
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 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 Act 263, Session Laws of
18 Hawaii 2023, to reform hemp industry regulations and acknowledge
19 that hemp is a high-value crop with the potential to generate
20 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 office - with the power to regulate all aspects of the
19 cannabis plant (whether medical use cannabis, non-medical adult-
20 use cannabis, or hemp) in accordance with the Hawaii Cannabis
21 Law; (3) the continuing role of law enforcement agencies in



1 addressing illegal cannabis operations not acting in accordance
2 with the Hawaii Cannabis Law, which pose threats to public
3 order, public health, and business operators who choose to
4 operate in the legal market; (4) a vibrant, well-funded social
5 equity grant program to be implemented by the Hawaii cannabis
6 and hemp office 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 six months for the
10 legalization of non-medical adult-use cannabis and the first
11 legal retail sales to allow the Hawaii cannabis and hemp office,
12 law enforcement, licensees, and the public to prepare; and (6)
13 the implementation of extensive, well-funded public health
14 protections, including a public health and education campaign to
15 inform the public about the new laws, the continuing risks to
16 public health - especially to children - posed by cannabis, and
17 financial assistance for public health services, such as
18 addiction and substance abuse treatment.

19 Accordingly, the purpose of this Act is to:

20 (1) Enact the Hawaii Cannabis Law to:



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- 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 office as
6 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 office 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 office
2 make the protection of public health and safety
3 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 (4) Make conforming amendments relating to the
11 legalization of personal adult use of cannabis under
12 the Hawaii Cannabis Law;
- 13 (5) Decriminalize certain drug offenses related to
14 marijuana and marijuana concentrate;
- 15 (6) Transfer the personnel and assets of the department of
16 health and assets of the department of agriculture
17 relating to cannabis and hemp to the Hawaii hemp and
18 cannabis office;
- 19 (7) Establish various positions within state entities to
20 regulate the personal adult use of cannabis and
21 appropriate funds; and



1 (8) Make other conforming and housekeeping amendments.

2 PART II

3 SECTION 2. The Hawaii Revised Statutes is amended by
4 adding a new chapter to be appropriately designated and to read
5 as follows:

6 "CHAPTER A

7 HAWAII CANNABIS LAW

8 PART I. GENERAL PROVISIONS

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

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

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

17 (2) Establish the Hawaii cannabis and hemp office as an
18 independent body with the power to administratively
19 regulate all aspects of the cannabis plant in
20 accordance with this chapter;



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

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

19 "Adequate supply" means an amount of cannabis, including
20 medical cannabis, jointly possessed between the medical cannabis
21 patient and the patient's caregiver that is no more than is



1 reasonably necessary to ensure the uninterrupted availability of
2 cannabis for the purpose of alleviating the symptoms or effects
3 of a medical cannabis patient's debilitating medical condition;
4 provided that an adequate supply shall not exceed four ounces of
5 cannabis at any given time. For purposes of this definition,
6 the ounces of cannabis shall include any combination of cannabis
7 flower and cannabis products, with the cannabis in the cannabis
8 products being calculated using information provided pursuant to
9 section A-113(d).

10 "Administrator" means the administrator of the office
11 established pursuant to section A-11.

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

17 "Adult-use cannabis product" means any product containing
18 or derived from cannabis, including an edible cannabis product,
19 and cannabis concentrate, that may be legally possessed or
20 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 office for review but has not
11 been approved or denied by the office. If the context requires,
12 "applicant" includes a person seeking to assume an ownership
13 interest in a licensed business, a new proposed officer,
14 director, manager, and general partner of the licensed business,
15 and anyone who seeks to assume any power to directly or
16 indirectly control the management, policies, and practices of a
17 licensed business under the license transfer, reorganization, or
18 restructuring application process pursuant to section A-77.

19 "Bona fide physician-patient relationship" or "bona fide
20 advanced practice registered nurse-patient relationship" means a
21 relationship in which the physician or advanced practice



1 registered nurse, respectively, has an ongoing responsibility
2 for the assessment, care, and treatment of a patient's medical
3 condition.

4 "Business entity" means an association, a corporation, a
5 limited liability company, a partnership, or other legal entity,
6 whether for profit or nonprofit, incorporated or otherwise
7 formed or organized by law.

8 "Cannabinoid" means any of the various naturally occurring,
9 biologically active, chemical constituents of the plant of the
10 genus Cannabis that bind to or interact with receptors of the
11 endogenous cannabinoid system.

12 "Cannabis" has the same meaning as marijuana and marijuana
13 concentrate as provided in sections 329-1 and 712-1240; provided
14 that for the purposes of this chapter "cannabis":

15 (1) Includes:

16 (A) Cannabis flower and cannabis products;

17 (B) Medical cannabis; and

18 (C) Adult-use cannabis; and

19 (2) Does not include:

20 (A) Hemp that is cultivated by a licensed hemp
21 cultivator pursuant to section A-132;



1 (B) Hemp that is processed by a licensed hemp extract
2 processor pursuant to section A-133; and

3 (C) Hemp products.

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

11 "Cannabis business" means any person holding a license or
12 permit issued by the office pursuant to part VII or any rules
13 adopted pursuant to this chapter.

14 "Cannabis concentrate" means the separated resin, whether
15 crude or purified, obtained, derived, or extracted from
16 cannabis.

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

19 "Cannabis flower" means the flower of a plant of the genus
20 Cannabis that has been harvested, dried, or cured, before any



1 processing whereby the plant material is transformed into a
2 cannabis product.

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

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

10 "Cannabis product" means any product containing or derived
11 from cannabis, including an edible cannabis product or cannabis
12 concentrate. "Cannabis product" includes adult-use cannabis
13 products and medical cannabis products.

14 "Cannabis regulation and enforcement special fund" means
15 the fund established pursuant to section A-16.

16 "Caregiver" means a person who is at least eighteen years
17 of age who has agreed to undertake responsibility for managing
18 the well-being of a medical cannabis patient with respect to the
19 medical use of cannabis. In the case of a minor or an adult
20 lacking legal capacity, the caregiver shall be a parent,



1 guardian, or person having legal custody of the medical cannabis
2 patient.

3 "Certifying medical professional" means a physician or an
4 advanced practice registered nurse who issues written
5 certifications for the medical use of cannabis to qualifying
6 patients pursuant to section A-49.

7 "Chief compliance officer" means the chief compliance
8 officer of the office established pursuant to section A-11.

9 "Chief equity officer" means the chief equity officer of
10 the office established pursuant to section A-11.

11 "Chief public health and education officer" means the chief
12 public health and education officer of the office established
13 pursuant to section A-11.

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

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

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



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

3 "Crude hemp extract" means a hemp extract product for sale
4 strictly to a hemp extract processor with a valid license issued
5 by the office pursuant to section A-133 or equivalent
6 authorization from a regulatory agency in another jurisdiction,
7 and not intended for use or consumption.

8 "Cultivate" or "cultivation" means cloning, curing, drying,
9 grading, growing, harvesting, propagating, or trimming of
10 cannabis plants or hemp plants.

11 "Debilitating medical condition" means:

12 (1) Acquired immunodeficiency syndrome, cancer, epilepsy,
13 glaucoma, lupus, multiple sclerosis, positive status
14 for human immunodeficiency virus, rheumatoid
15 arthritis, or the treatment of these conditions;

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

19 (A) Cachexia or wasting syndrome;

20 (B) Severe pain;

21 (C) Severe nausea;



- 1 (D) Seizures, including those characteristic of
- 2 epilepsy;
- 3 (E) Severe and persistent muscle spasms, including
- 4 those characteristic of multiple sclerosis or
- 5 Crohn's disease; or
- 6 (F) Post-traumatic stress disorder; or
- 7 (3) Any other medical condition approved by the office in
- 8 consultation with the department of health pursuant to
- 9 rules adopted pursuant to this chapter.

10 "Decarboxylation" means the completion of the chemical
11 reaction that converts naturally occurring cannabinoid acid into
12 a cannabinoid, including delta-9-tetrahydrocannabinol's acids
13 into delta-9-tetrahydrocannabinol.

14 "Delta-9-tetrahydrocannabinol" means one of the
15 cannabinoids that function as the primary psychoactive component
16 of cannabis.

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

19 "Disproportionately impacted area" means historically
20 disadvantaged communities, areas of persistent poverty, and



1 medically underserved communities, as determined by the office
2 in rules adopted pursuant to this chapter.

3 "Distribute" or "distribution" means to sell at wholesale
4 any cannabis to a cannabis business or any hemp to a hemp
5 business pursuant to this chapter.

6 "Edible cannabis product" means a cannabis product intended
7 to be used orally, in whole or in part, for human consumption,
8 including cannabis products that dissolve or disintegrate in the
9 mouth. "Edible cannabis product" does not include any product
10 otherwise defined as cannabis concentrate.

11 "Electronic cannabis smoking device" means any electronic
12 product that can be used to aerosolize and deliver cannabis or
13 hemp to the person inhaling from the device, including but not
14 limited to an electronic cigarette, electronic cigar, electronic
15 cigarillo, electronic pipe, hookah pipe, or hookah pen, and any
16 cartridge or other component of the device or related product,
17 whether or not sold separately.

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

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



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

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

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

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

20 "Hemp flower" means the flower of a hemp plant that has
21 been harvested, dried, or cured, before any processing, with a



1 delta-9-tetrahydrocannabinol concentration of no more than 0.3
2 per cent on a dry weight basis, as measured post-decarboxylation
3 or other similarly reliable method.

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

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

10 "Industrial hemp product" means any hemp product that is
11 either:

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

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



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

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

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

12 "Marijuana" has the same meaning as defined in section 712-
13 1240.

14 "Marijuana concentrate" has the same meaning as defined in
15 section 712-1240.

16 "Medical cannabis" means cannabis that is dispensed by a
17 medical cannabis dispensary, medical cannabis cooperative, or
18 retail cannabis store to a medical cannabis patient or the
19 patient's caregiver or cannabis for the medical use of cannabis
20 pursuant to this chapter. "Medical cannabis" includes a medical
21 cannabis product.



1 "Medical cannabis cooperative" means a person licensed to
2 operate a medical cannabis cooperative pursuant to section A-
3 117.

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

6 "Medical cannabis patient" means a qualifying patient or
7 qualifying out-of-state patient that has registered with the
8 office pursuant to this chapter.

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

13 "Medical cannabis registration card" means a card issued by
14 the office that certifies the card holder is a medical cannabis
15 patient.

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



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1 "Minor" has the same meaning as defined in section 712-
2 1240.

3 "Office" means the Hawaii cannabis and hemp office
4 established pursuant to section A-11.

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

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

12 "Plant canopy" means the square footage dedicated to
13 flowering plants that are wider or taller than twelve inches.

14 "Plant canopy" does not include areas such as space used for the
15 storage of fertilizers, pesticides, or other products,
16 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 office, state and
3 county law enforcement officers, emergency personnel, and other
4 individuals authorized by law to access the area.

5 "Restricted cannabinoid" means a cannabinoid on the
6 restricted cannabinoid product list established and maintained
7 by the office 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 office 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 cannabis smoking device.

5 "Social equity grant applicant" means an applicant for
6 licensure or permit under this chapter, or for a grant pursuant
7 to the social equity grant program established under section A-
8 141, who is a resident of the State that meets one or more of
9 the following criteria:

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

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

18 (3) An applicant satisfying any other criteria determined
19 by the office and adopted as rules under this chapter.

20 "Tetrahydrocannabinol" means the group of cannabinoids that
21 function as the primary psychoactive component of cannabis.



1 "Under the influence" has the same meaning as defined in
2 section 291E-1.

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

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

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

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

18 (c) Actions that do not strictly comply with the
19 requirements of this chapter and any rules adopted pursuant to
20 this chapter shall be unlawful and subject to civil, criminal,



1 or administrative procedures and penalties, or all of the above,
2 as provided by law.

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

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

7 (2) Supersede any law involving the performance of any
8 task while impaired by cannabis that would constitute
9 negligence or professional malpractice, or prevent the
10 imposition of any civil, criminal, or other penalty
11 for the conduct;

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

14 (4) Authorize the possession or use of cannabis or
15 cannabis accessories on the grounds of or within a
16 child care facility, school, daycare center, youth
17 center, college, university, or other educational
18 institution, including a nursery school or summer
19 camp; school vehicle; or any correctional facility or
20 detoxification facility; provided that a caregiver may
21 administer a medical cannabis product that is not



1 intended for inhalation to a medical cannabis patient
2 under the age of twenty-one in a vehicle on school
3 grounds; provided further that a college or university
4 may authorize the possession or use of cannabis or
5 cannabis accessories by persons who are at least
6 twenty-one years of age on the grounds of or within
7 the college or university in accordance with this
8 chapter; or

9 (5) Require any person that occupies, owns, or controls
10 real property to allow the consumption, cultivation,
11 dispensing, display, distribution, or processing of
12 cannabis on or within that property; provided that in
13 the case of the rental of a residential dwelling, a
14 landlord shall not prohibit the possession of cannabis
15 or the consumption of cannabis that is not intended
16 for inhalation, unless:

17 (A) The tenant is renting a room or rooms in only a
18 portion of a residence, where the rest of the
19 residence is rented to other people or occupied
20 by the landlord;



- 1 (B) The residence is incidental to detention or the
- 2 provision of counseling, educational, geriatric,
- 3 medical, religious, or similar service;
- 4 (C) The residence is a transitional housing facility;
- 5 or
- 6 (D) Failing to prohibit the possession or use of
- 7 cannabis would violate federal law or regulations
- 8 or cause the landlord to lose a monetary or
- 9 licensing-related benefit under federal law or
- 10 regulations.

11 **PART II. ADMINISTRATION**

12 **SA-11 Hawaii cannabis and hemp office; established. (a)**

13 There shall be established the Hawaii cannabis and hemp office,
14 which shall be a public body corporate and politic and an
15 instrumentality and agency of the State for the purpose of
16 implementing this chapter. The office shall be placed within
17 the department of commerce and consumer affairs for
18 administrative purposes only. The department of commerce and
19 consumer affairs shall not direct or exert authority over the
20 day-to-day operations or functions of the office.



1 (b) The office shall exercise its authority by and through
2 the administrator. The administrator shall be nominated and, by
3 and with the advice and consent of the senate, appointed by the
4 governor. The administrator shall serve at the pleasure of the
5 governor. The term of the administrator shall be coterminous
6 with the term of the governor. The administrator shall be
7 exempt from chapter 76. The administrator shall have expertise
8 and training in the field of cannabis regulation or public
9 health administration.

10 (c) At a minimum, the staff of the office shall consist
11 of:

- 12 (1) One full-time chief compliance officer;
- 13 (2) One full-time chief equity officer;
- 14 (3) One full-time chief financial officer;
- 15 (4) One full-time chief public health and education
16 officer;
- 17 (5) One full-time chief technology officer;
- 18 (6) One full-time executive secretary to the
19 administrator;
- 20 (7) One full-time general counsel; and
- 21 (8) One full-time hemp coordinator,



1 each of whom shall be exempt from chapter 76 and serve at the
2 pleasure of the administrator.

3 **§A-12 Hawaii cannabis and hemp office; powers and duties.**

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

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

10 (b) The office shall have the following powers and duties
11 as provided for in this chapter to:

- 12 (1) Sue and be sued;
- 13 (2) Adopt a seal;
- 14 (3) Administer oaths and affirmations;
- 15 (4) Establish and amend a plan of organization that the
16 office considers expedient;
- 17 (5) Adopt rules, which shall have the force and effect of
18 law; provided that unless otherwise provided in this
19 chapter, the rules shall be adopted pursuant to
20 chapter 91;



- 1 (6) Register qualifying patients and qualifying out-of-
2 state patients for medical use of cannabis pursuant to
3 sections A-47 and A-48;
- 4 (7) Develop a process for qualifying patients, qualifying
5 patients' caregivers, and consumers to purchase
6 cannabis plants for cultivation in accordance with
7 sections A-42 and A-52;
- 8 (8) Establish a procedure by which licenses or permits are
9 awarded pursuant to this chapter, including by
10 randomized lottery selection;
- 11 (9) Approve or deny applications, including renewal
12 applications and change in ownership applications, for
13 licenses or permits pursuant to this chapter;
- 14 (10) Revoke or suspend for cause any license, permit, or
15 registration issued under this chapter;
- 16 (11) Create and maintain a publicly available directory of
17 the names and locations of medical cannabis
18 dispensaries, retail cannabis stores, and craft
19 cannabis dispensaries;
- 20 (12) Create a system whereby a licensed business can verify
21 the status of other licensed businesses;



- 1 (13) Conduct or commission studies regarding market
2 conditions and, on a periodic basis, determine the
3 maximum number of licenses that may be issued to meet
4 estimated production demand and facilitate a reduction
5 in the unauthorized distribution of cannabis;
- 6 (14) Coordinate across state departments and agencies to
7 research and study any changes in cannabis use and the
8 impact that cannabis use and the number of licensed
9 businesses may have on access to cannabis, public
10 health, and public safety;
- 11 (15) Prepare, publish, and distribute, with or without
12 charge as the office may determine, bulletins,
13 guidance, reports, studies, and other materials that
14 the office considers appropriate;
- 15 (16) 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 office shall be deposited into the cannabis regulation
20 and enforcement special fund;



- 1 (17) Develop forms, licenses, identification cards, and
2 applications as are necessary or convenient in the
3 discretion of the administrator for the administration
4 of this chapter or rules adopted pursuant to this
5 chapter;
- 6 (18) Conduct background checks as necessary for the
7 purposes of implementing this chapter, including
8 criminal history record checks in accordance with
9 section 846-2.7;
- 10 (19) Establish and amend cannabis district boundaries to
11 ensure equal access to cannabis, especially for
12 medical use, and encourage the full participation in
13 the regulated cannabis industry from
14 disproportionately impacted areas;
- 15 (20) Investigate violations of this chapter and,
16 notwithstanding any law to the contrary, violations of
17 chapter 322 or 342F that are related to cultivation,
18 processing, distribution, sales, dispensing,
19 consumption, possession, or use of cannabis or hemp,
20 including covert operations, and refer criminal
21 violations to the proper federal, state, or local



1 authorities for prosecution as appropriate.

2 Investigations of violations of chapter B shall be

3 referred to the director of taxation to hear and

4 determine complaints against any licensed business;

5 (21) Gather facts and information applicable to the

6 office's obligation to investigate applicants or

7 licensed businesses for:

8 (A) A violation of this chapter or any rules adopted

9 pursuant to this chapter; or

10 (B) A wilful violation of an order of the office;

11 (22) Seize and remove from the licensed premises of a

12 licensed business any cannabis, hemp, equipment,

13 supplies, documents, and records obtained or possessed

14 in violation of this chapter for the purpose of

15 examination and inspection;

16 (23) For cause, demand and be granted access to, for the

17 purposes of inspection, examination, photocopying, or

18 audit, all books, papers, and records of licensed

19 businesses; provided that the inspection, examination,

20 photocopying, and audit may take place on the licensed

21 business's licensed premises or elsewhere as



1 practicable and in the presence of the licensed
2 business or its agent;
3 (24) Take appropriate action against a person who, directly
4 or indirectly, cultivates, processes, sells, or
5 purchases any cannabis without being authorized
6 pursuant to this chapter;
7 (25) Enforce seizure, confiscation, or forfeiture pursuant
8 to this chapter or chapter 712A of any cannabis or
9 hemp not authorized under this chapter or rules
10 adopted pursuant to this chapter;
11 (26) Establish additional restrictions, requirements, or
12 conditions, consistent with those prescribed in this
13 chapter, relating to the standards and requirements
14 for cultivating, processing, packaging, advertising,
15 distributing, or dispensing cannabis or hemp,
16 including the ability to regulate ingredients, and the
17 types, forms, potency, and concentration of cannabis
18 products or hemp extract products that may be
19 processed or sold, to ensure the health and safety of
20 the public and the use of proper ingredients and
21 methods in the processing of all cannabis and hemp to



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

6 (27) Conduct hearings as required by law pursuant to
7 chapter 91; provided that the office may examine
8 witnesses and take testimony, receive and determine
9 the relevance of evidence, issue subpoenas, regulate
10 the course and conduct of the hearing, and make a
11 final ruling;

12 (28) Appoint hearings officers to conduct hearings as
13 provided by law and under conditions that the office
14 shall establish by rules. Each hearing officer shall
15 be deemed to be an agent of the office with all powers
16 associated with that designation;

17 (29) Develop and maintain a seed-to-sale tracking system;

18 (30) Establish a social equity grant program to encourage
19 the full participation in the regulated cannabis
20 industry from disproportionately impacted areas;



- 1 (31) Administer and manage a state cannabis testing
- 2 facility;
- 3 (32) Recommend changes to improve the administration of
- 4 this chapter relating to the regulation of cannabis;
- 5 (33) Exercise the powers and perform the duties in relation
- 6 to the administration of the office as necessary but
- 7 not specifically vested by this chapter, including
- 8 budgetary and fiscal matters; and
- 9 (34) Coordinate with state and county law enforcement
- 10 agencies to effectuate the purposes of this chapter.

11 **SA-13 Administrator; powers and duties.** The administrator
12 shall have the following powers and duties as provided for in
13 this chapter to:

- 14 (1) Exercise the powers and perform the duties in relation
- 15 to the administration of the office;
- 16 (2) Execute all instruments necessary or convenient for
- 17 accomplishing the purposes of this chapter;
- 18 (3) Enter into agreements or other transactions with a
- 19 person, including a public entity or other
- 20 governmental instrumentality or governmental authority



1 in connection with its powers and duties under this
2 chapter;

3 (4) Employ, subject to chapter 76, employees, permanent
4 and temporary, as required; provided that when, in the
5 determination of the administrator, the services to be
6 performed are unique and essential to the execution of
7 the functions of the office, the administrator may
8 employ, not subject to chapter 76, officers and
9 employees, prescribe their duties and qualifications,
10 and fix their salaries;

11 (5) Apply for and accept, on behalf of the office,
12 advances, contributions, grants, and loans of money or
13 property, or other things of value from any source, to
14 be held, used, and applied for the office's purposes;

15 (6) Provide and pay for advisory services and technical
16 assistance as may be necessary in the administrator's
17 judgment to carry out this chapter as provided by law;

18 (7) Be present, through the office's inspectors and
19 agents, at any time, at the licensed premises of a
20 licensed business for the purposes of exercising the
21 office's regulatory responsibilities or inspecting the



1 licensed premises and all equipment and supplies
2 located at the licensed premises;
3 (8) Delegate the powers provided in this section to other
4 officers or employees of the office as may be deemed
5 appropriate by the administrator; and
6 (9) Delegate powers and duties of the administrator to
7 other state or county departments or agencies pursuant
8 to memoranda of agreement for the purposes of
9 implementing the provisions of this chapter related to
10 administration, investigation, inspection, fee
11 collection, document management, education and
12 outreach, distribution of individual licenses approved
13 by the office, and technical assistance pertaining to
14 the cultivation of cannabis.

15 **SA-14 Administrative rules; authority.** (a) No later than
16 December 31, 2025, the office shall adopt interim rules, which
17 shall be exempt from chapters 91 and 201M, to effectuate the
18 purposes of this chapter; provided that the interim rules shall
19 remain in effect until December 31, 2030, or until rules are
20 adopted pursuant to subsection (c), whichever occurs sooner.



1 (b) The office may amend the interim rules to effectuate
2 the purposes of this chapter, and the amendments shall be exempt
3 from chapters 91 and 201M; provided that any amended interim
4 rules shall remain in effect until December 31, 2030, or until
5 rules are adopted pursuant to subsection (c), whichever occurs
6 sooner.

7 (c) No later than December 31, 2030, the office shall
8 adopt rules pursuant to chapter 91 to effectuate the purposes of
9 this chapter.

10 **§A-15 Administrative rules; mandatory.** (a) The rules
11 adopted pursuant to section A-14 shall include:

12 (1) Procedures for application that an applicant for a
13 license, permit, or registration must follow and
14 complete before consideration by the office;

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



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



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



1 security against liabilities, including that a
2 licensed business place a certain sum in escrow to be
3 expended for coverage of liabilities;

4 (14) Requirements and procedures sufficient to ensure the
5 virtual separation of medical cannabis from adult-use
6 cannabis distributed by a cannabis processor or
7 dispensed by a retail cannabis store;

8 (15) Requirements and procedures to prevent the sale,
9 delivery, or transfer of cannabis to persons under the
10 age of twenty-one, or the purchase of cannabis on
11 behalf of a person under the age of twenty-one,
12 including a prohibition on persons under the age of
13 twenty-one entering the licensed premises of a
14 licensed business unless otherwise authorized for
15 medical use pursuant to this chapter;

16 (16) Standards for manufacturing or extracting cannabinoid
17 oil or butane hash oil;

18 (17) The circumstances, manner, and process by which a
19 licensed business may apply for a change in ownership,
20 including procedures and requirements to enable the
21 transfer of a license for a licensed business to



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



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1 full participation in the regulated cannabis industry
2 by farmers and agricultural businesses with emphasis
3 on promoting small farms, diversified agriculture, and
4 indigenous farming practices;

5 (23) Requirements for the safe disposal of excess,
6 contaminated, adulterated, or deteriorated cannabis;

7 (24) Requirements for advertising, marketing, and branding
8 cannabis and hemp;

9 (25) Requirements for a process allowing the administrator
10 to order a prohibition on the sale of cannabis found
11 to be detrimental to health or especially appealing to
12 persons under the age of twenty-one;

13 (26) Requirements for a process allowing a cannabis
14 business to voluntarily submit a cannabis product, its
15 packaging, and intended marketing to the office for
16 review of whether the cannabis product is especially
17 appealing to persons under the age of twenty-one;

18 (27) Energy and environmental standards for licensure and
19 licensure renewal of cannabis cultivators, cannabis
20 processors, craft cannabis dispensaries, medical
21 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 **§A-16 Cannabis regulation and enforcement special fund;**

8 **established.** (a) There shall be established in the treasury of
9 the State the cannabis regulation and enforcement special fund
10 to be administered and expended by the office to cover the costs
11 of:

12 (1) The operations of the office; and

13 (2) Implementing, administering, and enforcing this
14 chapter.

15 (b) The following shall be deposited into the cannabis
16 regulation and enforcement special fund:

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

20 (2) The tax collected pursuant to section B-3;



1 (3) Appropriations made by the legislature to the special
2 fund;

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

5 (5) Contributions, grants, endowments, or gifts in cash or
6 otherwise from any source.

7 (c) There shall be established within the cannabis
8 regulation and enforcement special fund a social equity grant
9 program subaccount. The tax collected pursuant to section B-
10 7(2) (A) shall be deposited into the social equity grant program
11 subaccount. The office shall expend moneys in the social equity
12 grant program subaccount for the purposes of implementing and
13 administering the social equity grant program as provided in
14 part IX.

15 (d) There shall be established within the cannabis
16 regulation and enforcement special fund a public health and
17 education grant program subaccount. The tax collected pursuant
18 to section B-7(2) (B) shall be deposited into the public health
19 and education grant program subaccount. The office shall expend
20 moneys in the public health and education grant program
21 subaccount for the purposes of implementing and administering



1 the public health and education grant program as provided in
2 part X.

3 (e) There shall be established within the cannabis
4 regulation and enforcement special fund a public safety grant
5 program subaccount. The tax collected pursuant to section B-
6 7(2)(C) shall be deposited into the public safety grant program
7 subaccount. The office shall expend moneys in the public safety
8 grant program subaccount for the purposes of implementing and
9 administering the public safety grant program as provided in
10 part XI.

11 (f) There shall be established within the cannabis
12 regulation and enforcement special fund a Hawaii hemp grant
13 program subaccount. The tax collected pursuant to section B-
14 7(2)(D) shall be deposited into the Hawaii hemp grant program
15 subaccount. The office shall expend moneys in the Hawaii hemp
16 grant program subaccount for the purposes of implementing and
17 administering the Hawaii hemp grant program as provided in
18 sections A-174 and A-175.

19 (g) Moneys on balance in the cannabis regulation and
20 enforcement special fund at the close of each fiscal year shall



1 remain in the special fund and shall not lapse to the credit of
2 the general fund.

3 **§A-17 County law enforcement and prosecution.** Nothing in
4 this chapter shall be construed to relieve or diminish county
5 law enforcement officers and prosecutors of any authority or
6 responsibility to enforce, or prosecute under, criminal laws
7 related to marijuana or marijuana concentrate, including this
8 chapter, chapter 329, and part IV of chapter 712, in their
9 respective counties.

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

18 **§A-19 Inspection; audits; reporting; authority.** (a) Each
19 licensed business shall:

20 (1) Be subject to an annual announced inspection and
21 unlimited unannounced inspections of its operations by



1 the office; provided that inspections for license
2 renewals shall be unannounced;

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

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

18 (b) The office and attorney general may examine all
19 records required to be kept or filed under this chapter, and
20 books, papers, and records of any person engaged in the business
21 of cultivating, processing, distributing, dispensing, selling,



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

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



1 required to give the office and attorney general the means,
2 facilities, and opportunities for the inspections.

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

19 **§A-20 Forfeiture; confiscation and seizure; disposition.**

20 (a) Any cannabis or restricted cannabinoid product unlawfully
21 cultivated, processed, possessed, kept, stored, retained, held,



1 owned, received, transported, imported, or caused to be
2 imported, acquired, distributed, sold, or offered for sale in
3 violation of this chapter may be seized and confiscated by the
4 attorney general and ordered forfeited pursuant to chapter 712A.

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

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

17 **SA-21 County authority.** (a) Each county may, by
18 amendment of their zoning ordinances, pursuant to the powers
19 granted under section 46-4, place reasonable restrictions on the
20 location of licensed businesses.



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

5 **§A-22 Contracts pertaining to lawful operation of a**
6 **cannabis business; enforceable.** Notwithstanding any other law
7 to the contrary, contracts related to lawful activities
8 authorized by this chapter shall be enforceable. A contract
9 entered into by a cannabis business, or by those who allow
10 property to be used by a cannabis business, shall not be
11 unenforceable or void solely for the reason that the activity
12 permitted by this chapter is prohibited by federal law.

13 **§A-23 Provision of professional services to a cannabis**
14 **business.** A person engaged in a profession or occupation
15 subject to state or county licensure shall not be subject to
16 disciplinary action by a professional licensing authority solely
17 for providing professional services to a cannabis business
18 related to activity permitted by this chapter.

19 **§A-24 Office employees; background checks.** (a) The
20 office shall conduct background checks, which may include



1 criminal history record checks in accordance with section
2 846-2.7, on:

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

7 The office shall develop procedures for conducting
8 background checks.

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

- 18 (1) Is pardoned or expunged;
- 19 (2) Resulted in a term of probation, incarceration, or
20 supervised release that was completed more than ten



1 years preceding the date of application or
2 termination; or

3 (3) Is solely for a marijuana-related offense, unless the
4 offense involved a minor, including the offense under
5 section 712-1249.6; involved a firearm, including the
6 offense under section 134-7(b); or was committed
7 after, or within one year before, July 1, 2025.

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

15 **§A-25 Annual report.** No later than twenty days prior to
16 the convening of the regular session of 2027, and every year
17 thereafter, the administrator shall submit a report to the
18 governor and legislature on the establishment and regulation of
19 cannabis businesses. The report shall cover the information
20 during the prior fiscal year and, at a minimum, include the
21 following information:



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



1 resulting in license violations and the percentage of
2 all licensed businesses inspected;

3 (8) The number of license violations committed by licensed
4 businesses and a breakdown of those violations into
5 specific categories based on the type of violation and
6 the outcome of the violation, including the total
7 amount of monetary penalties imposed and collected by
8 the office and the percentage of total license
9 violations resulting in the imposition of a monetary
10 penalty, administrative hold, license suspension, or
11 license revocation;

12 (9) Public health and safety data, including accidental
13 ingestion by minors and cannabis-related driving
14 accidents, collected, received, or analyzed by the
15 office; and

16 (10) Recommendations, including any proposed legislation,
17 to address any issues with the regulation of the
18 cannabis industry in the State encountered by the
19 office, departments, or agencies.

20 **§A-26 Advisory board on medical and adult-use cannabis.**

21 (a) Beginning January 1, 2026, there shall be established



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1 within the office an advisory board on medical and adult-use
2 cannabis. The advisory board shall:

3 (1) Consider all matters submitted to it by the governor,
4 legislature, and office; and

5 (2) Study and make recommendations on:

6 (A) The impact on the legal medical cannabis and
7 adult-use cannabis industry in the State if the
8 federal government reschedules cannabis or
9 removes cannabis from the lists of controlled
10 substances under the federal Controlled
11 Substances Act;

12 (B) Measures to protect and promote the legal medical
13 cannabis and adult-use cannabis industry in the
14 State if cannabis is rescheduled or removed from
15 the lists of controlled substances under the
16 federal Controlled Substances Act;

17 (C) Measures to enable cannabis businesses to compete
18 in interstate commerce related to the
19 cultivation, manufacture, distribution, and
20 testing of cannabis;



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- 1 (D) Methods to ensure that there is an adequate
2 supply of affordable cannabis for qualifying
3 patients, including cannabis containing varying
4 levels of potency;
- 5 (E) Pathways to increase the participation of legacy
6 cannabis growers and small, minority-owned, and
7 women-owned businesses in the legal medical
8 cannabis and adult-use cannabis industry in the
9 State; and
- 10 (F) Methods to assist social equity grant applicants,
11 social equity grant licensees, and small,
12 minority-owned, and women-owned businesses to:
 - 13 (i) Access funds for operating or capital
14 expenses associated with a business
15 participating in the medical cannabis and
16 adult-use cannabis industry;
 - 17 (ii) Obtain financing from a lender; and
 - 18 (iii) Partner with operational cannabis businesses
19 in ways that the social equity grant
20 applicants or licensees or small, minority-
21 owned, or women-owned businesses retain



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1 ownership and control of the licenses and
2 businesses.

3 (b) The advisory board shall consist of eleven members,
4 who shall be appointed by the governor pursuant to section 26-
5 34; provided that three members shall be appointed from a list
6 of nominees submitted by the president of the senate and three
7 members shall be appointed from a list of nominees submitted by
8 the speaker of the house of representatives.

9 At a minimum, the composition of the advisory board shall
10 include the following:

- 11 (1) One member who shall have a professional background in
12 the hemp industry;
- 13 (2) One member who shall have professional experience in
14 oversight or industry management, including
15 commodities, production, or distribution, in the
16 cannabis industry;
- 17 (3) One member who shall have a professional background in
18 public health, mental health, substance abuse
19 treatment, or toxicology;
- 20 (4) One member who shall have a professional background in
21 public safety or law enforcement;



1 (5) One member who shall have expertise in Hawaii's
2 agricultural community; and

3 (6) One member who shall have expertise in Native Hawaiian
4 culture and diversity.

5 (c) To be eligible to serve as a member, a person shall
6 be:

7 (1) At least twenty-five years old;

8 (2) A resident of the State who has resided in the State
9 for at least the immediately preceding five years
10 before the appointment; and

11 (3) A registered voter of the State.

12 (d) The advisory board shall select one of its members to
13 serve as chair.

14 (e) Members of the advisory board shall serve without
15 compensation.

16 (f) The advisory board shall establish at least two
17 subcommittees to focus on medical cannabis and adult-use
18 cannabis.

19 (g) The office shall provide staff for the advisory board.

20 (h) The advisory board shall be exempt from chapter 92.

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



1 **§A-41 Possession of cannabis for medical use; protections.**

2 (a) Notwithstanding any law to the contrary, except as limited
3 by this chapter, it shall be lawful for a medical cannabis
4 patient or the patient's caregiver to:

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

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

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

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



1 stored at any private residence, regardless of the number of
2 people residing there.

3 (d) All medical cannabis that is dispensed by a licensed
4 business shall be stored in a sealed child-resistant and
5 resealable packaging with original labels and not easily
6 accessible to any person under the age of twenty-one unless that
7 person is a medical cannabis patient. All cannabis cultivated
8 by a qualifying patient or the patient's caregiver shall be
9 stored in a manner that is not easily accessible to any person
10 under the age of twenty-one unless that person is a medical
11 cannabis patient.

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

16 (f) No school shall refuse to enroll or otherwise
17 penalize, and no landlord shall refuse to lease property to or
18 otherwise penalize, a person solely for the person's status as a
19 medical cannabis patient or caregiver, unless failing to do so
20 would cause the school or landlord to lose a monetary or
21 licensing-related benefit under federal law or regulation;



1 provided that the person strictly complied with the requirements
2 of this part.

3 (g) For the purposes of medical care, including organ and
4 tissue transplants, a person's medical use of cannabis in
5 compliance with this part shall be considered the equivalent of
6 the use of any other medication under the direction of a
7 physician or advanced practice registered nurse and shall not
8 constitute the use of an illicit substance or otherwise
9 disqualify a person from medical care, unless in the judgment of
10 the health care provider the use of cannabis increases the risk
11 for an adverse outcome from a medical procedure or treatment.

12 (h) No person shall be denied custody, visitation, or
13 parenting time with a minor for conduct allowed under this part
14 and no presumption of neglect or child endangerment shall arise
15 therefrom; provided that this subsection shall not apply if the
16 person's conduct creates a danger to the safety of the minor as
17 established by a preponderance of the evidence.

18 (i) Except as provided in this chapter, the State and any
19 of its political subdivisions shall not impose any discipline
20 upon an employee or deny an employee any benefit or entitlement
21 for conduct permitted under this part or solely for the presence



1 of cannabinoids or cannabinoid metabolites in the urine, blood,
2 saliva, breath, hair, or other tissue or fluid of a person,
3 unless the failure to do so would cause the State or any of its
4 political subdivisions to lose a monetary or licensing-related
5 benefit under a contract or federal law, or otherwise violate
6 federal law. This subsection shall not be construed to prohibit
7 the State or any of its political subdivisions from:

8 (1) Conducting drug testing and using the results of those
9 tests for the discipline of an employee if the testing
10 is done to comply with federal requirements or in
11 accordance with the applicable collective bargaining
12 agreement; or

13 (2) Disciplining employees for being impaired by cannabis
14 while at work.

15 (j) The authorization of a medical cannabis patient to use
16 medical cannabis shall be inclusive of, and not in addition to,
17 the authorization for personal adult use of cannabis.

18 **§A-42 Cultivation of cannabis for medical use.** (a)

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



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

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

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

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



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

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

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

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

19 (1) The qualifying patient has been diagnosed by, and is
20 under the continuing care of, a certifying medical



1 professional as having a debilitating medical
2 condition;

3 (2) The qualifying patient's certifying medical
4 professional has issued a written certification for
5 the qualifying patient;

6 (3) The qualifying patient has paid the required fee for
7 registration;

8 (4) The qualifying patient has registered with the office
9 pursuant to section A-47;

10 (5) The qualifying patient receives a medical cannabis
11 registration card from the office; and

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

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

17 (1) The qualifying patient's certifying medical
18 professional has explained the potential risks and
19 benefits of the medical use of cannabis to the
20 qualifying patient and a parent, guardian, or person
21 having legal custody of the qualifying patient; and



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

3 (A) Allow the qualifying patient's medical use of
4 cannabis;

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

6 (C) Control the acquisition, dosage, and frequency of
7 the medical use of cannabis by the qualifying
8 patient.

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

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

17 (2) Attests under penalty of law pursuant to section
18 710-1063 that the condition for which the qualifying
19 out-of-state patient is legally authorized to use
20 cannabis for medical purposes is a debilitating
21 medical condition;



1 (3) Provides consent for the office to obtain information
2 from the qualifying out-of-state patient's certifying
3 physician or advanced practice registered nurse and
4 from the entity that issued the medical cannabis
5 authorization for the purpose of allowing the office
6 to verify the information provided in the registration
7 process;

8 (4) Pays the required fee for out-of-state registration;

9 (5) Registers with the office pursuant to section A-48;

10 (6) Receives a medical cannabis registration card from the
11 office; and

12 (7) Abides by all laws relating to the medical use of
13 cannabis, including not possessing amounts of cannabis
14 that exceed an adequate supply.

15 (b) The medical use of cannabis by a qualifying
16 out-of-state patient under the age of eighteen shall be
17 permitted only if:

18 (1) The caregiver of the qualifying out-of-state patient
19 provides the information required pursuant to, and
20 abides by the requirements of, subsection (a); and



1 (2) The caregiver of the qualifying out-of-state patient
2 consents in writing to:

3 (A) Allow the qualifying out-of-state patient's
4 medical use of cannabis;

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

8 (C) Control the acquisition, dosage, and frequency of
9 the medical use of cannabis by the qualifying
10 out-of-state patient.

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

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

16 (2) The medical use of cannabis:

17 (A) In a school vehicle, public transportation, or
18 any moving vehicle;

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

20 (C) On any school grounds;



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



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

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

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

11 (1) The qualifying patient has a debilitating medical
12 condition; and

13 (2) The potential benefits of the medical use of cannabis
14 would likely outweigh the health risks of cannabis use
15 for the qualifying patient.

16 (b) The office shall adopt rules pursuant to this chapter
17 to establish procedures and requirements for a written
18 certification; provided that a written certification shall:

19 (1) Include the name, address, patient identification
20 number, and other identifying information of the
21 qualifying patient;



1 (2) Be valid for one year from the time of signing;
2 provided that the office may allow for the validity of
3 any written certification for up to three years if the
4 qualifying patient's certifying medical professional
5 states that the qualifying patient's debilitating
6 medical condition is chronic in nature;

7 (3) Be in a form prescribed by the office and completed by
8 or on behalf of a qualifying patient; and

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

14 **§A-47 Registration; qualifying patients; caregivers.** (a)
15 Qualifying patients shall register with the office. The office
16 shall adopt rules to establish procedures and requirements for
17 the registration of qualifying patients; provided that:

18 (1) Every qualifying patient shall:
19 (A) Provide sufficient identifying information to
20 establish the qualifying patient's personal
21 identity;

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- 1 (B) Provide the address of the location where the
2 qualifying patient or the patient's caregiver
3 intends to cultivate cannabis for medical use
4 pursuant to section A-42; provided that if the
5 qualifying patient or patient's caregiver intends
6 to cultivate cannabis for medical use at a
7 medical cannabis cooperative pursuant to section
8 A-117, the license number and documentation
9 verifying that the qualifying patient is a valid
10 member of the medical cannabis cooperative shall
11 be required; and
- 12 (C) Report a change in any information provided to
13 the office for registration within ten business
14 days of the change;
- 15 (2) The registration form prescribed by the office shall
16 require information from the qualifying patient, the
17 patient's caregiver, and the patient's certifying
18 medical professional as specifically required by this
19 chapter or rules adopted pursuant to this section;
- 20 (3) The office shall issue to the qualifying patient a
21 medical cannabis registration card and may charge a



1 fee for the registration in an amount set in rules by
2 the office; and

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

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

10 (1) Every caregiver shall provide sufficient identifying
11 information to establish the caregiver's personal
12 identity;

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

19 (3) Every qualifying patient shall have only one
20 caregiver; provided that the office may permit the
21 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 office
4 shall immediately verify whether a person who is the subject of
5 the inquiry has registered with the office and the location of
6 the person's registered cultivation site and shall provide
7 reasonable access to the registry information for official law
8 enforcement purposes. An inquiry and verification under this
9 subsection may be made twenty-four hours a day, seven days a
10 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 office. The office 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 office 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 the patient's home jurisdiction; and

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



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

5 (1) Every caregiver shall provide sufficient identifying
6 information to establish the caregiver's personal
7 identity; and

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

16 (c) Upon inquiry by a law enforcement agency, the office
17 shall immediately verify whether a person who is the subject of
18 the inquiry has registered with the office and shall provide
19 reasonable access to the registry information for official law
20 enforcement purposes. An inquiry and verification under this



1 subsection may be made twenty-four hours a day, seven days a
2 week.

3 (d) The office may temporarily suspend the registration of
4 qualifying out-of-state patients or their caregivers for a
5 period of up to thirty days if the office determines that the
6 registration process for qualifying patients or their caregivers
7 is being adversely affected or the supply of cannabis for
8 medical use available in medical cannabis dispensaries and
9 retail cannabis stores is insufficient to serve both qualifying
10 patients and qualifying out-of-state patients. A temporary
11 suspension may be extended by thirty-day periods until the
12 office determines that:

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

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

19 **§A-49 Certifying medical professionals.** (a) The office
20 shall adopt rules to establish requirements for certifying
21 medical professionals.



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

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

7 (2) The certifying medical professional has explained the
8 potential risks and benefits of the medical use of
9 cannabis; and

10 (3) The written certification is based upon the certifying
11 medical professional's professional opinion after
12 having completed a full assessment of the qualifying
13 patient's medical history and current medical
14 condition made in the course of a bona fide
15 physician-patient relationship or bona fide advanced
16 practice registered nurse-patient relationship, as
17 applicable.

18 (c) For purposes of this part, a bona fide
19 physician-patient relationship may be established via
20 telehealth, as defined in section 453-1.3(j), and a bona fide
21 advanced practice registered nurse-patient relationship may be



1 established via telehealth, as defined in section 457-2;
2 provided that certifying a patient for the medical use of
3 cannabis via telehealth shall be allowed only after an initial
4 in-person consultation between the certifying medical
5 professional and patient.

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

7 **§A-51 Personal adult use of cannabis; protections. (a)**

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

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



1 adult use, shall be stored at any private residence,
2 regardless of the number of people residing there; and

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

5 (b) All adult-use cannabis that is dispensed by a licensed
6 business shall be stored in a sealed child-resistant and
7 resealable packaging with original labels and not easily
8 accessible to any person under the age of twenty-one. All
9 cannabis cultivated for personal adult use shall be stored in a
10 manner that is not easily accessible to any person under the age
11 of twenty-one.

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

16 (d) For the purposes of medical care, including organ and
17 tissue transplants, a person's personal adult use of cannabis in
18 compliance with this part shall not constitute the use of an
19 illicit substance or otherwise disqualify a person from medical
20 care, unless in the judgment of the health care provider the use



1 of cannabis increases the risk for an adverse outcome from a
2 medical procedure or treatment.

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

9 (f) Except as provided in this chapter, the State and any
10 of its political subdivisions shall not impose any discipline
11 upon an employee or deny an employee any benefit or entitlement
12 for conduct permitted under this part or solely for the presence
13 of cannabinoids or cannabinoid metabolites in the urine, blood,
14 saliva, breath, hair, or other tissue or fluid of a person who
15 is at least twenty-one years of age, unless the failure to do so
16 would cause the State or any of its political subdivisions to
17 lose a monetary or licensing-related benefit under a contract or
18 federal law, or otherwise violate federal law. This subsection
19 shall not be construed to prohibit the State or any of its
20 political subdivisions from:



- 1 (1) Conducting drug testing and using the results of those
- 2 tests for the discipline of an employee if the testing
- 3 is done to comply with federal requirements or in
- 4 accordance with the applicable collective bargaining
- 5 agreement; or
- 6 (2) Disciplining employees for being impaired by cannabis
- 7 while at work.

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

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

- 13 (1) Possess, plant, or cultivate no more than six living
- 14 cannabis plants, whether mature or immature, for
- 15 personal adult use only; and
- 16 (2) Harvest, dry, and process the cannabis produced by the
- 17 plants under paragraph (1) for personal adult use
- 18 only.

19 (b) Personal cultivation of adult-use cannabis shall only
20 be permitted within, or on the grounds of, a person's private
21 residence; provided that no more than ten plants, whether mature



1 or immature and whether for medical use or for personal adult
2 use, shall be cultivated at a private residence at any time
3 regardless of the number of people residing at the private
4 residence.

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

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

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

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



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

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

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



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

4 provided that a college or university may authorize
5 the use of adult-use cannabis on the grounds of or
6 within the college or university in accordance with
7 this chapter; and

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

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

11 Notwithstanding any other provision of law to the contrary, it
12 shall be lawful for persons who are at least twenty-one years of
13 age to manufacture, possess, possess with intent to distribute,
14 or purchase cannabis accessories, or distribute or sell cannabis
15 accessories to persons who are at least twenty-one years of age.

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

20 **PART V. UNLAWFUL CONDUCT**



1 **§A-61 Prohibited acts; flammable solvents; criminal**
2 **offense.** (a) No person shall intentionally or knowingly use
3 butane to extract cannabinoids or any compound from cannabis or
4 hemp.

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

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

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

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

17 (c) The fact that the defendant sold cannabis to a person
18 under the age of twenty-one is prima facie evidence that the
19 defendant knew the transferee to be a person under the age of
20 twenty-one.



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

10 (e) Any person who violates subsection (a) shall be guilty
11 of a misdemeanor.

12 **§A-63 Criminal offenses; records; expungement.** (a)
13 Records relating to the arrest, criminal charge, or conviction
14 of a person for an offense under chapter 329 or part IV of
15 chapter 712, or any other offense, the basis of which is an act
16 permitted by this chapter or decriminalized under Act ,
17 Session Laws of Hawaii 2025, including the possession of
18 marijuana, shall be ordered to be expunged in accordance with
19 the provisions of this section.

20 (b) Beginning January 1, 2026:



- 1 (1) A person arrested for or charged with an offense under
2 chapter 329 or part IV of chapter 712, or any other
3 offense, the basis of which is an act permitted by
4 this chapter or decriminalized under Act , Session
5 Laws of Hawaii 2025, including the possession or
6 distribution of marijuana, shall have the right to
7 petition the attorney general, at any time and without
8 limitation to the number of petitions a person may
9 file, for the expungement of the person's records
10 relating to the arrest or criminal charge pursuant to
11 procedures established by the attorney general; and
12 (2) A person convicted for an offense under chapter 329 or
13 part IV of chapter 712, or any other offense, the
14 basis of which is an act permitted by this chapter or
15 decriminalized under Act , Session Laws of Hawaii
16 2025, shall have the right to petition the appropriate
17 court of record, at any time and without limitation to
18 the number of petitions a person may file, for the
19 expungement of the person's records relating to the
20 conviction and review and adjustment of the person's



1 sentence pursuant to procedures established by the
2 judiciary.

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

4 **§A-71 Cannabis business; hemp business; authorized. (a)**

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

7 (b) No person shall operate a cannabis business or hemp
8 business unless that person holds a valid license or permit
9 issued by the office pursuant to this chapter or rules adopted
10 pursuant to this chapter; provided that a hemp cultivator shall
11 hold a valid license to produce hemp issued by the United States
12 Secretary of Agriculture and be in compliance with section A-
13 132.

14 (c) Each license or permit issued by the office to a
15 cannabis business or hemp business shall be separate and
16 distinct from any other license or permit issued to the same
17 cannabis business or hemp business pursuant to this chapter or
18 rules adopted pursuant to this chapter.

19 (d) In addition to any other penalties allowed by law,
20 operating a cannabis business, including distributing, selling,
21 or offering for sale a restricted cannabinoid product, or a hemp



1 business without a valid license or permit issued by the office
2 pursuant to this chapter or rules adopted pursuant to this
3 chapter shall constitute an unfair method of competition and
4 unfair or deceptive act or practice pursuant to section 480-2
5 and shall be subject to a civil penalty as provided in section
6 480-3.1. Each package of cannabis or restricted cannabinoid
7 product sold in violation of this part shall constitute a
8 separate violation.

9 **SA-72 Applicant criteria.** (a) An applicant for a license
10 under this chapter shall meet each of the criteria in this
11 section, if applicable.

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

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

15 (2) Has been a legal resident of the State for no less
16 than five years preceding the date of application;
17 provided that this paragraph shall not apply to an
18 applicant for a license pursuant to part VIII;

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



- 1 (4) Has not been convicted of a felony; provided that a
2 conviction:
3 (A) That is pardoned or expunged;
4 (B) That resulted in a term of probation,
5 incarceration, or supervised release that was
6 completed more than ten years preceding the date
7 of application; or
8 (C) Solely for a marijuana-related offense, unless
9 the offense involved a minor, including the
10 offense under section 712-1249.6; involved a
11 firearm, including the offense under section 134-
12 7(b); or was committed after, or within one year
13 before, July 1, 2025,
14 shall not disqualify a person from applying for a
15 license; and
16 (5) Has not had any license, permit, certificate,
17 registration, or other government-issued authorization
18 related to cannabis or hemp revoked in any
19 jurisdiction.
20 (c) If the applicant is a business entity, the applying
21 business entity shall establish at a minimum that:



- 1 (1) Every officer, director, manager, and general partner
2 of the applying business entity or any person who has
3 the power to direct the management, policies, and
4 practices of the applying business entity:
- 5 (A) Is at least twenty-one years of age;
- 6 (B) Is a natural person who has been a legal resident
7 of the State for no less than five years
8 preceding the date of application; provided that
9 this subparagraph shall not apply to an applicant
10 for a license pursuant to parts VII and VIII;
- 11 (C) Has not been convicted of a felony; provided that
12 a conviction:
- 13 (i) That is pardoned or expunged;
- 14 (ii) That resulted in a term of probation,
15 incarceration, or supervised release that
16 was completed more than ten years preceding
17 the date of application; or
- 18 (iii) Solely for a marijuana-related offense,
19 unless the offense involved a minor,
20 including the offense under section
21 712-1249.6; involved a firearm, including



1 the offense under section 134-7(b); or was
2 committed after, or within one year before,
3 July 1, 2025,

4 shall not disqualify a person from applying for a
5 license; and

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

10 (2) The applying business entity:

11 (A) Is controlled by a majority of the shares,
12 membership interests, partnership interests, or
13 other equity ownership interests that is held or
14 owned by natural persons who are legal residents
15 of the State or by business entities whose owners
16 are all natural persons who are legal residents
17 of the State; provided that this subparagraph
18 shall not apply to an applicant for a license
19 pursuant to parts VII and VIII;

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



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

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

5 (E) Has a federal employer identification number.

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

13 (e) An applicant shall complete all application forms
14 prescribed by the office fully and truthfully and comply with
15 all information requests by the office relating to the license
16 application.

17 (f) A license shall be denied or revoked if an applicant
18 knowingly or recklessly makes any false statement of material
19 fact to the office in applying for a license under this chapter.

20 (g) The office may adopt rules to require additional
21 criteria for licensure for the purposes of protecting the public



1 health and safety, promoting sustainability and agriculture, and
2 encouraging the full participation in the regulated cannabis
3 industry from disproportionately impacted areas.

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

6 **SA-73 Ownership restrictions.** No person shall be issued
7 or have any direct or indirect interest in more than three
8 licenses for each class of license, but no more than nine
9 licenses in total; provided that a medical cannabis dispensary
10 that converted the dispensary's operation into licenses under
11 this chapter pursuant to section 41 of Act , Session Laws of
12 Hawaii 2025, may be issued up to three cannabis cultivator
13 licenses, three cannabis processor licenses, four medical
14 cannabis dispensary licenses, and four retail cannabis store
15 licenses, but not to exceed ten licenses in total; provided
16 further that no person:

17 (1) Holding a license pursuant to this chapter, or having
18 a direct or indirect interest in a cannabis
19 cultivator, cannabis processor, hemp cultivator, hemp
20 extract processor, medical cannabis dispensary, or
21 retail cannabis store, shall be issued a license for,



1 or have any direct or indirect interest in, an
2 independent laboratory, a craft cannabis dispensary,
3 or a medical cannabis cooperative;

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

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

15 (4) Holding a license for, or having a direct or indirect
16 interest in, a medical cannabis cooperative shall be
17 issued a license for, or have any direct or indirect
18 interest in, any other licensed business authorized
19 under this chapter or rules adopted pursuant to this
20 chapter.



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

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

10 (2) Each current or prospective employee of a licensed
11 business;

12 (3) Each current or prospective contractor of a licensed
13 business; and

14 (4) Each current or prospective laboratory agent of an
15 independent laboratory.

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

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

20 The office shall adopt rules to establish procedures for



1 licensure application, review, approval, and denial, including
2 an application fee for each license.

3 (b) The office shall set an open application period for
4 each available license. The office shall not accept an
5 application outside the open application period.

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

- 10 (1) The class or classes of licenses available;
- 11 (2) The number of licenses available for each class of
12 license;
- 13 (3) The application criteria for each class of license
14 available; and
- 15 (4) The procedure to select applications for approval from
16 among the applicants that meet the criteria required
17 for each class of license available.

18 (d) The office shall review and investigate whether the
19 information submitted in the application is complete and valid
20 and meets the criteria required pursuant to this chapter or
21 rules adopted pursuant to this chapter, and whether the



1 applicant is otherwise disqualified pursuant to this chapter or
2 rules adopted pursuant to this chapter.

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

9 (f) The office shall approve or deny the applications in
10 accordance with this chapter and rules adopted pursuant to this
11 chapter; provided that the office may deny an application that
12 meets all of the criteria required for a license if the
13 application was not selected to be approved pursuant to the
14 selection procedure published in the notice pursuant to
15 subsection (c).

16 (g) Upon the office's determination to deny a license
17 application, the office shall notify the applicant in writing of
18 the denial and the basis for the denial.

19 (h) Any person aggrieved by the office's denial of a
20 license application may request a contested case hearing
21 pursuant to chapter 91. To request a contested case hearing,



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

6 **SA-76 License term; renewal.** (a) All licenses under this
7 chapter shall be effective for one year from the date of
8 issuance and may be renewed annually pursuant to this section.
9 The office shall adopt rules to set forth requirements and
10 procedures for the submission, processing, and approval of a
11 renewal application, including a renewal application fee.

12 (b) An applicant for renewal shall submit to the office
13 information, on the form prescribed by the office, and
14 documentation necessary to verify that the applicant continues
15 to meet the criteria required pursuant to this chapter and rules
16 adopted pursuant to this chapter and is in compliance with all
17 the requirements pursuant to this chapter and rules adopted
18 pursuant to this chapter, including compliance with chapter B
19 and all other laws governing entities doing business in the
20 State, including chapters 237, 383, 386, 392, and 393.



1 (c) In addition to the review and verification of the
2 information and documentation submitted by the applicant, the
3 office shall conduct an unannounced inspection of the applicant
4 to verify compliance as required by subsection (b).

5 (d) Upon submission of the renewal application fee and
6 verification that the applicant meets the requirements under
7 subsection (b), the office shall renew the applicant's license.

8 (e) If the office determines that the applicant is
9 disqualified for renewal for any reason, the office shall notify
10 the applicant in writing of the denial and the basis for the
11 denial or, if held for further action, the conditions for
12 approval. The failure to meet the conditions set by the office
13 shall result in denial of the renewal application.

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



1 (g) A licensee that files a renewal application and pays
2 all required fees under this section before the expiration of
3 the license may continue to operate under that license
4 notwithstanding its expiration until the office takes final
5 action on the renewal application, unless the office suspends or
6 revokes the license before taking final action on the renewal
7 application.

8 (h) Except as provided in subsection (g), upon expiration
9 of a license, the licensed business shall immediately cease all
10 activities previously authorized by the license and ensure that
11 all cannabis in the licensed business's possession is forfeited
12 to the office for destruction pursuant to section A-92.

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

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

18 (b) The office shall adopt rules to establish procedures
19 and requirements for the submission of a license transfer,
20 reorganization, or restructuring application and standards for
21 the approval or denial of the application.



1 (c) A licensed business may apply to the office, on the
2 form prescribed by the office, for approval to transfer
3 ownership interests in the license, reorganize its ownership
4 structure, or restructure its business entity.

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

14 (e) Any license transfer, reorganization, or restructuring
15 done without office approval, or that results in a violation of
16 the ownership restrictions pursuant to section A-73, shall be
17 void and the license shall be subject to immediate revocation.

18 **§A-78 Fees; disposition of fees.** All fees charged
19 pursuant to this chapter or rules adopted pursuant to this
20 chapter shall be paid to the office in the form required by the
21 office. All fees collected under this chapter or rules adopted



1 pursuant to this chapter shall be deposited in the cannabis
2 regulation and enforcement special fund established in section
3 A-16.

4 **§A-79 Licensed business operations.** (a) The office shall
5 adopt rules to establish requirements for the operation of a
6 licensed business.

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

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

14 (2) The business's inventory and equipment during and
15 after operating hours to deter and prevent theft of
16 cannabis.

17 (c) No licensed business shall cultivate, process, store,
18 or test cannabis at any location other than within an area that
19 is enclosed and secured in a manner that prevents access by
20 persons not authorized to access the restricted area. A
21 greenhouse or outdoor cannabis cultivation area shall have



1 sufficient security measures to demonstrate that outdoor areas
2 are not readily accessible by unauthorized individuals,
3 including perimeter security fencing designed to prevent
4 unauthorized entry.

5 (d) No licensed business shall refuse employees or agents
6 of the office the right at any time of operation to inspect the
7 entire licensed premises or to audit the books, papers, and
8 records of the licensed business.

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

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

14 (1) That is pardoned or expunged;

15 (2) That resulted in a term of probation, incarceration,
16 or supervised release that was completed more than ten
17 years preceding the date the person begins employment;
18 or

19 (3) Solely for a marijuana-related offense, unless the
20 offense involved a minor, including the offense under
21 section 712-1249.6; involved a firearm, including the



1 offense under section 134-7(b); or was committed
2 after, or within one year before, July 1, 2025,
3 shall not disqualify a person from working for the licensed
4 business.

5 (g) A licensed business shall:

6 (1) Register each employee with the office; and

7 (2) Notify the office within one business day if an
8 employee ceases to be associated with the licensed
9 business.

10 (h) A person under the age of twenty-one shall not enter a
11 licensed business; provided that a medical cannabis patient who
12 is at least eighteen years of age may enter a medical cannabis
13 dispensary, retail cannabis store, or medical cannabis
14 cooperative of which the patient is a member.

15 (i) A licensed business shall ensure that unauthorized
16 persons under the age of twenty-one do not enter the licensed
17 premises; provided that the office may adopt rules to allow a
18 medical cannabis dispensary or retail cannabis store to use a
19 controlled, indoor entry area in the medical cannabis dispensary
20 or retail cannabis store to verify the identification and age of
21 persons before allowing access beyond the entry area.



1 (j) No licensed business shall cultivate, process,
2 distribute, dispense, or otherwise transact business with any
3 products containing cannabis other than those that were
4 cultivated, processed, distributed, dispensed, transacted, and
5 taxed in accordance with this chapter and chapter B.

6 **SA-80 Licensed premises; where.** (a) Each license issued
7 under this chapter shall authorize the operation of the licensed
8 business only at the single place described in the license.

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

12 **SA-81 Laboratory standards and testing.** (a) No person or
13 licensed business shall distribute, dispense, or otherwise sell
14 cannabis or hemp unless the cannabis or hemp has been tested and
15 shown to meet the requirements and standards established under
16 this chapter and rules adopted pursuant to this chapter for
17 content, contamination, and consistency.

18 (b) The office shall adopt rules to establish requirements
19 and standards for the mandatory laboratory testing of cannabis
20 and hemp that conform with the best practices generally used
21 within the cannabis industry, including:



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



1 (F) Tetrahydrocannabinol potency, homogeneity, and
2 cannabinoid profiles to ensure correct labeling;
3 and

4 (4) Mandatory laboratory testing for crude hemp extract
5 that shall include:

- 6 (A) Residual solvents, poisons, and toxins; and
- 7 (B) Tetrahydrocannabinol potency, homogeneity, and
- 8 cannabinoid profiles to ensure correct labeling.

9 (c) A licensed business shall maintain a record of all
10 laboratory testing that includes a description of the cannabis
11 or hemp provided to the independent laboratory, the identity of
12 the independent laboratory, and the results of the test.

13 (d) The office may adopt rules to establish other quality
14 assurance mechanisms that may include the designation or
15 creation of a state cannabis testing facility, creation of a
16 secret shopper program, round-robin testing, or any other
17 mechanism to ensure the accuracy of product testing and
18 labeling.

19 **SA-82 Packaging.** (a) No cannabis or hemp shall be
20 distributed, dispensed, or otherwise sold unless it is packaged



1 in accordance with this section and rules adopted pursuant to
2 this chapter.

3 (b) The office shall adopt rules to establish requirements
4 for the packaging of cannabis and hemp; provided that the rules
5 for the packaging of cannabis shall:

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

8 (2) Restrict packaging containing cannabis for medical use
9 to black lettering on a white background with no
10 pictures or graphics;

11 (3) Restrict packaging containing cannabis for personal
12 adult use to black lettering on a background of a
13 singular, solid color approved by the office with no
14 pictures or graphics;

15 (4) Restrict the use of colors, pictures, graphics, or
16 designs on or inside packaging to ensure that
17 packaging is not designed to appeal particularly to a
18 person under the age of twenty-one;

19 (5) Require the division of each serving within a package
20 containing multiple servings in a manner that allows



1 consumers and medical cannabis patients to easily
2 identify a single serving; and

3 (6) Prohibit packaging that imitates or resembles any
4 existing branded consumer products, including foods
5 and beverages, that do not contain cannabis.

6 (c) No licensed business shall offer, at no cost or at
7 cost, any packaging that does not meet the requirements under
8 this chapter or rules adopted pursuant to this chapter.

9 **SA-83 Labeling.** (a) No cannabis or hemp shall be
10 distributed, dispensed, or otherwise sold unless it is labeled
11 in accordance with this section and rules adopted pursuant to
12 this chapter.

13 (b) The office shall adopt rules to establish labeling
14 requirements for cannabis and hemp; provided that labeling on
15 each cannabis package shall, at a minimum, contain:

16 (1) A universal cannabinoid product symbol that has been
17 approved as a consensus standard issued by a
18 nationally recognized consensus standard organization;

19 (2) The name and contact information of the cannabis
20 cultivator or cannabis processor who produced the
21 cannabis;



- 1 (3) The results of sampling, testing, and analysis
2 conducted by an independent laboratory;
- 3 (4) A list of pharmacologically active ingredients and
4 possible allergens;
- 5 (5) The number of servings in the package if there are
6 multiple servings;
- 7 (6) The amount of cannabinoids in the package and in each
8 serving as expressed in absolute terms and as a
9 percentage of volume;
- 10 (7) The appellation of origin;
- 11 (8) If the product is medical cannabis, the statement "For
12 medical use only"; and
- 13 (9) The following statement in bold print, including
14 capitalization: "This product has not been analyzed
15 or approved by the United States Food and Drug
16 Administration. There is limited information on the
17 side effects of using this product, and there may be
18 associated health risks. Cannabis use during
19 pregnancy and breastfeeding may pose potential harms.
20 It is against the law to drive when under the



1 influence of this product. KEEP THIS PRODUCT AWAY
2 FROM CHILDREN."

3 **SA-84 Cannabis and cannabis product standards.** (a) The
4 office shall adopt rules to establish requirements,
5 restrictions, and standards regarding the types, ingredients,
6 and designs of cannabis, including potency limits and limits on
7 servings per package; provided that each cannabis product shall
8 be registered with the office on forms prescribed by the office.

9 (b) Edible cannabis products shall not be designed to
10 resemble commercially available candy or other products marketed
11 to children. The words "candy" and "candies" shall not be used
12 on packaging, labeling, advertising, product lists, or product
13 menus. Edible cannabis products shall not be in the shape of or
14 contain a depiction of a human, animal, or fruit, or a shape or
15 depiction that bears the likeness or contains characteristics of
16 a realistic or fictional human, animal, or fruit, including
17 artistic, caricature, or cartoon renderings.

18 (c) Except for a cannabis product intended for external
19 topical application to the skin or hair, no person shall
20 distribute, dispense, sell, or offer for sale any cannabis



1 product intended to be introduced via non-oral routes of entry
2 to the body, including use in eyes, ears, and nasal cavities.

3 **§A-85 Informational materials.** (a) The office, in
4 consultation with the department of health, shall design at
5 least two versions of an informational handout, one of which is
6 specific to high potency products.

7 (b) A cannabis business selling directly to consumers
8 shall include an informational handout designed by the office
9 pursuant to subsection (a) with all cannabis sold to consumers;
10 provided that the cannabis business shall include the high
11 potency version in any sale involving a cannabis concentrate or
12 other high potency product. The informational handouts shall
13 include scientifically accurate information, including:

14 (1) Advice about the potential risks of cannabis, and, in
15 the case of the high potency handout, risks specific
16 to high potency products, including:

17 (A) The risks of driving under the influence of
18 cannabis, and the fact that doing so is illegal;

19 (B) Any adverse effects unique to adolescents or
20 young adults, including effects related to the
21 developing mind;



1 (C) Potential adverse events and other risks,
2 including those related to mental health; and
3 (D) The risks of using cannabis during pregnancy or
4 breastfeeding.

5 (2) Information about the methods for administering
6 cannabis;

7 (3) How long cannabis may impair a person after it is
8 ingested in each manner;

9 (4) How to recognize cannabis use disorder and how to
10 obtain appropriate services or treatment;

11 (5) Information regarding safe storage and disposal of
12 cannabis and cannabis accessories to prevent
13 accidental poisonings, including the contact
14 information for a poison control center; and

15 (6) Subject to federal statutes, regulations, or case law,
16 a disclosure regarding:

17 (A) The status of cannabis under federal law; and

18 (B) Potential implications for users of cannabis,
19 including as it relates to firearms, employment,
20 housing, or other federal benefits or services.



1 **SA-86 Advertising; marketing; branding.** (a) The office
2 shall adopt rules to establish requirements for advertising,
3 marketing, and branding of cannabis or hemp, and any licensed
4 business, that include at a minimum:

5 (1) A prohibition on advertising, marketing, and branding
6 in a manner that is deemed to be deceptive, false, or
7 misleading;

8 (2) A prohibition or restriction on advertising,
9 marketing, and branding through or on a certain
10 medium, method, or location, as determined by the
11 office, to minimize advertising, marketing, and brand
12 exposure of licensed businesses to a person under the
13 age of twenty-one;

14 (3) A prohibition on advertising, marketing, and branding
15 that utilizes statements, designs, representations,
16 pictures, or illustrations that portray anyone under
17 the age of twenty-one;

18 (4) A prohibition on advertising, marketing, and branding,
19 including mascots, cartoons, candies, toys, fruits,
20 brand sponsorships, and celebrity endorsements, that



1 is deemed to appeal to a person under the age of
2 twenty-one;

3 (5) A prohibition on advertising, marketing, and branding,
4 including statements by a licensed business, that
5 makes any false or misleading statements concerning
6 other licensed businesses and the conduct and products
7 of the other licensed businesses;

8 (6) A prohibition on advertising, marketing, and branding
9 through certain identified promotional items as
10 determined by the office, including giveaways,
11 coupons, samples, prizes, or "free", "donated", or
12 "premium" cannabis or restricted cannabinoid products;

13 (7) A prohibition on advertising, marketing, and branding
14 by a licensed business that asserts its products are
15 safe, other than labeling required pursuant to this
16 chapter or rules adopted pursuant to this chapter;

17 (8) A reasonable restriction on timing and use of
18 illuminated external signage, which shall comply with
19 any other applicable provisions of law, including
20 local ordinances and requirements, and a prohibition
21 on neon signage;



1 (9) A requirement that any website or social media account
2 of a licensed business shall verify that the entrant
3 is at least twenty-one years of age;

4 (10) A prohibition on the use of unsolicited pop-up
5 advertisements on the Internet;

6 (11) A requirement that all advertising, marketing, and
7 branding materials for cannabis or hemp contain a
8 standard health warning developed by the office in
9 consultation with the department of health; and

10 (12) A requirement that all advertising, marketing, and
11 branding materials for cannabis accurately and legibly
12 identify the licensed business responsible for its
13 content, by adding, at a minimum, the licensed
14 business's name and license number.

15 (b) No person, other than the holder of a license or
16 permit issued pursuant to this chapter or rules adopted pursuant
17 to this chapter or a person who provides professional services
18 related to a licensed business, shall advertise any cannabis or
19 services related to cannabis in the State.

20 (c) No person shall place or maintain, or cause to be
21 placed or maintained, any sign or other advertisement for a



1 business or product related to cannabis, in any form or through
2 any medium whatsoever, within seven hundred fifty feet of the
3 real property comprising of a school, public park, or public
4 housing project or complex.

5 **§A-87 Signage.** The office shall adopt rules to establish
6 requirements for signage at the licensed premises that shall, at
7 a minimum, require that:

8 (1) All cannabis businesses that are open to the public
9 conspicuously post a notice at each entry to all
10 licensed premises that persons under the age of
11 twenty-one are not allowed on the licensed premises
12 unless they are a medical cannabis patient who is at
13 least eighteen years of age;

14 (2) All cannabis businesses that are open to the public
15 conspicuously post a sign in or about the licensed
16 premises notifying all customers and other persons of
17 the dangers of, and possible sanctions that may be
18 imposed for, operating a vehicle under the influence
19 of cannabis;

20 (3) All cannabis businesses that are open to the public
21 conspicuously post a sign in or about the licensed



1 premises notifying all customers and other persons
2 that the possession and sale of cannabis is illegal
3 under federal law and a person is subject to federal
4 law while traveling interisland; and

5 (4) Every license and permit issued and in effect under
6 this chapter shall at all times be conspicuously
7 posted to view, convenient for inspection, on the
8 licensed premises.

9 **§A-88 Seed-to-sale tracking system.** (a) The office shall
10 establish, maintain, and control a seed-to-sale tracking system
11 that shall have real-time, twenty-four-hour access to the data
12 of all cannabis businesses. The office shall adopt rules
13 pursuant to this chapter to establish procedures and
14 requirements for the seed-to-sale tracking system.

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

17 (1) The total amount of cannabis in possession of all
18 cannabis businesses from either the seed or immature
19 plant state, including all plants that are derived
20 from cuttings or cloning, until the cannabis is
21 sampled, dispensed, or destroyed;



1 (2) The total amount of cannabis products and medical
2 cannabis products inventory, as appropriate, including
3 the equivalent physical weight of cannabis that is
4 used to produce the products;

5 (3) The amount of waste produced by each plant at harvest;
6 and

7 (4) The transport of cannabis between cannabis businesses,
8 including tracking the quantity and type of cannabis,
9 the identity of the person transporting the cannabis,
10 and the make, model, and license number of the vehicle
11 being used for the transport.

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

15 (1) The office shall publicly solicit at least three
16 proposals for the seed-to-sale tracking system; and

17 (2) The selection of the seed-to-sale tracking system
18 shall be approved by the administrator.

19 (d) Notwithstanding any other provision of this section to
20 the contrary, if the office's seed-to-sale tracking system is
21 inoperable, as an alternative to requiring a cannabis business



1 to temporarily cease operations, the office may implement an
2 alternate tracking system that will enable a cannabis business
3 to operate on a temporary basis.

4 (e) A cannabis business shall purchase, operate, and
5 maintain a computer software tracking system that shall
6 interface with the office's seed-to-sale tracking system
7 established pursuant to subsection (a) and allow each cannabis
8 business to submit to the office any required data.

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

16 (b) Upon the office's determination to impose an
17 administrative penalty on a person pursuant to subsection (a),
18 the office shall provide the person with written notice of the
19 administrative penalty and the basis for the administrative
20 penalty. Any notice of an administrative penalty may be
21 accompanied by a cease-and-desist order or corrective action



1 order. The violation of the cease-and-desist order or
2 corrective action order shall constitute a further violation of
3 this chapter.

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

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

- 19 (1) Notice was given;
- 20 (2) A hearing was held, or the time granted for requesting
21 a hearing has expired without a request;



1 (3) The administrative penalty, cease-and-desist order, or
2 corrective action order was imposed on the person; and

3 (4) The penalty remains unpaid, or the order was not
4 complied with.

5 (e) All monetary penalties imposed pursuant to this
6 chapter shall be paid by the person to the office in the form
7 required by the office. All monetary penalties paid to the
8 office pursuant to this chapter shall be deposited into the
9 cannabis regulation and enforcement special fund established in
10 section A-16.

11 **§A-90 License; permit; suspension; revocation.** (a) In
12 addition to any other actions authorized by law, the office may
13 suspend or revoke any license or permit issued by the office
14 under this chapter or rules adopted pursuant to this chapter for
15 violating this chapter, rules adopted pursuant to this chapter,
16 chapter B, or for any good cause, including:

17 (1) Procuring a license or permit through fraud,
18 misrepresentation, or deceit;

19 (2) Professional misconduct, gross carelessness, or
20 manifest incapacity;

21 (3) False, fraudulent, or deceptive advertising;



1 (4) Any other conduct constituting fraudulent or dishonest
2 dealings;

3 (5) Failure to comply with an order from the office; and

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

8 (b) The office shall adopt rules to establish procedures
9 and standards for the suspension and revocation of a license or
10 permit.

11 (c) If the office determines that conduct by a licensed
12 business warrants suspension or revocation, the office shall
13 provide the licensed business with written notice and order
14 describing the basis for the suspension or revocation.

15 (d) Any person aggrieved by the office'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 office 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 office'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 office for
17 destruction pursuant to section A-92.

18 (g) If any license or permit is revoked or otherwise
19 terminated by the office, any fees paid for the license or
20 permit 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 office under
4 this chapter or rules adopted pursuant to this chapter shall not
5 bar jurisdiction by the office to proceed with any
6 investigation, action, or proceeding to restrict, condition,
7 limit, suspend, or revoke the license or permit, or otherwise
8 penalize a licensed business or an individual licensee, or both.

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

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

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



1 business with a written notice and order describing the basis
2 for the forfeiture and destruction, a description of the
3 cannabis or hemp subject to forfeiture and destruction, and a
4 timeframe in which the cannabis or hemp must be forfeited.

5 (d) A licensed business subject to an order directing the
6 destruction of any cannabis or hemp owned by or in the
7 possession of the licensed business shall forfeit the cannabis
8 or hemp described in the order to the office for destruction
9 within the timeframe described in the order.

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

19 (f) If the office is notified by a law enforcement agency
20 that there is a pending investigation of a licensed business
21 subject to an order for forfeiture and destruction of cannabis



1 or hemp, the office shall not destroy any cannabis or hemp of
2 that licensed business until the destruction is approved by the
3 law enforcement agency.

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

10 (b) The office shall provide a licensed business subject
11 to an administrative hold with written notice of the imposition
12 of that hold, which shall:

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



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

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

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

15 (f) A licensed business subject to an administrative hold,
16 for the duration of the administrative hold, shall maintain the
17 licensed premises and may otherwise continue to operate the
18 licensed business in compliance with this chapter, rules adopted
19 pursuant to this chapter, and the provisions of the
20 administrative hold. Except as specifically restricted by the
21 office, the licensed business may, for the duration of the



1 administrative hold, cultivate, process, distribute, or dispense
2 any cannabis or hemp not subject to the administrative hold
3 pursuant to its license or permit.

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

11 **§A-94 Liability to the State under this chapter as debt.**

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

19 (b) If a lien imposed by subsection (a) is properly
20 recorded, registered, or filed, and three hundred sixty-five
21 calendar days have elapsed from the date of recording,



1 registration, or filing with no response or action by the debtor
2 against whom the lien was recorded, registered, or filed, the
3 administrator may apply to the circuit court to have the lien
4 converted into a civil judgment. The circuit court shall issue
5 a civil judgment for an amount equivalent to the value of the
6 lien.

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

- 10 (1) An individual licensee or permittee or registered
11 employee of the licensed business;
- 12 (2) A government employee or official acting in the
13 person's official capacity; or
- 14 (3) Escorted by an individual licensee or permittee or
15 registered employee of the licensed business at all
16 times while in the restricted area; provided that:
- 17 (A) The person is at least twenty-one years of age,
18 as verified by a valid government-issued
19 identification card;



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

4 (C) The person is only permitted within the
5 restricted area during the times and for the
6 duration necessary to fulfill the person's
7 purpose for entering; and

8 (D) The licensed business shall keep a photographic
9 copy of the valid government-issued
10 identification card and an accurate record of the
11 date and times upon the person's entering and
12 exiting the restricted area, the purpose for
13 entering, and the identity of the escort.

14 (b) No individual licensee or permittee or registered
15 employee of the licensed business with control over or
16 responsibility for the licensed premises shall intentionally or
17 knowingly allow another person to enter or remain in a
18 restricted area, unless that person is permitted to enter and
19 remain as specified in subsection (a).

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



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

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

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

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

14 **records; criminal offense.** (a) A person commits the offense of
15 alteration or falsification of licensed business records if the
16 person intentionally or knowingly:

17 (1) Makes or causes a false entry in licensed business
18 records;

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



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

5 (4) Prevents the making of a true entry or causes the
6 omission of a true entry in licensed business records.

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

9 (c) For the purposes of this section:

10 "Electronic" means relating to technology having
11 electrical, digital, magnetic, wireless, optical,
12 electromagnetic, or other similar capabilities.

13 "Information" includes data, text, images, sounds, codes,
14 computer programs, software, or databases.

15 "Licensed business records" means any inventory tracking
16 records and other records maintained by a licensed business that
17 are required by law to be created and retained or provided to
18 the office or department of taxation.

19 "Record" means information that is written or printed or
20 that is stored in an electronic or other medium and is
21 retrievable in a perceivable form.



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

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

10 (b) Unlawful restricted cannabinoid product retailing
11 shall be a petty misdemeanor; provided that any offense under
12 subsection (a) that occurs within five years of a prior
13 conviction for unlawful restricted cannabinoid product retailing
14 shall be a misdemeanor.

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

16 Notwithstanding any other law, a licensed business shall
17 disclose information, documents, tax records, and other records
18 regarding the licensed business's operation, upon request, to
19 any federal, state, or county agency engaged in the
20 administrative regulation, criminal investigation, or
21 prosecution of violations of applicable federal, state, or



1 county laws or regulations related to the operations or
2 activities of a licensed business.

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

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

8 (b) The office shall adopt rules for the licensure,
9 operations, and oversight of independent laboratories, including
10 protocols for the sampling, testing, and analysis of cannabis
11 and hemp. The rules shall address sampling and analysis related
12 to cannabinoid profiles and biological and chemical
13 contaminants, including terpenoids, pesticides, plant growth
14 regulators, metals, microbiological contaminants, mycotoxins,
15 and residual solvents introduced through cultivation of cannabis
16 plants or hemp plants and post-harvest processing and handling
17 of cannabis, hemp, or any related ingredients.

18 (c) An independent laboratory shall report any results
19 indicating contamination to the office within seventy-two hours
20 of identification of contamination.



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

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

13 (f) No individual who possesses an interest in or is a
14 laboratory agent employed by an independent laboratory, and no
15 immediate family member of that individual, shall possess an
16 interest in or be employed by any other licensed business
17 authorized by this chapter or rules adopted pursuant to this
18 chapter.

19 (g) No independent laboratory, laboratory agent, or
20 employee of an independent laboratory shall receive direct or
21 indirect compensation, other than reasonable contractual fees to



1 conduct testing, from any entity for which it is conducting
2 testing pursuant to this chapter or rules adopted pursuant to
3 this chapter.

4 (h) An independent laboratory shall:

5 (1) Register each laboratory agent with the office; and

6 (2) Notify the office within one business day if a
7 laboratory agent ceases to be associated with the
8 independent laboratory.

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

16 (j) A laboratory agent shall not be subject to arrest,
17 prosecution, civil penalty, sanctions, or disqualifications, and
18 shall not be subject to seizure or forfeiture of assets under
19 laws of the State, for actions taken under the authority of an
20 independent laboratory, including possessing, processing,



1 storing, transferring, or testing cannabis; provided that the
2 laboratory agent is:

- 3 (1) Registered with the office; and
- 4 (2) Acting in accordance with all the requirements under
5 this chapter and rules adopted pursuant to this
6 chapter.

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

- 9 (1) The acquisition and cultivation of cannabis plants,
10 seeds, cuttings, or clones; and
- 11 (2) The distribution of cannabis plants and cannabis
12 flower to:
 - 13 (A) A cannabis cultivator;
 - 14 (B) A cannabis processor;
 - 15 (C) A medical cannabis dispensary; and
 - 16 (D) A retail cannabis store.

17 (b) A cannabis cultivator shall track the cannabis it
18 cultivates from acquisition to testing, distribution, or
19 destruction.



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

4 (d) The maximum size of plant canopy the office may
5 authorize for each cannabis cultivator license shall be three
6 thousand five hundred square feet of plant canopy for indoor
7 cultivations and five thousand square feet of plant canopy for
8 outdoor cultivations, or a maximum plant count of fifteen
9 thousand indoor plants for all medical cannabis dispensary
10 license cultivation locations that converted pursuant to section
11 41 of Act , Session Laws of Hawaii 2025.

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 office. The requirements and
17 standards prescribed by the office shall be guided by
18 sustainable farming principles and practices, such as organic,
19 regenerative, and integrated pest management models to the
20 extent possible; limit the use of pesticides, whenever possible;
21 and encourage 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 office, consumer, and medical cannabis patient.

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

19 A medical cannabis dispensary license shall authorize:

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



1 (2) The distribution of cannabis to a retail cannabis
2 store or medical cannabis dispensary; 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 office shall adopt rules to implement this section,
6 including 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 grant
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 office 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 office may
8 establish additional license types and grant temporary licenses
9 of any type specified in this part, in accordance with
10 conditions set forth in rules adopted pursuant to this chapter.

11 **§A-119 Special use permits.** (a) The office 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 office 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 (2) Criteria based on public health and safety for the
2 office to establish allowable limits for restricted
3 cannabinoids in hemp products; provided further that
4 the office may prohibit the restricted cannabinoid
5 entirely; and

6 (3) A process for petitioning the office to add or remove
7 a cannabinoid or restricted cannabinoid product from
8 the 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 tetrahydrocannabinol per serving, and thirty
16 milligrams of tetrahydrocannabinol per bottle;
17 provided further that tinctures with over five
18 milligrams of tetrahydrocannabinol per bottle shall
19 not be sold to persons under twenty-one years of age.

20 (d) For the purposes of this section, "tincture" means a
21 liquid hemp extract product consisting of hemp extract dissolved



1 in glycerin or a plant-based oil, that is intended for oral
2 consumption in small amounts using a dropper, and that has a
3 total volume of one ounce or less.

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

10 (b) Notwithstanding any law to the contrary, it shall be
11 legal for a person to cultivate hemp only if they hold a license
12 to produce hemp, issued by the United States Secretary of
13 Agriculture pursuant to title 7 United States Code section
14 1639q; provided that hemp shall not be:

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

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



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

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

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

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

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

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

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



1 to the cultivation of hemp as regulated by the United States
2 Department 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 office 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 office'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 office may petition any court of appropriate
5 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 **§A-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. 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 office 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 office pursuant to section A-133 or
2 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 office 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.



- 1 (4) 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 section;
- 5 (5) Fix, determine, charge, and collect any premiums,
6 fees, charges, costs, and expenses, including
7 application fees, commitment fees, program fees,
8 financing charges, and publication fees in connection
9 with the social equity grant program;
- 10 (6) 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 (7) Establish application, notification, contract, and
18 other forms and procedures deemed necessary and
19 appropriate to implement the social equity grant
20 program; and



1 (8) Utilize vendors or contract work to carry out the
2 purposes of this part.

3 (c) The office shall adopt rules pursuant to this chapter
4 to implement this part, including:

5 (1) Additional requirements and qualifications for
6 determining eligibility of social equity grant
7 applicants for grants;

8 (2) Preferences and priorities in determining eligibility
9 for grants;

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

12 (4) Requirements for the inspection at reasonable hours of
13 facilities, books, and records of a social equity
14 grant applicant or grant recipient;

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

17 (6) Appropriate management counseling and monitoring of
18 business activities for grant recipients.

19 (d) The office shall submit an annual report on the social
20 equity grant program to the governor and legislature no later
21 than twenty days prior to the convening of each regular session.



1 The report shall detail the outcomes and effectiveness of this
2 section during the prior fiscal year, including the following:

- 3 (1) The number of social equity grant applicants who
4 received financial assistance under this section;
- 5 (2) The amount of grants awarded in the aggregate;
- 6 (3) The location of the project engaged in by each grant
7 recipient; and
- 8 (4) Grants awarded to child care, after-school and summer
9 programs, and programs that build youth resiliency by
10 county and program outcomes.

11 (e) The office shall include engagement with individuals
12 with limited English proficiency as part of the social equity
13 grant program.

14 (f) The office shall make available to the public its
15 rubric for determining eligibility for social equity grants.

16 **§A-142 Social equity grants; standards and conditions.**

17 (a) Grants made under this part shall be awarded on a
18 competitive and annual basis. Grants made under this part shall
19 further and promote the goals of the social equity grant
20 program.



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

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

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

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



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

19 **SA-143 Fee waivers.** (a) For social equity grant
20 applicants, the office shall waive fifty per cent of any license
21 application fees and any fees associated with purchasing a



1 license to operate a licensed business for the initial five
2 years of the social equity grant applicant's operations;
3 provided that the social equity grant applicant meets the
4 following qualifications at the time the payment is due:

5 (1) The social equity grant applicant, including all
6 persons with a direct or indirect interest in the
7 social equity grant applicant, has less than a total
8 of \$750,000 of income in the previous calendar year;
9 and

10 (2) The social equity grant applicant, including all
11 persons with a direct or indirect interest in the
12 social equity grant applicant, has no more than three
13 other licenses issued under this chapter.

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

18 (c) If the office determines that an applicant who applied
19 for a fee waiver is not eligible as a social equity grant
20 applicant, the applicant shall be provided an additional ten
21 calendar days to provide alternative evidence that the applicant



1 qualifies as a social equity grant applicant. Alternatively,
2 the applicant may pay the remainder of the waived fee and be
3 considered as a non-social equity grant applicant. If the
4 applicant fails to do either, the office may retain the initial
5 application fee and the application shall be deemed withdrawn.

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

7 **§A-151 Public health and education campaign.** (a) The
8 office shall contract with an entity to develop and implement a
9 comprehensive public health and education campaign regarding the
10 legalization of cannabis and the impact of cannabis use on
11 public health and safety, including the health risks associated
12 with cannabis and ways to protect children. The public health
13 and education campaign shall also include education to the
14 public about this chapter, including the potential risks
15 associated with patronizing unlicensed dispensary locations, or
16 otherwise procuring cannabis through persons not authorized by
17 the office. The public health and education campaign shall
18 begin no later than September 1, 2025.

19 (b) After the initial campaign, the office shall continue
20 to periodically develop and implement a comprehensive public



1 health and education campaign on issues related to cannabis, as
2 necessary.

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

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

10 (b) The office, through the chief public health and
11 education officer or administrator, shall have the power to:

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

14 (2) Provide grants to assist community-based organizations
15 with developing, implementing, and supporting youth
16 services, including child care, after-school and
17 summer programs, and programs that build youth
18 resiliency, youth recreational centers, services for
19 housing, counseling, and preventing or treating youth
20 substance abuse;



- 1 (3) Provide grants to assist community-based organizations
2 with developing, implementing, and supporting programs
3 for individuals with a dual diagnosis of mental
4 disorder and substance abuse disorder, including
5 services for supportive housing, residential
6 treatment, outpatient treatment, counseling, and other
7 related services;
- 8 (4) Provide staff, administration, and related support
9 required to administer this part;
- 10 (5) Enter into agreements that set forth terms and
11 conditions of the grants, accept funds or grants, and
12 cooperate with private entities and state or county
13 agencies to carry out the purposes of this part;
- 14 (6) Fix, determine, charge, and collect any premiums,
15 fees, charges, costs, and expenses, including
16 application fees, commitment fees, program fees,
17 financing charges, or publication fees in connection
18 with its activities under this section;
- 19 (7) Take whatever actions are necessary or appropriate to
20 protect the State's interest in the event of
21 bankruptcy, default, foreclosure, or noncompliance



1 with the terms and conditions of grants provided under
2 this section, including the ability to recapture funds
3 if the grant recipient is found to be noncompliant
4 with the terms and conditions of the grant agreement;

5 (8) Establish application, notification, contract, and
6 other forms and procedures deemed necessary and
7 appropriate to administer this part; and

8 (9) Utilize vendors or contract work to carry out the
9 purposes of this part.

10 (c) The office shall adopt rules pursuant to this chapter
11 to implement this part, including:

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

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

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

18 (4) Requirements for the inspection at reasonable hours of
19 facilities, books, and records of a grant applicant or
20 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 office shall submit an annual report on the public
6 health and education grant program to the governor and
7 legislature no later than twenty days prior to the convening of
8 each regular session. The report shall detail the outcomes and
9 effectiveness of this section during the prior fiscal year,
10 including the following:

11 (1) The number of persons or businesses who received
12 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 each grant
15 recipient;

16 (4) The extent and reach of the public health and
17 education campaigns;

18 (5) The number of adult and youth substance abuse and dual
19 diagnosis prevention and treatment programs served by
20 county; and



1 (6) The number of youth support and resiliency programs
2 served by county.

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

7 (b) Applications for grants shall be made to the office
8 and contain information as shall be required by rules adopted
9 pursuant to this chapter. At a minimum, an applicant shall
10 show:

- 11 (1) The name of the applying organization or individual;
- 12 (2) That the applicant meets the criteria for the grant;
- 13 (3) The intended use of the grant; and
- 14 (4) The target group or community to be benefited by the
15 grant.

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

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



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



1 a grant or any other benefits under this part for a
2 period of five years from the date of termination.

3 **PART XI. PUBLIC SAFETY**

4 **§A-161 Public safety grant program.** (a) The office shall
5 establish a public safety grant program for the purpose of
6 providing grants to state and county agencies and private
7 entities to assist with public safety resources relating to
8 cannabis, including law enforcement resources.

9 (b) The office, through the chief compliance officer or
10 administrator, shall have the power to:

11 (1) Provide grants to train and certify state and county
12 law enforcement officers as drug recognition experts
13 for detecting, identifying, and apprehending
14 individuals operating a vehicle under the influence of
15 an intoxicant or otherwise impaired;

16 (2) Provide grants to develop, implement, and support
17 crisis intervention services, including alternative
18 response programs and co-response programs that
19 provide trained social service providers or mental
20 health counselors to respond to, or assist law
21 enforcement agencies with responding to, nonviolent



- 1 emergencies, including welfare checks, public
2 intoxication, and mental health episodes;
- 3 (3) Provide grants to train state and county law
4 enforcement officers in mental health first aid;
- 5 (4) Provide grants for the effective enforcement and
6 prosecution of violations of the nuisance abatement
7 laws under part V of chapter 712;
- 8 (5) Provide grants to harm reduction programs, including
9 crisis outreach programs, food banks, mental health
10 support programs, homeless outreach programs,
11 outpatient treatment programs, and housing assistance
12 programs;
- 13 (6) Provide grants to improve data sharing across law
14 enforcement agencies and the judiciary;
- 15 (7) Provide grants to state and county law enforcement
16 agencies for equipment and training to assist with
17 investigating and prosecuting illegal activities
18 related to cannabis;
- 19 (8) Provide staff, administration, and related support
20 required to administer this part;



- 1 (9) 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 (10) 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 (11) 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 (12) Establish application, notification, contract, and
18 other forms and procedures deemed necessary and
19 appropriate to administer this part; and
- 20 (13) Utilize vendors or contract work to carry out the
21 purposes of this part.



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



- 1 (1) The number of persons, businesses, or agencies
- 2 receiving 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 the person,
- 5 business, or agency; and
- 6 (4) If applicable, the number of new jobs and other forms
- 7 of economic output created as a result of the grants.

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

9 (a) Grants made under this part shall be awarded on a
10 competitive and annual basis. Grants made under this part shall
11 further and promote the goals of this chapter.

12 (b) Applications for grants shall be made to the office
13 and contain information as shall be required by rules adopted
14 pursuant to this chapter. At a minimum, an applicant shall
15 show:

- 16 (1) The name of the applying organization or individual;
- 17 (2) That the applicant meets the criteria for the grant;
- 18 (3) The intended use of the grant; and
- 19 (4) The target group or community to be benefited by the
- 20 grant.



1 (c) Recipients of grants shall be subject to the following
2 conditions:

3 (1) The recipient of a grant shall not use public funds
4 for purposes of entertainment or perquisites,
5 including lobbying activities;

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

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

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

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



1 other regulatory and financial information with a financial
2 institution of the cannabis business's designation. The
3 cannabis business shall include in that written request a waiver
4 authorizing the transfer of that information and waiving any
5 confidentiality or privilege that applies to that information.

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

13 (d) A cannabis business that provides a waiver may
14 withdraw that waiver in writing at any time. Upon receipt of
15 the written withdrawal of the waiver, the office shall cease to
16 share application, license, and other regulatory or financial
17 information with the financial institution.

18 (e) This section shall be construed to refer only to the
19 disclosure of information by the office reasonably necessary to
20 facilitate the provision of financial services for the cannabis
21 business making a request pursuant to this section. Nothing in



1 this section shall be construed to authorize the disclosure of
2 confidential or privileged information, or waive a cannabis
3 business's rights to assert confidentiality or privilege, except
4 to a financial institution as provided in this section and
5 except as reasonably necessary to facilitate the provision of
6 financial services for the cannabis business making the request.

7 (f) For the purpose of this section:

8 "Application, license, and other regulatory and financial
9 information" includes but is not limited to information in the
10 seed-to-sale tracking system established pursuant to section A-
11 88.

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

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



1 percentage of hemp origin as "United States" or, if the hemp
2 product includes hemp from a source outside of the United
3 States, the hemp product shall identify the percentage of hemp
4 origin as "Foreign".

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

- 11 (1) Patterns of use, methods of consumption, sources of
12 purchase, and general perceptions of cannabis among
13 minors, college and university students, and adults;
- 14 (2) Incidents of driving under the influence,
15 hospitalization, and use of other health care services
16 related to cannabis use;
- 17 (3) Economic and fiscal impacts for the State, including
18 the impact of legalization on the production and
19 distribution of cannabis in the illicit market and the
20 costs and benefits to state revenue;



1 (4) Ownership and employment trends in the cannabis
2 industry;

3 (5) A market analysis examining the expansion or
4 contraction of the illicit and legal marketplaces,
5 including estimates and comparisons of pricing and
6 product availability in both markets;

7 (6) A compilation of data on the number of incidents of
8 discipline in schools, including suspensions or
9 expulsions, resulting from the use or possession of
10 cannabis; and

11 (7) A compilation of data on the number of civil
12 penalties, arrests, prosecutions, incarcerations, and
13 sanctions imposed for violations of this chapter for
14 possession, distribution, or trafficking of cannabis.

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



1 (1) Provide the office with any existing data requested by
2 the office, subject to any applicable confidentiality
3 laws and rules regarding personally identifiable
4 information and personal health information; and

5 (2) Collect data, as reasonably requested by the office,
6 to complete the office's research agenda.

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

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

16 **SA-174 Hawaii hemp grant program.** (a) The office shall
17 establish the Hawaii hemp grant program for the purpose of
18 providing grants to local hemp farmers and hemp projects.

19 (b) The office, through the hemp coordinator or
20 administrator, shall have the power to:



- 1 (1) Provide grants to assist small hemp cultivators and
2 hemp businesses in gaining entry to, and successfully
3 operating in, the State's hemp industry, including
4 grants for financial assistance, industry training,
5 and technical assistance;
- 6 (2) Provide grants to assist research projects related to
7 industrial uses of hemp and marketability of hemp
8 products;
- 9 (3) Provide staff, administration, and related support
10 required to administer the Hawaii hemp grant program;
- 11 (4) 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 the Hawaii hemp
15 grant program;
- 16 (5) Fix, determine, charge, and collect any premiums,
17 fees, charges, costs, and expenses, including
18 application fees, commitment fees, program fees,
19 financing charges, or publication fees in connection
20 with its activities under this section;



1 (6) Take whatever actions are necessary or appropriate to
2 protect the State's interest in the event of
3 bankruptcy, default, foreclosure, or noncompliance
4 with the terms and conditions of grants provided under
5 this section, including the ability to recapture funds
6 if the grant recipient is found to be noncompliant
7 with the terms and conditions of the grant agreement;

8 (7) Establish application, notification, contract, and
9 other forms and procedures deemed necessary and
10 appropriate to administer the Hawaii hemp grant
11 program; and

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

14 (c) The office shall adopt rules pursuant to this chapter
15 to implement the Hawaii hemp grant program, including:

16 (1) Additional requirements and qualifications for
17 determining eligibility of applicants for grants;

18 (2) Preferences and priorities in determining eligibility
19 for grants;

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



1 (4) Requirements for the inspection at reasonable hours of
2 facilities, books, and records of a grant applicant or
3 grant recipient;

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

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

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

13 (1) The number of persons or businesses who received
14 financial assistance under this section;

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

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

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

20 **§A-175 Hawaii hemp grants; standards and conditions.** (a)

21 Grants made under the Hawaii hemp grant program shall be awarded



1 on a competitive and annual basis. Grants made under the Hawaii
2 hemp grant program shall further and promote the goals of this
3 chapter.

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

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

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

- 15 (1) The recipient of a grant shall not use public funds
16 for purposes of entertainment or perquisites,
17 including lobbying activities;
- 18 (2) The recipient of a grant shall comply with state laws
19 and county ordinances;



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



1 **SB-2 Cannabis tax permit.** (a) No person shall engage in
2 the retail sale of cannabis or sale of medical cannabis unless a
3 permit has been issued to the person pursuant to this section;
4 provided that this section shall not apply to persons who make
5 sales at wholesale.

6 (b) The cannabis tax permit shall be issued by the
7 department upon application and payment of an application fee of
8 \$25. Whenever a cannabis tax permit is defaced, destroyed, or
9 lost, or the permittee relocates the permittee's business, the
10 department may issue a duplicate cannabis tax permit to the
11 permittee for a fee of \$5 per copy. The permit provided for by
12 this section shall be effective until canceled in writing. The
13 director may revoke or cancel any permit issued under this
14 chapter for cause as provided by rules adopted pursuant to
15 chapter 91.

16 (c) A separate cannabis tax permit shall be obtained for
17 each place of business owned, controlled, or operated by a
18 taxpayer. A taxpayer who owns or controls more than one place
19 of business may submit a single application for more than one
20 cannabis tax permit; provided that the application fee of \$25
21 shall be required for each permit. Each cannabis tax permit



1 issued shall clearly describe the place of business where the
2 retail sale of cannabis or sale of medical cannabis is
3 conducted.

4 (d) A cannabis tax permit shall be non-assignable and non-
5 transferable. A cannabis tax permit may be transferred from one
6 business location to another business location after an
7 application has been filed with the department requesting the
8 transfer, the applicant has paid a transfer fee of \$25, and
9 approval has been obtained from the department.

10 (e) Any cannabis tax permit issued under this chapter
11 shall be displayed at all times in a conspicuous place at each
12 of the licensed premises of the taxpayer.

13 **SB-3 Tax.** (a) Upon every person engaging or continuing
14 within the State in the retail sale of cannabis, beginning
15 January 1, 2026, and continuing thereafter, there is hereby
16 levied and shall be assessed and collected a tax equal to
17 fourteen per cent of the gross proceeds of retail sales from
18 cannabis; provided that this subsection shall not apply to the
19 sale of medical cannabis.

20 (b) Upon every person engaging or continuing within the
21 State in the sale of medical cannabis, beginning January 1,



1 2026, and continuing thereafter, there is hereby levied and
2 shall be assessed and collected a tax equal to four per cent of
3 the gross proceeds of sales from medical cannabis; provided that
4 this subsection shall not apply to sales at wholesale.

5 **§B-4 Return; forms; contents.** (a) Every person subject
6 to tax under this chapter shall, on or before the twentieth day
7 of each month, file with the department, a return showing all
8 sales of cannabis and of the taxes chargeable against the person
9 under section B-3 made by the person during the preceding month.
10 The form of return shall be prescribed by the department and
11 shall contain information that the department may deem necessary
12 for the proper administration of this chapter.

13 (b) On or before the twentieth day of the fourth month
14 following the close of the taxable year, each taxpayer who has
15 become liable for the payment of taxes under this chapter during
16 the preceding tax year shall file a return showing all sales of
17 cannabis made by the person during the taxable year, in the form
18 and manner prescribed by the department, and shall transmit with
19 the return a remittance covering the residue of the tax due, if
20 any.



1 **§B-5 Payment of tax; penalties.** (a) At the time of the
2 filing of the return required under section B-4 and within the
3 time prescribed, each person subject to the tax imposed by this
4 chapter shall pay to the department the tax required to be shown
5 by the return.

6 (b) Penalties and interest shall be added to and become a
7 part of the tax, when and as provided by section 231-39.

8 **§B-6 Limitation period for assessment levy, collection, or**
9 **credit.** (a) General rule. The amount of taxes imposed by this
10 chapter shall be assessed or levied within three years after
11 filing of the annual return, or within three years of the due
12 date prescribed for the filing of the annual return, whichever
13 is later. No proceeding in court without assessment for the
14 collection of the taxes or the enforcement of the liability
15 shall be commenced after the expiration of the period. Where
16 the assessment of the tax imposed by this chapter has been made
17 within the applicable period of limitation, the tax may be
18 collected by levy or by a proceeding in court under chapter 231;
19 provided that the levy is made, or the proceeding was begun,
20 within fifteen years after the assessment of the tax.



1 Notwithstanding any other provision to the contrary in this
2 section, the limitation on collection after assessment in this
3 section shall be suspended for the period:

4 (1) The taxpayer agrees to suspend the period;
5 (2) The assets of the taxpayer are in control or custody
6 of a court in any proceeding before any court of the
7 United States or any state, and for six months
8 thereafter;

9 (3) An offer in compromise under section 231-3(10) is
10 pending; and

11 (4) During which the taxpayer is outside the State for a
12 continuous period of at least six months; provided
13 that if at the time of the taxpayer's return to the
14 State the period of limitations on collection after
15 assessment would expire before the expiration of six
16 months from the date of the taxpayer's return, the
17 period shall not expire before the expiration of the
18 six months.

19 (b) Limitations on credit or refund. No credit or refund
20 shall be allowed for any tax imposed by this chapter unless a
21 claim for credit or refund is filed as follows:



1 (1) If an annual return is timely filed, or is filed
2 within three years after the date prescribed for
3 filing the annual return, then the credit or refund
4 shall be claimed within three years after the date the
5 annual return was filed or the date prescribed for
6 filing the annual return, whichever is later; or
7 (2) If an annual return is not filed, or is filed more
8 than three years after the date prescribed for filing
9 the annual return, a claim for credit or refund shall
10 be filed within three years after:
11 (A) The payment of the tax; or
12 (B) The date prescribed for the filing of the annual
13 return,
14 whichever is later;
15 provided that paragraphs (1) and (2) shall be mutually
16 exclusive.
17 (c) Exceptions; fraudulent return or no return. In the
18 case of a false or fraudulent return with intent to evade tax or
19 liability, or of a failure to file the annual return, the tax or
20 liability may be assessed or levied at any time; provided that



1 the burden of proof with respect to the issues of falsity or
2 fraud and intent to evade tax shall be upon the State.

3 (d) Extension by agreement. Where, before the expiration
4 of the period prescribed in subsection (a) or (b), both the
5 department and the taxpayer have consented in writing to the
6 assessment or levy of the tax after the date fixed by subsection
7 (a) or the credit or refund of the tax after the date fixed by
8 subsection (b), the tax may be assessed or levied or the
9 overpayment, if any, may be credited or refunded at any time
10 before the expiration of the period agreed upon. The period so
11 agreed upon may be extended by subsequent agreements in writing
12 made before the expiration of the period previously agreed upon.

13 **§B-7 Disposition of revenues.** The tax collected pursuant
14 to this chapter shall be paid into the state treasury as a state
15 realization to be kept and accounted for as provided by law;
16 provided that revenues collected under this chapter shall be
17 distributed quarterly in the following priority:

18 (1) An amount necessary to defray the cost of the
19 operations and administrative expenses of the Hawaii
20 cannabis and hemp office established under chapter A
21 shall be deposited into the cannabis regulation and



1 enforcement special fund established by section A-16;

2 and

3 (2) After making the distribution required under paragraph

4 (1):

5 (A) Thirty per cent shall be deposited into the

6 social equity grant program subaccount

7 established by section A-16(c);

8 (B) Ten per cent shall be deposited into the public

9 health and education grant program subaccount

10 established by section A-16(d);

11 (C) Ten per cent shall be deposited into the public

12 safety grant program subaccount established by

13 section A-16(e);

14 (D) Five per cent shall be deposited into the Hawaii

15 hemp grant program subaccount established by

16 section A-16(f);

17 (E) Five per cent shall be deposited to the counties,

18 which shall be allocated to each county based on

19 the percentage of revenue collected from that

20 county;



1 (F) Five per cent shall be deposited to the
2 department of the attorney general for the drug
3 nuisance abatement unit established under section
4 28-131; and

5 (G) Five per cent shall be deposited to the
6 department of attorney general for the special
7 investigation and prosecution division for the
8 purpose of preventing the proliferation of money
9 laundering and organized crime that may result
10 from the expansion of the legal cannabis market
11 or is related to fentanyl and methamphetamine.

12 **SB-8 Records to be kept.** (a) Every person subject to tax
13 under this chapter shall keep records of all sales of cannabis,
14 in a form prescribed by the department. All records shall be
15 offered for inspection and examination at any time upon demand
16 by the department or Hawaii cannabis and hemp office and shall
17 be preserved for a period of five years; provided that the
18 department may, in writing, consent to the records' destruction
19 within that period or may adopt rules that require the records
20 to be kept longer.



1 The department may, by rule, require the person subject to
2 tax under this chapter to keep other records as the department
3 may deem necessary for the proper enforcement of this chapter.

4 (b) If any person subject to tax under this chapter fails
5 to keep records from which a proper determination of the tax due
6 under this chapter may be made, the department may fix the
7 amount of tax for any period from the best information the
8 department obtains, and assess the tax as provided in this
9 section.

10 (c) Every person subject to tax under this chapter shall
11 keep a complete and accurate record of that person's cannabis
12 inventory. The records shall:

13 (1) Include:

14 (A) A written statement containing the name and
15 address of the source of cannabis;

16 (B) The date of delivery, quantity, weight, and price
17 of the cannabis; and

18 (C) Documentation in the form of any purchase orders;
19 invoices; bills of lading; or other written
20 statements, books, papers, or records in whatever
21 format, including electronic format, that



1 substantiate the purchase or acquisition of the
2 cannabis stored or offered for sale; and
3 (2) Be offered for inspection and examination within
4 twenty-four hours of demand by the department or
5 Hawaii cannabis and hemp office and shall be preserved
6 for a period of five years; provided that the
7 department may, in writing, consent to the records'
8 destruction within that period or may adopt rules that
9 require the records to be kept longer.

10 **§B-9 Inspection.** (a) A person subject to tax under this
11 chapter shall be subject to the inspection and investigation
12 provisions in chapter 231 and shall provide the department with
13 any information deemed necessary to verify compliance with the
14 requirements of this chapter.

15 (b) The department and Hawaii cannabis and hemp office may
16 examine all records required to be kept under this chapter, and
17 books, papers, and records of any person subject to tax under
18 this chapter to verify the accuracy of the payment of the tax
19 imposed by this chapter and other compliance with this chapter
20 and rules adopted pursuant to this chapter. Every person in
21 possession of the books, papers, and records and the person's



1 agents and employees shall give the department and Hawaii
2 cannabis and hemp office the means, facilities, and
3 opportunities for examination.

4 (c) Returns, return information, or reports under this
5 chapter, and relating only to this chapter, may be provided to
6 the Hawaii cannabis and hemp office by the department for the
7 purpose of enforcing or ensuring compliance with chapter A.

8 Notwithstanding the foregoing, the inspection, review, or
9 production of any and all federal tax returns and return
10 information shall only be provided as permitted in accordance
11 with applicable federal law.

12 **§B-10 Tax in addition to other taxes.** The tax imposed by
13 this chapter, unless expressly prohibited, shall be in addition
14 to any other tax imposed upon the business of selling cannabis
15 or upon any of the transactions, acts, or activities taxed by
16 law.

17 **§B-11 Appeals.** Any person aggrieved by any assessment of
18 the tax imposed by this chapter may appeal from the assessment
19 in the manner and within the time and in all other respects as
20 provided in the case of income tax appeals by section 235-114.



1 The hearing and disposition of the appeal, including the
2 distribution of costs, shall be as provided in chapter 232.

3 **§B-12 Other provisions applicable.** All of the provisions
4 of chapters 231, 235, and 237 not inconsistent with this chapter
5 and that may appropriately be applied to the taxes, persons,
6 circumstances, and situations involved in this chapter,
7 including (without prejudice to the generality of the foregoing)
8 provisions as to penalties and interest, granting administrative
9 powers to the director, and for the assessment, levy, and
10 collection of taxes, shall be applicable to the taxes imposed by
11 this chapter, and to the assessment, levy, and collection
12 thereof.

13 **§B-13 Audits, investigations, hearings, and subpoenas.**
14 The director, and any agent authorized by the director, may
15 conduct any inquiry, civil audit, criminal investigation,
16 investigation, or hearing relating to any assessment, the amount
17 of any tax, or the collection of any delinquent tax, including
18 any audit or investigation into the financial resources of any
19 delinquent taxpayer or the collectability of any delinquent tax,
20 in the manner provided in section 231-7.



1 **SB-14 Administration by director; rules; implementation.**

2 (a) The administration of this chapter is vested in the
3 director who may adopt and enforce rules for the enforcement and
4 administration of this chapter.

5 (b) The director shall adopt rules pursuant to chapter 91.

6 (c) The director may employ tax law change specialists to
7 assist with the implementation of this chapter, each of whom
8 shall be exempt from chapter 76.

9 **SB-15 Penalties.** (a) The penalties provided by this
10 chapter shall apply to any person, whether acting as principal,
11 agent, officer, or director, for oneself, itself, or for another
12 person and shall apply to each single violation.

13 (b) In addition to the penalties imposed under title 14,
14 including this chapter, and under chapter A, any person or
15 cannabis retailer who sells cannabis, or medical cannabis
16 dispensary who sells medical cannabis, without a permit as
17 required by this chapter shall be fined no more than \$1,000 per
18 violation. Each day a violation continues shall constitute a
19 separate violation.

20 (c) For purposes of this section:



1 "Cannabis retailer" means a person who engages in the
2 retail sale of cannabis pursuant to a license or permit issued
3 under chapter A. "Cannabis retailer" includes a retail cannabis
4 store, a craft cannabis dispensary, and any permit holder who
5 engages in the retail sale of cannabis pursuant to a permit
6 issued under chapter A and does not include a medical cannabis
7 dispensary.

8 "Craft cannabis dispensary" has the same meaning as defined
9 in section A-3.

10 "Medical cannabis dispensary" has the same meaning as
11 defined in section A-3.

12 "Retail cannabis store" has the same meaning as defined in
13 section A-3."

14 PART IV

15 SECTION 5. The purpose of this part is to prohibit:

- 16 (1) Consuming marijuana or marijuana concentrate or
17 possessing an open container of marijuana or marijuana
18 concentrate while operating, or while a passenger in,
19 a motor vehicle or moped; and
20 (2) Operating a vehicle under the influence of marijuana
21 or marijuana concentrate.



1 SECTION 6. Chapter 291, Hawaii Revised Statutes, is
2 amended by adding three new sections to part I to be
3 appropriately designated and to read as follows:

4 "§291- Consuming marijuana or marijuana concentrate
5 while operating or a passenger in a motor vehicle or moped. (a)

6 No person shall consume, including through secondhand or passive
7 smoking, any marijuana or marijuana concentrate while operating
8 a motor vehicle or moped upon any public street, road, or
9 highway.

10 (b) No person shall smoke or vaporize any marijuana or
11 marijuana concentrate while a passenger in any motor vehicle or
12 on any moped upon any public street, road, or highway.

13 (c) Any person violating this section shall be guilty of a
14 petty misdemeanor; provided that, notwithstanding section
15 706-640, the maximum fine shall be no more than \$2,000.

16 §291- Open container of marijuana or marijuana
17 concentrate in a motor vehicle or on a moped. (a) No person
18 shall possess within any passenger area of a motor vehicle or
19 moped being operated upon any public street, road, or highway,
20 any bottle, can, package, wrapper, smoking device, cartridge, or
21 other receptacle containing any marijuana or marijuana



1 concentrate that has been opened, or a seal broken, or the
2 contents of which have been partially removed, or loose
3 marijuana or marijuana concentrate not in a container.

4 (b) This section shall not apply to marijuana, marijuana
5 concentrate, or a bottle, can, package, wrapper, smoking device,
6 cartridge, or other receptacle containing any marijuana or
7 marijuana concentrate that is:

8 (1) Concealed on a passenger's person or in the
9 passenger's personal property; or

10 (2) Stored in a trunk, luggage compartment, console out of
11 reach of the driver, or similar location out of reach
12 of the driver.

13 (c) Any person violating this section shall be guilty of a
14 violation and shall be fined no more than \$130. A person found
15 responsible for a violation under this section may request, and
16 shall be granted, a penalty of up to ten hours of community
17 service in lieu of a fine.

18 **§291- Marijuana or marijuana concentrate; prima facie**
19 **evidence.** Any bottle, can, package, wrapper, smoking device,
20 cartridge, or other receptacle that displays or is imprinted
21 with a label indicating that the contents contain marijuana or



1 marijuana concentrate shall be prima facie evidence that the
2 contents of the bottle, can, package, wrapper, smoking device,
3 cartridge, or other receptacle contains marijuana or marijuana
4 concentrate."

5 SECTION 7. Chapter 291E, Hawaii Revised Statutes, is
6 amended as follows:

7 1. By adding a new section to part II to be appropriately
8 designated and to read:

9 "§291E-A Refusal to submit to testing for
10 tetrahydrocannabinol; persons under the age of twenty-one;
11 district court hearing; sanctions; appeals; admissibility. (a)

12 If a person under arrest for operating a vehicle while under the
13 influence of tetrahydrocannabinol, pursuant to section 291E-B,
14 refuses to submit to a blood test, none shall be given, except
15 as provided in section 291E-21, but the arresting law
16 enforcement officer, as soon as practicable, shall submit an
17 affidavit to a district judge of the circuit in which the arrest
18 was made stating that:

19 (1) At the time of the arrest, the arresting officer had
20 probable cause to believe the person arrested was
21 under the age of twenty-one and had been operating a



1 vehicle upon a public way, street, road, or highway,
2 or on or in the waters of the State, while under the
3 influence of tetrahydrocannabinol;

4 (2) 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 (3) The person arrested had refused to submit to a blood
8 test;

9 (4) The person arrested was:

10 (A) Informed of the sanctions of this section; and

11 (B) Secondly queried if the person still refuses to
12 submit to a blood test, in compliance with the
13 requirements of section 291E-15; and

14 (5) The person arrested continued to refuse to submit to a
15 blood test.

16 (b) Upon receipt of the affidavit, the district judge
17 shall hold a hearing within twenty days. The district judge
18 shall hear and determine whether:

19 (1) The arresting law enforcement officer had probable
20 cause to believe that the person arrested was under
21 the age of twenty-one and had been operating a vehicle



1 upon a public way, street, road, or highway, or on or
2 in the waters of the State, while under the influence
3 of tetrahydrocannabinol;

4 (2) The person was lawfully arrested;

5 (3) The person arrested was informed that the person may
6 refuse to submit to a blood test, in compliance with
7 section 291E-11;

8 (4) The person arrested refused to submit to a blood test;

9 (5) The person arrested was:

10 (A) Informed of the sanctions of this section; and

11 (B) Secondly queried if the person still refuses to
12 submit to a blood test, in compliance with the
13 requirements of section 291E-15; and

14 (6) The person continued to refuse to submit to a blood
15 test.

16 (c) If the district judge finds the statements contained
17 in the affidavit are true, the judge shall suspend the arrested
18 person's license and privilege to operate a vehicle as follows:

19 (1) For a first suspension, or any suspension not preceded
20 within a five-year period by a suspension under this
21 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 under the influence of**
9 **tetrahydrocannabinol; persons under the age of twenty-one;**
10 **expungement.** (a) It shall be unlawful for any person under the
11 age of twenty-one to operate any vehicle while under the
12 influence of tetrahydrocannabinol. A law enforcement officer
13 may arrest a person under this section when the officer has
14 probable cause to believe the person arrested is under the age
15 of twenty-one and had been operating a vehicle upon a public
16 way, street, road, or highway, or on or in the waters of the
17 State, while under the influence of tetrahydrocannabinol.

18 (b) A person who violates this section shall be sentenced
19 as follows:



1 (1) For a first violation or any violation not preceded
2 within a five-year period by a prior drug enforcement
3 contact:

4 (A) The court shall impose:

5 (i) A requirement that the person and, if the
6 person is under the age of eighteen, the
7 person's parent or guardian, attend a
8 substance abuse education and counseling
9 program for no more than ten hours; and

10 (ii) A one hundred eighty-day prompt suspension
11 of license and privilege to operate a
12 vehicle with absolute prohibition from
13 operating a vehicle during the suspension
14 period; provided that in the case of a
15 person who is at least eighteen years of
16 age, the court may impose, in lieu of the
17 one hundred eighty-day prompt suspension of
18 license, a minimum thirty-day prompt
19 suspension of license with absolute
20 prohibition from operating a vehicle and,
21 for the remainder of the one hundred eighty-



1 day period, a restriction on the license
2 that allows the person to drive for limited
3 work-related purposes and to participate in
4 substance abuse education and treatment
5 programs; and

6 (B) In addition, the court may impose any one or more
7 of the following:

8 (i) No more than thirty-six hours of community
9 service work; or

10 (ii) A fine of no less than \$150 but no more than
11 \$500;

12 (2) For a violation that occurs within five years of a
13 prior drug enforcement contact:

14 (A) The court shall impose prompt suspension of
15 license and privilege to operate a vehicle for a
16 period of one year with absolute prohibition from
17 operating a vehicle during the suspension period;
18 and

19 (B) In addition, the court may impose any of the
20 following:



1 (i) No more than fifty hours of community
2 service work; or

3 (ii) A fine of no less than \$300 but no more than
4 \$1,000; and

5 (3) For a violation that occurs within five years of two
6 or more prior drug enforcement contacts:

7 (A) The court shall impose revocation of license and
8 privilege to operate a vehicle for a period of
9 two years; and

10 (B) In addition, the court may impose any of the
11 following:

12 (i) No more than one hundred hours of community
13 service work; or

14 (ii) A fine of no less than \$300 but no more than
15 \$1,000.

16 (c) Notwithstanding any other law to the contrary, any
17 conviction or plea under this section shall be considered a
18 prior drug enforcement contact.

19 (d) Whenever a court sentences a person pursuant to
20 subsection (b) (2) or (3), it also shall require that the person
21 be referred to the driver's education program for an assessment,



1 by a certified substance abuse counselor, of the person's
2 substance abuse or dependence and the need for appropriate
3 treatment. The counselor shall submit a report with
4 recommendations to the court. The court shall require the
5 person to obtain appropriate treatment if the counselor's
6 assessment establishes the person's substance abuse or
7 dependence. All costs for assessment and treatment shall be
8 borne by the person or by the person's parent or guardian, if
9 the person is under the age of eighteen.

10 (e) Notwithstanding section 831-3.2 or any other law to
11 the contrary, a person convicted of a first-time violation under
12 subsection (b) (1), who had no prior drug enforcement contacts,
13 may apply to the court for an expungement order upon attaining
14 the age of twenty-one, or thereafter, if the person has
15 fulfilled the terms of the sentence imposed by the court and has
16 had no subsequent alcohol or drug related enforcement contacts.

17 (f) Notwithstanding any other law to the contrary,
18 whenever a court revokes a person's driver's license pursuant to
19 this section, the examiner of drivers shall not grant to the
20 person an application for a new driver's license for a period to
21 be determined by the court.



1 (g) Any person sentenced under this section may be ordered
2 to reimburse the county for the cost of any blood tests
3 conducted pursuant to section 291E-11. The court shall order
4 the person to make restitution in a lump sum, or in a series of
5 prorated installments, to the police department or other agency
6 incurring the expense of the blood test.

7 (h) The requirement to provide proof of financial
8 responsibility pursuant to section 287-20 shall not be based
9 upon a sentence imposed under subsection (b) (1).

10 (i) Any person who violates this section shall be guilty
11 of a violation.

12 (j) As used in this section:

13 "Driver's license" has the same meaning as in section
14 286-2.

15 "Examiner of drivers" has the same meaning as in section
16 286-2."

17 SECTION 8. Section 291-1, Hawaii Revised Statutes, is
18 amended by adding two new definitions to be appropriately
19 inserted and to read as follows:

20 "Marijuana" has the same meaning as defined in section
21 712-1240.



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; [~~or~~]
- 4 (23) By the Mauna Kea stewardship and oversight authority;
- 5 [~~or~~]

6 (24) By the Hawaii cannabis and hemp office; 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 office, the office of information practices,
3 or as grand jury counsel, shall be a deputy attorney general."

4 SECTION 11. Section 46-4, Hawaii Revised Statutes, is
5 amended by amending subsection (f) to read as follows:

6 "(f) Neither this section nor any other law, county
7 ordinance, or rule shall prohibit the use of land for ~~[medical]~~
8 cannabis ~~[production centers or medical cannabis dispensaries]~~
9 businesses established and licensed pursuant to chapter ~~[329D]~~
10 ~~provided that the land is otherwise zoned for agriculture,~~
11 ~~manufacturing, or retail purposes.]~~ A, except as provided in
12 section A-21."

13 SECTION 12. Section 76-16, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

15 "(b) The civil service to which this chapter applies shall
16 comprise all positions in the State now existing or hereafter
17 established and embrace all personal services performed for the
18 State, except the following:

19 (1) Commissioned and enlisted personnel of the Hawaii
20 National Guard and positions in the Hawaii National
21 Guard that are required by state or federal laws or



- 1 regulations or orders of the National Guard to be
2 filled from those commissioned or enlisted personnel;
- 3 (2) Positions filled by persons employed by contract where
4 the director of human resources development has
5 certified that the service is special or unique or is
6 essential to the public interest and that, because of
7 circumstances surrounding its fulfillment, personnel
8 to perform the service cannot be obtained through
9 normal civil service recruitment procedures. Any
10 contract may be for any period not exceeding one year;
- 11 (3) Positions that must be filled without delay to comply
12 with a court order or decree if the director
13 determines that recruitment through normal recruitment
14 civil service procedures would result in delay or
15 noncompliance, such as the Felix-Cayetano consent
16 decree;
- 17 (4) Positions filled by the legislature or by either house
18 or any committee thereof;
- 19 (5) Employees in the office of the governor and office of
20 the lieutenant governor, and household employees at
21 Washington Place;



- 1 (6) Positions filled by popular vote;
- 2 (7) Department heads, officers, and members of any board,
- 3 commission, or other state agency whose appointments
- 4 are made by the governor or are required by law to be
- 5 confirmed by the senate;
- 6 (8) Judges, referees, receivers, masters, jurors, notaries
- 7 public, land court examiners, court commissioners, and
- 8 attorneys appointed by a state court for a special
- 9 temporary service;
- 10 (9) One bailiff for the chief justice of the supreme court
- 11 who shall have the powers and duties of a court
- 12 officer and bailiff under section 606-14; one
- 13 secretary or clerk for each justice of the supreme
- 14 court, each judge of the intermediate appellate court,
- 15 and each judge of the circuit court; one secretary for
- 16 the judicial council; one deputy administrative
- 17 director of the courts; three law clerks for the chief
- 18 justice of the supreme court, two law clerks for each
- 19 associate justice of the supreme court and each judge
- 20 of the intermediate appellate court, one law clerk for
- 21 each judge of the circuit court, two additional law



1 clerks for the civil administrative judge of the
2 circuit court of the first circuit, two additional law
3 clerks for the criminal administrative judge of the
4 circuit court of the first circuit, one additional law
5 clerk for the senior judge of the family court of the
6 first circuit, two additional law clerks for the civil
7 motions judge of the circuit court of the first
8 circuit, two additional law clerks for the criminal
9 motions judge of the circuit court of the first
10 circuit, and two law clerks for the administrative
11 judge of the district court of the first circuit; and
12 one private secretary for the administrative director
13 of the courts, the deputy administrative director of
14 the courts, each department head, each deputy or first
15 assistant, and each additional deputy, or assistant
16 deputy, or assistant defined in paragraph (16);
17 (10) First deputy and deputy attorneys general, the
18 administrative services manager of the department of
19 the attorney general, one secretary for the
20 administrative services manager, an administrator and
21 any support staff for the criminal and juvenile



1 justice resources coordination functions, and law
2 clerks;

3 (11) (A) Teachers, principals, vice-principals, complex
4 area superintendents, deputy and assistant
5 superintendents, other certificated personnel,
6 and no more than twenty noncertificated
7 administrative, professional, and technical
8 personnel not engaged in instructional work;

9 (B) Effective July 1, 2003, teaching assistants,
10 educational assistants, bilingual or bicultural
11 school-home assistants, school psychologists,
12 psychological examiners, speech pathologists,
13 athletic health care trainers, alternative school
14 work study assistants, alternative school
15 educational or supportive services specialists,
16 alternative school project coordinators, and
17 communications aides in the department of
18 education;

19 (C) The special assistant to the state librarian and
20 one secretary for the special assistant to the
21 state librarian; and



- 1 (D) Members of the faculty of the University of
2 Hawaii, including research workers, extension
3 agents, personnel engaged in instructional work,
4 and administrative, professional, and technical
5 personnel of the university;
- 6 (12) Employees engaged in special, research, or
7 demonstration projects approved by the governor;
- 8 (13) (A) Positions filled by inmates, patients of state
9 institutions, and persons with severe physical or
10 mental disabilities participating in the work
11 experience training programs;
- 12 (B) Positions filled with students in accordance with
13 guidelines for established state employment
14 programs; and
- 15 (C) Positions that provide work experience training
16 or temporary public service employment that are
17 filled by persons entering the workforce or
18 persons transitioning into other careers under
19 programs such as the federal Workforce Investment
20 Act of 1998, as amended, or the Senior Community
21 Service Employment Program of the Employment and



1 Training Administration of the United States
2 Department of Labor, or under other similar state
3 programs;

4 (14) A custodian or guide at Iolani Palace, the Royal
5 Mausoleum, and Hulihee Palace;

6 (15) Positions filled by persons employed on a fee,
7 contract, or piecework basis, who may lawfully perform
8 their duties concurrently with their private business
9 or profession or other private employment and whose
10 duties require only a portion of their time, if it is
11 impracticable to ascertain or anticipate the portion
12 of time to be devoted to the service of the State;

13 (16) Positions of first deputies or first assistants of
14 each department head appointed under or in the manner
15 provided in section 6, article V, of the Hawaii State
16 Constitution; three additional deputies or assistants
17 either in charge of the highways, harbors, and
18 airports divisions or other functions within the
19 department of transportation as may be assigned by the
20 director of transportation, with the approval of the
21 governor; one additional deputy in the department of



1 human services either in charge of welfare or other
2 functions within the department as may be assigned by
3 the director of human services; four additional
4 deputies in the department of health, each in charge
5 of one of the following: behavioral health,
6 environmental health, hospitals, and health resources
7 administration, including other functions within the
8 department as may be assigned by the director of
9 health, with the approval of the governor; two
10 additional deputies in charge of the law enforcement
11 programs, administration, or other functions within
12 the department of law enforcement as may be assigned
13 by the director of law enforcement, with the approval
14 of the governor; three additional deputies each in
15 charge of the correctional institutions,
16 rehabilitation services and programs, and
17 administration or other functions within the
18 department of corrections and rehabilitation as may be
19 assigned by the director of corrections and
20 rehabilitation, with the approval of the governor; two
21 administrative assistants to the state librarian; and



1 an administrative assistant to the superintendent of
2 education;

3 (17) Positions specifically exempted from this part by any
4 other law; provided that:

5 (A) Any exemption created after July 1, 2014, shall
6 expire three years after its enactment unless
7 affirmatively extended by an act of the
8 legislature; and

9 (B) All of the positions defined by paragraph (9)
10 shall be included in the position classification
11 plan;

12 (18) Positions in the state foster grandparent program and
13 positions for temporary employment of senior citizens
14 in occupations in which there is a severe personnel
15 shortage or in special projects;

16 (19) Household employees at the official residence of the
17 president of the University of Hawaii;

18 (20) Employees in the department of education engaged in
19 the supervision of students during meal periods in the
20 distribution, collection, and counting of meal



- 1 tickets, and in the cleaning of classrooms after
2 school hours on a less than half-time basis;
- 3 (21) Employees hired under the tenant hire program of the
4 Hawaii public housing authority; provided that no more
5 than twenty-six per cent of the authority's workforce
6 in any housing project maintained or operated by the
7 authority shall be hired under the tenant hire
8 program;
- 9 (22) Positions of the federally funded expanded food and
10 nutrition program of the University of Hawaii that
11 require the hiring of nutrition program assistants who
12 live in the areas they serve;
- 13 (23) Positions filled by persons with severe disabilities
14 who are certified by the state vocational
15 rehabilitation office that they are able to perform
16 safely the duties of the positions;
- 17 (24) The sheriff;
- 18 (25) A gender and other fairness coordinator hired by the
19 judiciary;
- 20 (26) Positions in the Hawaii National Guard youth and adult
21 education programs;



- 1 (27) In the Hawaii state energy office in the department of
2 business, economic development, and tourism, all
3 energy program managers, energy program specialists,
4 energy program assistants, and energy analysts;
- 5 (28) Administrative appeals hearing officers in the
6 department of human services;
- 7 (29) In the Med-QUEST division of the department of human
8 services, the division administrator, finance officer,
9 health care services branch administrator, medical
10 director, and clinical standards administrator;
- 11 (30) In the director's office of the department of human
12 services, the enterprise officer, information security
13 and privacy compliance officer, security and privacy
14 compliance engineer, security and privacy compliance
15 analyst, information technology implementation
16 manager, assistant information technology
17 implementation manager, resource manager, community or
18 project development director, policy director, special
19 assistant to the director, and limited English
20 proficiency project manager or coordinator;



- 1 (31) The Alzheimer's disease and related dementia services
2 coordinator in the executive office on aging;
- 3 (32) In the Hawaii emergency management agency, the
4 executive officer, public information officer, civil
5 defense administrative officer, branch chiefs, and
6 emergency operations center state warning point
7 personnel; provided that for state warning point
8 personnel, the director shall determine that
9 recruitment through normal civil service recruitment
10 procedures would result in delay or noncompliance;
- 11 (33) The executive director and seven full-time
12 administrative positions of the school facilities
13 authority;
- 14 (34) Positions in the Mauna Kea stewardship and oversight
15 authority;
- 16 (35) In the office of homeland security of the department
17 of law enforcement, the statewide interoperable
18 communications coordinator;
- 19 (36) In the social services division of the department of
20 human services, the business technology analyst;
- 21 (37) The executive director and staff of the 911 board;



1 [+] (38) [+] Senior software developers in the department of
2 taxation;

3 [+] (39) [+] In the department of law enforcement, five
4 Commission on Accreditation for Law Enforcement
5 Agencies, Inc., coordinator positions;

6 [+] (40) [+] The state fire marshal; [~~and~~]

7 [+] (41) [+] The administrator for the law enforcement
8 standards board[-];

9 (42) In the Hawaii cannabis and hemp office, the
10 administrator, chief compliance officer, chief equity
11 officer, chief financial officer, chief public health
12 and education officer, chief technology officer,
13 executive secretary to the administrator, general
14 counsel, and hemp coordinator; and

15 (43) In the department of taxation, tax law change
16 specialists to assist with the implementation of
17 chapter B.

18 The director shall determine the applicability of this
19 section to specific positions.

20 Nothing in this section shall be deemed to affect the civil
21 service status of any incumbent as it existed on July 1, 1955."



1 SECTION 13. Section 91-13.5, Hawaii Revised Statutes, is
2 amended by amending subsection (f) to read as follows:

3 "(f) This section shall not apply to:

4 (1) Any proceedings of the public utilities commission;

5 [~~or~~]

6 (2) Any proceedings of the Hawaii cannabis and hemp

7 office; or

8 [~~+~~] (3) Any county or county agency that is exempted by
9 county ordinance from this section."

10 SECTION 14. Section 201-13.9, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**\$201-13.9 Medical cannabis; economic and other data;**

13 **collection.** (a) The department shall continuously collect

14 de-identified information regarding the medical cannabis

15 [~~registry~~] registration and medical cannabis dispensary programs

16 established pursuant to [~~chapters 329 and 329D,~~] chapter A,

17 including but not limited to information regarding the:

18 (1) Quantities of medical cannabis cultivated and
19 dispensed;

20 (2) Number of qualifying patients;



- 1 (3) Geographic areas in which medical cannabis is
- 2 cultivated and consumed;
- 3 (4) Prices of medical cannabis and related products;
- 4 (5) Number of employment opportunities related to medical
- 5 cannabis; and
- 6 (6) Economic impact of medical cannabis cultivation and
- 7 sales.

8 (b) The [~~department of health~~] Hawaii cannabis and hemp
9 office and medical cannabis dispensaries, retail cannabis
10 stores, and medical cannabis cooperatives licensed pursuant to
11 chapter [~~329D~~] A shall provide de-identified aggregated data as
12 required by the department pursuant to this section.

13 (c) Upon request, the department shall provide an analysis
14 of the aggregated de-identified data to the [~~department of~~
15 ~~health~~] Hawaii cannabis and hemp office and [~~the~~] legislature."

16 SECTION 15. Section 209E-2, Hawaii Revised Statutes, is
17 amended by amending the definition of "eligible business
18 activity" to read as follows:

19 "Eligible business activity" means the:

- 20 (1) Manufacture of tangible personal property, the
- 21 wholesale sale of tangible personal property as



1 described in section 237-4, or a service business as
2 defined in this section;

3 (2) Production of agricultural products where the business
4 is a producer as defined in section 237-5, or the
5 processing of agricultural products, all or some of
6 which were grown within an enterprise zone;

7 (3) Research, development, sale, or production of all
8 types of genetically-engineered medical, agricultural,
9 or maritime biotechnology products; or

10 (4) Production of electric power from wind energy for sale
11 primarily to a public utility company for resale to
12 the public;

13 provided that [~~medical cannabis dispensary~~] the activities of a
14 cannabis business pursuant to chapter [~~329D~~] A shall not be
15 considered an eligible business activity for the purposes of
16 this chapter."

17 SECTION 16. Section 231-8.5, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) If the requirements of subsection (c) are satisfied,
20 the department may require electronic filing of any tax return,
21 application, report, or other document required under the



1 provisions of title 14 administered by the department for the
2 following taxpayers:

3 (1) For withholding tax filings required under chapter
4 235, only employers whose total tax liability under
5 sections 235-61 and 235-62 for the calendar or fiscal
6 year exceeds \$40,000;

7 (2) For income tax filings required under chapter 235,
8 only taxpayers who are subject to tax under section
9 235-71, 235-71.5, or 235-72;

10 (3) For general excise tax filings required under chapter
11 237, only taxpayers whose total tax liability under
12 chapter 237 for the calendar or fiscal year exceeds
13 \$4,000;

14 (4) For transient accommodations tax filings required
15 under chapter 237D, only operators and plan managers
16 whose total tax liability under chapter 237D for the
17 calendar or fiscal year exceeds \$4,000; and

18 (5) For filings required under the following chapters, all
19 taxpayers subject to tax under those chapters:

20 (A) 236E;

21 (B) 239;



- 1 (C) 241;
- 2 (D) 243;
- 3 (E) 244D;
- 4 (F) 245; [~~and~~]
- 5 (G) 251[~~-~~]; and
- 6 (H) B."

7 SECTION 17. Section 235-2.4, Hawaii Revised Statutes, is
 8 amended by amending subsection (v) to read as follows:

9 "(v) Section 280E (with respect to expenditures in
 10 connection with the illegal sale of drugs) of the Internal
 11 Revenue Code shall be operative for the purposes of this
 12 chapter[~~, except~~]; provided that section 280E shall not be
 13 operative with respect to the [~~production~~] cultivation,
 14 processing, and sale of [~~medical~~] cannabis [~~and manufactured~~
 15 ~~cannabis products~~] by [~~dispensaries~~] cannabis businesses
 16 licensed or permitted under chapter [~~329D and their~~
 17 ~~subcontractors, as defined in section 329D-1.~~] A. For the
 18 purposes of this subsection, "cannabis" has the same meaning as
 19 defined in section A-3."

20 SECTION 18. Section 237-24.3, Hawaii Revised Statutes, is
 21 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;



- 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 by a hospital, infirmary, medical
11 clinic, health care facility, or pharmacy, or a
12 medical or dental practitioner, for healthcare-related
13 goods or services purchased under the medicare,
14 medicaid, or TRICARE programs. For the purposes of
15 this paragraph, the healthcare-related services need
16 not be performed by a medical or dental practitioner
17 but may be performed by a physician's assistant,
18 nurse, or other employee under the medical or dental
19 practitioner's direction. As used in this paragraph:



1 "Medicaid" means the program established under
2 Title XIX of the Social Security Act of 1935, as
3 amended;

4 "Medical or dental practitioner" means a
5 physician or osteopathic physician licensed pursuant
6 to chapter 453; a dentist licensed under chapter 448;
7 an advanced practice registered nurse licensed
8 pursuant to chapter 457; or a pharmacist licensed
9 pursuant to chapter 461;

10 "Medicare" means the program established under
11 Title XVIII of the Social Security Act of 1935, as
12 amended; and

13 "TRICARE" means the program of the Department of
14 Defense military health system managed by the Defense
15 Health Agency, or any successor program[-]; and

16 (13) Amounts received from:

17 (A) Sales of cannabis, whether made at retail or
18 wholesale;

19 (B) Sales of medical cannabis; and

20 (C) Taxes on the retail sale of cannabis or sale of
21 medical cannabis imposed by chapter B and passed



1 on and collected by persons holding permits under
2 chapter B."

3 SECTION 19. Section 245-1, Hawaii Revised Statutes, is
4 amended by amending the definition of "e-liquid" to read as
5 follows:

6 "E-liquid" means any liquid or like substance, which may
7 or may not contain nicotine, that is designed or intended to be
8 used in an electronic smoking device, whether or not packaged in
9 a cartridge or other container.

10 "E-liquid" does not include:

- 11 (1) Prescription drugs;
- 12 (2) Cannabis [~~for medical use pursuant to chapter 329 or~~
13 ~~manufactured~~], cannabis products, or cannabis
14 accessories authorized pursuant to chapter [329D+] A;
15 or
- 16 (3) Medical devices used to aerosolize, inhale, or ingest
17 prescription drugs [~~, including manufactured cannabis~~
18 ~~products described in section 329D-10]."~~

19 SECTION 20. Section 321-30.1, Hawaii Revised Statutes, is
20 amended by amending subsections (a) and (b) to read as follows:



1 "(a) There is established within the state treasury the
2 medical cannabis registry and regulation special fund. The fund
3 shall be expended at the discretion of the director of health:

4 (1) To establish and regulate a system of medical cannabis
5 dispensaries in the State;

6 (2) To offset the cost of the processing and issuance of
7 patient registry identification certificates and
8 primary caregiver registration certificates;

9 (3) To fund positions and operating costs authorized by
10 the legislature;

11 (4) To establish and manage a secure and confidential
12 database;

13 (5) To fund public education [~~as required by section 329D-~~
14 ~~26~~];

15 (6) To fund substance abuse prevention and education
16 programs; and

17 (7) For any other expenditure necessary, consistent with
18 this chapter [~~and chapter 329D~~], to implement medical
19 cannabis registry and regulation programs.

20 (b) The fund shall consist of all moneys derived from fees
21 collected pursuant to subsection (c) [~~and section 329D-4~~].



1 There is established within the medical cannabis registry and
2 regulation special fund:

3 (1) A medical cannabis registry program [~~sub-account,~~
4 subaccount, into which shall be deposited all fees
5 collected pursuant to subsection (c); and

6 (2) A medical cannabis dispensary program [~~sub-account,~~
7 subaccount, into which shall be deposited all fees
8 collected [~~pursuant to section 329D-4~~]."

9 SECTION 21. Section 322-1, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§322-1 Removal[~~;~~]; prevention[~~;~~]; definition.** (a) The
12 department of health and its agents shall examine into all
13 nuisances, foul or noxious odors, gases or vapors, water in
14 which mosquito larvae exist, sources of filth, and all causes of
15 sickness or disease, on shore, and in any vessel, [~~which~~] that
16 may be known to [~~them~~] the department or brought to [~~their~~] the
17 department's attention, [~~which~~] that in [~~their~~] the department's
18 opinion are dangerous or injurious to health, and into any and
19 all conditions created or existing [~~which~~] that cause or tend to
20 cause sickness or disease or to be dangerous or injurious to



1 health, and shall cause the same to be abated, destroyed,
2 removed, or prevented.

3 (b) For purposes of this part~~[, a nuisance shall~~
4 ~~include:]~~:

5 "Cannabis product" has the same meaning as defined in
6 section A-3.

7 "Hemp product" has the same meaning as defined in section
8 A-3.

9 "Nuisance":

10 (1) Includes:

11 (A) Toxic materials that are used in or by-products
12 of the manufacture or conversion of
13 methamphetamine, and clandestine drug labs that
14 manufacture methamphetamine; and

15 ~~[-(2)-]~~ (B) Odors and filth resulting from a person
16 feeding feral birds~~[-]~~; and

17 (2) Does not include a cannabis product or hemp product or
18 any foul or noxious odor, gas, or vapor derived from a
19 cannabis product or hemp product."

20 SECTION 22. Section 329-43.5, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§329-43.5 Prohibited acts related to drug paraphernalia.

2 (a) Except as provided in [~~subsection~~] subsections (e) [~~7~~] and
3 (f), it [~~is~~] shall be unlawful for any person to use, or to
4 possess with intent to use, drug paraphernalia to plant,
5 propagate, cultivate, grow, harvest, manufacture, compound,
6 convert, produce, process, prepare, test, analyze, pack, repack,
7 store, contain, conceal, inject, ingest, inhale, or otherwise
8 introduce into the human body a controlled substance in
9 violation of this chapter. A violation of this subsection shall
10 constitute a violation subject to a fine of no more than \$500.

11 (b) Except as provided in subsection (e), it [~~is~~] shall be
12 unlawful for any person to deliver, possess with intent to
13 deliver, or manufacture with intent to deliver drug
14 paraphernalia, knowing or under circumstances where one
15 reasonably should know, that it will be used to plant,
16 propagate, cultivate, grow, harvest, manufacture, compound,
17 convert, produce, process, prepare, test, analyze, pack, repack,
18 store, contain, conceal, inject, ingest, inhale, or otherwise
19 introduce into the human body a controlled substance in
20 violation of this chapter. A violation of this subsection shall
21 constitute a violation subject to a fine of no more than \$500.



1 (c) Any person eighteen years of age or [~~over~~] older who
2 violates subsection (b) by delivering drug paraphernalia to a
3 person or persons under eighteen years of age who are at least
4 three years younger than that adult person [~~is~~] shall be guilty
5 of a class B felony and upon conviction may be imprisoned
6 pursuant to section 706-660 and, if appropriate as provided in
7 section 706-641, fined pursuant to section 706-640.

8 (d) It [~~is~~] shall be unlawful for any person to place in
9 any newspaper, magazine, handbill, or other publication any
10 advertisement, knowing or under circumstances where one
11 reasonably should know, that the purpose of the advertisement,
12 in whole or in part, is to promote the sale of objects designed
13 or intended for use as drug paraphernalia. Any person who
14 violates this section [~~is~~] shall be guilty of a class C felony
15 and upon conviction may be imprisoned pursuant to section 706-
16 660 and, if appropriate as provided in section 706-641, fined
17 pursuant to section 706-640.

18 (e) Subsections (a) and (b) shall not apply to a person
19 who is [~~authorized to:~~

20 ~~(1) Acquire, possess, cultivate, use, distribute, or~~
21 ~~transport cannabis pursuant to the definition of~~



1 ~~"medical use" under section 329-121, while the person~~
2 ~~is facilitating the medical use of cannabis by a~~
3 ~~qualifying patient; or~~
4 ~~(2) Dispense, manufacture, or produce cannabis or~~
5 ~~manufactured cannabis products pursuant to and in~~
6 ~~compliance with chapter 329D, while the person is~~
7 ~~facilitating the medical use of cannabis by a~~
8 ~~qualifying patient pursuant to part IX of chapter~~
9 ~~329.] acting in strict compliance with chapter A with~~
10 ~~respect to cannabis.~~

11 (f) Beginning January 1, 2026, subsection (a) shall not
12 apply to the possession of drug paraphernalia to:

- 13 (1) Store, contain, or conceal; or
- 14 (2) Inject, ingest, inhale, or otherwise introduce into
15 the human body,
16 marijuana."

17 SECTION 23. Section 378-2.5, Hawaii Revised Statutes, is
18 amended by amending subsection (d) to read as follows:

19 "(d) Notwithstanding subsections (b) and (c), the
20 requirement that inquiry into and consideration of a prospective
21 employee's conviction record may take place only after the



1 individual has received a conditional job offer, and the
2 limitation to the most recent seven-year period for felony
3 convictions and the most recent five-year period for misdemeanor
4 convictions, excluding the period of incarceration, shall not
5 apply to employers who are expressly permitted to inquire into
6 an individual's criminal history for employment purposes
7 pursuant to any federal or state law other than subsection (a),
8 including:

- 9 (1) The State or any of its branches, political
10 subdivisions, or agencies pursuant to sections 78-2.7
11 and 831-3.1; provided that any state law permitting
12 the State and any of its branches, political
13 subdivisions, agencies, or semi-autonomous public
14 bodies corporate and politic to conduct more extensive
15 inquiries into an individual's criminal history for
16 employment purposes than those permitted under this
17 section shall prevail;
- 18 (2) The department of education pursuant to section
19 302A-601.5;
- 20 (3) The department of health with respect to employees,
21 providers, or subcontractors in positions that place



- 1 them in direct contact with clients when providing
2 non-witnessed direct mental health services pursuant
3 to section 321-171.5;
- 4 (4) The judiciary pursuant to section 571-34;
- 5 (5) The counties pursuant to section 846-2.7(b)(5), (33),
6 (34), (35), (36), and (38);
- 7 (6) Armed security services pursuant to section 261-17(b);
- 8 (7) Providers of a developmental disabilities domiciliary
9 home pursuant to section 321-15.2;
- 10 (8) Private schools pursuant to sections 302C-1 and
11 378-3(8);
- 12 (9) Financial institutions in which deposits are insured
13 by a federal agency having jurisdiction over the
14 financial institution pursuant to section 378-3(9);
- 15 (10) Detective agencies and security guard agencies
16 pursuant to sections 463-6(b) and 463-8(b);
- 17 (11) Employers in the business of insurance pursuant to
18 section 431:2-201.3;
- 19 (12) Employers of individuals or supervisors of individuals
20 responsible for screening passengers or property under
21 title 49 United States Code section 44901 or



- 1 individuals with unescorted access to an aircraft of
2 an air carrier or foreign carrier or in a secured area
3 of an airport in the United States pursuant to title
4 49 United States Code section 44936(a);
- 5 (13) The department of human services pursuant to sections
6 346-2.5, 346-97, and 352-5.5;
- 7 (14) The public library system pursuant to section
8 302A-601.5;
- 9 (15) The department of law enforcement pursuant to section
10 353C-5;
- 11 (16) The board of directors of a cooperative housing
12 corporation or the manager of a cooperative housing
13 project pursuant to section 421I-12;
- 14 (17) The board of directors of an association under chapter
15 514B, or the managing agent or resident manager of a
16 condominium pursuant to section 514B-133;
- 17 (18) The department of health pursuant to section 321-15.2;
18 [and]
- 19 (19) The department of corrections and rehabilitation
20 pursuant to section 353-1.5[+];



1 (20) The Hawaii cannabis and hemp office pursuant to
2 section A-24; and

3 (21) A licensed business pursuant to section A-74."

4 SECTION 24. Section 421J-16, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§421J-16 Medical cannabis; discrimination.** A provision
7 in any association document allowing for any of the
8 discriminatory practices listed in section 515-3(a)(1) to (7)
9 against a person residing in a unit who has a valid
10 [~~certificate~~] medical cannabis registration card for the medical
11 use of cannabis as provided in section [~~329-123~~] A-47 in any
12 form is void, unless the association document prohibits the
13 smoking of tobacco and the medical cannabis is used by means of
14 smoking. Nothing in this section shall be construed to diminish
15 the obligation of a planned community association to provide
16 reasonable accommodations for persons with disabilities pursuant
17 to section 515-3(a)(9)."

18 SECTION 25. Section 453-8, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) In addition to any other actions authorized by law,
21 any license to practice medicine and surgery may be revoked,



1 limited, or suspended by the board at any time in a proceeding
2 before the board, or may be denied, for any cause authorized by
3 law, including but not limited to the following:

4 (1) Procuring, or aiding or abetting in procuring, an
5 abortion that is unlawful under the laws of this State
6 or that would be unlawful under the laws of this State
7 if performed within this State;

8 (2) Employing any person to solicit patients for one's
9 self;

10 (3) Engaging in false, fraudulent, or deceptive
11 advertising, including but not limited to:

12 (A) Making excessive claims of expertise in one or
13 more medical specialty fields;

14 (B) Assuring a permanent cure for an incurable
15 disease; or

16 (C) Making any untruthful and improbable statement in
17 advertising one's medical or surgical practice or
18 business;

19 (4) Being habituated to the excessive use of drugs or
20 alcohol; or being addicted to, dependent on, or a



- 1 habitual user of a narcotic, barbiturate, amphetamine,
2 hallucinogen, or other drug having similar effects;
- 3 (5) Practicing medicine while the ability to practice is
4 impaired by alcohol, drugs, physical disability, or
5 mental instability;
- 6 (6) Procuring a license through fraud, misrepresentation,
7 or deceit, or knowingly permitting an unlicensed
8 person to perform activities requiring a license;
- 9 (7) Professional misconduct, hazardous negligence causing
10 bodily injury to another, or manifest incapacity in
11 the practice of medicine or surgery;
- 12 (8) Incompetence or multiple instances of negligence,
13 including but not limited to the consistent use of
14 medical service, which is inappropriate or
15 unnecessary;
- 16 (9) Conduct or practice contrary to recognized standards
17 of ethics of the medical profession as adopted by the
18 Hawaii Medical Association, the American Medical
19 Association, the Hawaii Association of Osteopathic
20 Physicians and Surgeons, or the American Osteopathic
21 Association;



- 1 (10) Violation of the conditions or limitations upon which
2 a limited or temporary license is issued;
- 3 (11) Revocation, suspension, or other disciplinary action
4 by another state or federal agency of a license,
5 certificate, or medical privilege, except when the
6 revocation, suspension, or other disciplinary action
7 was based on the provision or assistance in receipt or
8 provision of medical, surgical, pharmaceutical,
9 counseling, or referral services relating to the human
10 reproductive system, including but not limited to
11 services relating to pregnancy, contraception, or the
12 termination of a pregnancy, so long as the provision
13 or assistance in receipt or provision of the services
14 was in accordance with the laws of this State or would
15 have been in accordance with the laws of this State if
16 it occurred within this State;
- 17 (12) Conviction, whether by nolo contendere or otherwise,
18 of a penal offense substantially related to the
19 qualifications, functions, or duties of a physician or
20 osteopathic physician, notwithstanding any statutory
21 provision to the contrary, except when the conviction



1 was based on the provision or assistance in receipt or
2 provision of medical, surgical, pharmaceutical,
3 counseling, or referral services relating to the human
4 reproductive system, including but not limited to
5 services relating to pregnancy, contraception, or the
6 termination of a pregnancy, so long as the provision
7 or assistance in receipt or provision of the services
8 was in accordance with the laws of this State or would
9 have been in accordance with the laws of this State if
10 it occurred within this State;

11 (13) Violation of chapter 329, the uniform controlled
12 substances act, or any rule adopted thereunder except
13 as provided in section [~~329-122~~] A-49;

14 (14) Failure to report to the board, in writing, any
15 disciplinary decision issued against the licensee or
16 the applicant in another jurisdiction within thirty
17 days after the disciplinary decision is issued; or

18 (15) Submitting to or filing with the board any notice,
19 statement, or other document required under this
20 chapter, which is false or untrue or contains any
21 material misstatement or omission of fact."



1 SECTION 26. Section 514B-113, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§514B-113 **Medical cannabis; discrimination.** A provision
4 in any articles of incorporation, declaration, bylaws,
5 administrative rules, house rules, or association documents of a
6 condominium allowing for any of the discriminatory practices
7 listed in section 515-3(a) (1) to (7) against a person residing
8 in a unit who has a valid [~~certificate~~] medical cannabis
9 registration card for the medical use of cannabis as provided in
10 section [~~329-123~~] A-47 in any form is void, unless the documents
11 prohibit the smoking of tobacco and the medical cannabis is used
12 by means of smoking. Nothing in this section shall be construed
13 to diminish the obligation of a condominium association to
14 provide reasonable accommodations for persons with disabilities
15 pursuant to section 515-3(a) (9)."

16 SECTION 27. Section 521-39, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "§521-39 **Medical cannabis; tenant use; eviction.** A
19 provision in a rental agreement allowing for eviction of a
20 tenant who has a valid [~~certificate~~] medical cannabis
21 registration card for the medical use of cannabis as provided in



1 section ~~[329-123]~~ A-47 in any form is void, unless the rental
2 agreement allows for eviction for smoking tobacco and the
3 medical cannabis is used by means of smoking; provided that this
4 section shall not apply where the articles of incorporation,
5 declaration, bylaws, administrative rules, house rules,
6 association documents, or a similar document of a condominium
7 property regime or planned community association prohibits the
8 ~~[medical]~~ use of cannabis."

9 SECTION 28. Section 709-903.5, Hawaii Revised Statutes, is
10 amended by amending subsection (1) to read as follows:

11 "(1) Except as provided in subsection (2), a person
12 commits the offense of endangering the welfare of a minor in the
13 first degree if, having care or custody of a minor, the person:

14 (a) Intentionally or knowingly allows another person to
15 inflict serious or substantial bodily injury on the
16 minor; or

17 (b) Intentionally or knowingly causes or permits the minor
18 to inject, ingest, inhale, or otherwise introduce into
19 the minor's body any controlled substance listed in
20 sections 329-14, 329-16, 329-18, and 329-20 that has



1 not been prescribed by a physician for the minor,
2 except as permitted under section [~~329-122.~~] A-41."

3 SECTION 29. Section 709-904, Hawaii Revised Statutes, is
4 amended by amending subsection (1) to read as follows:

5 "(1) Except as provided in section 709-903.5(2), a person
6 commits the offense of endangering the welfare of a minor in the
7 second degree if, having care or custody of a minor, the person:

8 (a) Recklessly allows another person to inflict serious or
9 substantial bodily injury on the minor; or

10 (b) Recklessly causes or permits the minor to inject,
11 ingest, inhale, or otherwise introduce into the
12 minor's body any controlled substance listed in
13 sections 329-14, 329-16, 329-18, and 329-20 that has
14 not been prescribed by a physician for the minor,
15 except as permitted under section [~~329-122.~~] A-41.

16 This subsection shall not apply to nursing mothers who
17 may cause the ingestion or introduction of detectable
18 amounts of any controlled substance listed in sections
19 329-14, 329-16, 329-18, and 329-20 to their minor
20 children through breastfeeding."



1 SECTION 30. Section 712-1240.1, Hawaii Revised Statutes,
2 is amended by amending subsection (2) to read as follows:

3 "(2) It is an affirmative defense to prosecution for any
4 marijuana-related offense defined in this part that the person
5 who possessed or distributed the marijuana was authorized to
6 possess or distribute the marijuana [~~for medical purposes~~
7 ~~pursuant to part IX of chapter 329.~~] pursuant to chapter A."

8 SECTION 31. Section 712-1244, Hawaii Revised Statutes, is
9 amended by amending subsection (1) to read as follows:

10 "(1) A person commits the offense of promoting a harmful
11 drug in the first degree if the person knowingly:

12 (a) Possesses one hundred or more capsules or tablets or
13 dosage units containing one or more of the harmful
14 drugs or one or more of the marijuana concentrates, or
15 any combination thereof;

16 (b) Possesses one or more preparations, compounds,
17 mixtures, or substances, of an aggregate weight of one
18 ounce or more containing one or more of the harmful
19 drugs or one or more of the marijuana concentrates, or
20 any combination thereof;



1 (c) Distributes twenty-five or more capsules or tablets or
2 dosage units containing one or more of the harmful
3 drugs or one or more of the marijuana concentrates, or
4 any combination thereof;

5 (d) Distributes one or more preparations, compounds,
6 mixtures, or substances, of an aggregate weight of
7 one-eighth ounce or more, containing one or more of
8 the harmful drugs or one or more of the marijuana
9 concentrates, or any combination thereof; [~~e~~]

10 (e) Distributes any harmful drug [~~or any marijuana~~
11 ~~concentrate~~] in any amount to a minor[-]; or

12 (f) Distributes any marijuana concentrate in any amount to
13 a person under the age of twenty-one."

14 SECTION 32. Section 712-1246.5, Hawaii Revised Statutes,
15 is amended by amending subsection (2) to read as follows:

16 "(2) Promoting a harmful drug in the fourth degree [~~is~~]
17 shall be a misdemeanor[-]; provided that possession of one or
18 more preparations, compounds, mixtures, or substances containing
19 more than five grams of marijuana concentrate shall be a petty
20 misdemeanor; provided further that possession of one or more
21 preparations, compounds, mixtures, or substances containing up



1 to five grams of marijuana concentrate shall be a violation,
2 punishable by a fine of \$25. A person found responsible for a
3 violation under this section may request, and shall be granted,
4 a penalty of up to two hours of community service in lieu of a
5 fine."

6 SECTION 33. Section 712-1249, Hawaii Revised Statutes, is
7 amended to read as follows:

8 **"§712-1249 Promoting a detrimental drug in the third**

9 **degree.** (1) A person commits the offense of promoting a

10 detrimental drug in the third degree if [~~the~~]:

11 (a) The person knowingly possesses any marijuana or any

12 Schedule V substance in any amount[~~+~~]; or

13 (b) Smokes marijuana in a public place.

14 (2) Promoting a detrimental drug in the third degree [~~is~~]

15 shall be a petty misdemeanor; provided that [~~possession of three~~

16 ~~grams or less of~~]:

17 (a) Possession of one or more preparations, compounds,

18 mixtures, or substances, of an aggregate weight of:

19 (i) Up to one ounce, containing any marijuana [~~is~~];

20 or



1 (ii) Within a person's private residence only, up to
2 ten ounces, containing any marijuana produced by
3 the person's personal cultivation of marijuana;
4 provided that at any private residence,
5 regardless of the number of people residing
6 there, the total amount of preparations,
7 compounds, mixtures, or substances containing any
8 marijuana shall not exceed an aggregate weight of
9 two pounds,

10 shall be a violation, punishable by a fine of [~~\$130.~~]
11 \$25. A person found responsible for a violation under
12 this paragraph may request, and shall be granted, a
13 penalty of up to two hours of community service in
14 lieu of a fine; and

15 (b) Smoking marijuana in a public place shall be a
16 violation, punishable by a fine of up to \$130. A
17 person found responsible for a violation under this
18 paragraph may request, and shall be granted, a penalty
19 of up to ten hours of community service in lieu of a
20 fine."



1 SECTION 34. Section 712A-4, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§712A-4 Covered offenses. Offenses for which property is
4 subject to forfeiture under this chapter are:

- 5 (a) All offenses that specifically authorize forfeiture;
6 (b) Murder; kidnapping; labor trafficking; unlicensed sale
7 of liquor; unlicensed manufacture of liquor; gambling;
8 criminal property damage; robbery; bribery; extortion;
9 theft; unauthorized entry into motor vehicle;
10 burglary; money laundering; trademark counterfeiting;
11 insurance fraud; promoting a dangerous, harmful, or
12 detrimental drug; commercial promotion of marijuana;
13 methamphetamine trafficking; manufacturing of a
14 controlled substance with a child present; promoting
15 child abuse; promoting prostitution; sex trafficking;
16 commercial sexual exploitation of a minor; habitual
17 commercial sexual exploitation; or electronic
18 enticement of a child that is chargeable as a felony
19 offense under state law;
20 (c) The manufacture, sale, or distribution of a controlled
21 substance in violation of chapter 329, promoting



1 detrimental drugs or intoxicating compounds, promoting
2 pornography, promoting pornography for minors, or
3 commercial sexual exploitation near schools or public
4 parks, which is chargeable as a felony or misdemeanor
5 offense, but not as a petty misdemeanor, under state
6 law; provided that the activities authorized under
7 chapter A shall not be subject to forfeiture under
8 this chapter; and

9 (d) The attempt, conspiracy, solicitation, coercion, or
10 intimidation of another to commit any offense for
11 which property is subject to forfeiture."

12 SECTION 35. Section 846-2.7, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) Criminal history record checks may be conducted by:

15 (1) The department of health or its designee on operators
16 of adult foster homes for individuals with
17 developmental disabilities or developmental
18 disabilities domiciliary homes and their employees, as
19 provided by section 321-15.2;

20 (2) The department of health or its designee on
21 prospective employees, persons seeking to serve as



1 providers, or subcontractors in positions that place
2 them in direct contact with clients when providing
3 non-witnessed direct mental health or health care
4 services as provided by section 321-171.5;

5 (3) The department of health or its designee on all
6 applicants for licensure or certification for,
7 operators for, prospective employees, adult
8 volunteers, and all adults, except adults in care, at
9 healthcare facilities as defined in section 321-15.2;

10 (4) The department of education on employees, prospective
11 employees, and teacher trainees in any public school
12 in positions that necessitate close proximity to
13 children as provided by section 302A-601.5;

14 (5) The counties on employees and prospective employees
15 who may be in positions that place them in close
16 proximity to children in recreation or child care
17 programs and services;

18 (6) The county liquor commissions on applicants for liquor
19 licenses as provided by section 281-53.5;

20 (7) The county liquor commissions on employees and
21 prospective employees involved in liquor



- 1 administration, law enforcement, and liquor control
2 investigations;
- 3 (8) The department of human services on operators and
4 employees of child caring institutions, child placing
5 organizations, and resource family homes as provided
6 by section 346-17;
- 7 (9) The department of human services on prospective
8 adoptive parents as established under section
9 346-19.7;
- 10 (10) The department of human services or its designee on
11 applicants to operate child care facilities, household
12 members of the applicant, prospective employees of the
13 applicant, and new employees and household members of
14 the provider after registration or licensure as
15 provided by section 346-154, and persons subject to
16 section 346-152.5;
- 17 (11) The department of human services on persons exempt
18 pursuant to section 346-152 to be eligible to provide
19 child care and receive child care subsidies as
20 provided by section 346-152.5;



- 1 (12) The department of health on operators and employees of
2 home and community-based case management agencies and
3 operators and other adults, except for adults in care,
4 residing in community care foster family homes as
5 provided by section 321-15.2;
- 6 (13) The department of human services on staff members of
7 the Hawaii youth correctional facility as provided by
8 section 352-5.5;
- 9 (14) The department of human services on employees,
10 prospective employees, and volunteers of contracted
11 providers and subcontractors in positions that place
12 them in close proximity to youth when providing
13 services on behalf of the office or the Hawaii youth
14 correctional facility as provided by section 352D-4.3;
- 15 (15) The judiciary on employees and applicants at detention
16 and shelter facilities as provided by section 571-34;
- 17 (16) The department of corrections and rehabilitation on
18 employees and prospective employees, volunteers,
19 contract service providers, and subcontract service
20 providers who are directly involved with the treatment
21 and care of, or directly involved in providing



- 1 correctional programs and services to, persons
2 committed to a correctional facility, or placed in
3 close proximity to persons committed when providing
4 services on behalf of the department or the
5 correctional facility, as provided by section 353-1.5
6 and the department of law enforcement on employees and
7 prospective employees whose duties involve or may
8 involve the exercise of police powers including the
9 power of arrest as provided by section 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 -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 -7;
- 19 (41) The [~~department of health~~] Hawaii cannabis and hemp
20 office or its designee on:



- 1 (A) ~~[Individual applicants or individuals acting on~~
2 ~~behalf of applying entities for hemp processor~~
3 ~~permits as provided under section 328C-2;]~~
4 Current or prospective employees, contractors,
5 and subcontractors and current or prospective
6 employees of the contractors and subcontractors
7 of the Hawaii cannabis and hemp office, as
8 provided by section A-24; and
- 9 (B) All license and permit applicants, [~~licensees,~~]
10 current or prospective employees[~~]~~ and
11 ~~contractors [~~and prospective employees of~~~~
12 ~~medical cannabis dispensaries, and individuals~~
13 ~~permitted to enter and remain in medical cannabis~~
14 ~~dispensary facilities as provided under sections~~
15 ~~329D-15(a)(4) and 329D-16(a)(3);]~~ of licensed
16 businesses, and current and prospective
17 laboratory agents of independent laboratories, as
18 provided by section A-74;
- 19 (42) The department of commerce and consumer affairs on
20 applicants for nurse licensure or license renewal,



1 reactivation, or restoration as provided by sections
2 457-7, 457-8, 457-8.5, and 457-9;

3 (43) The county police departments on applicants for
4 permits to acquire firearms pursuant to section 134-2,
5 on individuals registering their firearms pursuant to
6 section 134-3, and on applicants for new or renewed
7 licenses to carry a pistol or revolver and ammunition
8 pursuant to section 134-9;

9 (44) The department of commerce and consumer affairs on:

10 (A) Each of the controlling persons of the applicant
11 for licensure as an escrow depository, and each
12 of the officers, directors, and principals who
13 will be in charge of the escrow depository's
14 activities upon licensure; and

15 (B) Each of the controlling persons of an applicant
16 for proposed change in control of an escrow
17 depository licensee, and each of the officers,
18 directors, and principals who will be in charge
19 of the licensee's activities upon approval of the
20 application,

21 as provided by chapter 449;



- 1 (45) The department of taxation on current or prospective
2 employees or contractors who have access to federal
3 tax information [~~in order~~] to comply with requirements
4 of federal law, regulation, or procedure, as provided
5 by section 231-1.6;
- 6 (46) The department of labor and industrial relations on
7 current or prospective employees or contractors who
8 have access to federal tax information [~~in order~~] to
9 comply with requirements of federal law, regulation,
10 or procedure, as provided by section 383-110;
- 11 (47) The department of human services on current or
12 prospective employees or contractors who have access
13 to federal tax information [~~in order~~] to comply with
14 requirements of federal law, regulation, or procedure,
15 and on current or prospective employees, volunteers,
16 contractors, or contractors' employees or volunteers,
17 subcontractors, or subcontractors' employees or
18 volunteers, whose position places or would place them
19 in close proximity to minors, young adults, or
20 vulnerable adults, as provided by section 346-2.5;



1 (48) The child support enforcement agency on current or
2 prospective employees, or contractors who have access
3 to federal tax information [~~in order~~] to comply with
4 federal law, regulation, or procedure, as provided by
5 section 576D-11.5;

6 (49) The department of the attorney general on current or
7 prospective employees or employees or agents of
8 contractors who have access to federal tax information
9 to comply with requirements of federal law,
10 regulation, or procedure, as provided by section
11 28-17;

12 (50) The department of commerce and consumer affairs on
13 each control person, executive officer, director,
14 general partner, and managing member of an installment
15 loan licensee, or an applicant for an installment loan
16 license, as provided in chapter 480J;

17 (51) The university of Hawaii on current and prospective
18 employees and contractors whose duties include
19 ensuring the security of campus facilities and
20 persons; and



1 (52) Any other organization, entity, or the State, its
2 branches, political subdivisions, or agencies as may
3 be authorized by state law."

4 SECTION 36. Act 14, Session Laws of Hawaii 2020, as
5 amended by section 2 of Act 137, Session Laws of Hawaii 2022, as
6 amended by section 15 of Act 263, Session Laws of Hawaii 2023,
7 is amended by amending section 9 to read as follows:

8 "SECTION 9. This Act shall take effect upon its approval,
9 and shall be repealed on July 1, [~~2027~~] 2025; provided that the
10 definition of "marijuana" in section 329-1, Hawaii Revised
11 Statutes, and the definitions of "marijuana" and "marijuana
12 concentrate" in section 712-1240, Hawaii Revised Statutes, shall
13 be reenacted in the form in which they read on the day prior to
14 the effective date of this Act."

15 SECTION 37. Act 263, Session Laws of Hawaii 2023, is
16 amended by amending section 19 to read as follows:

17 "SECTION 19. This Act shall take effect on July 1, 2023,
18 and shall be repealed on July 1, [~~2027~~] 2025."

19 SECTION 38. Act 110, Session Laws of Hawaii 2024, is
20 amended by amending section 4 to read as follows:



1 existing licensed operations and premises; provided further that
2 an existing medical cannabis dispensary may only be issued up to
3 three cannabis cultivator licenses, three cannabis processor
4 licenses, four medical cannabis dispensary licenses, and four
5 retail cannabis store licenses, but not to exceed ten licenses
6 in total, in accordance with chapter A, Hawaii Revised Statutes,
7 and rules adopted pursuant to chapter A, Hawaii Revised
8 Statutes.

9 (b) To convert an existing medical cannabis dispensary
10 license into a license or licenses under chapter A, Hawaii
11 Revised Statutes, before the expiration of the existing license,
12 but no later than October 1, 2025, the existing medical cannabis
13 dispensary shall apply to the Hawaii cannabis and hemp office,
14 on forms prescribed by the office, and shall establish to the
15 office's satisfaction:

16 (1) The existing medical cannabis dispensary's existing
17 ownership structure;

18 (2) All persons with a direct or indirect interest in the
19 existing medical cannabis dispensary;



1 (3) The existing medical cannabis dispensary is currently
2 in full compliance with the terms and conditions under
3 which the license was issued;

4 (4) The existing medical cannabis dispensary meets the
5 application criteria required by chapter A, Hawaii
6 Revised Statutes, and rules adopted pursuant to
7 chapter A, Hawaii Revised Statutes;

8 (5) The existing medical cannabis dispensary is in
9 compliance with any other requirements of chapter A,
10 Hawaii Revised Statutes, including the ownership
11 restrictions; and

12 (6) The existing medical cannabis dispensary is capable of
13 sustaining the product supply and access for the
14 registered qualifying patients they serve.

15 (c) An existing medical cannabis dispensary shall pay a
16 one-time conversion fee of \$50,000 per retail dispensing
17 location being converted and \$25,000 per production facility
18 being converted. The one-time conversion fee may be paid in
19 separate installments; provided that the conversion fee shall be
20 paid in full on or before January 1, 2026. If the conversion
21 fee is not paid by January 1, 2026, any license held by the



1 licensee shall be subject to revocation in accordance with
2 chapter A, Hawaii Revised Statutes, and rules adopted pursuant
3 to chapter A, Hawaii Revised Statutes.

4 (d) The Hawaii cannabis and hemp office shall audit the
5 existing medical cannabis dispensary ownership to ensure
6 compliance with the ownership restrictions in chapter A, Hawaii
7 Revised Statutes.

8 (e) Upon full or partial payment of the conversion fee,
9 and a complete and valid conversion application, the Hawaii
10 cannabis and hemp office shall issue licenses under chapter A,
11 Hawaii Revised Statutes, for the premises and operations of the
12 existing medical cannabis dispensary that have been approved for
13 conversion by the office. The converted licenses shall be
14 issued no later than January 1, 2026.

15 SECTION 43. The Hawaii cannabis and hemp office shall
16 issue the initial round of new licenses under chapter A, Hawaii
17 Revised Statutes, by July 1, 2026.

18 SECTION 44. All functions of the department of health
19 office of medical cannabis control and regulation shall be
20 transferred to the Hawaii cannabis and hemp office.



1 All employees who occupy civil service positions and whose
2 functions are transferred by this Act shall retain their civil
3 service status, whether permanent or temporary. Employees shall
4 be transferred without loss of salary, seniority (except as
5 prescribed by collective bargaining agreements), retention
6 points, prior service credit, any vacation and sick leave
7 credits previously earned, and other rights, benefits, and
8 privileges, in accordance with state personnel laws and this
9 Act; provided that the employees possess the minimum
10 qualifications and public employment requirements for the class
11 or position to which transferred or appointed, as applicable;
12 provided further that subsequent changes in status may be made
13 pursuant to applicable civil service and compensation laws.

14 Any employee who, before this Act, is exempt from civil
15 service and is transferred as a consequence of this Act may
16 continue to retain the employee's exempt status but shall not be
17 appointed to a civil service position because of this Act. An
18 exempt employee who is transferred by this Act shall not suffer
19 any loss of prior service credit, any vacation and sick leave
20 credits previously earned, or other employee benefits or
21 privileges as a consequence of this Act; provided that the



1 employee possesses legal and public employment requirements for
2 the position to which transferred or appointed, as applicable;
3 provided further that subsequent changes in status may be made
4 pursuant to applicable employment and compensation laws. The
5 Hawaii cannabis and hemp office to which the employee is
6 transferred may prescribe the duties and qualifications of the
7 employees and fix their salaries without regard to chapter 76,
8 Hawaii Revised Statutes.

9 SECTION 45. The program manager of the department of
10 health office of medical cannabis control and regulation shall
11 serve as the interim administrator of the Hawaii cannabis and
12 hemp office until the governor appoints an administrator or
13 March 1, 2026, whichever occurs first.

14 SECTION 46. All leases, contracts, loans, agreements,
15 permits, or other documents executed or entered into by or on
16 behalf of the department of health or department of agriculture
17 pursuant to the provisions of the Hawaii Revised Statutes that
18 are reenacted or made applicable to the Hawaii cannabis and hemp
19 office by this Act shall remain in full force and effect. On
20 the effective date of this Act, every reference to the
21 department of health, director of health, department of



1 agriculture, or chairperson of the board of agriculture in those
2 leases, contracts, loans, agreements, permits, or other
3 documents shall be construed as a reference to the Hawaii
4 cannabis and hemp office or administrator of the Hawaii cannabis
5 and hemp office, as appropriate.

6 SECTION 47. All appropriations, records, equipment,
7 machines, files, supplies, contracts, books, papers, documents,
8 maps, and other personal property heretofore made, used,
9 acquired, or held by the department of health or department of
10 agriculture relating to the functions transferred to the Hawaii
11 cannabis and hemp office shall be transferred with the functions
12 to which they relate.

13 SECTION 48. All rules, policies, procedures, guidelines,
14 and other material adopted or developed by the department of
15 health or department of agriculture to implement provisions of
16 the Hawaii Revised Statutes that are reenacted or made
17 applicable to the Hawaii cannabis and hemp office or
18 administrator of the Hawaii cannabis and hemp office by this
19 Act, as appropriate, shall remain in full force and effect until
20 amended or repealed by the Hawaii cannabis and hemp office. In
21 the interim, every reference to the department of health,



1 director of health, department of agriculture, or chairperson of
2 the board of agriculture in those rules, policies, procedures,
3 guidelines, and other material is amended to refer to the Hawaii
4 cannabis and hemp office or administrator of the Hawaii cannabis
5 and hemp office, as appropriate.

6 SECTION 49. The right of appeal from administrative
7 actions or determinations as provided by law shall not be
8 impaired by this Act. Except as otherwise provided by this Act,
9 whenever a right of appeal from administrative actions or
10 determinations is provided by law to or from any officer, board,
11 department, bureau, commission, administrative agency, or
12 instrumentality of the State, or any of the programs of which,
13 that is transferred by this Act to the Hawaii cannabis and hemp
14 office or administrator of the Hawaii cannabis and hemp office,
15 as the case may be, the right of appeal shall lie to or from the
16 Hawaii cannabis and hemp office or administrator of the Hawaii
17 cannabis and hemp office, as the case may be, when the transfer
18 is made. The right of appeal shall exist to the same extent and
19 in accordance with the applicable procedures that are in effect
20 immediately before the effective date of the applicable part.



1 If the provisions of the preceding paragraph relating to
2 appeals cannot be effected by reason of abolishment, splitting,
3 or shifting of functions or otherwise, the right of appeal shall
4 lie to the circuit court of the State pursuant to the Hawaii
5 rules of civil procedure.

6 SECTION 50. Notwithstanding any other provision of law to
7 the contrary, from the effective date of this Act to
8 December 31, 2027, the Hawaii cannabis and hemp office shall be
9 exempt from procurement requirements under chapter 103D, Hawaii
10 Revised Statutes, if the procurement is for:

- 11 (1) Banking services for the Hawaii cannabis and hemp
12 office or department of taxation, or both, to collect
13 fees and tax revenue;
- 14 (2) Banking services to help support cannabis businesses
15 to transition from an all-cash system;
- 16 (3) A consultant to support the Hawaii cannabis and hemp
17 office in the process for cannabis licensure,
18 including services related to investigations and the
19 financial or criminal history review of applicants or
20 licensed businesses;



- 1 (4) A consultant to support the Hawaii cannabis and hemp
- 2 office to draft rules to implement this chapter;
- 3 (5) A consultant to provide technical assistance regarding
- 4 the social equity grant program;
- 5 (6) Communication services for public and consumer
- 6 education campaigns on cannabis laws and rules and
- 7 potential health and safety risks associated with
- 8 cannabis use;
- 9 (7) Establishing a state cannabis testing facility; and
- 10 (8) A consultant to support the Hawaii cannabis and hemp
- 11 office in administering grant programs.

12 SECTION 51. The following positions are established within

13 the Hawaii cannabis and hemp office:

- 14 (1) Administrator;
- 15 (2) Chief compliance officer;
- 16 (3) Chief equity officer;
- 17 (4) Chief financial officer;
- 18 (5) Chief public health and education officer;
- 19 (6) Chief technology officer;
- 20 (7) Executive secretary to the administrator;
- 21 (8) General counsel; and



1 (9) Hemp coordinator.

2 SECTION 52. Any unexpended or unencumbered balance in the:

3 (1) Industrial hemp special fund, established by section
4 141-14, Hawaii Revised Statutes;

5 (2) Medical cannabis registry and regulation special fund,
6 established by section 321-30.1, Hawaii Revised
7 Statutes; and

8 (3) Hawaii hemp processing special fund, established by
9 section 328G-7, Hawaii Revised Statutes,

10 shall be transferred as of the close of business on the
11 effective date of this Act to the cannabis regulation and
12 enforcement special fund, established by section A-16, Hawaii
13 Revised Statutes.

14 SECTION 53. There is appropriated out of the cannabis
15 regulation and enforcement special fund the following sums or so
16 much thereof as may be necessary for fiscal year 2025-2026 and
17 the same sums or so much thereof as may be necessary for fiscal
18 year 2026-2027:

19 (1) \$ for the hiring and filling
20 of full-time equivalent (FTE)
21 positions established by this Act and full-time



1 equivalent (FTE) positions within the Hawaii
2 cannabis and hemp office established by this Act, the
3 administration and enforcement of the Hawaii Cannabis
4 Law by the Hawaii cannabis and hemp office, and other
5 associated administrative costs;

6 (2) \$ for the implementation and administration
7 of the social equity grant program established by this
8 Act;

9 (3) \$ for the implementation and administration
10 of the public health and education grant program
11 established by this Act;

12 (4) \$ for the implementation and administration
13 of the public safety grant program established by this
14 Act; and

15 (5) \$ for the purposes of establishing a state
16 cannabis testing facility within the Hawaii cannabis
17 and hemp office.

18 The sums appropriated shall be expended by the Hawaii
19 cannabis and hemp office for the purposes of this Act.

20 SECTION 54. The following positions are established within
21 the department of the attorney general for the drug nuisance



1 abatement unit pursuant to section 28-131, Hawaii Revised
2 Statutes, to carry out part II of this Act:

3 (1) full-time equivalent (FTE) supervising
4 deputy attorney general position;

5 (2) full-time equivalent (FTE) deputy attorney
6 general position;

7 (3) full-time equivalent (FTE) administrative
8 assistant position;

9 (4) full-time equivalent (FTE) supervisory
10 special agent (investigator VI) position; and

11 (5) full-time equivalent (FTE) special agent
12 (investigator V) positions.

13 SECTION 55. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so
15 much thereof as may be necessary for fiscal year 2025-2026 and
16 the same sum or so much thereof as may be necessary for fiscal
17 year 2026-2027 for the department of the attorney general to
18 implement part II of this Act, including the hiring and filling
19 of the full-time equivalent (FTE) positions within the
20 department of the attorney general established by this Act,
21 equipment costs, and other associated administrative costs.



1 The sums appropriated shall be expended by the department
2 of the attorney general for the purposes of this Act.

3 SECTION 56. The following positions are established within
4 the department of the attorney general for the special
5 investigation and prosecution division to prevent the
6 proliferation of money laundering and organized crime that may
7 result from the expansion of the legal cannabis market or is
8 related to fentanyl and methamphetamine:

- 9 (1) full-time equivalent (FTE) supervising
10 deputy attorney general position;
- 11 (2) full-time equivalent (FTE) deputy attorney
12 general position;
- 13 (3) full-time equivalent (FTE) administrative
14 assistant position;
- 15 (4) full-time equivalent (FTE) supervisory
16 special agent (investigator VI) position; and
- 17 (5) full-time equivalent (FTE) special agent
18 (investigator V) positions.

19 SECTION 57. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so
21 much thereof as may be necessary for fiscal year 2025-2026 and



1 the same sum or so much thereof as may be necessary for fiscal
2 year 2026-2027 for the department of the attorney general
3 special investigation and prosecution division to prevent the
4 proliferation of money laundering and organized crime that may
5 result from the expansion of the legal cannabis market or is
6 related to fentanyl and methamphetamine, including the hiring
7 and filling of the full-time equivalent (FTE)
8 positions within the department of the attorney general
9 established by this Act, equipment costs, and other associated
10 administrative costs.

11 The sums appropriated shall be expended by the department
12 of the attorney general for the purposes of this Act.

13 SECTION 58. The following positions are established within
14 the department of taxation to implement part III of this Act:

- 15 (1) full-time equivalent (FTE) auditor
16 positions;
- 17 (2) full-time equivalent (FTE) cashier position;
- 18 (3) full-time equivalent (FTE) special
19 enforcement section investigator positions;
- 20 (4) full-time equivalent (FTE) tax information
21 technician positions; and



1 (5) full-time equivalent (FTE) tax law change
2 specialist positions.

3 In filling these positions, the director of taxation may
4 appoint tax law change specialists who shall be exempt from
5 chapter 76, Hawaii Revised Statutes.

6 SECTION 59. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$ or so
8 much thereof as may be necessary for fiscal year 2025-2026 and
9 the same sum or so much thereof as may be necessary for fiscal
10 year 2026-2027 for the department of taxation to implement part
11 III of this Act, including the hiring and filling of
12 the full-time equivalent (FTE) positions within the
13 department of taxation established by this Act, costs for
14 project management services, costs for building and security
15 improvements, and other associated administrative costs.

16 The sums appropriated shall be expended by the department
17 of taxation for the purposes of this Act.

18 SECTION 60. The appropriations made by this Act shall not
19 lapse at the end of the fiscal biennium for which the
20 appropriations are made; provided that all moneys from the



1 appropriations unencumbered as of June 30, 2028, shall lapse as
2 of that date.

3 SECTION 61. This Act shall not be applied to impair any
4 contract existing as of the effective date of this Act in a
5 manner violative of either the Hawaii State Constitution or
6 Article I, section 10, of the United States Constitution.

7 SECTION 62. This Act shall not affect rights and duties
8 that matured, penalties and forfeitures that were incurred, and
9 proceedings that were begun before its effective date.

10 SECTION 63. If any provision of this Act or the
11 application thereof to any person or circumstance is held
12 invalid, the invalidity does not affect other provisions or
13 applications of the Act that can be given effect without the
14 invalid provision or application, and to this end the provisions
15 of this Act are severable.

16 SECTION 64. If any part of this Act is found to be in
17 conflict with federal requirements that are a prescribed
18 condition for the allocation of federal funds to the State, the
19 conflicting part of this Act is inoperative solely to the extent
20 of the conflict and with respect to the agencies directly
21 affected, and this finding does not affect the operation of the



1 remainder of this Act in its application to the agencies
2 concerned. The rules under this Act shall meet federal
3 requirements that are a necessary condition to the receipt of
4 federal funds by the State.

5 SECTION 65. In codifying the new sections added by
6 sections 2, 4, and 7 of this Act, the revisor of statutes shall
7 substitute appropriate section numbers for the letters used in
8 designating the new sections in this Act.

9 SECTION 66. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 67. This Act shall take effect on July 1, 2025;
12 provided that sections A-26 and A-51 through A-54, Hawaii
13 Revised Statutes, of section 2 of this Act and part III and
14 sections 31, 32, and 33 of this Act shall take effect on January
15 1, 2026.

16

INTRODUCED BY: David Iarnas

JAN 22 2025



H.B. NO. 1246

Report Title:

DCCA; DOH; DOA; DoTax; Hawaii Cannabis and Hemp Office; Adult-Use Cannabis; Medical Cannabis; Hemp; Appropriation

Description:

Establishes the Hawaii Cannabis and Hemp Office 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 relating to the consumption or possession of marijuana or marijuana concentrate. Makes conforming amendments related to the legalization of personal adult use of cannabis. Beginning 1/1/2026, decriminalizes certain drug offenses related to marijuana and marijuana concentrate. 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 Office. Establishes various positions within state entities to regulate the personal adult use of cannabis. Appropriates funds.

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

