) Solely for a marijuana-related offense,
- 9 unless the offense involved a minor,
- 10 including the offense under section
- 11 712-1249.6, or a firearm, including the
- 12 offense under section 134-7(b),
- 13 shall not disqualify a person from applying for a
- 14 license; and
- 15 (D) Has not had any license, permit, certificate,
- 16 registration, or other government-issued
- 17 authorization related to cannabis or hemp revoked
- 18 in any jurisdiction; and
- 19 (2) The applying business entity:
- 20 (A) Is controlled by a majority of the shares,
- 21 membership interests, partnership interests, or



1 other equity ownership interests that is held or
2 owned by natural persons who are legal residents
3 of the State or by business entities whose owners
4 are all natural persons who are legal residents
5 of the State; provided that this subparagraph
6 shall not apply to an applicant for a license
7 pursuant to part VIII;

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

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

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

13 (E) Has a federal employer identification number.

14 (d) An applicant shall disclose in or include with its
15 application the names and addresses of the applicant and all
16 persons having a direct or indirect financial interest in the
17 applied-for license and the nature and extent of the financial
18 interest held by each person and the nature and extent of any
19 financial interest the person has in any other license applied
20 for or issued under this chapter.



1 (e) An applicant shall complete all application forms
2 prescribed by the authority fully and truthfully and comply with
3 all information requests by the authority relating to the
4 license application.

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

9 (g) The board may adopt rules to require additional
10 criteria for licensure for the purposes of protecting the public
11 health and safety, promoting sustainability and agriculture, and
12 encouraging the full participation in the regulated cannabis
13 industry from disproportionately impacted areas.

14 (h) For purposes of this section, "sustainability" has the
15 same meaning as in section 226-2.

16 **§A-73 Ownership restrictions.** No person shall be issued
17 or have any direct or indirect interest in more than three
18 licenses for each class of license, but no more than nine
19 licenses in total; provided that no person:

20 (1) Holding a license pursuant to this chapter, or having
21 a direct or indirect interest in a cannabis



1 cultivator, cannabis processor, hemp cultivator, hemp
2 extract processor, medical cannabis dispensary, or
3 retail cannabis store, shall be issued a license for,
4 or have any direct or indirect interest in, an
5 independent laboratory, a craft cannabis dispensary,
6 or a medical cannabis cooperative;

7 (2) Holding a license for, or having a direct or indirect
8 interest in, an independent laboratory shall be issued
9 a license for, or have any direct or indirect interest
10 in, any other licensed business authorized under this
11 chapter or rules adopted pursuant to this chapter;

12 (3) Holding a license for, or having a direct or indirect
13 interest in, a craft cannabis dispensary shall be
14 issued a license for, or have any direct or indirect
15 interest in, any other licensed business authorized
16 under this chapter or rules adopted pursuant to this
17 chapter; and

18 (4) Holding a license for, or having a direct or indirect
19 interest in, a medical cannabis cooperative shall be
20 issued a license for, or have any direct or indirect
21 interest in, any other licensed business authorized



1 under this chapter or rules adopted pursuant to this
2 chapter.

3 **§A-74 Criminal history background check.** (a) The
4 following shall be subject to background checks conducted by the
5 authority or its designee, which may include criminal history
6 record checks in accordance with section 846-2.7:

7 (1) Each applicant for a license or permit, including
8 every officer, director, manager, and general partner
9 of an applying business entity or any person who has
10 the power to direct the management, policies, and
11 practices of the applying business entity;

12 (2) Each current or prospective employee of a licensed
13 business;

14 (3) Each current or prospective contractor of a licensed
15 business; and

16 (4) Each current or prospective laboratory agent of an
17 independent laboratory.

18 (b) A person who is required to undergo a background check
19 shall provide written consent and all applicable processing fees
20 to the authority or its designee to conduct the background
21 check.



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

2 The board shall adopt rules to establish procedures for
3 licensure application, review, approval, and denial, including
4 an application fee for each license.

5 (b) The board shall set an open application period for
6 each available license. The authority shall not accept an
7 application outside the open application period.

8 (c) The authority shall publish a notice of the open
9 application period on its website no less than thirty calendar
10 days before the start of the application period. The notice
11 shall contain:

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

13 (2) The number of licenses available for each class of
14 license;

15 (3) The application criteria for each class of license
16 available; and

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

20 (d) The authority shall review and investigate whether the
21 information submitted in the application is complete and valid



1 and meets the criteria required pursuant to this chapter or
2 rules adopted pursuant to this chapter, and whether the
3 applicant is otherwise disqualified pursuant to this chapter or
4 rules adopted pursuant to this chapter.

5 (e) If an application form is incomplete or invalid, the
6 authority may request additional information or documentation;
7 provided that if an applicant fails to cure an incomplete or
8 invalid application within a timeframe prescribed by the
9 authority, the application shall be deemed withdrawn, and the
10 application fee shall be forfeited to the authority.

11 (f) Upon completion of the review and investigation of the
12 applications submitted for each open application period, the
13 authority shall refer any application that meets the criteria
14 required under this chapter or rules adopted pursuant to this
15 chapter and is not otherwise disqualified pursuant to this
16 chapter or rules adopted pursuant to this chapter to the board
17 with its findings.

18 (g) The board shall approve or deny the applications in
19 accordance with this chapter and rules adopted pursuant to this
20 chapter; provided that the board may deny an application that
21 meets all of the criteria required for a license if the



1 application was not selected to be approved pursuant to the
2 selection procedure published in the notice pursuant to
3 subsection (c).

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

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

15 **SA-76 License term; renewal.** (a) All licenses under this
16 chapter shall be effective for one year from the date of
17 issuance and may be renewed annually pursuant to this section.
18 The board shall adopt rules to set forth requirements and
19 procedures for the submission, processing, and approval of a
20 renewal application, including a renewal application fee.



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

10 (c) In addition to the review and verification of the
11 information and documentation submitted by the applicant, the
12 authority shall conduct an unannounced inspection of the
13 applicant to verify compliance as required by subsection (b).

14 (d) Upon submission of the renewal application fee and
15 verification that the applicant meets the requirements under
16 subsection (b), the authority shall renew the applicant's
17 license.

18 (e) If the authority determines that the applicant is
19 disqualified for renewal for any reason, the authority shall
20 refer the renewal application to the board with its findings.
21 Upon the board's determination to deny the renewal application,



1 the board shall notify the applicant in writing of the denial
2 and the basis for the denial or, if held for further action, the
3 conditions for approval. The failure to meet the conditions set
4 by the board shall result in denial of the renewal application.

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

13 (g) A licensee that files a renewal application and pays
14 all required fees under this section before the expiration of
15 the license may continue to operate under that license
16 notwithstanding its expiration until the authority or board
17 takes final action on the renewal application, unless the board
18 suspends or revokes the license before taking final action on
19 the renewal application.

20 (h) Except as provided in subsection (g), upon expiration
21 of a license, the licensed business shall immediately cease all



1 activities previously authorized by the license and ensure that
2 all cannabis in the licensed business's possession is forfeited
3 to the authority for destruction pursuant to section A-92.

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

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

9 (b) The board shall adopt rules to establish procedures
10 and requirements for the submission of a license transfer,
11 reorganization, or restructuring application and standards for
12 the approval or denial of the application.

13 (c) A licensed business may apply to the authority, on the
14 form prescribed by the authority, for approval to transfer
15 ownership interests in the license, reorganize its ownership
16 structure, or restructure its business entity.

17 (d) A person seeking to assume an ownership interest in
18 the licensed business, a new proposed officer, director,
19 manager, or general partner of the licensed business, or anyone
20 who seeks to assume any power to directly or indirectly control
21 the management, policies, and practices of the licensed business



1 shall demonstrate that the person meets all applicable criteria
2 and requirements for licensure pursuant to this chapter and
3 rules adopted pursuant to this chapter, including the background
4 checks and ownership restrictions.

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

9 **§A-78 Fees; disposition of fees.** All fees charged
10 pursuant to this chapter or rules adopted pursuant to this
11 chapter shall be paid to the authority in the form required by
12 the authority. All fees collected under this chapter or rules
13 adopted pursuant to this chapter shall be deposited in the
14 cannabis regulation, nuisance abatement, and law enforcement
15 special fund established in section A-17.

16 **§A-79 Licensed business operations.** (a) The board shall
17 adopt rules to establish requirements for the operation of a
18 licensed business.

19 (b) In addition to requirements established by any other
20 provision of this chapter and rules adopted pursuant to this
21 chapter, a licensed business shall secure:



- 1 (1) Every entrance to the restricted areas of the licensed
2 premises so that access to restricted areas is
3 restricted to employees and others permitted by law to
4 access the restricted area; and
- 5 (2) The business's inventory and equipment during and
6 after operating hours to deter and prevent theft of
7 cannabis.
- 8 (c) No licensed business shall cultivate, process, store,
9 or test cannabis at any location other than within an area that
10 is enclosed and secured in a manner that prevents access by
11 persons not authorized to access the restricted area. A
12 greenhouse or outdoor cannabis cultivation area shall have
13 sufficient security measures to demonstrate that outdoor areas
14 are not readily accessible by unauthorized individuals,
15 including perimeter security fencing designed to prevent
16 unauthorized entry.
- 17 (d) No licensed business shall refuse employees or agents
18 of the authority the right at any time of operation to inspect
19 the entire licensed premises or to audit the books, papers, and
20 records of the licensed business.



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

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

6 (1) That is pardoned or expunged;

7 (2) That resulted in a term of probation, incarceration,
8 or supervised release that was completed more than ten
9 years preceding the date the person begins employment;
10 or

11 (3) 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 the age of twenty-one shall not enter a
2 licensed business; provided that a medical cannabis patient who
3 is at least eighteen years of age may enter a medical cannabis
4 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 the age of twenty-one 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 Cannabis businesses; labor peace agreements.** (a)

5 Each applicant for a license to operate a cannabis business and
6 each holder of a license or permit to operate a cannabis
7 business shall enter into, maintain, and abide by the terms of a
8 labor peace agreement. This labor peace agreement requirement
9 shall be an ongoing material condition of the license or permit,
10 of which a violation may result in denial, suspension, or
11 revocation of the license or permit.

12 (b) All applicants for an initial cannabis business
13 license or permit shall submit an attestation signed by the
14 applicant and bona fide labor organization stating that the
15 applicant meets the requirement under subsection (a) and has
16 entered into, maintains, and is abiding by the terms of the
17 labor peace agreement. All applicants for a cannabis business
18 license renewal or permit renewal shall submit a new labor peace
19 agreement attestation executed within days of the
20 submission date of the renewal application. An applicant's



1 failure to submit a timely labor peace agreement attestation
2 shall result in a denial of the license or permit.

3 (c) The authority shall determine a schedule establishing
4 the ongoing review of the status and maintenance of the labor
5 peace agreement required pursuant to this section to assess the
6 eligibility of a license holder or permit holder. Upon review
7 and findings of unsatisfactory status or the insufficient
8 maintenance of a labor peace agreement, the authority shall
9 suspend the license or permit for the sale, cultivation,
10 production, or manufacturing of cannabis.

11 (d) For purposes of determining whether a labor
12 organization meets the definition of a "bona fide labor
13 organization", the authority shall consider each of the
14 following as indicative, but not determinative, of a finding
15 that a labor organization is a bona fide labor organization:

16 (1) The labor organization has been recognized or
17 certified as the bargaining representative for
18 employees of cannabis businesses in the State;

19 (2) The labor organization has executed current collective
20 bargaining agreements with cannabis businesses in the
21 State;



- 1 (3) The labor organization has spent resources as part of
2 current and active attempts to organize and represent
3 employees at cannabis businesses in the State;
- 4 (4) The labor organization has filed the annual report
5 required by title 29 United States Code section 431(b)
6 for the three years immediately preceding each filing
7 deadline;
- 8 (5) The labor organization has audited financial reports
9 covering the three years immediately preceding each
10 filing deadline;
- 11 (6) The existence of written bylaws or constitution for
12 the three years immediately preceding each filing
13 deadline; and
- 14 (7) The labor organization's affiliation with any national
15 or regional association of unions, including but not
16 limited to central labor councils.
- 17 (e) For purposes of this section:
- 18 "Bona fide labor organization" means a labor organization,
19 as defined under title 29 United States Code section 402(i),
20 that is actively seeking to represent employees of cannabis
21 businesses in the State.



1 "Labor peace agreement" means an agreement between a
2 cannabis business and bona fide labor organization that, at a
3 minimum, protects the State's proprietary interests by
4 prohibiting the labor organization from engaging in picketing,
5 work stoppages, or boycotts against the cannabis business.

6 **SA-82 Laboratory standards and testing.** (a) No person or
7 licensed business shall distribute, dispense, or otherwise sell
8 cannabis or hemp unless the cannabis or hemp has been tested and
9 shown to meet the requirements and standards established under
10 this chapter and rules adopted pursuant to this chapter for
11 content, contamination, and consistency.

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

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

18 (2) Mandatory laboratory testing for cannabis flower and
19 hemp flower that shall include testing for:

20 (A) Dangerous molds and mildew;



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



1 (c) A licensed business shall maintain a record of all
2 laboratory testing that includes a description of the cannabis
3 or hemp provided to the independent laboratory, the identity of
4 the independent laboratory, and the results of the test.

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

11 **§A-83 Packaging.** (a) No cannabis or hemp shall be
12 distributed, dispensed, or otherwise sold unless it is packaged
13 in accordance with this section and rules adopted pursuant to
14 this chapter.

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

18 (1) Require the packaging to be opaque and certified
19 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 under the age of twenty-one;
- 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 pursuant to this chapter.



1 **SA-84 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 cannabis
11 cultivator or cannabis processor who produced the
12 cannabis;

13 (3) The results of sampling, testing, and analysis
14 conducted by an independent laboratory;

15 (4) A list of pharmacologically active ingredients and
16 possible allergens;

17 (5) The number of servings in the package if there are
18 multiple servings;

19 (6) The amount of cannabinoids in the package and in each
20 serving as expressed in absolute terms and as a
21 percentage of volume;



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

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

16 **SA-85 Cannabis and cannabis product standards.** (a) The
 17 board shall adopt rules to establish requirements, restrictions,
 18 and standards regarding the types, ingredients, and designs of
 19 cannabis, including potency limits and limits on servings per
 20 package; provided that each cannabis product shall be registered
 21 with the authority on forms prescribed by the authority.



1 (b) Edible cannabis products shall not be designed to
2 resemble commercially available candy or other products marketed
3 to children. The words "candy" and "candies" shall not be used
4 on 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 **§A-86 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 a manner that is deemed to be deceptive, false, or
21 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
6 under the age of twenty-one;
- 7 (3) A prohibition on advertising, marketing, and branding
8 that utilizes statements, designs, representations,
9 pictures, or illustrations that portray anyone under
10 the age of twenty-one;
- 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 under the age of
15 twenty-one;
- 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 restricted cannabinoid products;
- 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 pursuant to this chapter;
- 10 (8) A reasonable restriction on timing and use of
11 illuminated external signage, which shall comply with
12 any other applicable provisions of law, including
13 local ordinances and requirements, and a prohibition
14 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 materials for cannabis accurately and legibly
5 identify the licensed business responsible for its
6 content, by adding, at a minimum, the licensed
7 business's name and license number.

8 (b) No person, other than the holder of a license or
9 permit issued pursuant to this chapter or rules adopted pursuant
10 to this chapter 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-87 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 the age of
4 twenty-one are not allowed on the licensed premises
5 unless they are a medical cannabis patient who is at
6 least eighteen years of age;
- 7 (2) All cannabis businesses that are open to the public
8 conspicuously post a sign in or about the licensed
9 premises notifying all customers and other persons of
10 the dangers of, and possible sanctions that may be
11 imposed for, operating a vehicle under the influence
12 of cannabis;
- 13 (3) All cannabis businesses that are open to the public
14 conspicuously post a sign in or about the licensed
15 premises notifying all customers and other persons
16 that the possession and sale of cannabis is illegal
17 under federal law and a person is subject to federal
18 law while traveling interisland; and
- 19 (4) Every license and permit issued and in effect under
20 this chapter shall at all times be conspicuously



1 posted to view, convenient for inspection, on the
2 licensed premises.

3 **§A-88 Seed-to-sale tracking system.** (a) The authority
4 shall establish, maintain, and control a seed-to-sale tracking
5 system that shall have real-time, twenty-four-hour access to the
6 data of all licensed businesses. The board shall adopt rules
7 pursuant to this chapter to establish procedures and
8 requirements for the seed-to-sale tracking system.

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

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

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

20 (3) The amount of waste produced by each plant at harvest;
21 and



1 (4) The transport of cannabis between cannabis businesses,
2 including tracking the quantity and type of cannabis,
3 the identity of the person transporting the cannabis,
4 and the make, model, and license number of the vehicle
5 being used for the transport.

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

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

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

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

20 (e) A cannabis business shall purchase, operate, and
21 maintain a computer software tracking system that shall



1 interface with the authority's seed-to-sale tracking system
2 established pursuant to subsection (a) and allow each cannabis
3 business to submit to the authority any required data.

4 **§A-89 Violations; penalties.** (a) In addition to any
5 other penalties allowed by law, any person who violates this
6 chapter or rules adopted pursuant to this chapter shall be fined
7 no more than \$1,000 for each separate violation. Unless
8 otherwise provided by applicable law, each day on which a
9 violation occurs or continues shall be counted as a separate
10 violation.

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

20 (c) Any person aggrieved by the imposition of an
21 administrative penalty may request a contested case hearing



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

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

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



1 (e) All monetary penalties imposed pursuant to this
2 chapter shall be paid by the person to the authority in the form
3 required by the authority. All monetary penalties paid to the
4 authority pursuant to this chapter shall be deposited into the
5 cannabis regulation, nuisance abatement, and law enforcement
6 special fund established in section A-17.

7 **SA-90 License; permit; suspension; revocation.** (a) In
8 addition to any other actions authorized by law, the board may
9 suspend or revoke any license or permit issued by the authority
10 or board under this chapter or rules adopted pursuant to this
11 chapter for violating this chapter, rules adopted pursuant to
12 this chapter, chapter B, or for any good cause, including:

- 13 (1) Procuring a license or permit through fraud,
14 misrepresentation, or deceit;
- 15 (2) Professional misconduct, gross carelessness, or
16 manifest incapacity;
- 17 (3) False, fraudulent, or deceptive advertising;
- 18 (4) Any other conduct constituting fraudulent or dishonest
19 dealings;
- 20 (5) Failure to comply with an order from the authority or
21 board; and

1 (6) Making a false statement on any document submitted or
2 required to be filed by this chapter, including
3 furnishing false or fraudulent material information in
4 any application.

5 (b) The board shall adopt rules to establish procedures
6 and standards for the suspension and revocation of a license or
7 permit.

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

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



1 be taken from the board's final order pursuant to a contested
2 case.

3 (e) A licensed business whose license or permit has been
4 suspended shall not, for the duration of the period of
5 suspension, engage in any activities relating to the operation
6 of the licensed business, including:

7 (1) Distributing, dispensing, selling, transferring,
8 transporting, or otherwise disposing of any cannabis
9 or hemp owned by or in the possession of the licensed
10 business; or

11 (2) Processing any cannabis or hemp.

12 (f) A person whose license or permit has been revoked
13 shall immediately cease all activities relating to the operation
14 of the licensed business and ensure that all cannabis or hemp
15 owned by or in the possession of the person pursuant to that
16 license or permit shall be forfeited to the authority for
17 destruction pursuant to section A-92.

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

1 **§A-91 Relinquishment no bar to jurisdiction.** The
2 forfeiture, nonrenewal, surrender, voluntary relinquishment, or
3 abandonment of a license or permit issued by the authority or
4 board under this chapter or rules adopted pursuant to this
5 chapter shall not bar jurisdiction by the authority or board to
6 proceed with any investigation, action, or proceeding to
7 restrict, condition, limit, suspend, or revoke the license or
8 permit, or otherwise penalize a licensed business or an
9 individual licensee, or both.

10 **§A-92 Forfeiture; destruction.** (a) In addition to any
11 other actions authorized by law, the board may order the
12 forfeiture and destruction of all or a portion of the cannabis
13 or hemp, owned by or in the possession of a licensed business,
14 if it makes a determination that the cannabis or hemp is not
15 authorized by, or is in violation of, this chapter.

16 (b) The board shall adopt rules to establish procedures
17 and standards for the forfeiture and destruction of cannabis or
18 hemp.

19 (c) If the authority determines that a violation by a
20 licensed business warrants forfeiture and destruction of all or
21 a portion of the cannabis or hemp owned by or in the possession



1 of that licensed business, the authority shall refer the matter
2 to the board with its findings. Upon the board's determination
3 to order the forfeiture and destruction of cannabis or hemp, the
4 board shall provide the licensed business with a written notice
5 and order describing the basis for the forfeiture and
6 destruction, a description of the cannabis or hemp subject to
7 forfeiture and destruction, and a timeframe in which the
8 cannabis or hemp must be forfeited.

9 (d) A licensed business subject to an order directing the
10 destruction of any cannabis or hemp owned by or in the
11 possession of the licensed business shall forfeit the cannabis
12 or hemp described in the order to the authority for destruction
13 within the timeframe described in the order.

14 (e) Any person aggrieved by the board's forfeiture and
15 destruction determination may request a contested case hearing
16 pursuant to chapter 91. To request a contested case hearing,
17 the person shall submit a written request to the board within
18 thirty calendar days of the date of the written notice and order
19 of the forfeiture and destruction. Appeal to the circuit court
20 under section 91-14, or any other applicable statute, shall only



1 be taken from the board's final order pursuant to a contested
2 case.

3 (f) If the authority is notified by a law enforcement
4 agency that there is a pending investigation of a licensed
5 business subject to an order for forfeiture and destruction of
6 cannabis or hemp, the authority shall not destroy any cannabis
7 or hemp of that licensed business until the destruction is
8 approved by the law enforcement agency.

9 **§A-93 Administrative holds.** (a) In addition to any other
10 actions authorized by law, the authority may impose an
11 administrative hold on a licensed business if there are
12 reasonable grounds to believe the licensed business has
13 committed or is committing a violation of this chapter or rules
14 adopted pursuant to this chapter.

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

18 (1) Include a statement of the basis for the
19 administrative hold;

20 (2) Detail the cannabis or hemp subject to the
21 administrative hold;



1 (3) Describe any operational restrictions to be placed on
2 the licensed business during the duration of the
3 administrative hold; and

4 (4) Indicate actions that must be taken by the licensed
5 business as a result of the administrative hold.

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

8 (d) A licensed business subject to an administrative hold
9 shall physically segregate, in a limited access area approved by
10 the authority, any cannabis or hemp subject to the
11 administrative hold from any other cannabis or hemp not subject
12 to the administrative hold.

13 (e) For the duration of the administrative hold, the
14 licensed business shall not sell, transfer, transport,
15 distribute, dispense, dispose of, or destroy any cannabis or
16 hemp subject to the administrative hold, but may, as applicable,
17 cultivate or otherwise maintain any cannabis plants or hemp
18 plants subject to the administrative hold unless specifically
19 restricted by the authority.

20 (f) A licensed business subject to an administrative hold,
21 for the duration of the administrative hold, shall maintain the



1 licensed premises and may otherwise continue to operate the
2 licensed business in compliance with this chapter, rules adopted
3 pursuant to this chapter, and the provisions of the
4 administrative hold. Except as specifically restricted by the
5 authority, the licensed business may, for the duration of the
6 administrative hold, cultivate, process, distribute, or dispense
7 any cannabis or hemp not subject to the administrative hold
8 pursuant to its license or permit.

9 (g) The authority may terminate an administrative hold at
10 any time following the imposition of the administrative hold;
11 provided that an administrative hold under this section shall
12 not be imposed for a period exceeding thirty business days from
13 the date the written notice is issued. The authority shall
14 provide the licensed business with written notice of the
15 termination of an administrative hold.

16 **SA-94 Liability to the State under this chapter as debt.**

17 (a) Any liability to the State under this chapter shall
18 constitute a debt to the State. Once a statement naming a
19 licensed business as a debtor is recorded, registered, or filed,
20 the debt shall constitute a lien on all commercial property
21 owned by the licensed business in the State and shall have



1 priority over an encumbrance recorded, registered, or filed with
2 respect to any property.

3 (b) If a lien imposed by subsection (a) is properly
4 recorded, registered, or filed, and three hundred sixty-five
5 calendar days have elapsed from the date of recording,
6 registration, or filing with no response or action by the debtor
7 against whom the lien was recorded, registered, or filed, the
8 executive director may apply to the circuit court to have the
9 lien converted into a civil judgment. The circuit court shall
10 issue a civil judgment for an amount equivalent to the value of
11 the lien.

12 **§A-95 Unauthorized access to a restricted area; criminal**
13 **offense.** (a) No person shall intentionally or knowingly enter
14 or remain in a restricted area unless the person is:

- 15 (1) An individual licensee or registered employee of the
16 licensed business;
- 17 (2) A government employee or official acting in the
18 person's official capacity; or
- 19 (3) Escorted by an individual licensee or registered
20 employee of the licensed business at all times while
21 in the restricted area; provided that:



- 1 (A) The person is at least twenty-one years of age,
2 as verified by a valid government-issued
3 identification card;
- 4 (B) The person is only permitted within those
5 portions of the restricted area as necessary to
6 fulfill the person's purpose for entering;
- 7 (C) The person is only permitted within the
8 restricted area during the times and for the
9 duration necessary to fulfill the person's
10 purpose for entering; and
- 11 (D) The licensed business shall keep a photographic
12 copy of the valid government-issued
13 identification card and an accurate record of the
14 date and times upon the person's entering and
15 exiting the restricted area, the purpose for
16 entering, and the identity of the escort.
- 17 (b) No individual licensee or registered employee of the
18 licensed business with control over or responsibility for the
19 licensed premises shall intentionally or knowingly allow another
20 person to enter or remain in a restricted area, unless that



1 person is permitted to enter and remain as specified in
2 subsection (a).

3 (c) Any person who violates this section shall be guilty
4 of a petty misdemeanor.

5 **§A-96 Diversion from a licensed business; criminal**

6 **offense.** (a) A person commits the offense of diversion from a
7 licensed business if the person is a licensed business or an
8 operator, agent, or employee of a licensed business and
9 intentionally or knowingly diverts to the person's own use or
10 other unauthorized or illegal use, or takes, makes away with, or
11 conceals, with intent to divert to the person's own use or other
12 unauthorized or illegal use, any cannabis under the person's
13 possession, care, or custody as a licensed business or an
14 operator, agent, or employee of a licensed business.

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

17 **§A-97 Alteration or falsification of licensed business**

18 **records; criminal offense.** (a) A person commits the offense of
19 alteration or falsification of licensed business records if the
20 person intentionally or knowingly:



- 1 (1) Makes or causes a false entry in licensed business
- 2 records;
- 3 (2) Alters, deletes, destroys, erases, obliterates, or
- 4 removes a true entry in licensed business records;
- 5 (3) Omits to make a true entry in licensed business
- 6 records in violation of a duty that the person knows
- 7 to be imposed upon the person by law or by the nature
- 8 of the person's position; or
- 9 (4) Prevents the making of a true entry or causes the
- 10 omission of a true entry in licensed business records.
- 11 (b) Alteration or falsification of licensed business
- 12 records shall be a class C felony.
- 13 (c) For the purposes of this section:
- 14 "Electronic" means relating to technology having
- 15 electrical, digital, magnetic, wireless, optical,
- 16 electromagnetic, or other similar capabilities.
- 17 "Information" includes data, text, images, sounds, codes,
- 18 computer programs, software, or databases.
- 19 "Licensed business records" means any inventory tracking
- 20 records and other records maintained by a licensed business that



1 are required by law to be created and retained or provided to
2 the authority or department of taxation.

3 "Record" means information that is written or printed or
4 that is stored in an electronic or other medium and is
5 retrievable in a perceivable form.

6 **§A-98 Unlawful restricted cannabinoid product retailing.**

7 (a) A person required to obtain a restricted cannabinoid
8 product permit commits the offense of unlawful restricted
9 cannabinoid product retailing if the person recklessly fails to
10 obtain a valid permit required under section A-119 and
11 recklessly distributes, sells, or offers for sale any restricted
12 cannabinoid product or possesses, stores, or acquires any
13 restricted cannabinoid product for the purpose of distribution,
14 sale, or offering for sale.

15 (b) Unlawful restricted cannabinoid product retailing
16 shall be a petty misdemeanor; provided that any offense under
17 subsection (a) that occurs within five years of a prior
18 conviction for unlawful restricted cannabinoid product retailing
19 shall be a misdemeanor.

20 **§A-99 Law enforcement access to licensed business records.**

21 Notwithstanding any other law, a licensed business shall



1 disclose information, documents, tax records, and other records
2 regarding the licensed business's operation, upon request, to
3 any federal, state, or county agency engaged in the
4 administrative regulation, criminal investigation, or
5 prosecution of violations of applicable federal, state, or
6 county laws or regulations related to the operations or
7 activities of a licensed business.

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

9 **§A-111 Independent laboratory; license required.** (a) An
10 independent laboratory license shall authorize the sampling,
11 limited possession, and testing of cannabis and hemp pursuant to
12 this chapter and rules adopted pursuant to this chapter.

13 (b) The board shall adopt rules for the licensure,
14 operations, and oversight of independent laboratories, including
15 protocols for the sampling, testing, and analysis of cannabis
16 and hemp. The rules shall address sampling and analysis related
17 to cannabinoid profiles and biological and chemical
18 contaminants, including terpenoids, pesticides, plant growth
19 regulators, metals, microbiological contaminants, mycotoxins,
20 and residual solvents introduced through cultivation of cannabis



1 plants or hemp plants and post-harvest processing and handling
2 of cannabis, hemp, or any related ingredients.

3 (c) An independent laboratory shall report any results
4 indicating contamination to the authority within seventy-two
5 hours of identification of contamination.

6 (d) No independent laboratory shall have a direct or
7 indirect interest, including by stock ownership, interlocking
8 directors, mortgage or lien, personal or real property,
9 management agreement, shared parent companies or affiliated
10 organizations, or any other means, in any other type of licensed
11 business authorized by this chapter or rules adopted pursuant to
12 this chapter.

13 (e) No other licensed business shall have a direct or
14 indirect interest, including by stock ownership, interlocking
15 directors, mortgage or lien, personal or real property,
16 management agreement, shared parent companies or affiliated
17 organizations, or any other means, in an independent laboratory.

18 (f) No individual who possesses an interest in or is a
19 laboratory agent employed by an independent laboratory, and no
20 immediate family member of that individual, shall possess an
21 interest in or be employed by any other licensed business



1 authorized by this chapter or rules adopted pursuant to this
2 chapter.

3 (g) No independent laboratory, laboratory agent, or
4 employee of an independent laboratory shall receive direct or
5 indirect compensation, other than reasonable contractual fees to
6 conduct testing, from any entity for which it is conducting
7 testing pursuant to this chapter or rules adopted pursuant to
8 this chapter.

9 (h) An independent laboratory shall:

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

11 (2) Notify the authority within one working day if a
12 laboratory agent ceases to be associated with the
13 independent laboratory.

14 (i) No one who has been convicted of a felony drug offense
15 shall be a laboratory agent or an employee of an independent
16 laboratory. The authority shall conduct criminal history record
17 checks of laboratory agents and employees of an independent
18 laboratory in accordance with section 846-2.7, and the board may
19 adopt rules to establish standards and procedures to enforce
20 this subsection.



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

8 (1) Registered with the authority; and

9 (2) Acting in accordance with all the requirements under
10 this chapter and rules adopted pursuant to this
11 chapter.

12 **§A-112 Cannabis cultivator; license required.** (a) A
13 cannabis cultivator license shall authorize:

14 (1) The acquisition and cultivation of cannabis plants,
15 seeds, cuttings, or clones; and

16 (2) The distribution of cannabis plants and cannabis
17 flower to:

18 (A) A cannabis cultivator;

19 (B) A cannabis processor;

20 (C) A medical cannabis dispensary; and

21 (D) A retail cannabis store.



1 (b) A cannabis cultivator shall track the cannabis it
2 cultivates from acquisition to testing, distribution, or
3 destruction.

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

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

12 (e) A cannabis cultivator shall comply with all laws and
13 rules applicable to an agricultural operation, including laws
14 and rules regarding pesticide use, water use, and the
15 environment, and all other requirements and standards as
16 prescribed by rules adopted by the board. The requirements and
17 standards prescribed by the board shall be guided by sustainable
18 farming principles and practices, such as organic, regenerative,
19 and integrated pest management models to the extent possible;
20 limit the use of pesticides, whenever possible; and encourage
21 the use of renewable energies or resources.



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

- 5 (1) A cannabis processor;
6 (2) A medical cannabis dispensary; and
7 (3) A retail cannabis store.

8 (b) A cannabis processor shall track the cannabis it
9 processes from acquisition to testing, distribution, or
10 destruction.

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

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

19 **§A-114 Medical cannabis dispensary; license required.** (a)
20 A medical cannabis dispensary license shall authorize:
21 (1) The acquisition and possession of cannabis;



1 (2) The distribution of cannabis to a retail cannabis
2 store or medical cannabis dispensary; and

3 (3) The dispensing of cannabis from the licensed premises
4 only to medical cannabis patients or their caregivers.

5 (b) A medical cannabis dispensary shall track all cannabis
6 it possesses from acquisition to testing, distribution,
7 dispensing, or destruction.

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

11 (d) Notwithstanding any other law to the contrary, a
12 medical cannabis dispensary shall not be subject to the
13 prescription requirement of section 329-38 or the board of
14 pharmacy licensure or regulatory requirements under chapter 461.

15 **§A-115 Retail cannabis store; license required.** (a) A
16 retail cannabis store license shall authorize:

17 (1) The acquisition and possession of cannabis;

18 (2) The distribution of cannabis to a retail cannabis
19 store or medical cannabis dispensary;

20 (3) The dispensing of adult-use cannabis from the licensed
21 premises to consumers; and



1 (4) The dispensing of cannabis from the licensed premises
2 to medical cannabis patients or their caregivers.

3 (b) A retail cannabis store shall ensure adequate access
4 and product supply to accommodate medical cannabis patients.

5 The board shall adopt rules to implement this section, including
6 requirements for:

7 (1) Priority access or business hours, or both, for
8 medical cannabis patients; and

9 (2) Product supply to ensure medical cannabis patients
10 have access to the cannabis used to treat their
11 debilitating medical condition.

12 (c) A retail cannabis store shall track all cannabis it
13 possesses from acquisition to testing, distribution, dispensing,
14 or destruction.

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

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



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

2 A craft cannabis dispensary license shall authorize the limited:

3 (1) Acquisition and cultivation of cannabis plants, seeds,
4 cuttings, or clones, and possession and processing of
5 adult-use cannabis;

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

7 (A) A cannabis processor;

8 (B) A medical cannabis dispensary; and

9 (C) A retail cannabis store; and

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

12 (b) A craft cannabis dispensary shall distribute only its
13 own cannabis.

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

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

18 (e) No craft cannabis dispensary shall have a direct or
19 indirect interest, including by stock ownership, interlocking
20 directors, mortgage or lien, personal or real property,
21 management agreement, shared parent companies or affiliated



1 organizations, or any other means, in any other licensed
2 business authorized by this chapter or rules adopted pursuant to
3 this chapter, including another craft cannabis dispensary.

4 (f) No licensed business shall have a direct or indirect
5 interest, including by stock ownership, interlocking directors,
6 mortgage or lien, personal or real property, management
7 agreement, shared parent companies or affiliated organizations,
8 or any other means, in any craft cannabis dispensary.

9 (g) A craft cannabis dispensary shall track all cannabis
10 it possesses from acquisition to testing, distribution,
11 dispensing, or destruction.

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

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



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

2 (a) A medical cannabis cooperative license shall authorize the
3 cultivation, possession, and processing of cannabis for medical
4 use only on the licensed premises, and limited dispensing of
5 medical cannabis only by and between the members of the medical
6 cannabis cooperative.

7 (b) A medical cannabis cooperative shall be comprised of
8 up to five qualifying patients. A medical cannabis cooperative
9 member shall be a natural person and shall not be a member of
10 more than one medical cannabis cooperative. A qualifying
11 out-of-state patient shall not be a member of a medical cannabis
12 cooperative.

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

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

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



1 (f) No medical cannabis cooperative shall operate on the
2 same premises as any other licensed business, including another
3 medical cannabis cooperative.

4 (g) No medical cannabis cooperative member shall have a
5 direct or indirect financial or controlling interest in any
6 other licensed business authorized by this chapter or rules
7 adopted pursuant to this chapter, including another medical
8 cannabis cooperative.

9 (h) No medical cannabis cooperative shall have a direct or
10 indirect interest, including by stock ownership, interlocking
11 directors, mortgage or lien, personal or real property,
12 management agreement, shared parent companies or affiliated
13 organizations, or any other means, in any other licensed
14 business authorized by this chapter or rules adopted pursuant to
15 this chapter, including another medical cannabis cooperative.

16 (i) No other licensed business authorized by this chapter
17 or rules adopted pursuant to this chapter shall have a direct or
18 indirect interest, including by stock ownership, interlocking
19 directors, mortgage or lien, personal or real property,
20 management agreement, shared parent companies or affiliated



1 organizations, or any other means, in any medical cannabis
2 cooperative.

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

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

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

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

- 18 (1) Special event and social consumption permits;
- 19 (2) Trucking permits to allow for the trucking or
- 20 transportation of cannabis by a person other than a
- 21 licensed business; and

1 (3) Restricted cannabinoid product permits that allow for
2 the distribution, dispensing, or sale of a restricted
3 cannabinoid product.

4 PART VIII. HEMP

5 §A-131 Restricted cannabinoid product list. (a) The
6 authority shall create and maintain a list of restricted
7 cannabinoid products, derived from hemp, that shall only be sold
8 pursuant to a permit issued by the board under section A-119;
9 provided that the authority may establish an amount of any
10 restricted cannabinoid that may be allowed in a hemp product;
11 provided further that the authority may prohibit any restricted
12 cannabinoid product from being distributed, sold, or offered for
13 sale entirely. The authority shall publish and make available
14 the list of restricted cannabinoid products.

15 (b) The board shall adopt rules establishing a process and
16 procedure for the authority to create and maintain the
17 restricted cannabinoid product list; provided that the
18 procedures shall include at a minimum:

19 (1) Criteria based on public health and safety for the
20 authority to determine what constitutes a restricted
21 cannabinoid product;



- 1 (2) Criteria based on public health and safety for the
2 authority to establish allowable limits for restricted
3 cannabinoids in hemp products; provided further that
4 the authority may prohibit the restricted cannabinoid
5 entirely; and
- 6 (3) A process for petitioning the board to add or remove a
7 cannabinoid or restricted cannabinoid product from the
8 restricted cannabinoid product list.
- 9 (c) The restricted cannabinoid product list shall not
10 include hemp extract products that are:
- 11 (1) Intended only for external topical application to the
12 skin or hair; and
- 13 (2) Tinctures; provided that the tincture does not contain
14 more than thirty servings per bottle, one milligram of
15 THC per serving, and thirty milligrams of THC per
16 bottle; provided further that tinctures with over five
17 milligrams of THC per bottle shall not be sold to
18 persons under twenty-one years of age.
- 19 (d) For the purposes of this section, "tincture" means a
20 liquid hemp extract product consisting of hemp extract dissolved
21 in glycerin or a plant-based oil, that is intended for oral



1 consumption in small amounts using a dropper, and that has a
2 total volume of one ounce or less.

3 **§A-132 Hemp cultivator; license required.** (a) No person
4 shall cultivate hemp except in accordance with this section.
5 Cultivating hemp without a license to produce hemp issued by the
6 United States Secretary of Agriculture pursuant to title 7
7 United States Code section 1639q shall be considered unlicensed
8 cultivation of cannabis.

9 (b) Notwithstanding any law to the contrary, it shall be
10 legal for a person to cultivate hemp only if they hold a license
11 to produce hemp, issued by the United States Secretary of
12 Agriculture pursuant to title 7 United States Code section
13 1639q; provided that hemp shall not be:

14 (1) Cultivated within three hundred feet of pre-existing
15 real property comprising a playground, child care
16 facility, or school;

17 (2) Cultivated within one hundred feet of any pre-existing
18 house, dwelling unit, residential apartment, or other
19 residential structure that is not owned or controlled
20 by the license holder;

21 (3) Cultivated, stored, or comingled with cannabis; and



1 (4) Cultivated on any premises licensed under this
2 chapter, except on the licensed premises of a hemp
3 extract processor.

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

6 (1) Has passed all compliance testing required by the
7 United States Department of Agriculture; and

8 (2) Meets all other requirements for selling hemp,
9 including testing, packaging, and labeling, as
10 provided in this chapter and rules adopted pursuant to
11 this chapter.

12 (d) A hemp cultivator licensed by the United States
13 Department of Agriculture to produce hemp in the State shall
14 comply with all regulations established by the United States
15 Department of Agriculture, including all inspection, sampling,
16 and compliance testing requirements.

17 (e) The board shall adopt rules pursuant to this chapter
18 to implement this section; provided that the rules adopted by
19 the board shall not require pre-harvest inspections, pre-harvest
20 sampling, or pre-harvest compliance testing with respect to the



1 cultivation of hemp as regulated by the United States Department
2 of Agriculture.

3 (f) In addition to any other penalties allowed by law, any
4 person who violates this section or any rule adopted pursuant to
5 this section shall be fined no more than \$1,000 for each
6 separate violation. Each day on which a violation occurs or
7 continues shall be counted as a separate violation.

8 (g) Any notice of violation of this section may be
9 accompanied by a cease-and-desist order. The violation of the
10 cease-and-desist order shall constitute a further violation of
11 this section.

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

20 (i) Any action taken to recover, collect, or enforce the
21 administrative penalty provided for in this section shall be



1 considered a civil action. For any judicial proceeding to
2 recover an administrative penalty imposed pursuant to subsection
3 (f) or to enforce a cease-and-desist order issued pursuant to
4 subsection (g), the authority may petition any court of
5 appropriate jurisdiction and need only show that:

- 6 (1) Notice was given;
- 7 (2) A hearing was held, or the time granted for requesting
8 a hearing has expired without a request;
- 9 (3) The administrative penalty or cease-and-desist order
10 was imposed on the person cultivating hemp; and
- 11 (4) The penalty remains unpaid, or there was no compliance
12 with the order.

13 **SA-133 Hemp extract processor; license required.** (a) No
14 person shall process hemp into a hemp extract product without a
15 hemp extract processor license issued pursuant to this chapter
16 and any rules adopted pursuant to this chapter. This section
17 shall not apply to processing hemp into an industrial hemp
18 product.

19 (b) A hemp extract processor license shall authorize the
20 acquisition, possession, and processing of hemp into hemp



1 extract products and the distribution of hemp extract products
2 in compliance with this chapter.

3 (c) A hemp extract processor license shall not authorize
4 the distribution, dispensing, or sale of any cannabis or
5 restricted cannabinoid product.

6 (d) Hemp shall be processed into a hemp extract product
7 within an indoor facility or within an agricultural building or
8 structure pursuant to section 46-88; provided that the hemp is
9 processed without the use of heat, volatile compounds, or gases
10 under pressure except for carbon dioxide (CO2). Hemp extract
11 processors shall comply with all applicable state laws and
12 county ordinances, including zoning ordinances, building codes,
13 and fire codes.

14 **§A-134 Hemp products.** (a) The board shall adopt rules
15 pursuant to this chapter to establish requirements,
16 restrictions, and standards regarding the types, ingredients,
17 and designs of hemp products, including potency limits and
18 cannabinoid limits on hemp extract products.

19 (b) No person shall distribute, sell, or offer for sale
20 crude hemp extract to any person; provided that crude hemp
21 extract may be sold only to a hemp extract processor with a



1 valid license issued by the authority pursuant to section A-133
2 or equivalent authorization from a regulatory agency in another
3 jurisdiction.

4 (c) No person shall distribute, sell, or offer for sale
5 any restricted cannabinoid product unless that person holds a
6 permit to distribute, sell, or offer for sale restricted
7 cannabinoid products issued by the board pursuant to section
8 A-119. A permit shall not be required to sell hemp products
9 that are not restricted cannabinoid products.

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

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

19 (f) This section shall not apply to industrial hemp
20 products; provided that any industrial hemp products shall
21 comply with all other applicable laws, rules, and regulations.



PART IX. SOCIAL EQUITY

1
2 **SA-141 Definitions.** As used in this part, unless the
3 context otherwise requires, "social equity applicant" means an
4 applicant for licensure or permit under this chapter, or for a
5 grant pursuant to the social equity program established under
6 section A-142, who is a resident of the State that meets one or
7 more of the following criteria:

8 (1) An applicant with at least fifty-one per cent
9 ownership and control by one or more individuals who
10 have resided for at least five of the preceding ten
11 years in a disproportionately impacted area;

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

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

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

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

3 (1) Provide grants to assist social equity applicants in
4 gaining entry to, and successfully operating in, the
5 State's regulated cannabis industry, including grants
6 for financial assistance, industry training, and
7 technical assistance;

8 (2) Provide grants to assist social equity applicants that
9 are community-based organizations for the purpose of
10 developing, implementing, and supporting nonprofit
11 projects, services, and programs that address
12 community needs of disproportionately impacted areas,
13 including child care, after-school and summer
14 programs, and programs that build youth resiliency;

15 (3) Provide staff, administration, and related support
16 required to administer this section;

17 (4) 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 section;



- 1 (5) Fix, determine, charge, and collect any premiums,
2 fees, charges, costs, and expenses, including
3 application fees, commitment fees, program fees,
4 financing charges, and publication fees in connection
5 with the social equity program;
- 6 (6) 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 (7) Establish application, notification, contract, and
14 other forms and procedures deemed necessary and
15 appropriate to implement the social equity program;
16 and
- 17 (8) Utilize vendors or contract work to carry out the
18 purposes of this part.
- 19 (c) The board shall adopt rules pursuant to this chapter
20 to implement this part, including:

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



- 1 (2) The amount of grants awarded in the aggregate;
- 2 (3) The location of the project engaged in by each grant
- 3 recipient; and
- 4 (4) Grants awarded to child care, after-school and summer
- 5 programs, and programs that build youth resiliency by
- 6 county and program outcomes.

7 (e) The authority shall include engagement with
8 individuals with limited English proficiency as part of the
9 social equity program.

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

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

13 (a) Grants made under this part shall be awarded on a
14 competitive and annual basis. Grants made under this part shall
15 further and promote the goals of the social equity program.

16 (b) Applications for grants shall be made to the authority
17 and contain information as shall be required by rules adopted
18 pursuant to this chapter. At a minimum, an applicant shall
19 show:

- 20 (1) The name of the applying business entity or
- 21 individual;



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

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

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

6 (c) Recipients of grants shall be subject to the following
7 conditions:

8 (1) The recipient of a grant shall not use public funds
9 for purposes of entertainment or perquisites,
10 including lobbying activities;

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

13 (3) The recipient of a grant shall comply with any other
14 requirements that may be prescribed by rules adopted
15 pursuant to this chapter;

16 (4) The recipient of a grant shall allow the authority,
17 legislative bodies, and auditor full access to
18 records, reports, files, and other related documents
19 so that the program, management, and fiscal practices
20 of the grant recipient may be monitored and evaluated



1 to assure the proper and effective expenditure of
2 public funds;

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

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

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



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

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

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

12 (c) If the authority determines that an applicant who
13 applied for a fee waiver is not eligible as a social equity
14 applicant, the applicant shall be provided an additional ten
15 calendar days to provide alternative evidence that the applicant
16 qualifies as a social equity applicant. Alternatively, the
17 applicant may pay the remainder of the waived fee and be
18 considered as a non-social equity applicant. If the applicant
19 fails to do either, the authority may retain the initial
20 application fee and the application shall be deemed withdrawn.

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



1 **§A-151 Public health and education campaign.** No later
2 than July 1, 2025, the authority shall develop and implement a
3 comprehensive public health and education campaign regarding the
4 legalization of cannabis and the impact of cannabis use on
5 public health and safety, including the health risks associated
6 with cannabis and ways to protect children. The public health
7 and education campaign shall also include education to the
8 public about this chapter, including the potential risks
9 associated with patronizing unlicensed dispensary locations, or
10 otherwise procuring cannabis through persons not authorized by
11 the authority. After the initial campaign, the authority shall
12 continue to periodically develop and implement a comprehensive
13 public health and education campaign on issues related to
14 cannabis, as necessary.

15 **§A-152 Public health and education grant program.** (a)
16 The board shall establish a public health and education grant
17 program for the purposes of providing grants to substance abuse
18 prevention and treatment programs and programs dedicated to
19 preventing and treating substance abuse, especially among youth,
20 and educating the public about cannabis use, this chapter, and
21 other laws regarding cannabis.



1 (b) The authority, through the chief public health and
2 environmental officer or executive director, shall have the
3 power to:

4 (1) Provide grants to assist substance abuse prevention
5 and treatment programs in the State;

6 (2) Provide grants to assist community-based organizations
7 with developing, implementing, and supporting youth
8 services, including child care, after-school and
9 summer programs, and programs that build youth
10 resiliency, youth recreational centers, services for
11 housing, counseling, and preventing or treating youth
12 substance abuse;

13 (3) Provide grants to assist community-based organizations
14 with developing, implementing, and supporting programs
15 for individuals with a dual diagnosis of mental
16 disorder and substance abuse disorder, including
17 services for supportive housing, residential
18 treatment, outpatient treatment, counseling, and other
19 related services;

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



- 1 (5) Enter into agreements that set forth terms and
2 conditions of the grants, accept funds or grants, and
3 cooperate with private entities and state or county
4 agencies to carry out the purposes of this part;
- 5 (6) Fix, determine, charge, and collect any premiums,
6 fees, charges, costs, and expenses, including
7 application fees, commitment fees, program fees,
8 financing charges, or publication fees in connection
9 with its activities under this section;
- 10 (7) Take whatever actions are necessary or appropriate to
11 protect the State's interest in the event of
12 bankruptcy, default, foreclosure, or noncompliance
13 with the terms and conditions of grants provided under
14 this section, including the ability to recapture funds
15 if the grant recipient is found to be noncompliant
16 with the terms and conditions of the grant agreement;
- 17 (8) Establish application, notification, contract, and
18 other forms and procedures deemed necessary and
19 appropriate to administer this part; and
- 20 (9) Utilize vendors or contract work to carry out the
21 purposes of this part.



1 (c) The board shall adopt rules pursuant to this chapter
2 to implement this part, including:

- 3 (1) Additional requirements and qualifications for
4 determining eligibility of applicants for grants;
- 5 (2) Preferences and priorities in determining eligibility
6 for grants;
- 7 (3) Conditions, consistent with the purpose of this
8 chapter, for the awarding of grants;
- 9 (4) Requirements for the inspection at reasonable hours of
10 facilities, books, and records of a grant applicant or
11 grant recipient;
- 12 (5) Requirements for the submission of progress and final
13 reports by grant recipients; and
- 14 (6) Appropriate management counseling and monitoring of
15 business activities for grant recipients.

16 (d) The authority shall submit an annual report on the
17 public health and education grant program to the governor and
18 legislature no later than twenty days prior to the convening of
19 each regular session. The report shall detail the outcomes and
20 effectiveness of this section during the prior fiscal year,
21 including the following:



- 1 (1) The number of persons or businesses who received
- 2 financial assistance under this section;
- 3 (2) The amount of grants awarded in the aggregate;
- 4 (3) The location of the project engaged in by each grant
- 5 recipient;
- 6 (4) The extent and reach of the public health and
- 7 education campaigns;
- 8 (5) The number of adult and youth substance abuse and dual
- 9 diagnosis prevention and treatment programs served by
- 10 county; and
- 11 (6) The number of youth support and resiliency programs
- 12 served by county.

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

17 (b) Applications for grants shall be made to the authority
 18 and contain information as shall be required by rules adopted
 19 pursuant to this chapter. At a minimum, an applicant shall
 20 show:

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



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

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

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

5 (c) Recipients of grants shall be subject to the following
6 conditions:

7 (1) The recipient of a grant shall not use public funds
8 for purposes of entertainment or perquisites,
9 including lobbying activities;

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

12 (3) The recipient of a grant shall comply with any other
13 requirements that may be prescribed by rules adopted
14 pursuant to this chapter;

15 (4) The recipient of a grant shall allow the authority,
16 legislative bodies, and auditor full access to
17 records, reports, files, and other related documents
18 so that the program, management, and fiscal practices
19 of the grant recipient may be monitored and evaluated
20 to assure the proper and effective expenditure of
21 public funds;



1 (5) Every grant shall be monitored according to rules
2 adopted pursuant to this chapter to ensure compliance
3 with this part; and
4 (6) Any recipient of a grant under this part who withholds
5 or omits any material fact or deliberately
6 misrepresents facts to the authority or who violates
7 the terms of the grant agreement shall be in violation
8 of this section and, in addition to any other
9 penalties provided by law, shall be prohibited from
10 applying for a grant or any other benefits under this
11 part for a period of five years from the date of
12 termination.

13 **PART XI. PUBLIC SAFETY**

14 **SA-161 Public safety grant program.** (a) The board shall
15 establish a public safety grant program for the purposes of
16 providing grants to state and county agencies and private
17 entities to assist with public safety resources relating to
18 cannabis, including law enforcement resources.

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



- 1 (1) Provide grants to train and certify state and county
2 law enforcement officers as drug recognition experts
3 for detecting, identifying, and apprehending
4 individuals operating a vehicle under the influence of
5 an intoxicant or otherwise impaired;
- 6 (2) Provide grants to develop, implement, and support
7 crisis intervention services, including alternative
8 response programs and co-response programs that
9 provide trained social service providers or mental
10 health counselors to respond to, or assist law
11 enforcement agencies with responding to, nonviolent
12 emergencies, including welfare checks, public
13 intoxication, and mental health episodes;
- 14 (3) Provide grants to train state and county law
15 enforcement officers in mental health first aid;
- 16 (4) Provide grants for the effective enforcement and
17 prosecution of violations of the nuisance abatement
18 laws under part V of chapter 712;
- 19 (5) Provide grants to harm reduction programs, including
20 crisis outreach programs, food banks, mental health
21 support programs, homeless outreach programs,



- 1 outpatient treatment programs, and housing assistance
2 programs;
- 3 (6) Provide grants to improve data sharing across law
4 enforcement agencies and the judiciary;
- 5 (7) Provide grants to state and county law enforcement
6 agencies for equipment and training to assist with
7 investigating and prosecuting illegal activities
8 related to cannabis;
- 9 (8) Provide staff, administration, and related support
10 required to administer this part;
- 11 (9) Enter into agreements that set forth terms and
12 conditions of the grants, accept funds or grants, and
13 cooperate with private entities and state or county
14 agencies to carry out the purposes of this part;
- 15 (10) Fix, determine, charge, and collect any premiums,
16 fees, charges, costs, and expenses, including
17 application fees, commitment fees, program fees,
18 financing charges, or publication fees in connection
19 with its activities under this section;
- 20 (11) Take whatever actions are necessary or appropriate to
21 protect the State's interest in the event of



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



1 (5) Requirements for the submission of progress and final
2 reports by grant recipients; and

3 (6) Appropriate management counseling and monitoring of
4 business activities for grant recipients.

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

11 (1) The number of persons, businesses, or agencies
12 receiving financial assistance under this section;

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

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

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

18 **§A-162 Public safety grants; standards and conditions.**

19 (a) Grants made under this part shall be awarded on a
20 competitive and annual basis. Grants made under this part shall
21 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 pursuant to this chapter. At a minimum, an applicant shall
4 show:

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

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

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



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

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

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

18 **PART XII. MISCELLANEOUS**

19 **SA-171 Banking.** (a) A financial institution that
20 receives deposits, extends credit, conducts fund transfers,
21 transports cash or financial instruments, or provides other



1 financial services customarily provided by financial
2 institutions shall not be penalized or punished under any
3 criminal law, including chapter 708A, or under any provision of
4 the Code of Financial Institutions, chapter 412, solely by
5 virtue of the fact that the person receiving the benefit of any
6 of those services engages in commercial cannabis activity as a
7 cannabis business licensed pursuant to this chapter.

8 (b) A cannabis business may request in writing that the
9 authority share the cannabis business's application, license,
10 and other regulatory and financial information with a financial
11 institution of the cannabis business's designation. The
12 cannabis business shall include in that written request a waiver
13 authorizing the transfer of that information and waiving any
14 confidentiality or privilege that applies to that information.

15 (c) Notwithstanding any other law to the contrary, upon
16 receipt of a written request and waiver pursuant to subsection
17 (b), the authority may share the cannabis business's
18 application, license, and other regulatory and financial
19 information with the financial institution designated by the
20 cannabis business in that request for the purpose of



1 facilitating the provision of financial services for that
2 cannabis business.

3 (d) A cannabis business that provides a waiver may
4 withdraw that waiver in writing at any time. Upon receipt of
5 the written withdrawal of the waiver, the authority shall cease
6 to share application, license, or other regulatory or financial
7 information with the financial institution.

8 (e) This section shall be construed to refer only to the
9 disclosure of information by the authority reasonably necessary
10 to facilitate the provision of financial services for the
11 cannabis business making a request pursuant to this section.
12 Nothing in this section shall be construed to authorize the
13 disclosure of confidential or privileged information, or waive a
14 cannabis business's rights to assert confidentiality or
15 privilege, except to a financial institution as provided in this
16 section and except as reasonably necessary to facilitate the
17 provision of financial services for the cannabis business making
18 the request.

19 (f) For the purpose of this section:



1 "Application, license, and other regulatory and financial
2 information" includes but is not limited to information in the
3 tracking system established pursuant to section A-88.

4 "Financial institution" has the same meaning as defined in
5 section 412:1-109.

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

17 **§A-173 Data collection and research.** (a) The authority
18 shall collect data and develop a research agenda to understand
19 the social and economic trends of cannabis in the State, to
20 inform future decisions that would aid in the closure of the



1 illicit marketplace, and to inform the authority on the public
2 health impacts of cannabis. The research agenda shall include:

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



1 expulsions, resulting from the use or possession of
2 cannabis; and

3 (7) A compilation of data on the number of civil
4 penalties, arrests, prosecutions, incarcerations, and
5 sanctions imposed for violations of this chapter for
6 possession, distribution, or trafficking of cannabis.

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

14 (1) Provide the authority with any existing data requested
15 by the authority, subject to any applicable
16 confidentiality laws and rules regarding personally
17 identifiable information and personal health
18 information; and

19 (2) Collect data, as reasonably requested by the
20 authority, to complete the authority's research
21 agenda.



1 (c) Any personally identifiable information or personal
2 health information contained in data acquired through this
3 section shall not be considered a public record and shall not be
4 subject to disclosure.

5 (d) The authority shall annually report on the results of
6 its research agenda and, when appropriate, make recommendations
7 for further research or policy changes. The annual reports
8 shall be posted online in a machine-readable format on the
9 authority's website.

10 **§A-174 Hawaii hemp grant program.** (a) The board shall
11 establish the Hawaii hemp grant program for the purposes of
12 providing grants to local hemp farmers and hemp projects.

13 (b) The authority, through the hemp coordinator or
14 executive director, shall have the power to:

15 (1) Provide grants to assist small hemp cultivators and
16 hemp businesses in gaining entry to, and successfully
17 operating in, the State's hemp industry, including
18 grants for financial assistance, industry training,
19 and technical assistance;



- 1 (2) Provide grants to assist research projects related to
2 industrial uses of hemp and marketability of hemp
3 products;
- 4 (3) Provide staff, administration, and related support
5 required to administer the Hawaii hemp grant program;
- 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 the Hawaii hemp
10 grant program;
- 11 (5) Fix, determine, charge, and collect any premiums,
12 fees, charges, costs, and expenses, including
13 application fees, commitment fees, program fees,
14 financing charges, or publication fees in connection
15 with its activities under this section;
- 16 (6) Take whatever actions are necessary or appropriate to
17 protect the State's interest in the event of
18 bankruptcy, default, foreclosure, or noncompliance
19 with the terms and conditions of grants provided under
20 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 (7) Establish application, notification, contract, and
4 other forms and procedures deemed necessary and
5 appropriate to administer the Hawaii hemp grant
6 program; and

7 (8) Utilize vendors or contract work to carry out the
8 purposes of the Hawaii hemp grant program.

9 (c) The board shall adopt rules pursuant to this chapter
10 to implement the Hawaii hemp grant program, including:

11 (1) Additional requirements and qualifications for
12 determining eligibility of applicants for grants;

13 (2) Preferences and priorities in determining eligibility
14 for grants;

15 (3) Conditions, consistent with the purpose of this
16 chapter, for the awarding of grants;

17 (4) Requirements for the inspection at reasonable hours of
18 facilities, books, and records of a grant applicant or
19 grant recipient;

20 (5) Requirements for the submission of progress and final
21 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 Hawaii hemp grant program to the governor and legislature no
5 later than twenty days prior to the convening of each regular
6 session. The report shall detail the outcomes and effectiveness
7 of this section during the prior fiscal year, including the
8 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-175 Hawaii hemp grants; standards and conditions.** (a)

17 Grants made under the Hawaii hemp grant program shall be awarded
18 on a competitive and annual basis. Grants made under the Hawaii
19 hemp grant program shall further and promote the goals of this
20 chapter.



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

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

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

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



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

6 (5) Every grant shall be monitored according to rules
7 adopted pursuant to this chapter to ensure compliance
8 with the Hawaii hemp grant program; and

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

18 PART III

19 SECTION 3. The purpose of this part is to impose a tax on
20 the retail sale of cannabis and a tax on the sale of medical

1 cannabis and require every business engaged in the sale of
2 cannabis to obtain a cannabis tax permit.

3 SECTION 4. The Hawaii Revised Statutes is amended by
4 adding a new chapter to title 14 to be appropriately designated
5 and to read as follows:

6 "CHAPTER B

7 HAWAII CANNABIS TAX LAW

8 **§B-1 Definitions.** As used in this chapter, unless the
9 context otherwise requires:

10 "Cannabis" has the same meaning as defined in section A-3.

11 "Department" means the department of taxation.

12 "Director" means the director of taxation.

13 "Medical cannabis" has the same meaning as defined in
14 section A-3.

15 "Person" includes one or more individuals, a company, a
16 corporation, a partnership, an association, or any other type of
17 legal entity, and also includes an officer or employee of a
18 corporation, a partner or employee of a partnership, a trustee
19 of a trust, a fiduciary of an estate, or a member, employee, or
20 principal of any other entity, who as an officer, employee,
21 partner, trustee, fiduciary, member, or principal is under a



1 duty to perform and is principally responsible for performing
2 the act.

3 "Retail sale" has the same meaning as "retailing" or "sales
4 at retail" as defined in section 237-1.

5 **SB-2 Cannabis tax permit.** (a) No person shall engage in
6 the retail sale of cannabis or sale of medical cannabis unless a
7 permit has been issued to the person pursuant to this section;
8 provided that this section shall not apply to persons who make
9 sales at wholesale.

10 (b) The cannabis tax permit shall be issued by the
11 department upon application and payment of an application fee of
12 \$25. Whenever a cannabis tax permit is defaced, destroyed, or
13 lost, or the permittee relocates the permittee's business, the
14 department may issue a duplicate cannabis tax permit to the
15 permittee for a fee of \$5 per copy. The permit provided for by
16 this section shall be effective until canceled in writing. The
17 director may revoke or cancel any permit issued under this
18 chapter for cause as provided by rules adopted pursuant to
19 chapter 91.

20 (c) A separate cannabis tax permit shall be obtained for
21 each place of business owned, controlled, or operated by a



1 taxpayer. A taxpayer who owns or controls more than one place
2 of business may submit a single application for more than one
3 cannabis tax permit; provided that the application fee of \$25
4 shall be required for each permit. Each cannabis tax permit
5 issued shall clearly describe the place of business where the
6 retail sale of cannabis or sale of medical cannabis is
7 conducted.

8 (d) A cannabis tax permit shall be non-assignable and non-
9 transferable. A cannabis tax permit may be transferred from one
10 business location to another business location after an
11 application has been filed with the department requesting the
12 transfer, the applicant has paid a transfer fee of \$25, and
13 approval has been obtained from the department.

14 (e) Any cannabis tax permit issued under this chapter
15 shall be displayed at all times in a conspicuous place at each
16 of the licensed premises of the taxpayer.

17 **§B-3 Tax.** (a) Upon every person engaging or continuing
18 within the State in the retail sale of cannabis, beginning
19 January 1, 2026, and continuing thereafter, there is hereby
20 levied and shall be assessed and collected a tax equal to
21 fourteen per cent of the gross proceeds of retail sales from



1 cannabis; provided that this subsection shall not apply to the
2 sale of medical cannabis.

3 (b) Upon every person engaging or continuing within the
4 State in the sale of medical cannabis, beginning January 1,
5 2026, and continuing thereafter, there is hereby levied and
6 shall be assessed and collected a tax equal to four per cent of
7 the gross proceeds of sales from medical cannabis; provided that
8 this subsection shall not apply to sales at wholesale.

9 **SB-4 Return; forms; contents.** (a) Every person subject
10 to tax under this chapter shall, on or before the twentieth day
11 of each month, file with the department, a return showing all
12 sales of cannabis and of the taxes chargeable against the person
13 under section B-3 made by the person during the preceding month.
14 The form of return shall be prescribed by the department and
15 shall contain information that the department may deem necessary
16 for the proper administration of this chapter.

17 (b) On or before the twentieth day of the fourth month
18 following the close of the taxable year, each taxpayer who has
19 become liable for the payment of taxes under this chapter during
20 the preceding tax year shall file a return showing all sales of
21 cannabis made by the person during the taxable year, in the form



1 and manner prescribed by the department, and shall transmit with
2 the return a remittance covering the residue of the tax due, if
3 any.

4 **§B-5 Payment of tax; penalties.** (a) At the time of the
5 filing of the return required under section B-4 and within the
6 time prescribed, each person subject to the tax imposed by this
7 chapter shall pay to the department the tax required to be shown
8 by the return.

9 (b) Penalties and interest shall be added to and become a
10 part of the tax, when and as provided by section 231-39.

11 **§B-6 Limitation period for assessment levy, collection, or**
12 **credit.** (a) General rule. The amount of taxes imposed by this
13 chapter shall be assessed or levied within three years after
14 filing of the annual return, or within three years of the due
15 date prescribed for the filing of the annual return, whichever
16 is later. No proceeding in court without assessment for the
17 collection of the taxes or the enforcement of the liability
18 shall be commenced after the expiration of the period. Where
19 the assessment of the tax imposed by this chapter has been made
20 within the applicable period of limitation, the tax may be
21 collected by levy or by a proceeding in court under chapter 231;



1 provided that the levy is made, or the proceeding was begun,
2 within fifteen years after the assessment of the tax.

3 Notwithstanding any other provision to the contrary in this
4 section, the limitation on collection after assessment in this
5 section shall be suspended for the period:

- 6 (1) The taxpayer agrees to suspend the period;
- 7 (2) The assets of the taxpayer are in control or custody
8 of a court in any proceeding before any court of the
9 United States or any state, and for six months
10 thereafter;
- 11 (3) An offer in compromise under section 231-3(10) is
12 pending; and
- 13 (4) During which the taxpayer is outside the State for a
14 continuous period of at least six months; provided
15 that if at the time of the taxpayer's return to the
16 State the period of limitations on collection after
17 assessment would expire before the expiration of six
18 months from the date of the taxpayer's return, the
19 period shall not expire before the expiration of the
20 six months.



1 (b) Limitations on credit or refund. No credit or refund
2 shall be allowed for any tax imposed by this chapter unless a
3 claim for credit or refund is filed as follows:

4 (1) If an annual return is timely filed, or is filed
5 within three years after the date prescribed for
6 filing the annual return, then the credit or refund
7 shall be claimed within three years after the date the
8 annual return was filed or the date prescribed for
9 filing the annual return, whichever is later; or

10 (2) If an annual return is not filed, or is filed more
11 than three years after the date prescribed for filing
12 the annual return, a claim for credit or refund shall
13 be filed within three years after:

14 (A) The payment of the tax; or

15 (B) The date prescribed for the filing of the annual
16 return,

17 whichever is later;

18 provided that paragraphs (1) and (2) shall be mutually
19 exclusive.

20 (c) Exceptions; fraudulent return or no return. In the
21 case of a false or fraudulent return with intent to evade tax or



1 liability, or of a failure to file the annual return, the tax or
2 liability may be assessed or levied at any time; provided that
3 the burden of proof with respect to the issues of falsity or
4 fraud and intent to evade tax shall be upon the State.

5 (d) Extension by agreement. Where, before the expiration
6 of the period prescribed in subsection (a) or (b), both the
7 department and the taxpayer have consented in writing to the
8 assessment or levy of the tax after the date fixed by subsection
9 (a) or the credit or refund of the tax after the date fixed by
10 subsection (b), the tax may be assessed or levied or the
11 overpayment, if any, may be credited or refunded at any time
12 before the expiration of the period agreed upon. The period so
13 agreed upon may be extended by subsequent agreements in writing
14 made before the expiration of the period previously agreed upon.

15 **§B-7 Disposition of revenues.** The tax collected pursuant
16 to this chapter shall be paid into the state treasury as a state
17 realization to be kept and accounted for as provided by law;
18 provided that revenues collected under this chapter shall be
19 distributed in the following priority:

20 (1) Fifty per cent of the tax collected shall be deposited
21 into the cannabis regulation, nuisance abatement, and



1 law enforcement special fund established by section
2 A-17; and

3 (2) Fifty per cent of the tax collected shall be deposited
4 into the cannabis social equity, public health and
5 education, and public safety special fund established
6 by section A-18.

7 **SB-8 Records to be kept.** (a) Every person subject to tax
8 under this chapter shall keep records of all sales of cannabis,
9 in a form prescribed by the department. All records shall be
10 offered for inspection and examination at any time upon demand
11 by the department or Hawaii cannabis and hemp authority and
12 shall be preserved for a period of five years; provided that the
13 department may, in writing, consent to the records' destruction
14 within that period or may adopt rules that require the records
15 to be kept longer.

16 The department may, by rule, require the person subject to
17 tax under this chapter to keep other records as the department
18 may deem necessary for the proper enforcement of this chapter.

19 (b) If any person subject to tax under this chapter fails
20 to keep records from which a proper determination of the tax due
21 under this chapter may be made, the department may fix the



1 amount of tax for any period from the best information the
2 department obtains, and assess the tax as provided in this
3 section.

4 (c) Every person subject to tax under this chapter shall
5 keep a complete and accurate record of that person's cannabis
6 inventory. The records shall:

7 (1) Include:

8 (A) A written statement containing the name and
9 address of the source of cannabis;

10 (B) The date of delivery, quantity, weight, and price
11 of the cannabis; and

12 (C) Documentation in the form of any purchase orders;
13 invoices; bills of lading; or other written
14 statements, books, papers, or records in whatever
15 format, including electronic format, that
16 substantiate the purchase or acquisition of the
17 cannabis stored or offered for sale; and

18 (2) Be offered for inspection and examination within
19 twenty-four hours of demand by the department or
20 Hawaii cannabis and hemp authority and shall be
21 preserved for a period of five years; provided that



1 the department may, in writing, consent to the
2 records' destruction within that period or may adopt
3 rules that require the records to be kept longer.

4 **§B-9 Inspection.** (a) A person subject to tax under this
5 chapter shall be subject to the inspection and investigation
6 provisions in chapter 231 and shall provide the department with
7 any information deemed necessary to verify compliance with the
8 requirements of this chapter.

9 (b) The department and Hawaii cannabis and hemp authority
10 may examine all records required to be kept under this chapter,
11 and books, papers, and records of any person subject to tax
12 under this chapter to verify the accuracy of the payment of the
13 tax imposed by this chapter and other compliance with this
14 chapter and rules adopted pursuant to this chapter. Every
15 person in possession of the books, papers, and records and the
16 person's agents and employees shall give the department and
17 Hawaii cannabis and hemp authority the means, facilities, and
18 opportunities for examination.

19 (c) Returns, return information, or reports under this
20 chapter, and relating only to this chapter, may be provided to



1 the Hawaii cannabis and hemp authority by the department for the
2 purpose of enforcing or ensuring compliance with chapter A.

3 Notwithstanding the foregoing, the inspection, review, or
4 production of any and all federal tax returns and return
5 information shall only be provided as permitted in accordance
6 with applicable federal law.

7 **§B-10 Tax in addition to other taxes.** The tax imposed by
8 this chapter, unless expressly prohibited, shall be in addition
9 to any other tax imposed upon the business of selling cannabis
10 or upon any of the transactions, acts, or activities taxed by
11 law.

12 **§B-11 Appeals.** Any person aggrieved by any assessment of
13 the tax imposed by this chapter may appeal from the assessment
14 in the manner and within the time and in all other respects as
15 provided in the case of income tax appeals by section 235-114.
16 The hearing and disposition of the appeal, including the
17 distribution of costs, shall be as provided in chapter 232.

18 **§B-12 Other provisions applicable.** All of the provisions
19 of chapters 231, 235, and 237 not inconsistent with this chapter
20 and that may appropriately be applied to the taxes, persons,
21 circumstances, and situations involved in this chapter,



1 including (without prejudice to the generality of the foregoing)
2 provisions as to penalties and interest, granting administrative
3 powers to the director, and for the assessment, levy, and
4 collection of taxes, shall be applicable to the taxes imposed by
5 this chapter, and to the assessment, levy, and collection
6 thereof.

7 **§B-13 Audits, investigations, hearings, and subpoenas.**

8 The director, and any agent authorized by the director, may
9 conduct any inquiry, civil audit, criminal investigation,
10 investigation, or hearing relating to any assessment, the amount
11 of any tax, or the collection of any delinquent tax, including
12 any audit or investigation into the financial resources of any
13 delinquent taxpayer or the collectability of any delinquent tax,
14 in the manner provided in section 231-7.

15 **§B-14 Administration by director; rules.** The
16 administration of this chapter is vested in the director who may
17 adopt and enforce rules for the enforcement and administration
18 of this chapter.

19 The director shall adopt rules pursuant to chapter 91.

20 **§B-15 Penalties.** (a) The penalties provided by this
21 chapter shall apply to any person, whether acting as principal,



1 agent, officer, or director, for oneself, itself, or for another
2 person and shall apply to each single violation.

3 (b) In addition to the penalties imposed under title 14,
4 including this chapter, and under chapter A, any person or
5 cannabis retailer who sells cannabis, or medical cannabis
6 dispensary who sells medical cannabis, without a permit as
7 required by this chapter shall be fined no more than \$1,000 per
8 violation. Each day a violation continues shall constitute a
9 separate violation.

10 (c) For purposes of this section:

11 "Cannabis retailer" means a person who engages in the
12 retail sale of cannabis pursuant to a license or permit issued
13 under chapter A. "Cannabis retailer" includes a retail cannabis
14 store, a craft cannabis dispensary, and any permit holder who
15 engages in the retail sale of cannabis pursuant to a permit
16 issued under chapter A and does not include a medical cannabis
17 dispensary.

18 "Craft cannabis dispensary" has the same meaning as defined
19 in section A-3.

20 "Medical cannabis dispensary" has the same meaning as
21 defined in section A-3.



1 "Retail cannabis store" has the same meaning as defined in
2 section A-3."

3 PART IV

4 SECTION 5. The purpose of this part is to prohibit:

5 (1) Consuming or possessing marijuana, an open container
6 of marijuana, or marijuana concentrate while
7 operating, or while a passenger in, a motor vehicle or
8 moped; and

9 (2) Operating a vehicle under the influence of marijuana
10 or marijuana concentrate.

11 SECTION 6. Chapter 291, Hawaii Revised Statutes, is
12 amended by adding three new sections to part I to be
13 appropriately designated and to read as follows:

14 "§291- Consuming marijuana or marijuana concentrate
15 while operating or a passenger in a motor vehicle or moped. (a)
16 No person shall consume, including through secondhand or passive
17 smoking, any marijuana or marijuana concentrate while operating
18 a motor vehicle or moped upon any public street, road, or
19 highway.



1 (b) No person shall smoke or vaporize any marijuana or
2 marijuana concentrate while a passenger in any motor vehicle or
3 on any moped upon any public street, road, or highway.

4 (c) Any person violating this section shall be guilty of a
5 petty misdemeanor; provided that, notwithstanding section
6 706-640, the maximum fine shall be no more than \$2,000.

7 **§291- Open container of marijuana or marijuana**
8 **concentrate in a motor vehicle or on a moped.** (a) No person
9 shall possess within any passenger area of a motor vehicle or
10 moped being operated upon any public street, road, or highway,
11 any bottle, can, package, wrapper, smoking device, cartridge, or
12 other receptacle containing any marijuana or marijuana
13 concentrate that has been opened, or a seal broken, or the
14 contents of which have been partially removed, or loose
15 marijuana or marijuana concentrate not in a container.

16 (b) This section shall not apply to marijuana, marijuana
17 concentrate, or a bottle, can, package, wrapper, smoking device,
18 cartridge, or other receptacle containing any marijuana or
19 marijuana concentrate that is:

20 (1) Concealed on a passenger's person or in the
21 passenger's personal property; or



1 (2) Stored in a trunk, luggage compartment, console out of
2 reach of the driver, or similar location out of reach
3 of the driver.

4 (c) Any person violating this section shall be guilty of a
5 violation and shall be fined no more than \$130. A person found
6 responsible for a violation under this section may request, and
7 shall be granted, a penalty of up to ten hours of community
8 service in lieu of a fine.

9 **§291- Marijuana or marijuana concentrate; prima facie**
10 **evidence.** Any bottle, can, package, wrapper, smoking device,
11 cartridge, or other receptacle that displays or is imprinted
12 with a label indicating that the contents contain marijuana or
13 marijuana concentrate shall be prima facie evidence that the
14 contents of the bottle, can, package, wrapper, smoking device,
15 cartridge, or other receptacle contains marijuana or marijuana
16 concentrate."

17 SECTION 7. Chapter 291E, Hawaii Revised Statutes, is
18 amended as follows:

19 1. By adding a new section to part II to be appropriately
20 designated and to read:



1 "§291E-A Refusal to submit to testing for measurable
2 amount of THC; district court hearing; sanctions; appeals;
3 admissibility. (a) If a person under arrest for operating a
4 vehicle after consuming a measurable amount of THC or, if the
5 person is a medical cannabis patient, THC at a concentration of
6 ten or more nanograms per milliliter of blood, pursuant to
7 section 291E-B, refuses to submit to a blood test, none shall be
8 given, except as provided in section 291E-21, but the arresting
9 law enforcement officer, as soon as practicable, shall submit an
10 affidavit to a district judge of the circuit in which the arrest
11 was made stating that:

12 (1) At the time of the arrest, the arresting officer had
13 probable cause to believe the person arrested was
14 under the age of twenty-one and had been operating a
15 vehicle upon a public way, street, road, or highway,
16 or on or in the waters of the State, with a measurable
17 amount of THC or, if the person arrested is a medical
18 cannabis patient, THC at a concentration of ten or
19 more nanograms per milliliter of blood;



- 1 (2) The person arrested was informed that the person may
2 refuse to submit to a blood test, in compliance with
3 section 291E-11;
- 4 (3) The person arrested had refused to submit to a blood
5 test;
- 6 (4) The person arrested was:
- 7 (A) Informed of the sanctions of this section; and
8 (B) Secondly queried if the person still refuses to
9 submit to a blood test, in compliance with the
10 requirements of section 291E-15; and
- 11 (5) The person arrested continued to refuse to submit to a
12 blood test.
- 13 (b) Upon receipt of the affidavit, the district judge
14 shall hold a hearing within twenty days. The district judge
15 shall hear and determine whether:
- 16 (1) The arresting law enforcement officer had probable
17 cause to believe that the person arrested was under
18 the age of twenty-one and had been operating a vehicle
19 upon a public way, street, road, or highway, or on or
20 in the waters of the State, with a measurable amount
21 of THC or, if the person arrested is the medical



- 1 cannabis patient, THC at a concentration of ten or
- 2 more nanograms per milliliter of blood;
- 3 (2) The person was lawfully arrested;
- 4 (3) The person arrested was informed that the person may
- 5 refuse to submit to a blood test, in compliance with
- 6 section 291E-11;
- 7 (4) The person arrested refused to submit to a blood test;
- 8 (5) The person arrested was:
- 9 (A) Informed of the sanctions of this section; and
- 10 (B) Secondly queried if the person still refuses to
- 11 submit to a blood test, in compliance with the
- 12 requirements of section 291E-15; and
- 13 (6) The person continued to refuse to submit to a blood
- 14 test.
- 15 (c) If the district judge finds the statements contained
- 16 in the affidavit are true, the judge shall suspend the arrested
- 17 person's license and privilege to operate a vehicle as follows:
- 18 (1) For a first suspension, or any suspension not preceded
- 19 within a five-year period by a suspension under this
- 20 section, for a period of twelve months; and



1 (2) For any subsequent suspension under this section, for
2 a period no less than two years and no more than five
3 years.

4 (d) An order of a district court issued under this section
5 may be appealed to the supreme court."

6 2. By adding a new section to part IV to be appropriately
7 designated and to read:

8 "**§291E-B Operating a vehicle after consuming a measurable**
9 **amount of THC; persons under the age of twenty-one; exception.**

10 (a) It shall be unlawful for any person under the age of
11 twenty-one to operate any vehicle with a measurable amount of
12 THC; provided that if the person under the age of twenty-one is
13 a medical cannabis patient as defined in section A-3, it shall
14 be unlawful to operate any vehicle with THC at a concentration
15 of ten or more nanograms per milliliter of blood. A law
16 enforcement officer may arrest a person under this section when
17 the officer has probable cause to believe the person arrested is
18 under the age of twenty-one and had been operating a vehicle
19 upon a public way, street, road, or highway, or on or in the
20 waters of the State, with a measurable amount of THC or with THC
21 at a concentration of ten or more nanograms per milliliter of



1 blood for a medical cannabis patient who provides valid proof
2 that the person is a medical cannabis patient. The valid proof
3 shall include a current and valid medical cannabis registration
4 card issued by the Hawaii cannabis and hemp authority under
5 section A-47 or A-48.

6 (b) A person who violates this section shall be sentenced
7 as follows:

8 (1) For a first violation or any violation not preceded
9 within a five-year period by a prior drug enforcement
10 contact:

11 (A) The court shall impose:

12 (i) A requirement that the person and, if the
13 person is under the age of eighteen, the
14 person's parent or guardian, attend a
15 substance abuse education and counseling
16 program for no more than ten hours; and

17 (ii) A one hundred eighty-day prompt suspension
18 of license and privilege to operate a
19 vehicle with absolute prohibition from
20 operating a vehicle during the suspension
21 period; provided that in the case of a



1 person who is at least eighteen years of
2 age, the court may impose, in lieu of the
3 one hundred eighty-day prompt suspension of
4 license, a minimum thirty-day prompt
5 suspension of license with absolute
6 prohibition from operating a vehicle and,
7 for the remainder of the one hundred eighty-
8 day period, a restriction on the license
9 that allows the person to drive for limited
10 work-related purposes and to participate in
11 substance abuse education and treatment
12 programs; and

13 (B) In addition, the court may impose any one or more
14 of the following:

15 (i) No more than thirty-six hours of community
16 service work; or

17 (ii) A fine of no less than \$150 but no more than
18 \$500;

19 (2) For a violation that occurs within five years of a
20 prior drug enforcement contact:



- 1 (A) The court shall impose prompt suspension of
2 license and privilege to operate a vehicle for a
3 period of one year with absolute prohibition from
4 operating a vehicle during the suspension period;
5 and
6 (B) In addition, the court may impose any of the
7 following:
8 (i) No more than fifty hours of community
9 service work; or
10 (ii) A fine of no less than \$300 but no more than
11 \$1,000; and
12 (3) For a violation that occurs within five years of two
13 or more prior drug enforcement contacts:
14 (A) The court shall impose revocation of license and
15 privilege to operate a vehicle for a period of
16 two years; and
17 (B) In addition, the court may impose any of the
18 following:
19 (i) No more than one hundred hours of community
20 service work; or



1 (ii) A fine of no less than \$300 but no more than
2 \$1,000.

3 (c) Notwithstanding any other law to the contrary, any
4 conviction or plea under this section shall be considered a
5 prior drug enforcement contact.

6 (d) Whenever a court sentences a person pursuant to
7 subsection (b) (2) or (3), it also shall require that the person
8 be referred to the driver's education program for an assessment,
9 by a certified substance abuse counselor, of the person's
10 substance abuse or dependence and the need for appropriate
11 treatment. The counselor shall submit a report with
12 recommendations to the court. The court shall require the
13 person to obtain appropriate treatment if the counselor's
14 assessment establishes the person's substance abuse or
15 dependence. All costs for assessment and treatment shall be
16 borne by the person or by the person's parent or guardian, if
17 the person is under the age of eighteen.

18 (e) Notwithstanding section 831-3.2 or any other law to
19 the contrary, a person convicted of a first-time violation under
20 subsection (b) (1), who had no prior drug enforcement contacts,
21 may apply to the court for an expungement order upon attaining



1 the age of twenty-one, or thereafter, if the person has
2 fulfilled the terms of the sentence imposed by the court and has
3 had no subsequent alcohol or drug related enforcement contacts.

4 (f) Notwithstanding any other law to the contrary,
5 whenever a court revokes a person's driver's license pursuant to
6 this section, the examiner of drivers shall not grant to the
7 person an application for a new driver's license for a period to
8 be determined by the court.

9 (g) Any person sentenced under this section may be ordered
10 to reimburse the county for the cost of any blood tests
11 conducted pursuant to section 291E-11. The court shall order
12 the person to make restitution in a lump sum, or in a series of
13 prorated installments, to the police department or other agency
14 incurring the expense of the blood test.

15 (h) The requirement to provide proof of financial
16 responsibility pursuant to section 287-20 shall not be based
17 upon a sentence imposed under subsection (b) (1).

18 (i) Any person who violates this section shall be guilty
19 of a violation.

20 (j) As used in this section:



1 "Driver's license" has the same meaning as in section
2 286-2.

3 "Examiner of drivers" has the same meaning as in section
4 286-2."

5 SECTION 8. Section 291-1, Hawaii Revised Statutes, is
6 amended by adding two new definitions to be appropriately
7 inserted and to read as follows:

8 "Marijuana" has the same meaning as defined in section
9 712-1240.

10 "Marijuana concentrate" has the same meaning as defined in
11 section 712-1240."

12 SECTION 9. Section 291E-1, Hawaii Revised Statutes, is
13 amended by adding five new definitions to be appropriately
14 inserted and to read as follows:

15 "Marijuana" has the same meaning as defined in section
16 712-1240.

17 "Marijuana concentrate" has the same meaning as defined in
18 section 712-1240.

19 "Medical cannabis patient" has the same meaning as defined
20 in section A-3.



1 "Medical cannabis registration card" has the same meaning
2 as defined in section A-3.

3 "THC" means the cannabinoids that function as the primary
4 psychoactive component of marijuana or marijuana concentrate."

5 SECTION 10. Section 291E-3, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) In any criminal prosecution for a violation of
8 section 291E-61 or 291E-61.5 or in any proceeding under part
9 III:

10 (1) .08 or more grams of alcohol per one hundred
11 milliliters or cubic centimeters of the person's
12 blood;

13 (2) .08 or more grams of alcohol per two hundred ten
14 liters of the person's breath; [~~or~~]

15 (3) THC at a concentration of ten or more nanograms per
16 milliliter of blood; or

17 [~~(3)~~] (4) The presence of one or more drugs in an amount
18 sufficient to impair the person's ability to operate a
19 vehicle in a careful and prudent manner,
20 within three hours after the time of the alleged violation as
21 shown by chemical analysis or other approved analytical



1 techniques of the person's blood, breath, or urine shall be
2 competent evidence that the person was under the influence of an
3 intoxicant at the time of the alleged violation."

4 SECTION 11. Section 291E-11, Hawaii Revised Statutes, is
5 amended by amending subsections (d) and (e) to read as follows:

6 "(d) If there is probable cause to believe that a person
7 is in violation of section 291E-61 or 291E-61.5, as a result of
8 having consumed any drug[~~r~~] except for THC, then the person
9 shall elect to take a blood or urine test, or both, for the
10 purpose of determining the drug content. Drug content shall be
11 measured by the presence of any drug or its metabolic products,
12 or both. If there is probable cause to believe that a person is
13 in violation of section 291E-B, as a result of being under the
14 age of twenty-one and having consumed a measurable amount of THC
15 or, if the person is a medical cannabis patient, having consumed
16 THC at a concentration of ten or more nanograms per milliliter
17 of blood, or section 291E-61 or 291E-61.5, as a result of having
18 consumed THC at a concentration of ten or more nanograms per
19 milliliter of blood, then the person shall take a blood test,
20 and may also elect to take a urine test in addition to the blood
21 test.



1 (e) A person who chooses to submit to a breath test under
2 subsection (c) also may be requested to submit to a blood or
3 urine test, if the law enforcement officer has probable cause to
4 believe that the person was operating a vehicle while under the
5 influence of any drug under section 291E-61 or 291E-61.5 and the
6 officer has probable cause to believe that a blood or urine test
7 will reveal evidence of the person being under the influence of
8 any drug. The law enforcement officer shall state in the
9 officer's report the facts upon which that belief is based. The
10 person shall elect to take a blood or urine test, or both, for
11 the purpose of determining the person's drug content[-], unless
12 the drug being tested for is THC in which case the person shall
13 take a blood test and may also elect to take a urine test in
14 addition to the blood test. Results of a blood or urine test
15 conducted to determine drug content also shall be admissible for
16 the purpose of determining the person's alcohol concentration.
17 Submission to testing for drugs under subsection (d) or this
18 subsection shall not be a substitute for alcohol tests requested
19 under subsection (c)."

20 SECTION 12. Section 291E-21, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



1 "(b) If a health care provider who is providing medical
2 care, in a health care facility, to any person involved in a
3 vehicle collision:

4 (1) Becomes aware, as a result of any blood or urine test
5 performed in the course of medical treatment, that:

6 (A) The alcohol concentration in the person's blood
7 meets or exceeds the amount specified in section
8 291E-61(a)(4) or 291E-61.5(a)(2)(D); ~~[or]~~

9 (B) The THC concentration in the person's blood meets
10 or exceeds the amount specified in section
11 291E-61(a)(5) or 291E-61.5(a)(2)(E); or

12 ~~[(B)]~~ (C) The person's blood or urine contains one or
13 more drugs that are capable of impairing a
14 person's ability to operate a vehicle in a
15 careful and prudent manner; and

16 (2) Has a reasonable belief that the person was the
17 operator of a vehicle involved in the collision,
18 the health care provider shall notify, as soon as reasonably
19 possible, any law enforcement officer present at the health care
20 facility to investigate the collision. If no law enforcement
21 officer is present, the health care provider shall notify the



1 county police department in the county where the collision
2 occurred. If the health care provider is aware of any blood or
3 urine test result, as provided in paragraph (1), but lacks
4 information to form a reasonable belief as to the identity of
5 the operator involved in a vehicle collision, as provided in
6 paragraph (2), then the health care provider shall give notice
7 to a law enforcement officer present or [~~to~~] the county police
8 department, as applicable, for each person involved in a vehicle
9 collision whose alcohol concentration in the person's blood
10 meets or exceeds the amount specified in section 291E-61(a) (4)
11 or 291E-61.5(a) (2) (D), whose THC concentration in the person's
12 blood meets or exceeds the amount specified in section
13 291E-61(a) (5) or 291E-61.5(a) (2) (E), or whose blood or urine
14 contains one or more drugs. The notice by the health care
15 provider shall consist of the name of the person being treated,
16 the blood alcohol concentration, THC concentration in the
17 person's blood, or drug content disclosed by the test, and the
18 date and time of the administration of the test. This notice
19 shall be deemed to satisfy the intoxication element necessary to
20 establish the probable cause requirement set forth in subsection
21 (c)."



1 SECTION 13. Section 291E-33, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Whenever a person is arrested for a violation of
4 section 291E-61 or 291E-61.5 on a determination by the arresting
5 law enforcement officer that[+] there was:

6 (1) [~~There was reasonable~~] Reasonable suspicion to stop
7 the vehicle or the vehicle was stopped at an
8 intoxicant control roadblock established and operated
9 in compliance with sections 291E-19 and 291E-20; and

10 (2) [~~There was probable~~] Probable cause to believe that
11 the person was operating the vehicle while under the
12 influence of an intoxicant[+],

13 the law enforcement officer shall take possession of any license
14 held by the person and request the person to take a test for
15 alcohol concentration, in the case of an alcohol related
16 offense, or a test for drug content in the blood or urine, in
17 the case of a drug related offense. The law enforcement officer
18 shall inform the person that, in the case of an alcohol related
19 offense, the person shall elect to take a breath test, a blood
20 test, or both, pursuant to section 291E-11, but that the person
21 may refuse to submit to testing under this chapter. In the case



1 of a drug related offense, the person shall elect to take a
2 blood test, a urine test, or both, unless the drug being tested
3 for is THC in which case the person shall take a blood test and
4 may also elect to take a urine test in addition to the blood
5 test pursuant to section 291E-11, after being informed that the
6 person may refuse to submit to testing under this chapter."

7 SECTION 14. Section 291E-35, Hawaii Revised Statutes, is
8 amended by amending subsection (b) to read as follows:

9 "(b) In cases involving a drug related offense, if a test
10 conducted in accordance with part II and section 321-161 and the
11 rules adopted thereunder shows that a respondent had a THC
12 concentration of less than ten nanograms per milliliter of
13 blood, or fails to show the presence, in the respondent's blood
14 or urine, of any drug that is capable of impairing the
15 respondent's ability to operate a vehicle in a careful and
16 prudent manner, the director or [the] arresting law enforcement
17 agency [~~immediately~~] shall immediately return the respondent's
18 license along with a certified statement that administrative
19 revocation proceedings have been terminated with prejudice."

20 SECTION 15. Section 291E-36, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:



1 "(a) Whenever a respondent has been arrested for a
2 violation of section 291E-61 or 291E-61.5 and submits to a test
3 that establishes: the respondent's alcohol concentration was
4 .08 or more; the respondent's THC concentration was ten or more
5 nanograms per milliliter of blood; the presence, in the
6 respondent's blood or urine, of any drug that is capable of
7 impairing the respondent's ability to operate a vehicle in a
8 careful and prudent manner; or whenever a respondent has been
9 involved in a collision resulting in injury or death and a blood
10 or urine test performed pursuant to section 291E-21 establishes
11 that the respondent's alcohol concentration was .08 or more, the
12 respondent's THC concentration was ten or more nanograms per
13 milliliter of blood, or establishes the presence in the
14 respondent's blood or urine of any drug that is capable of
15 impairing the respondent's ability to operate a vehicle in a
16 careful and prudent manner, the following shall be forwarded
17 immediately to the director:

18 (1) A copy of the arrest report or the report of the law
19 enforcement officer who issued the notice of
20 administrative revocation to the person involved in a
21 collision resulting in injury or death and the sworn



1 statement of the arresting law enforcement officer or
2 the officer who issued the notice of administrative
3 revocation, stating facts that establish that:

4 (A) There was reasonable suspicion to stop the
5 vehicle, the vehicle was stopped at an intoxicant
6 control roadblock established and operated in
7 compliance with sections 291E-19 and 291E-20, or
8 the respondent was tested pursuant to section
9 291E-21;

10 (B) There was probable cause to believe that the
11 respondent had been operating the vehicle while
12 under the influence of an intoxicant; and

13 (C) The respondent agreed to be tested or the person
14 was tested pursuant to section 291E-21;

15 (2) In a case involving an alcohol related offense, the
16 sworn statement of the person responsible for
17 maintenance of the testing equipment, stating facts
18 that establish that, pursuant to section 321-161 and
19 rules adopted thereunder:



- 1 (A) The equipment used to conduct the test was
- 2 approved for use as an alcohol testing device in
- 3 this State;
- 4 (B) The person had been trained and at the time the
- 5 test was conducted was certified and capable of
- 6 maintaining the testing equipment; and
- 7 (C) The testing equipment used had been properly
- 8 maintained and was in good working condition when
- 9 the test was conducted;
- 10 (3) In a case involving an alcohol related offense, the
- 11 sworn statement of the person who conducted the test,
- 12 stating facts that establish that, pursuant to section
- 13 321-161 and rules adopted thereunder:
- 14 (A) The person was trained and at the time the test
- 15 was conducted was certified and capable of
- 16 operating the testing equipment;
- 17 (B) The person followed the procedures established
- 18 for conducting the test;
- 19 (C) The equipment used to conduct the test functioned
- 20 in accordance with operating procedures and
- 21 indicated that the respondent's alcohol



1 concentration was at, or above, the prohibited
2 level; and

3 (D) The person whose breath or blood was tested is
4 the respondent;

5 (4) In a case involving a drug related offense, including
6 THC, the sworn statement of the person responsible for
7 maintenance of the testing equipment, stating facts
8 that establish that, pursuant to section 321-161 and
9 rules adopted thereunder:

10 (A) The equipment used to conduct the test was
11 approved for use in drug testing;

12 (B) The person conducting the test had been trained
13 and, at the time of the test, was certified and
14 capable of maintaining the testing equipment; and

15 (C) The testing equipment used had been properly
16 maintained and was in good working condition when
17 the test was conducted;

18 (5) In a case involving a drug related offense, including
19 THC, the sworn statement of the person who conducted
20 the test, stating facts that establish that, pursuant
21 to section 321-161 and rules adopted thereunder:



- 1 (A) At the time the test was conducted, the person
- 2 was trained and capable of operating the testing
- 3 equipment;
- 4 (B) The person followed the procedures established
- 5 for conducting the test;
- 6 (C) The equipment used to conduct the test functioned
- 7 in accordance with operating procedures and
- 8 indicated the presence of one or more drugs or
- 9 their metabolites in the respondent's blood or
- 10 urine; and
- 11 (D) The person whose blood or urine was tested is the
- 12 respondent;
- 13 (6) A copy of the notice of administrative revocation
- 14 issued by the law enforcement officer to the
- 15 respondent;
- 16 (7) Any license taken into possession by the law
- 17 enforcement officer; and
- 18 (8) A listing of any prior alcohol or drug enforcement
- 19 contacts involving the respondent."
- 20 SECTION 16. Section 291E-61, Hawaii Revised Statutes, is
- 21 amended by amending subsection (a) to read as follows:



1 "(a) A person commits the offense of operating a vehicle
2 under the influence of an intoxicant if the person operates or
3 assumes actual physical control of a vehicle:

4 (1) While under the influence of alcohol in an amount
5 sufficient to impair the person's normal mental
6 faculties or ability to care for the person and guard
7 against casualty;

8 (2) While under the influence of any drug that impairs the
9 person's ability to operate the vehicle in a careful
10 and prudent manner;

11 (3) With .08 or more grams of alcohol per two hundred ten
12 liters of breath; [~~or~~]

13 (4) With .08 or more grams of alcohol per one hundred
14 milliliters or cubic centimeters of blood[~~-~~]; or

15 (5) With THC at a concentration of ten or more nanograms
16 per milliliter of blood."

17 SECTION 17. Section 291E-61.5, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) A person commits the offense of habitually operating
20 a vehicle under the influence of an intoxicant if:



- 1 (1) The person is a habitual operator of a vehicle while
- 2 under the influence of an intoxicant; and
- 3 (2) The person operates or assumes actual physical control
- 4 of a vehicle:
- 5 (A) While under the influence of alcohol in an amount
- 6 sufficient to impair the person's normal mental
- 7 faculties or ability to care for the person and
- 8 guard against casualty;
- 9 (B) While under the influence of any drug that
- 10 impairs the person's ability to operate the
- 11 vehicle in a careful and prudent manner;
- 12 (C) With .08 or more grams of alcohol per two hundred
- 13 ten liters of breath; [~~or~~]
- 14 (D) With .08 or more grams of alcohol per one hundred
- 15 milliliters or cubic centimeters of blood[~~-~~]; or
- 16 (E) With THC at a concentration of ten or more
- 17 nanograms per milliliter of blood."

PART V

19 SECTION 18. Section 26-35.5, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



1 "(a) For purposes of this section, "member" means any
2 person who is appointed, in accordance with the law, to serve on
3 a temporary or permanent state board, including members of the
4 board of education, the governing board of any charter school
5 established under chapter 302D, council, authority, committee,
6 or commission, established by law or elected to the board of
7 trustees of the employees' retirement system under section
8 88-24, the cannabis and hemp control board under section A-12,
9 or the corporation board of the Hawaii health systems
10 corporation under section 323F-3 and its regional system boards
11 under section 323F-3.5; provided that "member" shall not include
12 any person elected to serve on a board or commission in
13 accordance with chapter 11."

14 SECTION 19. Section 28-8.3, Hawaii Revised Statutes, is
15 amended as follows:

16 1. By amending subsection (a) to read:

17 "(a) No department of the State other than the attorney
18 general may employ or retain any attorney, by contract or
19 otherwise, for the purpose of representing the State or the
20 department in any litigation, rendering legal counsel to the
21 department, or drafting legal documents for the department;



1 provided that [~~the foregoing provision~~] this subsection shall
2 not apply to the employment or retention of attorneys:

3 (1) By the public utilities commission, [~~the~~] labor and
4 industrial relations appeals board, and [~~the~~] Hawaii
5 labor relations board;

6 (2) By any court or judicial or legislative office of the
7 State; provided further that if the attorney general
8 is requested to provide representation to a court or
9 judicial office by the chief justice or the chief
10 justice's designee, or to a legislative office by the
11 speaker of the house of representatives and [~~the~~]
12 president of the senate jointly, and the attorney
13 general declines to provide [~~such~~] the representation
14 on the grounds of conflict of interest, the attorney
15 general shall retain an attorney for the court,
16 judicial[~~7~~] office, or legislative office, subject to
17 approval by the court, judicial[~~7~~] office, or
18 legislative office;

19 (3) By the legislative reference bureau;

20 (4) By any compilation commission that may be constituted
21 from time to time;



- 1 (5) By the real estate commission for any action involving
- 2 the real estate recovery fund;
- 3 (6) By the contractors license board for any action
- 4 involving the contractors recovery fund;
- 5 (7) By the office of Hawaiian affairs;
- 6 (8) By the department of commerce and consumer affairs for
- 7 the enforcement of violations of chapters 480 and
- 8 485A;
- 9 (9) As grand jury counsel;
- 10 (10) By the Hawaii health systems corporation, or its
- 11 regional system boards, or any of their facilities;
- 12 (11) By the auditor;
- 13 (12) By the office of ombudsman;
- 14 (13) By the insurance division;
- 15 (14) By the University of Hawaii;
- 16 (15) By the Kahoolawe island reserve commission;
- 17 (16) By the division of consumer advocacy;
- 18 (17) By the office of elections;
- 19 (18) By the campaign spending commission;
- 20 (19) By the Hawaii tourism authority, as provided in
- 21 section 201B-2.5;



- 1 (20) By the division of financial institutions;
- 2 (21) By the office of information practices;
- 3 (22) By the school facilities authority;
- 4 (23) By the Mauna Kea stewardship and oversight authority;
- 5 [~~or~~]
- 6 (24) By the Hawaii cannabis and hemp authority; or
- 7 ~~[(24)]~~ (25) By a department, if the attorney general, for
- 8 reasons deemed by the attorney general to be good and
- 9 sufficient, declines to employ or retain an attorney
- 10 for a department; provided further that the governor
- 11 waives the provision of this section."

12 2. By amending subsection (c) to read:

13 "(c) Every attorney employed by any department on a full-

14 time basis, except an attorney employed by the public utilities

15 commission, the labor and industrial relations appeals board,

16 the Hawaii labor relations board, the office of Hawaiian

17 affairs, the Hawaii health systems corporation or its regional

18 system boards, the department of commerce and consumer affairs

19 in prosecution of consumer complaints, the insurance division,

20 the division of consumer advocacy, the University of Hawaii, the

21 Hawaii tourism authority as provided in section 201B-2.5, the



1 Mauna Kea stewardship and oversight authority, the Hawaii
2 cannabis and hemp authority, the office of information
3 practices, or as grand jury counsel, shall be a deputy attorney
4 general."

5 SECTION 20. Section 46-4, Hawaii Revised Statutes, is
6 amended by amending subsection (f) to read as follows:

7 "(f) Neither this section nor any other law, county
8 ordinance, or rule shall prohibit the use of land for [~~medical~~]
9 cannabis [~~production centers or medical cannabis dispensaries~~]
10 businesses established and licensed pursuant to chapter [~~329D,~~
11 ~~provided that the land is otherwise zoned for agriculture,~~
12 ~~manufacturing, or retail purposes.~~] A, except as provided in
13 section A-24."

14 SECTION 21. Section 76-16, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:

16 "(b) The civil service to which this chapter applies shall
17 comprise all positions in the State now existing or hereafter
18 established and embrace all personal services performed for the
19 State, except the following:

20 (1) Commissioned and enlisted personnel of the Hawaii
21 National Guard as such, and positions in the Hawaii



- 1 National Guard that are required by state or federal
2 laws or regulations or orders of the National Guard to
3 be filled from those commissioned or enlisted
4 personnel;
- 5 (2) Positions filled by persons employed by contract where
6 the director of human resources development has
7 certified that the service is special or unique or is
8 essential to the public interest and that, because of
9 circumstances surrounding its fulfillment, personnel
10 to perform the service cannot be obtained through
11 normal civil service recruitment procedures. Any such
12 contract may be for any period not exceeding one year;
- 13 (3) Positions that must be filled without delay to comply
14 with a court order or decree if the director
15 determines that recruitment through normal recruitment
16 civil service procedures would result in delay or
17 noncompliance, such as the Felix-Cayetano consent
18 decree;
- 19 (4) Positions filled by the legislature or by either house
20 or any committee thereof;



- 1 (5) Employees in the office of the governor and office of
2 the lieutenant governor, and household employees at
3 Washington Place;
- 4 (6) Positions filled by popular vote;
- 5 (7) Department heads, officers, and members of any board,
6 commission, or other state agency whose appointments
7 are made by the governor or are required by law to be
8 confirmed by the senate;
- 9 (8) Judges, referees, receivers, masters, jurors, notaries
10 public, land court examiners, court commissioners, and
11 attorneys appointed by a state court for a special
12 temporary service;
- 13 (9) One bailiff for the chief justice of the supreme court
14 who shall have the powers and duties of a court
15 officer and bailiff under section 606-14; one
16 secretary or clerk for each justice of the supreme
17 court, each judge of the intermediate appellate court,
18 and each judge of the circuit court; one secretary for
19 the judicial council; one deputy administrative
20 director of the courts; three law clerks for the chief
21 justice of the supreme court, two law clerks for each



1 associate justice of the supreme court and each judge
2 of the intermediate appellate court, one law clerk for
3 each judge of the circuit court, two additional law
4 clerks for the civil administrative judge of the
5 circuit court of the first circuit, two additional law
6 clerks for the criminal administrative judge of the
7 circuit court of the first circuit, one additional law
8 clerk for the senior judge of the family court of the
9 first circuit, two additional law clerks for the civil
10 motions judge of the circuit court of the first
11 circuit, two additional law clerks for the criminal
12 motions judge of the circuit court of the first
13 circuit, and two law clerks for the administrative
14 judge of the district court of the first circuit; and
15 one private secretary for the administrative director
16 of the courts, the deputy administrative director of
17 the courts, each department head, each deputy or first
18 assistant, and each additional deputy, or assistant
19 deputy, or assistant defined in paragraph (16);
20 (10) First deputy and deputy attorneys general, the
21 administrative services manager of the department of



1 the attorney general, one secretary for the
2 administrative services manager, an administrator and
3 any support staff for the criminal and juvenile
4 justice resources coordination functions, and law
5 clerks;

6 (11) (A) Teachers, principals, vice-principals, complex
7 area superintendents, deputy and assistant
8 superintendents, other certificated personnel,
9 and no more than twenty noncertificated
10 administrative, professional, and technical
11 personnel not engaged in instructional work;

12 (B) Effective July 1, 2003, teaching assistants,
13 educational assistants, bilingual/bicultural
14 school-home assistants, school psychologists,
15 psychological examiners, speech pathologists,
16 athletic health care trainers, alternative school
17 work study assistants, alternative school
18 educational/supportive services specialists,
19 alternative school project coordinators, and
20 communications aides in the department of
21 education;



- 1 (C) The special assistant to the state librarian and
- 2 one secretary for the special assistant to the
- 3 state librarian; and
- 4 (D) Members of the faculty of the University of
- 5 Hawaii, including research workers, extension
- 6 agents, personnel engaged in instructional work,
- 7 and administrative, professional, and technical
- 8 personnel of the university;
- 9 (12) Employees engaged in special, research, or
- 10 demonstration projects approved by the governor;
- 11 (13) (A) Positions filled by inmates, patients of state
- 12 institutions, and persons with severe physical or
- 13 mental disabilities participating in the work
- 14 experience training programs;
- 15 (B) Positions filled with students in accordance with
- 16 guidelines for established state employment
- 17 programs; and
- 18 (C) Positions that provide work experience training
- 19 or temporary public service employment that are
- 20 filled by persons entering the workforce or
- 21 persons transitioning into other careers under



1 programs such as the federal Workforce Investment
 2 Act of 1998, as amended, or the Senior Community
 3 Service Employment Program of the Employment and
 4 Training Administration of the United States
 5 Department of Labor, or under other similar state
 6 programs;

7 (14) A custodian or guide at Iolani Palace, the Royal
 8 Mausoleum, and Hulihee Palace;

9 (15) Positions filled by persons employed on a fee,
 10 contract, or piecework basis, who may lawfully perform
 11 their duties concurrently with their private business
 12 or profession or other private employment and whose
 13 duties require only a portion of their time, if it is
 14 impracticable to ascertain or anticipate the portion
 15 of time to be devoted to the service of the State;

16 (16) Positions of first deputies or first assistants of
 17 each department head appointed under or in the manner
 18 provided in section 6, article V, of the Hawaii State
 19 Constitution; three additional deputies or assistants
 20 either in charge of the highways, harbors, and
 21 airports divisions or other functions within the



1 department of transportation as may be assigned by the
2 director of transportation, with the approval of the
3 governor; one additional deputy in the department of
4 human services either in charge of welfare or other
5 functions within the department as may be assigned by
6 the director of human services; four additional
7 deputies in the department of health, each in charge
8 of one of the following: behavioral health,
9 environmental health, hospitals, and health resources
10 administration, including other functions within the
11 department as may be assigned by the director of
12 health, with the approval of the governor; two
13 additional deputies in charge of the law enforcement
14 programs, administration, or other functions within
15 the department of law enforcement as may be assigned
16 by the director of law enforcement, with the approval
17 of the governor; three additional deputies each in
18 charge of the correctional institutions,
19 rehabilitation services and programs, and
20 administration or other functions within the
21 department of corrections and rehabilitation as may be



1 assigned by the director [~~or~~] of corrections and
2 rehabilitation, with the approval of the governor; an
3 administrative assistant to the state librarian; and
4 an administrative assistant to the superintendent of
5 education;

6 (17) Positions specifically exempted from this part by any
7 other law; provided that:

8 (A) Any exemption created after July 1, 2014, shall
9 expire three years after its enactment unless
10 affirmatively extended by an act of the
11 legislature; and

12 (B) All of the positions defined by paragraph (9)
13 shall be included in the position classification
14 plan;

15 (18) Positions in the state foster grandparent program and
16 positions for temporary employment of senior citizens
17 in occupations in which there is a severe personnel
18 shortage or in special projects;

19 (19) Household employees at the official residence of the
20 president of the University of Hawaii;



- 1 (20) Employees in the department of education engaged in
2 the supervision of students during meal periods in the
3 distribution, collection, and counting of meal
4 tickets, and in the cleaning of classrooms after
5 school hours on a less than half-time basis;
- 6 (21) Employees hired under the tenant hire program of the
7 Hawaii public housing authority; provided that [~~not~~]
8 no more than twenty-six per cent of the authority's
9 workforce in any housing project maintained or
10 operated by the authority shall be hired under the
11 tenant hire program;
- 12 (22) Positions of the federally funded expanded food and
13 nutrition program of the University of Hawaii that
14 require the hiring of nutrition program assistants who
15 live in the areas they serve;
- 16 (23) Positions filled by persons with severe disabilities
17 who are certified by the state vocational
18 rehabilitation office that they are able to perform
19 safely the duties of the positions;
- 20 (24) The sheriff;



- 1 (25) A gender and other fairness coordinator hired by the
2 judiciary;
- 3 (26) Positions in the Hawaii National Guard youth and adult
4 education programs;
- 5 (27) In the Hawaii state energy office in the department of
6 business, economic development, and tourism, all
7 energy program managers, energy program specialists,
8 energy program assistants, and energy analysts;
- 9 (28) Administrative appeals hearing officers in the
10 department of human services;
- 11 (29) In the Med-QUEST division of the department of human
12 services, the division administrator, finance officer,
13 health care services branch administrator, medical
14 director, and clinical standards administrator;
- 15 (30) In the director's office of the department of human
16 services, the enterprise officer, information security
17 and privacy compliance officer, security and privacy
18 compliance engineer, security and privacy compliance
19 analyst, information technology implementation
20 manager, assistant information technology
21 implementation manager, resource manager,



1 community/project development director, policy
2 director, special assistant to the director, and
3 limited English proficiency project
4 manager/coordinator;

5 (31) The Alzheimer's disease and related dementia services
6 coordinator in the executive office on aging;

7 (32) In the Hawaii emergency management agency, the
8 executive officer, public information officer, civil
9 defense administrative officer, branch chiefs, and
10 emergency operations center state warning point
11 personnel; provided that for state warning point
12 personnel, the director shall determine that
13 recruitment through normal civil service recruitment
14 procedures would result in delay or noncompliance;

15 (33) The executive director and seven full-time
16 administrative positions of the school facilities
17 authority;

18 (34) Positions in the Mauna Kea stewardship and oversight
19 authority;



1 (35) In the office of homeland security of the department
2 of law enforcement, the statewide interoperable
3 communications coordinator; [~~and~~]

4 (36) In the social services division of the department of
5 human services, the business technology analyst[-];

6 (37) In the Hawaii cannabis and hemp authority, the
7 executive director, chief compliance officer, chief
8 equity officer, chief financial officer, chief public
9 health and environmental officer, chief technology
10 officer, executive secretary to the executive
11 director, general counsel, and hemp coordinator; and

12 (38) In the department of taxation, the tax law change
13 specialist to assist with the implementation of
14 chapter B.

15 The director shall determine the applicability of this
16 section to specific positions.

17 Nothing in this section shall be deemed to affect the civil
18 service status of any incumbent as it existed on July 1, 1955."

19 SECTION 22. Section 91-13.5, Hawaii Revised Statutes, is
20 amended by amending subsection (f) to read as follows:

21 "(f) This section shall not apply to:



1 (1) Any proceedings of the public utilities commission;
2 [~~or~~]

3 (2) Any proceedings of the cannabis and hemp control board
4 or Hawaii cannabis and hemp authority; or

5 [~~(2)~~] (3) Any county or county agency that is exempted by
6 county ordinance from this section."

7 SECTION 23. Section 201-13.9, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§201-13.9 Medical cannabis; economic and other data;**

10 **collection.** (a) The department shall continuously collect
11 de-identified information regarding the medical cannabis
12 [~~registry~~] registration and medical cannabis dispensary programs
13 established pursuant to [~~chapters 329 and 329D,~~] chapter A,
14 including but not limited to information regarding the:

15 (1) Quantities of medical cannabis cultivated and
16 dispensed;

17 (2) Number of qualifying patients;

18 (3) Geographic areas in which medical cannabis is
19 cultivated and consumed;

20 (4) Prices of medical cannabis and related products;



1 (5) Number of employment opportunities related to medical
2 cannabis; and

3 (6) Economic impact of medical cannabis cultivation and
4 sales.

5 (b) The [~~department of health~~] Hawaii cannabis and hemp
6 authority and medical cannabis dispensaries licensed pursuant to
7 chapter [~~329D~~] A shall provide de-identified aggregated data as
8 required by the department pursuant to this section.

9 (c) Upon request, the department shall provide an analysis
10 of the aggregated de-identified data to the [~~department of~~
11 ~~health~~] Hawaii cannabis and hemp authority and [~~the~~]
12 legislature."

13 SECTION 24. Section 209E-2, Hawaii Revised Statutes, is
14 amended by amending the definition of "eligible business
15 activity" to read as follows:

16 ""Eligible business activity" means the:

17 (1) Manufacture of tangible personal property, the
18 wholesale sale of tangible personal property as
19 described in section 237-4, or a service business as
20 defined in this section;



- 1 (2) Production of agricultural products where the business
2 is a producer as defined in section 237-5, or the
3 processing of agricultural products, all or some of
4 which were grown within an enterprise zone;
- 5 (3) Research, development, sale, or production of all
6 types of genetically-engineered medical, agricultural,
7 or maritime biotechnology products; or
- 8 (4) Production of electric power from wind energy for sale
9 primarily to a public utility company for resale to
10 the public;
- 11 provided that [~~medical cannabis dispensary~~] the activities of a
12 cannabis business pursuant to chapter [~~329D~~] A shall not be
13 considered an eligible business activity for the purposes of
14 this chapter."

15 SECTION 25. Section 231-8.5, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:

17 "(b) If the requirements of subsection (c) are satisfied,
18 the department may require electronic filing of any tax return,
19 application, report, or other document required under the
20 provisions of title 14 administered by the department for the
21 following taxpayers:



- 1 (1) For withholding tax filings required under chapter
2 235, only employers whose total tax liability under
3 sections 235-61 and 235-62 for the calendar or fiscal
4 year exceeds \$40,000;
- 5 (2) For income tax filings required under chapter 235,
6 only taxpayers who are subject to tax under section
7 235-71, 235-71.5, or 235-72;
- 8 (3) For general excise tax filings required under chapter
9 237, only taxpayers whose total tax liability under
10 chapter 237 for the calendar or fiscal year exceeds
11 \$4,000;
- 12 (4) For transient accommodations tax filings required
13 under chapter 237D, only operators and plan managers
14 whose total tax liability under chapter 237D for the
15 calendar or fiscal year exceeds \$4,000; and
- 16 (5) For filings required under the following chapters, all
17 taxpayers subject to tax under those chapters:
- 18 (A) 236E;
- 19 (B) 239;
- 20 (C) 241;
- 21 (D) 243;



- 1 (E) 244D;
- 2 (F) 245; [~~and~~]
- 3 (G) 251[~~-~~]; and
- 4 (H) B."

5 SECTION 26. Section 235-2.4, Hawaii Revised Statutes, is
6 amended by amending subsection (v) to read as follows:

7 "(v) Section 280E (with respect to expenditures in
8 connection with the illegal sale of drugs) of the Internal
9 Revenue Code shall be operative for the purposes of this
10 chapter[~~, except~~]; provided that section 280E shall not be
11 operative with respect to the [~~production~~] cultivation,
12 processing, and sale of [~~medical~~] cannabis [~~and manufactured~~
13 ~~cannabis products~~] by [~~dispensaries~~] cannabis businesses
14 licensed or permitted under chapter [~~329D and their~~
15 ~~subcontractors, as defined in section 329D-1.~~] A. For the
16 purposes of this subsection, "cannabis" has the same meaning as
17 defined in section A-3."

18 SECTION 27. Section 237-24.3, Hawaii Revised Statutes, is
19 amended to read as follows:



1 **"§237-24.3 Additional amounts not taxable.** In addition to
2 the amounts not taxable under section 237-24, this chapter shall
3 not apply to:

4 (1) Amounts received from the loading, transportation, and
5 unloading of agricultural commodities shipped for a
6 producer or produce dealer on one island of this State
7 to a person, firm, or organization on another island
8 of this State. The terms "agricultural commodity",
9 "producer", and "produce dealer" shall be defined in
10 the same manner as they are defined in section 147-1;
11 provided that agricultural commodities need not have
12 been produced in the State;

13 (2) Amounts received by the manager, submanager, or board
14 of directors of:

15 (A) An association of a condominium property regime
16 established in accordance with chapter 514B or
17 any predecessor thereto; or

18 (B) A nonprofit homeowners or community association
19 incorporated in accordance with chapter 414D or
20 any predecessor thereto and existing pursuant to
21 covenants running with the land,



- 1 in reimbursement of sums paid for common expenses;
- 2 (3) Amounts received or accrued from:
- 3 (A) The loading or unloading of cargo from ships,
4 barges, vessels, or aircraft, including
5 stevedoring services as defined in section 382-1,
6 whether or not the ships, barges, vessels, or
7 aircraft travel between the State and other
8 states or countries or between the islands of the
9 State;
- 10 (B) Tugboat services including pilotage fees
11 performed within the State, and the towage of
12 ships, barges, or vessels in and out of state
13 harbors, or from one pier to another;
- 14 (C) The transportation of pilots or governmental
15 officials to ships, barges, or vessels offshore;
16 rigging gear; checking freight and similar
17 services; standby charges; and use of moorings
18 and running mooring lines; and
- 19 (D) Wharfage and demurrage imposed under chapter 266
20 that is paid to the department of transportation;



- 1 (4) Amounts received by an employee benefit plan by way of
2 contributions, dividends, interest, and other income;
3 and amounts received by a nonprofit organization or
4 office, as payments for costs and expenses incurred
5 for the administration of an employee benefit plan;
6 provided that this exemption shall not apply to any
7 gross rental income or gross rental proceeds received
8 after June 30, 1994, as income from investments in
9 real property in this State; [~~and~~] provided further
10 that gross rental income or gross rental proceeds from
11 investments in real property received by an employee
12 benefit plan after June 30, 1994, under written
13 contracts executed [~~prior to~~] before July 1, 1994,
14 shall not be taxed until the contracts are
15 renegotiated, renewed, or extended, or until after
16 December 31, 1998, whichever is earlier. For the
17 purposes of this paragraph, "employee benefit plan"
18 means any plan as defined in title 29 United States
19 Code section 1002(3), as amended;
- 20 (5) Amounts received for purchases made with United States
21 Department of Agriculture food coupons under the



1 federal food stamp program, and amounts received for
2 purchases made with United States Department of
3 Agriculture food vouchers under the Special
4 Supplemental Foods Program for Women, Infants and
5 Children;

6 (6) Amounts received by a hospital, infirmary, medical
7 clinic, health care facility, pharmacy, or a
8 practitioner licensed to administer the drug to an
9 individual for selling prescription drugs or
10 prosthetic devices to an individual; provided that
11 this paragraph shall not apply to any amounts received
12 for services provided in selling prescription drugs or
13 prosthetic devices. As used in this paragraph:

14 "Prescription drugs" are those drugs defined
15 under section 328-1 and dispensed by filling or
16 refilling a written or oral prescription by a
17 practitioner licensed under law to administer the drug
18 and sold by a licensed pharmacist under section 328-16
19 or practitioners licensed to administer drugs;
20 provided that "prescription drugs" shall not include
21 any cannabis [~~or manufactured cannabis products~~]



1 authorized pursuant to [~~chapters 329 and 329D;~~]
2 chapter A; and

3 "Prosthetic device" means any artificial device
4 or appliance, instrument, apparatus, or contrivance,
5 including their components, parts, accessories, and
6 replacements thereof, used to replace a missing or
7 surgically removed part of the human body, which is
8 prescribed by a licensed practitioner of medicine,
9 osteopathy, or podiatry and that is sold by the
10 practitioner or that is dispensed and sold by a dealer
11 of prosthetic devices; provided that "prosthetic
12 device" shall not mean any auditory, ophthalmic,
13 dental, or ocular device or appliance, instrument,
14 apparatus, or contrivance;

15 (7) Taxes on transient accommodations imposed by chapter
16 237D and passed on and collected by operators holding
17 certificates of registration under that chapter;

18 (8) Amounts received as dues by an unincorporated
19 merchants association from its membership for
20 advertising media, promotional, and advertising costs
21 for the promotion of the association for the benefit



1 of its members as a whole and not for the benefit of
2 an individual member or group of members less than the
3 entire membership;

4 (9) Amounts received by a labor organization for real
5 property leased to:

6 (A) A labor organization; or

7 (B) A trust fund established by a labor organization
8 for the benefit of its members, families, and
9 dependents for medical or hospital care, pensions
10 on retirement or death of employees,
11 apprenticeship and training, and other membership
12 service programs.

13 As used in this paragraph, "labor organization" means
14 a labor organization exempt from federal income tax
15 under section 501(c)(5) of the Internal Revenue Code,
16 as amended;

17 (10) Amounts received from foreign diplomats and consular
18 officials who are holding cards issued or authorized
19 by the United States Department of State granting them
20 an exemption from state taxes; [and]



1 (11) Amounts received as rent for the rental or leasing of
 2 aircraft or aircraft engines used by the lessees or
 3 renters for interstate air transportation of
 4 passengers and goods. For purposes of this paragraph,
 5 payments made pursuant to a lease shall be considered
 6 rent regardless of whether the lease is an operating
 7 lease or a financing lease. The definition of
 8 "interstate air transportation" is the same as in 49
 9 U.S.C. section 40102[-]; and

- 10 (12) Amounts received from:
- 11 (A) Sales of cannabis, whether made at retail or
 - 12 wholesale;
 - 13 (B) Sales of medical cannabis; and
 - 14 (C) Taxes on the retail sale of cannabis or sale of
 - 15 medical cannabis imposed by chapter B and passed
 - 16 on and collected by persons holding permits under
 - 17 chapter B."

18 SECTION 28. Section 245-1, Hawaii Revised Statutes, is
 19 amended by amending the definition of "e-liquid" to read as
 20 follows:

1 ""E-liquid" means any liquid or like substance, which may
2 or may not contain nicotine, that is designed or intended to be
3 used in an electronic smoking device, whether or not packaged in
4 a cartridge or other container.

5 "E-liquid" does not include:

6 (1) Prescription drugs;

7 (2) Cannabis [~~for medical use pursuant to chapter 329 or~~
8 ~~manufactured~~], cannabis products, or cannabis
9 accessories authorized pursuant to chapter [329D:] A;

10 or

11 (3) Medical devices used to aerosolize, inhale, or ingest
12 prescription drugs [~~, including manufactured cannabis~~
13 ~~products described in section 329D-10]."~~

14 SECTION 29. Section 322-1, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "**§322-1 Removal[~~7~~]; prevention[~~-~~]; definition.** (a) The
17 department of health and its agents shall examine into all
18 nuisances, foul or noxious odors, gases or vapors, water in
19 which mosquito larvae exist, sources of filth, and all causes of
20 sickness or disease, on shore, and in any vessel, [~~which~~] that
21 may be known to [~~them~~] the department or brought to [~~their~~] the



1 department's attention, [~~which~~] that in [~~their~~] the department's
2 opinion are dangerous or injurious to health, and into any and
3 all conditions created or existing [~~which~~] that cause or tend to
4 cause sickness or disease or to be dangerous or injurious to
5 health, and shall cause the same to be abated, destroyed,
6 removed, or prevented.

7 (b) For purposes of this part [~~, a nuisance shall~~
8 ~~include~~]:

9 "Cannabis product" has the same meaning as defined in
10 section A-3.

11 "Hemp product" has the same meaning as defined in section
12 A-3.

13 "Nuisance":

14 (1) Includes:

15 (A) Toxic materials that are used in or by-products
16 of the manufacture or conversion of
17 methamphetamine, and clandestine drug labs that
18 manufacture methamphetamine; and

19 [~~(2)~~] (B) Odors and filth resulting from a person
20 feeding feral birds [~~-~~]; and



1 (2) Does not include a cannabis product or hemp product or
2 any foul or noxious odor, gas, or vapor derived from a
3 cannabis product or hemp product."

4 SECTION 30. Section 329-43.5, Hawaii Revised Statutes, is
5 amended by amending subsection (e) to read as follows:

6 "(e) Subsections (a) and (b) shall not apply to a person
7 who is ~~authorized to:~~

8 ~~(1) Acquire, possess, cultivate, use, distribute, or~~
9 ~~transport cannabis pursuant to the definition of~~
10 ~~"medical use" under section 329-121, while the person~~
11 ~~is facilitating the medical use of cannabis by a~~
12 ~~qualifying patient; or~~

13 ~~(2) Dispense, manufacture, or produce cannabis or~~
14 ~~manufactured cannabis products pursuant to and in~~
15 ~~compliance with chapter 329D, while the person is~~
16 ~~facilitating the medical use of cannabis by a~~
17 ~~qualifying patient pursuant to part IX of chapter~~
18 ~~329.] acting in strict compliance with chapter A with~~
19 respect to cannabis."

20 SECTION 31. Section 378-2.5, Hawaii Revised Statutes, is
21 amended by amending subsection (d) to read as follows:



1 "(d) Notwithstanding subsections (b) and (c), the
2 requirement that inquiry into and consideration of a prospective
3 employee's conviction record may take place only after the
4 individual has received a conditional job offer, and the
5 limitation to the most recent seven-year period for felony
6 convictions and the most recent five-year period for misdemeanor
7 convictions, excluding the period of incarceration, shall not
8 apply to employers who are expressly permitted to inquire into
9 an individual's criminal history for employment purposes
10 pursuant to any federal or state law other than subsection (a),
11 including:

12 (1) The State or any of its branches, political
13 subdivisions, or agencies pursuant to sections 78-2.7
14 and 831-3.1; provided that any state law permitting
15 the State and any of its branches, political
16 subdivisions, agencies, or semi-autonomous public
17 bodies corporate and politic to conduct more extensive
18 inquiries into an individual's criminal history for
19 employment purposes than those permitted under this
20 section shall prevail;



- 1 (2) The department of education pursuant to section
2 302A-601.5;
- 3 (3) The department of health with respect to employees,
4 providers, or subcontractors in positions that place
5 them in direct contact with clients when providing
6 non-witnessed direct mental health services pursuant
7 to section 321-171.5;
- 8 (4) The judiciary pursuant to section 571-34;
- 9 (5) The counties pursuant to section 846-2.7(b)(5), (33),
10 (34), (35), (36), and (38);
- 11 (6) Armed security services pursuant to section 261-17(b);
- 12 (7) Providers of a developmental disabilities domiciliary
13 home pursuant to section 321-15.2;
- 14 (8) Private schools pursuant to sections 302C-1 and
15 378-3(8);
- 16 (9) Financial institutions in which deposits are insured
17 by a federal agency having jurisdiction over the
18 financial institution pursuant to section 378-3(9);
- 19 (10) Detective agencies and security guard agencies
20 pursuant to sections 463-6(b) and 463-8(b);



- 1 (11) Employers in the business of insurance pursuant to
2 section 431:2-201.3;
- 3 (12) Employers of individuals or supervisors of individuals
4 responsible for screening passengers or property under
5 title 49 United States Code section 44901 or
6 individuals with unescorted access to an aircraft of
7 an air carrier or foreign carrier or in a secured area
8 of an airport in the United States pursuant to title
9 49 United States Code section 44936(a);
- 10 (13) The department of human services pursuant to sections
11 346-2.5, 346-97, and 352-5.5;
- 12 (14) The public library system pursuant to section
13 302A-601.5;
- 14 (15) The department of law enforcement pursuant to section
15 353C-5;
- 16 (16) The board of directors of a cooperative housing
17 corporation or the manager of a cooperative housing
18 project pursuant to section 421I-12;
- 19 (17) The board of directors of an association under chapter
20 514B, or the managing agent or resident manager of a
21 condominium pursuant to section 514B-133;



- 1 (18) The department of health pursuant to section 321-15.2;
- 2 [and]
- 3 (19) The department of corrections and rehabilitation
- 4 pursuant to section 353-1.5[-];
- 5 (20) The cannabis and hemp control board and Hawaii
- 6 cannabis and hemp authority pursuant to sections A-12
- 7 and A-27; and
- 8 (21) A licensed business pursuant to section A-74."

9 SECTION 32. Section 421J-16, Hawaii Revised Statutes, is
 10 amended to read as follows:

11 **"§421J-16 Medical cannabis; discrimination.** A provision
 12 in any association document allowing for any of the
 13 discriminatory practices listed in section 515-3(a)(1) to (7)
 14 against a person residing in a unit who has a valid
 15 [~~certificate~~] medical cannabis registration card for the medical
 16 use of cannabis as provided in section [~~329-123~~] A-47 in any
 17 form is void, unless the association document prohibits the
 18 smoking of tobacco and the medical cannabis is used by means of
 19 smoking. Nothing in this section shall be construed to diminish
 20 the obligation of a planned community association to provide



1 reasonable accommodations for persons with disabilities pursuant
2 to section 515-3(a)(9)."

3 SECTION 33. Section 453-8, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) In addition to any other actions authorized by law,
6 any license to practice medicine and surgery may be revoked,
7 limited, or suspended by the board at any time in a proceeding
8 before the board, or may be denied, for any cause authorized by
9 law, including but not limited to the following:

10 (1) Procuring, or aiding or abetting in procuring, an
11 abortion that is unlawful under the laws of this State
12 or that would be unlawful under the laws of this State
13 if performed within this State;

14 (2) Employing any person to solicit patients for one's
15 self;

16 (3) Engaging in false, fraudulent, or deceptive
17 advertising, including but not limited to:

18 (A) Making excessive claims of expertise in one or
19 more medical specialty fields;

20 (B) Assuring a permanent cure for an incurable
21 disease; or



- 1 (C) Making any untruthful and improbable statement in
- 2 advertising one's medical or surgical practice or
- 3 business;
- 4 (4) Being habituated to the excessive use of drugs or
- 5 alcohol; or being addicted to, dependent on, or a
- 6 habitual user of a narcotic, barbiturate, amphetamine,
- 7 hallucinogen, or other drug having similar effects;
- 8 (5) Practicing medicine while the ability to practice is
- 9 impaired by alcohol, drugs, physical disability, or
- 10 mental instability;
- 11 (6) Procuring a license through fraud, misrepresentation,
- 12 or deceit, or knowingly permitting an unlicensed
- 13 person to perform activities requiring a license;
- 14 (7) Professional misconduct, hazardous negligence causing
- 15 bodily injury to another, or manifest incapacity in
- 16 the practice of medicine or surgery;
- 17 (8) Incompetence or multiple instances of negligence,
- 18 including but not limited to the consistent use of
- 19 medical service, which is inappropriate or
- 20 unnecessary;



- 1 (9) Conduct or practice contrary to recognized standards
- 2 of ethics of the medical profession as adopted by the
- 3 Hawaii Medical Association, the American Medical
- 4 Association, the Hawaii Association of Osteopathic
- 5 Physicians and Surgeons, or the American Osteopathic
- 6 Association;
- 7 (10) Violation of the conditions or limitations upon which
- 8 a limited or temporary license is issued;
- 9 (11) Revocation, suspension, or other disciplinary action
- 10 by another state or federal agency of a license,
- 11 certificate, or medical privilege, except when the
- 12 revocation, suspension, or other disciplinary action
- 13 was based on the provision or assistance in receipt or
- 14 provision of medical, surgical, pharmaceutical,
- 15 counseling, or referral services relating to the human
- 16 reproductive system, including but not limited to
- 17 services relating to pregnancy, contraception, or the
- 18 termination of a pregnancy, so long as the provision
- 19 or assistance in receipt or provision of the services
- 20 was in accordance with the laws of this State or would



1 have been in accordance with the laws of this State if
2 it occurred within this State;

3 (12) Conviction, whether by nolo contendere or otherwise,
4 of a penal offense substantially related to the
5 qualifications, functions, or duties of a physician or
6 osteopathic physician, notwithstanding any statutory
7 provision to the contrary, except when the conviction
8 was based on the provision or assistance in receipt or
9 provision of medical, surgical, pharmaceutical,
10 counseling, or referral services relating to the human
11 reproductive system, including but not limited to
12 services relating to pregnancy, contraception, or the
13 termination of a pregnancy, so long as the provision
14 or assistance in receipt or provision of the services
15 was in accordance with the laws of this State or would
16 have been in accordance with the laws of this State if
17 it occurred within this State;

18 (13) Violation of chapter 329, the uniform controlled
19 substances act, or any rule adopted thereunder except
20 as provided in section [~~329-122~~] A-49;



- 1 (14) Failure to report to the board, in writing, any
- 2 disciplinary decision issued against the licensee or
- 3 the applicant in another jurisdiction within thirty
- 4 days after the disciplinary decision is issued; or
- 5 (15) Submitting to or filing with the board any notice,
- 6 statement, or other document required under this
- 7 chapter, which is false or untrue or contains any
- 8 material misstatement or omission of fact."

9 SECTION 34. Section 514B-113, Hawaii Revised Statutes, is
10 amended to read as follows:

11 **"§514B-113 Medical cannabis; discrimination.** A provision
 12 in any articles of incorporation, declaration, bylaws,
 13 administrative rules, house rules, or association documents of a
 14 condominium allowing for any of the discriminatory practices
 15 listed in section 515-3(a) (1) to (7) against a person residing
 16 in a unit who has a valid [~~certificate~~] medical cannabis
 17 registration card for the medical use of cannabis as provided in
 18 section [~~329-123~~] A-47 in any form is void, unless the documents
 19 prohibit the smoking of tobacco and the medical cannabis is used
 20 by means of smoking. Nothing in this section shall be construed
 21 to diminish the obligation of a condominium association to



1 provide reasonable accommodations for persons with disabilities
2 pursuant to section 515-3(a)(9)."

3 SECTION 35. Section 521-39, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§521-39 Medical cannabis; tenant use; eviction.** A
6 provision in a rental agreement allowing for eviction of a
7 tenant who has a valid [~~certificate~~] medical cannabis
8 registration card for the medical use of cannabis as provided in
9 section [~~329-123~~] A-47 in any form is void, unless the rental
10 agreement allows for eviction for smoking tobacco and the
11 medical cannabis is used by means of smoking; provided that this
12 section shall not apply where the articles of incorporation,
13 declaration, bylaws, administrative rules, house rules,
14 association documents, or a similar document of a condominium
15 property regime or planned community association prohibits the
16 [~~medical~~] use of cannabis."

17 SECTION 36. Section 709-903.5, Hawaii Revised Statutes, is
18 amended by amending subsection (1) to read as follows:

19 "(1) Except as provided in subsection (2), a person
20 commits the offense of endangering the welfare of a minor in the
21 first degree if, having care or custody of a minor, the person:



1 (a) Intentionally or knowingly allows another person to
2 inflict serious or substantial bodily injury on the
3 minor; or

4 (b) Intentionally or knowingly causes or permits the minor
5 to inject, ingest, inhale, or otherwise introduce into
6 the minor's body any controlled substance listed in
7 sections 329-14, 329-16, 329-18, and 329-20 that has
8 not been prescribed by a physician for the minor,
9 except as permitted under section [~~329-122.~~] A-41."

10 SECTION 37. Section 709-904, Hawaii Revised Statutes, is
11 amended by amending subsection (1) to read as follows:

12 "(1) Except as provided in section 709-903.5(2), a person
13 commits the offense of endangering the welfare of a minor in the
14 second degree if, having care or custody of a minor, the person:

15 (a) Recklessly allows another person to inflict serious or
16 substantial bodily injury on the minor; or

17 (b) Recklessly causes or permits the minor to inject,
18 ingest, inhale, or otherwise introduce into the
19 minor's body any controlled substance listed in
20 sections 329-14, 329-16, 329-18, and 329-20 that has
21 not been prescribed by a physician for the minor,



1 except as permitted under section [~~329-122.~~] A-41.

2 This subsection shall not apply to nursing mothers who
3 may cause the ingestion or introduction of detectable
4 amounts of any controlled substance listed in sections
5 329-14, 329-16, 329-18, and 329-20 to their minor
6 children through breastfeeding."

7 SECTION 38. Section 712-1240.1, Hawaii Revised Statutes,
8 is amended by amending subsection (2) to read as follows:

9 "(2) It is an affirmative defense to prosecution for any
10 marijuana-related offense defined in this part that the person
11 who possessed or distributed the marijuana was authorized to
12 possess or distribute the marijuana [~~for medical purposes~~
13 pursuant to part IX of chapter 329.] pursuant to chapter A."

14 SECTION 39. Section 712-1244, Hawaii Revised Statutes, is
15 amended by amending subsection (1) to read as follows:

16 "(1) A person commits the offense of promoting a harmful
17 drug in the first degree if the person knowingly:

18 (a) Possesses one hundred or more capsules or tablets or
19 dosage units containing one or more of the harmful
20 drugs or one or more of the marijuana concentrates, or
21 any combination thereof;



- 1 (b) Possesses one or more preparations, compounds,
2 mixtures, or substances, of an aggregate weight of one
3 ounce or more containing one or more of the harmful
4 drugs or one or more of the marijuana concentrates, or
5 any combination thereof;
- 6 (c) Distributes twenty-five or more capsules or tablets or
7 dosage units containing one or more of the harmful
8 drugs or one or more of the marijuana concentrates, or
9 any combination thereof;
- 10 (d) Distributes one or more preparations, compounds,
11 mixtures, or substances, of an aggregate weight of
12 one-eighth ounce or more, containing one or more of
13 the harmful drugs or one or more of the marijuana
14 concentrates, or any combination thereof; [~~or~~]
- 15 (e) Distributes any harmful drug [~~or any marijuana~~
16 ~~concentrate~~] in any amount to a minor[~~or~~]; or
- 17 (f) Distributes any marijuana concentrate in any amount to
18 a person under the age of twenty-one."

19 SECTION 40. Section 712-1249, Hawaii Revised Statutes, is
20 amended to read as follows:



1 "§712-1249 Promoting a detrimental drug in the third

2 **degree.** (1) A person commits the offense of promoting a
3 detrimental drug in the third degree if [~~the~~]:

4 (a) The person is under the age of twenty-one and
5 knowingly possesses any marijuana [~~or~~];

6 (b) The person is at least twenty-one years of age and
7 knowingly possesses an amount of marijuana that
8 exceeds the possession limit; or

9 (c) The person knowingly possesses any Schedule V
10 substance in any amount.

11 (2) Promoting a detrimental drug in the third degree [~~is~~]
12 shall be a petty misdemeanor; provided that possession of three
13 grams or less of marijuana [~~is~~] by a person under the age of
14 twenty-one shall be a violation, punishable by a fine of no more
15 than \$130. A person found responsible for a violation under
16 this section may request, and shall be granted, a penalty of up
17 to ten hours of community service in lieu of a fine.

18 (3) As used in this section, "possession limit" means:

19 (a) One ounce of cannabis flower and up to five grams of
20 adult-use cannabis products as calculated using
21 information provided pursuant to section A-113(d); and



1 (b) Within a person's private residence only, up to ten
2 ounces of adult-use cannabis produced by the person's
3 personal cultivation of cannabis; provided that no
4 more than two pounds of cannabis in total shall be
5 stored at any private residence, regardless of the
6 number of people residing there."

7 SECTION 41. Section 712-1249.5, Hawaii Revised Statutes,
8 is amended by amending subsection (1) to read as follows:

9 "(1) A person commits the offense of commercial promotion
10 of marijuana in the second degree if the person knowingly:

11 (a) Possesses marijuana having an aggregate weight of two
12 pounds or more;

13 (b) Distributes marijuana having an aggregate weight of
14 one pound or more;

15 (c) Possesses, cultivates, or has under the person's
16 control fifty or more marijuana plants;

17 (d) Cultivates on land owned by another person, including
18 land owned by the government or other legal entity,
19 any marijuana plant, unless the person has the express
20 permission from the owner of the land to cultivate the
21 marijuana or the person has a legal or an equitable



1 ownership interest in the land or the person has a
 2 legal right to occupy the land; or
 3 (e) Sells or barter[s] ~~[any marijuana or]~~ any Schedule V
 4 substance in any amount to a minor."

5 SECTION 42. Section 712A-4, Hawaii Revised Statutes, is
 6 amended to read as follows:

7 "**§712A-4 Covered offenses.** Offenses for which property is
 8 subject to forfeiture under this chapter are:

- 9 (a) All offenses that specifically authorize forfeiture;
- 10 (b) Murder; kidnapping; labor trafficking; unlicensed sale
- 11 of liquor; unlicensed manufacture of liquor; gambling;
- 12 criminal property damage; robbery; bribery; extortion;
- 13 theft; unauthorized entry into motor vehicle;
- 14 burglary; money laundering; trademark counterfeiting;
- 15 insurance fraud; promoting a dangerous, harmful, or
- 16 detrimental drug; commercial promotion of marijuana;
- 17 methamphetamine trafficking; manufacturing of a
- 18 controlled substance with a child present; promoting
- 19 child abuse; promoting prostitution; sex trafficking;
- 20 commercial sexual exploitation of a minor; habitual
- 21 commercial sexual exploitation; or electronic



1 enticement of a child that is chargeable as a felony
2 offense under state law;

3 (c) The manufacture, sale, or distribution of a controlled
4 substance in violation of chapter 329, promoting
5 detrimental drugs or intoxicating compounds, promoting
6 pornography, promoting pornography for minors, or
7 commercial sexual exploitation near schools or public
8 parks, which is chargeable as a felony or misdemeanor
9 offense, but not as a petty misdemeanor, under state
10 law; provided that the activities authorized under
11 chapter A shall not be subject to forfeiture under
12 this chapter; and

13 (d) The attempt, conspiracy, solicitation, coercion, or
14 intimidation of another to commit any offense for
15 which property is subject to forfeiture."

16 SECTION 43. Section 846-2.7, Hawaii Revised Statutes, is
17 amended by amending subsection (b) to read as follows:

18 "(b) Criminal history record checks may be conducted by:

19 (1) The department of health or its designee on operators
20 of adult foster homes for individuals with
21 developmental disabilities or developmental



1 disabilities domiciliary homes and their employees, as
2 provided by section 321-15.2;

3 (2) The department of health or its designee on
4 prospective employees, persons seeking to serve as
5 providers, or subcontractors in positions that place
6 them in direct contact with clients when providing
7 non-witnessed direct mental health or health care
8 services as provided by section 321-171.5;

9 (3) The department of health or its designee on all
10 applicants for licensure or certification for,
11 operators for, prospective employees, adult
12 volunteers, and all adults, except adults in care, at
13 healthcare facilities as defined in section 321-15.2;

14 (4) The department of education on employees, prospective
15 employees, and teacher trainees in any public school
16 in positions that necessitate close proximity to
17 children as provided by section 302A-601.5;

18 (5) The counties on employees and prospective employees
19 who may be in positions that place them in close
20 proximity to children in recreation or child care
21 programs and services;



- 1 (6) The county liquor commissions on applicants for liquor
2 licenses as provided by section 281-53.5;
- 3 (7) The county liquor commissions on employees and
4 prospective employees involved in liquor
5 administration, law enforcement, and liquor control
6 investigations;
- 7 (8) The department of human services on operators and
8 employees of child caring institutions, child placing
9 organizations, and resource family homes as provided
10 by section 346-17;
- 11 (9) The department of human services on prospective
12 adoptive parents as established under section
13 346-19.7;
- 14 (10) The department of human services or its designee on
15 applicants to operate child care facilities, household
16 members of the applicant, prospective employees of the
17 applicant, and new employees and household members of
18 the provider after registration or licensure as
19 provided by section 346-154, and persons subject to
20 section 346-152.5;



- 1 (11) The department of human services on persons exempt
2 pursuant to section 346-152 to be eligible to provide
3 child care and receive child care subsidies as
4 provided by section 346-152.5;
- 5 (12) The department of health on operators and employees of
6 home and community-based case management agencies and
7 operators and other adults, except for adults in care,
8 residing in community care foster family homes as
9 provided by section 321-15.2;
- 10 (13) The department of human services on staff members of
11 the Hawaii youth correctional facility as provided by
12 section 352-5.5;
- 13 (14) The department of human services on employees,
14 prospective employees, and volunteers of contracted
15 providers and subcontractors in positions that place
16 them in close proximity to youth when providing
17 services on behalf of the office or the Hawaii youth
18 correctional facility as provided by section 352D-4.3;
- 19 (15) The judiciary on employees and applicants at detention
20 and shelter facilities as provided by section 571-34;



- 1 (16) The department of corrections and rehabilitation on
2 employees and prospective employees who are directly
3 involved with the treatment and care of persons
4 committed to a correctional facility as provided by
5 section 353-1.5 and the department of law enforcement
6 on employees and prospective employees whose duties
7 involve or may involve the exercise of police powers
8 including the power of arrest as provided by section
9 353C-5;
- 10 (17) The board of private detectives and guards on
11 applicants for private detective or private guard
12 licensure as provided by section 463-9;
- 13 (18) Private schools and designated organizations on
14 employees and prospective employees who may be in
15 positions that necessitate close proximity to
16 children; provided that private schools and designated
17 organizations receive only indications of the states
18 from which the national criminal history record
19 information was provided pursuant to section 302C-1;
- 20 (19) The public library system on employees and prospective
21 employees whose positions place them in close



- 1 proximity to children as provided by section
2 302A-601.5;
- 3 (20) The State or any of its branches, political
4 subdivisions, or agencies on applicants and employees
5 holding a position that has the same type of contact
6 with children, vulnerable adults, or persons committed
7 to a correctional facility as other public employees
8 who hold positions that are authorized by law to
9 require criminal history record checks as a condition
10 of employment as provided by section 78-2.7;
- 11 (21) The department of health on licensed adult day care
12 center operators, employees, new employees,
13 subcontracted service providers and their employees,
14 and adult volunteers as provided by section 321-15.2;
- 15 (22) The department of human services on purchase of
16 service contracted and subcontracted service providers
17 and their employees and volunteers, as provided by
18 sections 346-2.5 and 346-97;
- 19 (23) The department of human services on foster grandparent
20 program, senior companion program, and respite



1 companion program participants as provided by section
2 346-97;

3 (24) The department of human services on contracted and
4 subcontracted service providers and their current and
5 prospective employees that provide home and community-
6 based services under section 1915(c) of the Social
7 Security Act, title 42 United States Code section
8 1396n(c), or under any other applicable section or
9 sections of the Social Security Act for the purposes
10 of providing home and community-based services, as
11 provided by section 346-97;

12 (25) The department of commerce and consumer affairs on
13 proposed directors and executive officers of a bank,
14 savings bank, savings and loan association, trust
15 company, and depository financial services loan
16 company as provided by section 412:3-201;

17 (26) The department of commerce and consumer affairs on
18 proposed directors and executive officers of a
19 nondepository financial services loan company as
20 provided by section 412:3-301;



- 1 (27) The department of commerce and consumer affairs on the
- 2 original chartering applicants and proposed executive
- 3 officers of a credit union as provided by section
- 4 412:10-103;
- 5 (28) The department of commerce and consumer affairs on:
- 6 (A) Each principal of every non-corporate applicant
- 7 for a money transmitter license;
- 8 (B) Each person who upon approval of an application
- 9 by a corporate applicant for a money transmitter
- 10 license will be a principal of the licensee; and
- 11 (C) Each person who upon approval of an application
- 12 requesting approval of a proposed change in
- 13 control of licensee will be a principal of the
- 14 licensee,
- 15 as provided by sections 489D-9 and 489D-15;
- 16 (29) The department of commerce and consumer affairs on
- 17 applicants for licensure and persons licensed under
- 18 title 24;
- 19 (30) The Hawaii health systems corporation on:
- 20 (A) Employees;
- 21 (B) Applicants seeking employment;



- 1 (C) Current or prospective members of the corporation
- 2 board or regional system board; or
- 3 (D) Current or prospective volunteers, providers, or
- 4 contractors,
- 5 in any of the corporation's health facilities as
- 6 provided by section 323F-5.5;
- 7 (31) The department of commerce and consumer affairs on:
- 8 (A) An applicant for a mortgage loan originator
- 9 license, or license renewal; and
- 10 (B) Each control person, executive officer, director,
- 11 general partner, and managing member of an
- 12 applicant for a mortgage loan originator company
- 13 license or license renewal,
- 14 as provided by chapter 454F;
- 15 (32) The state public charter school commission or public
- 16 charter schools on employees, teacher trainees,
- 17 prospective employees, and prospective teacher
- 18 trainees in any public charter school for any position
- 19 that places them in close proximity to children, as
- 20 provided in section 302D-33;



1 (33) The counties on prospective employees who work with
2 children, vulnerable adults, or senior citizens in
3 community-based programs;

4 (34) The counties on prospective employees for fire
5 department positions that involve contact with
6 children or vulnerable adults;

7 (35) The counties on prospective employees for emergency
8 medical services positions that involve contact with
9 children or vulnerable adults;

10 (36) The counties on prospective employees for emergency
11 management positions and community volunteers whose
12 responsibilities involve planning and executing
13 homeland security measures including viewing,
14 handling, and engaging in law enforcement or
15 classified meetings and assisting vulnerable citizens
16 during emergencies or crises;

17 (37) The State and counties on employees, prospective
18 employees, volunteers, and contractors whose position
19 responsibilities require unescorted access to secured
20 areas and equipment related to a traffic management
21 center;



1 (38) The State and counties on employees and prospective
2 employees whose positions involve the handling or use
3 of firearms for other than law enforcement purposes;

4 (39) The State and counties on current and prospective
5 systems analysts and others involved in an agency's
6 information technology operation whose position
7 responsibilities provide them with access to
8 proprietary, confidential, or sensitive information;

9 (40) The department of commerce and consumer affairs on:

10 (A) Applicants for real estate appraiser licensure or
11 certification as provided by chapter 466K;

12 (B) Each person who owns more than ten per cent of an
13 appraisal management company who is applying for
14 registration as an appraisal management company,
15 as provided by section 466L-7; and

16 (C) Each of the controlling persons of an applicant
17 for registration as an appraisal management
18 company, as provided by section 466L-7;

19 (41) The ~~[department of health]~~ Hawaii cannabis and hemp
20 authority or its designee on all license and permit
21 applicants, ~~[licensees,]~~ current or prospective



1 employees[~~7~~] and contractors[~~7~~ and prospective
2 ~~employees of medical cannabis dispensaries, and~~
3 ~~individuals permitted to enter and remain in medical~~
4 ~~cannabis dispensary facilities as provided under~~
5 ~~sections 329D-15(a)(4) and 329D-16(a)(3);~~ of licensed
6 businesses, and current and prospective laboratory
7 agents of independent laboratories, as provided by
8 section A-74; current or prospective members of the
9 cannabis and hemp control board, as provided by
10 section A-12; and current or prospective employees,
11 contractors, and subcontractors and current or
12 prospective employees of the contractors and
13 subcontractors of the Hawaii cannabis and hemp
14 authority, as provided by section A-27;

15 (42) The department of commerce and consumer affairs on
16 applicants for nurse licensure or license renewal,
17 reactivation, or restoration as provided by sections
18 457-7, 457-8, 457-8.5, and 457-9;

19 (43) The county police departments on applicants for
20 permits to acquire firearms pursuant to section 134-2,
21 on individuals registering their firearms pursuant to



1 section 134-3, and on applicants for new or renewed
2 licenses to carry a pistol or revolver and ammunition
3 pursuant to section 134-9;

4 (44) The department of commerce and consumer affairs on:

5 (A) Each of the controlling persons of the applicant
6 for licensure as an escrow depository, and each
7 of the officers, directors, and principals who
8 will be in charge of the escrow depository's
9 activities upon licensure; and

10 (B) Each of the controlling persons of an applicant
11 for proposed change in control of an escrow
12 depository licensee, and each of the officers,
13 directors, and principals who will be in charge
14 of the licensee's activities upon approval of the
15 application,

16 as provided by chapter 449;

17 (45) The department of taxation on current or prospective
18 employees or contractors who have access to federal
19 tax information [~~in order~~] to comply with requirements
20 of federal law, regulation, or procedure, as provided
21 by section 231-1.6;



1 (46) The department of labor and industrial relations on
2 current or prospective employees or contractors who
3 have access to federal tax information [~~in order~~] to
4 comply with requirements of federal law, regulation,
5 or procedure, as provided by section 383-110;

6 (47) The department of human services on current or
7 prospective employees or contractors who have access
8 to federal tax information [~~in order~~] to comply with
9 requirements of federal law, regulation, or procedure,
10 and on current or prospective employees, volunteers,
11 contractors, or contractors' employees or volunteers,
12 subcontractors, or subcontractors' employees or
13 volunteers, whose position places or would place them
14 in close proximity to minors, young adults, or
15 vulnerable adults, as provided by section 346-2.5;

16 (48) The child support enforcement agency on current or
17 prospective employees, or contractors who have access
18 to federal tax information [~~in order~~] to comply with
19 federal law, regulation, or procedure, as provided by
20 section 576D-11.5;



1 (49) The department of the attorney general on current or
2 prospective employees or employees or agents of
3 contractors who have access to federal tax information
4 to comply with requirements of federal law,
5 regulation, or procedure, as provided by section
6 28-17;

7 (50) The department of commerce and consumer affairs on
8 each control person, executive officer, director,
9 general partner, and managing member of an installment
10 loan licensee, or an applicant for an installment loan
11 license, as provided in chapter 480J;

12 (51) The University of Hawaii on current and prospective
13 employees and contractors whose duties include
14 ensuring the security of campus facilities and
15 persons; and

16 (52) Any other organization, entity, or the State, its
17 branches, political subdivisions, or agencies as may
18 be authorized by state law."

19 SECTION 44. Act 14, Session Laws of Hawaii 2020, as
20 amended by section 2 of Act 137, Session Laws of Hawaii 2022, as



1 amended by section 15 of Act 263, Session Laws of Hawaii 2023,
2 is amended by amending section 9 to read as follows:

3 "SECTION 9. This Act shall take effect upon its approval,
4 and shall be repealed on July 1, [~~2027,~~] 2024; provided that the
5 definition of "marijuana" in section 329-1, Hawaii Revised
6 Statutes, and the definitions of "marijuana" and "marijuana
7 concentrate" in section 712-1240, Hawaii Revised Statutes, shall
8 be reenacted in the form in which they read on the day prior to
9 the effective date of this Act."

10 SECTION 45. Act 263, Session Laws of Hawaii 2023, is
11 amended by amending section 19 to read as follows:

12 "SECTION 19. This Act shall take effect on July 1, 2023,
13 and shall be repealed on July 1, [~~2027,~~] 2024; provided that
14 part III of this Act shall be repealed on August 30, 2024."

15 SECTION 46. Chapter 329, part IX, Hawaii Revised Statutes,
16 is repealed.

17 SECTION 47. Chapter 329D, Hawaii Revised Statutes, is
18 repealed.

19 PART VI

20 SECTION 48. (a) There shall be established the cannabis
21 and hemp control implementation advisory committee that shall



1 advise and assist the cannabis and hemp control board in
2 developing or revising proposed laws and rules to carry out and
3 effectuate the purposes of chapter A, Hawaii Revised Statutes.

4 The cannabis and hemp control implementation advisory committee
5 shall be placed within the department of commerce and consumer
6 affairs for administrative purposes only.

7 (b) The cannabis and hemp control implementation advisory
8 committee shall consist of fifteen members to be appointed by
9 the governor; provided that five of the members shall be
10 representatives of the hemp industry; provided further that at
11 least three of those members shall be hemp cultivators pursuant
12 to section A-132, Hawaii Revised Statutes.

13 (c) Members of the cannabis and hemp control
14 implementation advisory committee shall serve without
15 compensation but shall be reimbursed for expenses, including
16 travel expenses, necessary for the performance of their duties.

17 (d) A majority of the members of the cannabis and hemp
18 control implementation advisory committee present and voting
19 shall constitute a quorum to conduct business, and the
20 concurrence of a majority of all members present shall be
21 necessary to make any action of the advisory committee valid.



1 (e) No member of the cannabis and hemp control
2 implementation advisory committee shall be subject to chapter
3 84, Hawaii Revised Statutes, solely because of the member's
4 service on the committee.

5 (f) The cannabis and hemp control implementation advisory
6 committee shall be dissolved on December 31, 2025.

7 SECTION 49. Licenses previously issued under chapters 328G
8 or 329D, Hawaii Revised Statutes, shall remain in full effect
9 until the previously issued licenses expire on their own terms;
10 provided that the licensees shall be regulated under chapter A,
11 Hawaii Revised Statutes, and rules adopted pursuant to chapter
12 A, Hawaii Revised Statutes.

13 SECTION 50. (a) Each existing medical cannabis dispensary
14 whose license remains effective pursuant to section 49 of this
15 Act may convert their operation into licenses under chapter A,
16 Hawaii Revised Statutes, before January 1, 2025; provided that
17 the existing medical cannabis dispensary may only convert
18 existing licensed operations and premises; provided further that
19 an existing medical cannabis dispensary may only be issued up to
20 three cannabis cultivator licenses, three cannabis processor
21 licenses, three medical cannabis dispensary licenses, and three



1 retail cannabis store licenses, but not to exceed nine licenses
2 in total, in accordance with chapter A, Hawaii Revised Statutes,
3 and rules adopted pursuant to chapter A, Hawaii Revised
4 Statutes.

5 (b) To convert an existing medical cannabis dispensary
6 license into a license or licenses under chapter A, Hawaii
7 Revised Statutes, before the expiration of the existing license,
8 but no later than October 1, 2025, the existing medical cannabis
9 dispensary shall apply to the Hawaii cannabis and hemp
10 authority, on forms prescribed by the authority, and shall
11 establish to the authority's satisfaction:

- 12 (1) The existing medical cannabis dispensary's existing
13 ownership structure;
- 14 (2) All persons with a direct or indirect interest in the
15 existing medical cannabis dispensary;
- 16 (3) The existing medical cannabis dispensary is currently
17 in full compliance with the terms and conditions under
18 which the license was issued;
- 19 (4) The existing medical cannabis dispensary meets the
20 application criteria required by chapter A, Hawaii



1 Revised Statutes, and rules adopted pursuant to
2 chapter A, Hawaii Revised Statutes;

3 (5) The existing medical cannabis dispensary is in
4 compliance with any other requirements of chapter A,
5 Hawaii Revised Statutes, including the ownership
6 restrictions; and

7 (6) The existing medical cannabis dispensary is capable of
8 sustaining the product supply and access for the
9 registered qualifying patients they serve.

10 (c) An existing medical cannabis dispensary shall pay a
11 one-time conversion fee of \$50,000 per retail dispensing
12 location being converted and \$25,000 per production facility
13 being converted. The one-time conversion fee may be paid in
14 separate installments; provided that the conversion fee shall be
15 paid in full on or before January 1, 2026. If the conversion
16 fee is not paid by January 1, 2026, any license held by the
17 licensee shall be subject to revocation in accordance with
18 chapter A, Hawaii Revised Statutes, and rules adopted pursuant
19 to chapter A, Hawaii Revised Statutes.

20 (d) The Hawaii cannabis and hemp authority shall audit the
21 existing medical cannabis dispensary ownership to ensure



1 compliance with the ownership restrictions in chapter A, Hawaii
2 Revised Statutes.

3 (e) Upon full or partial payment of the conversion fee,
4 and a complete and valid conversion application, the Hawaii
5 cannabis and hemp authority shall issue licenses under chapter
6 A, Hawaii Revised Statutes, for the premises and operations of
7 the existing medical cannabis dispensary that have been approved
8 for conversion by the authority. The converted licenses shall
9 be issued no later than January 1, 2025.

10 SECTION 51. All functions of the department of health
11 office of medical cannabis control and regulation shall be
12 transferred to the Hawaii cannabis and hemp authority.

13 All employees who occupy civil service positions and whose
14 functions are transferred by this Act shall retain their civil
15 service status, whether permanent or temporary. Employees shall
16 be transferred without loss of salary, seniority (except as
17 prescribed by collective bargaining agreements), retention
18 points, prior service credit, any vacation and sick leave
19 credits previously earned, and other rights, benefits, and
20 privileges, in accordance with state personnel laws and this
21 Act; provided that the employees possess the minimum



1 qualifications and public employment requirements for the class
2 or position to which transferred or appointed, as applicable;
3 provided further that subsequent changes in status may be made
4 pursuant to applicable civil service and compensation laws.

5 Any employee who, before this Act, is exempt from civil
6 service and is transferred as a consequence of this Act may
7 continue to retain the employee's exempt status but shall not be
8 appointed to a civil service position because of this Act. An
9 exempt employee who is transferred by this Act shall not suffer
10 any loss of prior service credit, any vacation and sick leave
11 credits previously earned, or other employee benefits or
12 privileges as a consequence of this Act; provided that the
13 employee possesses legal and public employment requirements for
14 the position to which transferred or appointed, as applicable;
15 provided further that subsequent changes in status may be made
16 pursuant to applicable employment and compensation laws. The
17 Hawaii cannabis and hemp authority to which the employee is
18 transferred may prescribe the duties and qualifications of the
19 employees and fix their salaries without regard to chapter 76,
20 Hawaii Revised Statutes.



1 SECTION 52. All leases, contracts, loans, agreements,
2 permits, or other documents executed or entered into by or on
3 behalf of the department of health or department of agriculture
4 pursuant to the provisions of the Hawaii Revised Statutes that
5 are reenacted or made applicable to the Hawaii cannabis and hemp
6 authority by this Act shall remain in full force and effect. On
7 the effective date of this Act, every reference to the
8 department of health, director of health, department of
9 agriculture, or chairperson of the board of agriculture in those
10 leases, contracts, loans, agreements, permits, or other
11 documents shall be construed as a reference to the Hawaii
12 cannabis and hemp authority or executive director of the Hawaii
13 cannabis and hemp authority, as appropriate.

14 SECTION 53. All appropriations, records, equipment,
15 machines, files, supplies, contracts, books, papers, documents,
16 maps, and other personal property heretofore made, used,
17 acquired, or held by the department of health or department of
18 agriculture relating to the functions transferred to the Hawaii
19 cannabis and hemp authority shall be transferred with the
20 functions to which they relate.



1 SECTION 54. All rules, policies, procedures, guidelines,
2 and other material adopted or developed by the department of
3 health or department of agriculture to implement provisions of
4 the Hawaii Revised Statutes that are reenacted or made
5 applicable to the cannabis and hemp control board, Hawaii
6 cannabis and hemp authority, or executive director of the Hawaii
7 cannabis and hemp authority by this Act, as appropriate, shall
8 remain in full force and effect until amended or repealed by the
9 cannabis and hemp control board. In the interim, every
10 reference to the department of health, director of health,
11 department of agriculture, or chairperson of the board of
12 agriculture in those rules, policies, procedures, guidelines,
13 and other material is amended to refer to the cannabis and hemp
14 control board, Hawaii cannabis and hemp authority, or executive
15 director of the Hawaii cannabis and hemp authority, as
16 appropriate.

17 SECTION 55. The right of appeal from administrative
18 actions or determinations as provided by law shall not be
19 impaired by this Act. Except as otherwise provided by this Act,
20 whenever a right of appeal from administrative actions or
21 determinations is provided by law to or from any officer, board,



1 department, bureau, commission, administrative agency, or
2 instrumentality of the State, or any of the programs of which,
3 that is transferred by this Act to the cannabis and hemp control
4 board, Hawaii cannabis and hemp authority, or executive director
5 of the Hawaii cannabis and hemp authority, as the case may be,
6 the right of appeal shall lie to or from the cannabis and hemp
7 control board, Hawaii cannabis and hemp authority, or executive
8 director of the Hawaii cannabis and hemp authority, as the case
9 may be, when the transfer is made. The right of appeal shall
10 exist to the same extent and in accordance with the applicable
11 procedures that are in effect immediately before the effective
12 date of the applicable part.

13 If the provisions of the preceding paragraph relating to
14 appeals cannot be effected by reason of abolishment, splitting,
15 or shifting of functions or otherwise, the right of appeal shall
16 lie to the circuit court of the State pursuant to the Hawaii
17 rules of civil procedure.

18 SECTION 56. Notwithstanding any other provision of law to
19 the contrary, from the effective date of this Act to
20 December 31, 2027, the Hawaii cannabis and hemp authority shall



1 be exempt from procurement requirements under chapter 103D,
2 Hawaii Revised Statutes, if the procurement is for:

- 3 (1) Banking services for the Hawaii cannabis and hemp
4 authority or department of taxation, or both, to
5 collect fees and tax revenue;
- 6 (2) Banking services to help support cannabis businesses
7 to transition from an all-cash system;
- 8 (3) A consultant to support the Hawaii cannabis and hemp
9 authority in the process for cannabis licensure,
10 including services related to investigations and the
11 financial or criminal history review of applicants or
12 licensed businesses;
- 13 (4) A consultant to support the Hawaii cannabis and hemp
14 authority to draft rules to implement this chapter;
- 15 (5) A consultant to provide technical assistance regarding
16 the social equity program;
- 17 (6) Communication services for public and consumer
18 education campaigns on cannabis laws and rules and
19 potential health and safety risks associated with
20 cannabis use;
- 21 (7) Establishing a state cannabis testing facility; and



1 (8) A consultant to support the Hawaii cannabis and hemp
2 authority in administering grant programs.

3 SECTION 57. The following positions are established within
4 the Hawaii cannabis and hemp authority:

- 5 (1) Executive director;
- 6 (2) Executive secretary to the executive director;
- 7 (3) Chief financial officer;
- 8 (4) Chief equity officer;
- 9 (5) General counsel;
- 10 (6) Chief public health and environmental officer;
- 11 (7) Chief technology officer;
- 12 (8) Chief compliance officer; and
- 13 (9) Hemp coordinator.

14 SECTION 58. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so
16 much thereof as may be necessary for fiscal year 2024-2025 to be
17 deposited into the cannabis regulation, nuisance abatement, and
18 law enforcement special fund.

19 SECTION 59. There is appropriated out of the cannabis
20 regulation, nuisance abatement, and law enforcement special fund
21 the sum of \$ or so much thereof as may be necessary



1 for fiscal year 2024-2025 for the hiring and filling of
 2 the full-time equivalent (FTE) positions established
 3 by this Act and full-time equivalent (FTE) positions
 4 within the Hawaii cannabis and hemp authority established by
 5 this Act, the administration and enforcement of the Hawaii
 6 cannabis law by the Hawaii cannabis and hemp authority, and
 7 other associated administrative costs.

8 The sum appropriated shall be expended by the Hawaii
 9 cannabis and hemp authority for the purposes of this Act.

10 SECTION 60. The following positions are established within
 11 the department of taxation to implement part III of this Act:

12 (1) full-time equivalent (FTE) auditor
 13 positions;

14 (2) full-time equivalent (FTE) cashier
 15 position;

16 (3) full-time equivalent (FTE) special
 17 enforcement section investigator positions;

18 (4) full-time equivalent (FTE) tax information
 19 technician positions; and

20 (5) full-time equivalent (FTE) tax law change
 21 specialist positions.



1 In filling these positions, the director of taxation may
2 appoint tax law change specialists who shall be exempt from
3 chapter 76, Hawaii Revised Statutes.

4 SECTION 61. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so
6 much thereof as may be necessary for fiscal year 2024-2025 for
7 the department of taxation to implement part III of this Act,
8 including the hiring and filling of the full-time
9 equivalent (FTE) positions within the department of
10 taxation established by this Act, costs for project management
11 services, costs for building and security improvements, and
12 other associated administrative costs.

13 The sum appropriated shall be expended by the department of
14 taxation for the purposes of this Act.

15 SECTION 62. The following positions are established within
16 the department of the attorney general for the drug nuisance
17 abatement unit pursuant to section 28-131, Hawaii Revised
18 Statutes, to carry out part II of this Act:

19 (1) full-time equivalent (FTE) supervising
20 deputy attorney general position;



- 1 (2) full-time equivalent (FTE) deputy attorney
- 2 general position;
- 3 (3) full-time equivalent (FTE) administrative
- 4 assistant position;
- 5 (4) full-time equivalent (FTE) supervisory
- 6 special agent (investigator VI) position; and
- 7 (5) full-time equivalent (FTE) special agent
- 8 (investigator V) positions.

9 SECTION 63. There is appropriated out of the cannabis
 10 regulation, nuisance abatement, and law enforcement special fund
 11 the sum of \$ or so much thereof as may be necessary
 12 for fiscal year 2024-2025 for the department of the attorney
 13 general to implement part II of this Act, including the hiring
 14 and filling of the full-time equivalent (FTE)
 15 positions within the department of the attorney general
 16 established by this Act, equipment costs, and other associated
 17 administrative costs.

18 The sum appropriated shall be expended by the department of
 19 the attorney general for the purposes of this Act.



1 SECTION 64. The following positions are established within
2 the department of law enforcement for the cannabis enforcement
3 unit pursuant to part II of this Act:

4 (1) full-time equivalent (FTE) permanent
5 supervisory positions;

6 (2) full-time equivalent (FTE) permanent
7 investigator or detective positions; and

8 (3) full-time equivalent (FTE) permanent
9 administrative support positions.

10 SECTION 65. There is appropriated out of the cannabis
11 regulation, nuisance abatement, and law enforcement special fund
12 the sum of \$ or so much thereof as may be necessary
13 for fiscal year 2024-2025 for the department of law enforcement
14 to implement part II of this Act, including the hiring and
15 filling of the full-time equivalent (FTE) positions
16 within the department of law enforcement established by this
17 Act, and other associated administrative costs.

18 The sum appropriated shall be expended by the department of
19 law enforcement for the purposes of this Act.

20 SECTION 66. There is appropriated out of the general
21 revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2024-2025 to be
2 deposited into the cannabis social equity, public health and
3 education, and public safety special fund.

4 SECTION 67. There is appropriated out of the cannabis
5 social equity, public health and education, and public safety
6 special fund the sum of \$ or so much thereof as may be
7 necessary for fiscal year 2024-2025 for the implementation and
8 administration of the social equity program established by this
9 Act.

10 The sum appropriated shall be expended by the Hawaii
11 cannabis and hemp authority for the purposes of this Act.

12 SECTION 68. There is appropriated out of the cannabis
13 social equity, public health and education, and public safety
14 special fund the sum of \$ or so much thereof as may be
15 necessary for fiscal year 2024-2025 for the implementation and
16 administration of the public health and education grant program.

17 The sum appropriated shall be expended by the Hawaii
18 cannabis and hemp authority for the purposes of this Act.

19 SECTION 69. There is appropriated out of the cannabis
20 social equity, public health and education, and public safety
21 special fund the sum of \$ or so much thereof as may be



1 necessary for fiscal year 2024-2025 for the implementation and
2 administration of the public safety grant program.

3 The sum appropriated shall be expended by the Hawaii
4 cannabis and hemp authority for the purposes of this Act.

5 SECTION 70. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2024-2025 for
8 the purposes of establishing a state cannabis testing facility
9 within the Hawaii cannabis and hemp authority.

10 The sum appropriated shall be expended by the Hawaii
11 cannabis and hemp authority for the purposes of this Act.

12 SECTION 71. The appropriations made by this Act shall not
13 lapse at the end of the fiscal biennium for which the
14 appropriations are made; provided that all moneys from the
15 appropriations unencumbered as of June 30, 2026, shall lapse as
16 of that date.

17 SECTION 72. Any unexpended or unencumbered balance in the:

18 (1) Industrial hemp special fund, established by section
19 141-14, Hawaii Revised Statutes;



1 (2) Medical cannabis registry and regulation special fund,
2 established by section 321-30.1, Hawaii Revised
3 Statutes; and

4 (3) Hawaii hemp processing special fund, established by
5 section 328G-7, Hawaii Revised Statutes,
6 shall be transferred as of the close of business on the
7 effective date of this Act as follows: one half to the cannabis
8 regulation, nuisance abatement, and law enforcement special
9 fund, established by section A-17, Hawaii Revised Statutes; and
10 one half to the cannabis social equity, public health and
11 education, and public safety special fund, established by
12 section A-18, Hawaii Revised Statutes.

13 SECTION 73. In accordance with section 9 of article VII of
14 the Hawaii State Constitution and sections 37-91 and 37-93,
15 Hawaii Revised Statutes, the legislature has determined that the
16 appropriations contained in H.B. No. , will cause the state
17 general fund expenditure ceiling for fiscal year 2024-2025 to be
18 exceeded by \$ or per cent. In addition, the
19 appropriation contained in this Act will cause the general fund
20 expenditure ceiling for fiscal year 2024-2025 to be further
21 exceeded by \$ or per cent. The combined total



1 amount of general fund appropriations contained in only these
2 two Acts will cause the state general fund expenditure ceiling
3 for fiscal year 2024-2025 to be exceeded by

4 \$ or per cent. The reasons for exceeding the
5 general fund expenditure ceiling are that:

- 6 (1) The appropriation made in this Act is necessary to
7 serve the public interest; and
- 8 (2) The appropriation made in this Act meets the needs
9 addressed by this Act.

10 SECTION 74. This Act shall not be applied to impair any
11 contract existing as of the effective date of this Act in a
12 manner violative of either the Hawaii State Constitution or
13 Article I, section 10, of the United States Constitution.

14 SECTION 75. This Act shall not affect rights and duties
15 that matured, penalties and forfeitures that were incurred, and
16 proceedings that were begun before its effective date.

17 SECTION 76. If any provision of this Act or the
18 application thereof to any person or circumstance is held
19 invalid, the invalidity does not affect other provisions or
20 applications of the Act that can be given effect without the



1 invalid provision or application, and to this end the provisions
2 of this Act are severable.

3 SECTION 77. If any part of this Act is found to be in
4 conflict with federal requirements that are a prescribed
5 condition for the allocation of federal funds to the State, the
6 conflicting part of this Act is inoperative solely to the extent
7 of the conflict and with respect to the agencies directly
8 affected, and this finding does not affect the operation of the
9 remainder of this Act in its application to the agencies
10 concerned. The rules under this Act shall meet federal
11 requirements that are a necessary condition to the receipt of
12 federal funds by the State.

13 SECTION 78. In codifying the new sections added by
14 sections 2, 4, and 7 of the Act, the revisor of statutes shall
15 substitute appropriate section numbers for the letters used in
16 designating the new sections in this Act.

17 SECTION 79. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 80. This Act shall take effect on July 1, 3000;
20 provided that:

- 1 (1) Sections A-51 through A-54, Hawaii Revised Statutes,
2 of section 2 of this Act and part III of this Act
3 shall take effect on January 1, 2026; and
- 4 (2) The amendments made to section 291E-61, Hawaii Revised
5 Statutes, by section 16 of this Act and section 291E-
6 61.5, Hawaii Revised Statutes, by section 17 of this
7 Act shall not be repealed when those sections are
8 reenacted on June 30, 2028, pursuant to section 11 of
9 Act 196, Session Laws of Hawaii 2021, as amended by
10 section 8 of Act 148, Session Laws of Hawaii 2023.



Report Title:

DCCA; DOH; DOA; Department of Taxation; Hawaii Cannabis and Hemp Authority; Cannabis and Hemp Control Board; Cannabis and Hemp Control Implementation Advisory Committee; Adult-Use Cannabis; Medical Cannabis; Hemp; Appropriation; Expenditure Ceiling

Description:

Establishes the Hawaii Cannabis and Hemp Authority and Cannabis and Hemp Control Board within the Department of Commerce and Consumer Affairs to regulate all aspects of the cannabis plant. Beginning 1/1/2026, legalizes the personal adult use of cannabis. Establishes taxes on the retail sale of adult-use cannabis and the sale of medical cannabis. Adds new traffic offenses and clarifies existing traffic offenses relating to the consumption or possession of marijuana or marijuana concentrate. Makes conforming amendments related to the legalization of personal adult use of cannabis. Establishes the Cannabis and Hemp Control Implementation Advisory Committee. Transfers the personnel and assets of the Department of Health and assets of the Department of Agriculture relating to cannabis to the Hawaii Cannabis and Hemp Authority. Establishes positions. Appropriates funds. Effective 7/1/3000. (HD2)

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

