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# 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). 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:



- 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 cannabis  
18 and hemp 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  
13 "marijuana concentrate" as provided in sections 329-1 and 712-  
14 1240; provided 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.



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 **§A-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       **§A-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, and may allow medical use of cannabis by a  
9 college or university faculty member or student while  
10 the faculty member or student is within faculty or  
11 student housing; or

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

20 (A) The tenant is renting a room or rooms in only a  
21 portion of a residence, where the rest of the



1 residence is rented to other people or occupied  
2 by the landlord;

3 (B) The residence is incidental to detention or the  
4 provision of counseling, educational, geriatric,  
5 medical, religious, or similar service;

6 (C) The residence is a transitional housing facility;  
7 or

8 (D) Failing to prohibit the possession or use of  
9 cannabis would violate federal law or regulations  
10 or cause the landlord to lose a monetary or  
11 licensing-related benefit under federal law or  
12 regulations.

13 **PART II. ADMINISTRATION**

14 **§A-11 Hawaii cannabis and hemp office; established.** (a)

15 There shall be established the Hawaii cannabis and hemp office,  
16 which shall be a public body corporate and politic and an  
17 instrumentality and agency of the State for the purpose of  
18 implementing this chapter. The office shall be placed within  
19 the department of commerce and consumer affairs for  
20 administrative purposes only. The department of commerce and



1 consumer affairs shall not direct or exert authority over the  
2 day-to-day operations or functions of the office.

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

12 (c) At a minimum, the staff of the office shall consist  
13 of:

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



1 (7) One full-time general counsel; and

2 (8) One full-time hemp coordinator,

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

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

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

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

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

14 (1) Sue and be sued;

15 (2) Adopt a seal;

16 (3) Administer oaths and affirmations;

17 (4) Establish and amend a plan of organization that the  
18 office considers expedient;

19 (5) Adopt rules, which shall have the force and effect of  
20 law; provided that unless otherwise provided in this



- 1 chapter, the rules shall be adopted pursuant to  
2 chapter 91;
- 3 (6) Register qualifying patients and qualifying out-of-  
4 state patients for medical use of cannabis pursuant to  
5 sections A-47 and A-48;
- 6 (7) Develop a process for qualifying patients, qualifying  
7 patients' caregivers, and consumers to purchase  
8 cannabis plants for cultivation in accordance with  
9 sections A-42 and A-52;
- 10 (8) Establish a procedure by which licenses or permits are  
11 awarded pursuant to this chapter;
- 12 (9) Approve or deny applications, including renewal  
13 applications and change in ownership applications, for  
14 licenses or permits pursuant to this chapter;
- 15 (10) Revoke or suspend for cause any license, permit, or  
16 registration issued under this chapter;
- 17 (11) Create and maintain a publicly available directory of  
18 the names and locations of medical cannabis  
19 dispensaries, retail cannabis stores, and craft  
20 cannabis dispensaries;



- 1       (12) Create a system whereby a licensed business can verify  
2           the status of other licensed businesses;
- 3       (13) Conduct or commission studies regarding market  
4           conditions and, on a periodic basis, determine the  
5           maximum number of licenses that may be issued to meet  
6           estimated production demand and facilitate a reduction  
7           in the unauthorized distribution of cannabis;
- 8       (14) Coordinate across state departments and agencies to  
9           research and study any changes in cannabis use and the  
10          impact that cannabis use and the number of licensed  
11          businesses may have on access to cannabis, public  
12          health, and public safety;
- 13      (15) Prepare, publish, and distribute, with or without  
14          charge as the office may determine, bulletins,  
15          guidance, reports, studies, and other materials that  
16          the office considers appropriate;
- 17      (16) Set, charge, impose, and collect fees, fines, and  
18          civil penalties as authorized by this chapter or rules  
19          adopted pursuant to this chapter; provided that all  
20          fees, fines, and civil penalties received by the



office shall be deposited into the cannabis regulation and enforcement special fund;

(17) Develop forms, licenses, identification cards, and applications as are necessary or convenient in the discretion of the administrator for the administration of this chapter or rules adopted pursuant to this chapter;

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

(19) Establish and amend cannabis district boundaries to ensure equal access to cannabis, especially for medical use, and encourage the full participation in the regulated cannabis industry from disproportionately impacted areas;

(20) Investigate violations of this chapter and, notwithstanding any law to the contrary, violations of chapter 322 or 342F that are related to cultivation, processing, distribution, sales, dispensing, consumption, possession, or use of cannabis or hemp,





1 including covert operations, and refer criminal  
2 violations to the proper federal, state, or local  
3 authorities for prosecution as appropriate.

4 Investigations of violations of chapter B shall be  
5 referred to the director of taxation to hear and  
6 determine complaints against any licensed business;

7 (21) Gather facts and information applicable to the  
8 office's obligation to investigate applicants or  
9 licensed businesses for:

10 (A) A violation of this chapter or any rules adopted  
11 pursuant to this chapter; or

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

13 (22) Seize and remove from the licensed premises of a  
14 licensed business any cannabis, hemp, equipment,  
15 supplies, documents, and records obtained or possessed  
16 in violation of this chapter for the purpose of  
17 examination and inspection;

18 (23) For cause, demand and be granted access to, for the  
19 purposes of inspection, examination, photocopying, or  
20 audit, all books, papers, and records of licensed  
21 businesses; provided that the inspection, examination,



1 photocopying, and audit may take place on the licensed  
2 business's licensed premises or elsewhere as  
3 practicable and in the presence of the licensed  
4 business or its agent;

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

9 (25) Enforce seizure, confiscation, or forfeiture pursuant  
10 to this chapter or chapter 712A of any cannabis or  
11 hemp not authorized under this chapter or rules  
12 adopted pursuant to this chapter;

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



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

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

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

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



1 (30) Establish a social equity grant program to encourage  
2 the full participation in the regulated cannabis  
3 industry from disproportionately impacted areas;

4 (31) Administer and manage a state cannabis testing  
5 facility;

6 (32) Recommend changes to improve the administration of  
7 this chapter relating to the regulation of cannabis;

8 (33) Exercise the powers and perform the duties in relation  
9 to the administration of the office as necessary but  
10 not specifically vested by this chapter, including  
11 budgetary and fiscal matters; and

12 (34) Coordinate with state and county law enforcement  
13 agencies to effectuate the purposes of this chapter.

14 **§A-13 Administrator; powers and duties.** The administrator  
15 shall have the following powers and duties as provided for in  
16 this chapter to:

17 (1) Exercise the powers and perform the duties in relation  
18 to the administration of the office;

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



- 1           (3) Enter into agreements or other transactions with a  
2           person, including a public entity or other  
3           governmental instrumentality or governmental authority  
4           in connection with its powers and duties under this  
5           chapter;
- 6           (4) Employ, subject to chapter 76, employees, permanent  
7           and temporary, as required; provided that when, in the  
8           determination of the administrator, the services to be  
9           performed are unique and essential to the execution of  
10          the functions of the office, the administrator may  
11          employ, not subject to chapter 76, officers and  
12          employees, prescribe their duties and qualifications,  
13          and fix their salaries;
- 14          (5) Apply for and accept, on behalf of the office,  
15          advances, contributions, grants, and loans of money or  
16          property, or other things of value from any source, to  
17          be held, used, and applied for the office's purposes;
- 18          (6) Provide and pay for advisory services and technical  
19          assistance as may be necessary in the administrator's  
20          judgment to carry out this chapter as provided by law;



(7) Be present, through the office's inspectors and agents, at any time, at the licensed premises of a licensed business for the purposes of exercising the office's regulatory responsibilities or inspecting the licensed premises and all equipment and supplies located at the licensed premises;

(8) Delegate the powers provided in this section to other officers or employees of the office as may be deemed appropriate by the administrator; and

(9) Delegate powers and duties of the administrator to other state or county departments or agencies pursuant to memoranda of agreement for the purposes of implementing the provisions of this chapter related to administration, investigation, inspection, fee collection, document management, education and outreach, distribution of individual licenses approved by the office, and technical assistance pertaining to the cultivation of cannabis.

**§A-14 Administrative rules; authority.** (a) No later than December 31, 2025, the office shall adopt interim rules, which shall be exempt from chapters 91 and 201M, to effectuate the



1 purposes of this chapter; provided that the interim rules shall  
2 remain in effect until December 31, 2030, or until rules are  
3 adopted pursuant to subsection (c), whichever occurs sooner.

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

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

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

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

18 (2) A schedule of fees, including application, license,  
19 permit, registration, and renewal fees, in amounts  
20 necessary to pay for all regulation and enforcement  
21 costs of the office; provided that fees may be



1 relative to the volume of business conducted or to be  
2 conducted by the licensed business;

3 (3) Qualifications for licensure or permitting and minimum  
4 standards for employment that are directly and  
5 demonstrably related to the operation of a licensed  
6 business;

7 (4) Procedures and policies to promote and encourage full  
8 participation in the regulated cannabis industry by  
9 people from disproportionately impacted areas;

10 (5) Requirements for licensure, permitting, and  
11 registration, including updating and renewing  
12 licensure, permitting, and registration;

13 (6) Requirements for the information to be furnished by a  
14 licensed business relating to the licensed business's  
15 employees, any necessary registration requirements for  
16 employees working at a licensed business, and  
17 requirements that all licensed business employees be  
18 properly trained in their respective professions as  
19 necessary;





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



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



1 (17) The circumstances, manner, and process by which a  
2 licensed business may apply for a change in ownership,  
3 including procedures and requirements to enable the  
4 transfer of a license for a licensed business to  
5 another qualified person or to another suitable  
6 location subject to the office's approval;

7 (18) Health and safety standards, established in  
8 consultation with the department of health and  
9 department of agriculture, for the cultivation,  
10 processing, distribution, and dispensing of cannabis,  
11 including standards regarding sanitation for the  
12 preparation, storage, handling, and sale of edible  
13 cannabis products and compliance with chapter 321 and  
14 health inspections by the department of health;  
15 provided that the power to adopt rules pertaining to  
16 the use of pesticides shall remain with the department  
17 of agriculture;

18 (19) Requirements for the packaging of cannabis and hemp;

19 (20) Requirements for the potency or dosing limitations of  
20 cannabis, including separate requirements for the  
21 potency or dosing limitations of medical cannabis;



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



1 review of whether the cannabis product is especially  
2 appealing to persons under the age of twenty-one;

3 (27) Energy and environmental standards for licensure and  
4 licensure renewal of cannabis cultivators, cannabis  
5 processors, craft cannabis dispensaries, medical  
6 cannabis cooperatives, and hemp extract processors;

7 (28) Manners in which licensed premises shall be  
8 constructed, arranged, furnished, equipped,  
9 maintained, and operated;

10 (29) Classification of any cannabis-derived compound,  
11 cannabinoid or hemp-derived compound, or cannabinoid;  
12 and

13 (30) Prohibitions or restrictions on the use of a synthetic  
14 cannabinoid or artificially derived cannabinoid in any  
15 cannabis product or hemp product.

16 (b) For the purposes of this section:

17 "Artificially derived cannabinoid" means a chemical  
18 substance created by a chemical reaction that changes the  
19 molecular structure of any chemical substance derived from the  
20 plant of the genus Cannabis. "Artificially derived cannabinoid"  
21 does not include:



- 1 (1) A naturally occurring chemical substance that is  
2 separated from the plant of the genus Cannabis by a  
3 chemical or mechanical extraction process; or  
4 (2) Cannabinoids that are produced by decarboxylation from  
5 naturally occurring cannabinoid acid without the use  
6 of a chemical catalyst.

7 "Synthetic cannabinoid" means a cannabinoid that is:

- 8 (1) Produced artificially, whether from chemicals or from  
9 recombinant biological agents including yeast and  
10 algae; and  
11 (2) Not derived from the plant of the genus Cannabis,  
12 including biosynthetic cannabinoids.

13 **§A-16 Cannabis regulation and enforcement special fund;**  
14 **established.** (a) There shall be established in the treasury of  
15 the State the cannabis regulation and enforcement special fund  
16 to be administered and expended by the office to cover the costs  
17 of:

- 18 (1) The operations of the office; and  
19 (2) Implementing, administering, and enforcing this  
20 chapter.



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

3 (1) Fees, fines, and civil penalties received pursuant to  
4 this chapter and rules adopted pursuant to this  
5 chapter;

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

7 (3) Appropriations made by the legislature to the special  
8 fund;

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

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

13 (c) There shall be established within the cannabis  
14 regulation and enforcement special fund a social equity grant  
15 program subaccount. The tax collected pursuant to section B-  
16 7(2)(A) shall be deposited into the social equity grant program  
17 subaccount. The office shall expend moneys in the social equity  
18 grant program subaccount for the purposes of implementing and  
19 administering the social equity grant program as provided in  
20 part IX.



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

10 (e) There shall be established within the cannabis  
11 regulation and enforcement special fund a public safety grant  
12 program subaccount. The tax collected pursuant to section B-  
13 7(2) (C) shall be deposited into the public safety grant program  
14 subaccount. The office shall expend moneys in the public safety  
15 grant program subaccount for the purposes of implementing and  
16 administering the public safety grant program as provided in  
17 part XI.

18 (f) There shall be established within the cannabis  
19 regulation and enforcement special fund a Hawaii hemp grant  
20 program subaccount. The tax collected pursuant to section B-  
21 7(2) (D) shall be deposited into the Hawaii hemp grant program





1 subaccount. The office shall expend moneys in the Hawaii hemp  
2 grant program subaccount for the purposes of implementing and  
3 administering the Hawaii hemp grant program as provided in  
4 sections A-174 and A-175.

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

9 **§A-17 County law enforcement and prosecution.** Nothing in  
10 this chapter shall be construed to relieve or diminish county  
11 law enforcement officers and prosecutors of any authority or  
12 responsibility to enforce, or prosecute under, criminal laws  
13 related to marijuana or marijuana concentrate, including this  
14 chapter, chapter 329, and part IV of chapter 712, in their  
15 respective counties.

16 **§A-18 Investigation by a law enforcement agency of**  
17 **unlawful activity.** Notwithstanding any other law, the  
18 administrator shall disclose any information, documents, and  
19 other records regarding licensed businesses, upon request, to  
20 any federal, state, or county agency engaged in the criminal  
21 investigation or prosecution of violations of applicable



1 federal, state, or county laws or regulations related to the  
2 operations or activities of licensed businesses.

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

5       (1) Be subject to an annual announced inspection and  
6 unlimited unannounced inspections of its operations by  
7 the office; provided that inspections for license  
8 renewals shall be unannounced;

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

12       (3) Annually cause an independent financial audit, at the  
13 licensed business's own expense, to be conducted of  
14 the accounts, funds, programs, activities, and  
15 functions of the licensed business. The licensed  
16 business shall submit the audit's findings to the  
17 administrator. All audits shall be conducted in  
18 accordance with generally accepted auditing standards  
19 established by the American Institute of Certified  
20 Public Accountants. The administrator may require a  
21 response, in writing, to the audit results. The



1 response shall be made to the administrator within  
2 fifteen calendar days of notification.

3 (b) The office and attorney general may examine all  
4 records required to be kept or filed under this chapter, and  
5 books, papers, and records of any person engaged in the business  
6 of cultivating, processing, distributing, dispensing, selling,  
7 or transferring cannabis or restricted cannabinoid products, to  
8 verify compliance with this chapter and chapter B. Every person  
9 in possession of any books, papers, and records, and the  
10 person's agents and employees, shall be directed and required to  
11 give the office and attorney general the means, facilities, and  
12 opportunities for the examinations.

13 (c) The office and attorney general may inspect the  
14 operations, premises, and storage areas of any entity engaged in  
15 cultivating, processing, distributing, dispensing, selling, or  
16 transferring of cannabis or restricted cannabinoid products,  
17 during regular business hours. This inspection shall include  
18 inspection of all statements, books, papers, and records in  
19 whatever format, including electronic format, pertaining to the  
20 cultivation, processing, acquisition, possession,  
21 transportation, sale, or use of cannabis or restricted



1 cannabinoid products, to verify compliance with this chapter and  
2 chapter B. This inspection may also be conducted to verify that  
3 all cannabis or restricted cannabinoid products were cultivated  
4 or processed in compliance with this chapter. Every entity in  
5 possession of any statements, books, papers, and records, and  
6 the entity's agents and employees, shall be directed and  
7 required to give the office and attorney general the means,  
8 facilities, and opportunities for the inspections.

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



1 cannabis or restricted cannabinoid products, may be seized by  
2 the office or attorney general and shall be subject to  
3 forfeiture as provided in this chapter and chapter 712A.

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

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

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



1 (c) Any cannabis or restricted cannabinoid product  
2 forfeited as provided in this section shall be ordered  
3 destroyed.

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

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

12 **SA-22 Contracts pertaining to lawful operation of a**  
13 **cannabis business; enforceable.** Notwithstanding any other law  
14 to the contrary, contracts related to lawful activities  
15 authorized by this chapter shall be enforceable. A contract  
16 entered into by a cannabis business, or by those who allow  
17 property to be used by a cannabis business, shall not be  
18 unenforceable or void solely for the reason that the activity  
19 permitted by this chapter is prohibited by federal law.

20 **SA-23 Provision of professional services to a cannabis**  
21 **business.** A person engaged in a profession or occupation



1 subject to state or county licensure shall not be subject to  
2 disciplinary action by a professional licensing authority solely  
3 for providing professional services to a cannabis business  
4 related to activity permitted by this chapter.

5 **§A-24 Office employees; background checks.** (a) The  
6 office shall conduct background checks, which may include  
7 criminal history record checks in accordance with section  
8 846-2.7, on:

- 9 (1) Current or prospective employees of the office; and  
10 (2) Current or prospective contractors or subcontractors  
11 and employees of current or prospective contractors or  
12 subcontractors of the office.

13 The office shall develop procedures for conducting  
14 background checks.

15 (b) The office may refuse to employ or deny employment to  
16 an applicant or terminate or refuse to secure the services of  
17 any contractor or subcontractor if the person has been convicted  
18 of a crime, and if the administrator finds by reason of the  
19 nature and circumstances of the crime that the person poses a  
20 risk to the integrity of the office; provided that the office  
21 shall not refuse to employ or deny employment to an applicant or



1 terminate or refuse to secure the services of any contractor or  
2 subcontractor if the person's conviction:

3 (1) Is pardoned or expunged;

4 (2) Resulted in a term of probation, incarceration, or  
5 supervised release that was completed more than ten  
6 years preceding the date of application or  
7 termination; or

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

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

20 **SA-25 Annual report.** No later than twenty days prior to  
21 the convening of the regular session of 2027, and every year





1 thereafter, the administrator shall submit a report to the  
2 governor and legislature on the establishment and regulation of  
3 licensed businesses. The report shall cover the information  
4 during the prior fiscal year and, at a minimum, include the  
5 following information:

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



- 1           (6)   The total reported volume and value of cannabis  
2               distributed and dispensed by all licensed businesses;
- 3           (7)   The number of inspections of licensed businesses  
4               performed by the office and the results of those  
5               inspections, including the number of inspections  
6               resulting in license violations and the percentage of  
7               all licensed businesses inspected;
- 8           (8)   The number of license violations committed by licensed  
9               businesses and a breakdown of those violations into  
10              specific categories based on the type of violation and  
11              the outcome of the violation, including the total  
12              amount of monetary penalties imposed and collected by  
13              the office and the percentage of total license  
14              violations resulting in the imposition of a monetary  
15              penalty, administrative hold, license suspension, or  
16              license revocation;
- 17          (9)   Public health and safety data, including accidental  
18               ingestion by minors and cannabis-related driving  
19               accidents, collected, received, or analyzed by the  
20               office; and



1 (10) Recommendations, including any proposed legislation,  
2 to address any issues with the regulation of the  
3 cannabis industry in the State encountered by the  
4 office, departments, or agencies.

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

6 (a) Beginning January 1, 2026, there shall be established  
7 within the office an advisory board on medical and adult-use  
8 cannabis. The advisory board shall:

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

11 (2) Study and make recommendations on:

12 (A) The impact on the legal medical cannabis and  
13 adult-use cannabis industry in the State if the  
14 federal government reschedules cannabis or  
15 removes cannabis from the lists of controlled  
16 substances under the federal Controlled  
17 Substances Act;

18 (B) Measures to protect and promote the legal medical  
19 cannabis and adult-use cannabis industry in the  
20 State if cannabis is rescheduled or removed from



1 the lists of controlled substances under the  
2 federal Controlled Substances Act;

3 (C) Measures to enable cannabis businesses to compete  
4 in interstate commerce related to the  
5 cultivation, manufacture, distribution, and  
6 testing of cannabis;

7 (D) Methods to ensure that there is an adequate  
8 supply of affordable cannabis for qualifying  
9 patients, including cannabis containing varying  
10 levels of potency;

11 (E) Pathways to increase the participation of legacy  
12 cannabis growers and small, minority-owned, and  
13 women-owned businesses in the legal medical  
14 cannabis and adult-use cannabis industry in the  
15 State; and

16 (F) Methods to assist social equity grant applicants,  
17 social equity grant licensees, and small,  
18 minority-owned, and women-owned businesses to:

19 (i) Access funds for operating or capital  
20 expenses associated with a business



1 participating in the medical cannabis and  
2 adult-use cannabis industry;

3 (ii) Obtain financing from a lender; and

4 (iii) Partner with operational cannabis businesses  
5 in ways that the social equity grant  
6 applicants or licensees or small, minority-  
7 owned, or women-owned businesses retain  
8 ownership and control of the licenses and  
9 businesses.

10 (b) The advisory board shall consist of eleven members,  
11 who shall be appointed by the governor pursuant to section 26-  
12 34; provided that three members shall be appointed from a list  
13 of nominees submitted by the president of the senate and three  
14 members shall be appointed from a list of nominees submitted by  
15 the speaker of the house of representatives.

16 At a minimum, the composition of the advisory board shall  
17 include the following:

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

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



- 1 commodities, production, or distribution, in the  
2 cannabis industry;
- 3 (3) One member who shall have a professional background in  
4 public health, mental health, substance abuse  
5 treatment, or toxicology;
- 6 (4) One member who shall have a professional background in  
7 public safety or law enforcement;
- 8 (5) One member who shall have expertise in Hawaii's  
9 agricultural community; and
- 10 (6) One member who shall have expertise in Native Hawaiian  
11 culture and diversity.
- 12 (c) To be eligible to serve as a member, a person shall  
13 be:
- 14 (1) At least twenty-five years old;
- 15 (2) A resident of the State who has resided in the State  
16 for at least the immediately preceding five years  
17 before the appointment; and
- 18 (3) A registered voter of the State.
- 19 (d) The advisory board shall select one of its members to  
20 serve as chair.



1 (e) Members of the advisory board shall serve without  
2 compensation.

3 (f) The advisory board shall establish at least two  
4 subcommittees to focus on medical cannabis and adult-use  
5 cannabis.

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

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

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

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

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

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

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

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



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

12 (d) All medical cannabis that is dispensed by a licensed  
13 business shall be stored in a sealed child-resistant and  
14 resealable packaging with original labels and not easily  
15 accessible to any person under the age of twenty-one unless that  
16 person is a medical cannabis patient. All cannabis cultivated  
17 by a qualifying patient or the patient's caregiver shall be  
18 stored in a manner that is not easily accessible to any person  
19 under the age of twenty-one unless that person is a medical  
20 cannabis patient.





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

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

13 (g) For the purposes of medical care, including organ and  
14 tissue transplants, a person's medical use of cannabis in  
15 compliance with this part shall be considered the equivalent of  
16 the use of any other medication under the direction of a  
17 physician or advanced practice registered nurse and shall not  
18 constitute the use of an illicit substance or otherwise  
19 disqualify a person from medical care, unless in the judgment of  
20 the health care provider the use of cannabis increases the risk  
21 for an adverse outcome from a medical procedure or treatment.



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

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

18 (1) Conducting drug testing and using the results of those  
19 tests for the discipline of an employee if the testing  
20 is done to comply with federal requirements or in



1           accordance with the applicable collective bargaining  
2           agreement or executive order; or

3           (2) Disciplining employees for being impaired by cannabis  
4           while at work.

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

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

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

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

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

17          (b) The personal cultivation of cannabis for medical use  
18          shall only be permitted within, or on the grounds of, the  
19          private residence of a qualifying patient or the patient's  
20          caregiver, or on the licensed premises of a medical cannabis  
21          cooperative of which the qualifying patient is a member;



1 provided that no more than ten plants, whether mature or  
2 immature and whether for medical use or personal adult use,  
3 shall be cultivated at a private residence at any time  
4 regardless of the number of qualifying patients, caregivers, or  
5 other people residing at the private residence.

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

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

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

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



1 illicit activity; provided that any rules adopted by the office  
2 shall not completely or essentially prohibit the personal  
3 cultivation of cannabis for medical use.

4       **SA-43 Conditions of medical use of cannabis by a**  
5 **qualifying patient.** (a) The medical use of cannabis by a  
6 qualifying patient shall only be authorized if:

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

11       (2) The qualifying patient's certifying medical  
12          professional has issued a written certification for  
13          the qualifying patient;

14       (3) The qualifying patient has paid the required fee for  
15          registration;

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

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



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

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

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

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

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

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

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

**§A-44 Reciprocity with other states; qualifying out-of-state patients.** (a) Notwithstanding any law to the contrary, the medical use of cannabis by a qualifying out-of-state patient



1 who is at least eighteen years of age shall be authorized only  
2 if the qualifying out-of-state patient:

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

6 (2) Attests under penalty of law pursuant to section  
7 710-1063 that the condition for which the qualifying  
8 out-of-state patient is legally authorized to use  
9 cannabis for medical purposes is a debilitating  
10 medical condition;

11 (3) Provides consent for the office to obtain information  
12 from the qualifying out-of-state patient's certifying  
13 physician or advanced practice registered nurse and  
14 from the entity that issued the medical cannabis  
15 authorization for the purpose of allowing the office  
16 to verify the information provided in the registration  
17 process;

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

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

20 (6) Receives a medical cannabis registration card from the  
21 office; and



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

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

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

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

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

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

17               (C) Control the acquisition, dosage, and frequency of  
18               the medical use of cannabis by the qualifying  
19               out-of-state patient.





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

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

6       (2) The manufacture, distribution, dispensing, possession,  
7           or medical use of cannabis:

8           (A) In a school vehicle, public transportation, or  
9           any moving vehicle;

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

11          (C) On any school grounds;

12          (D) At any public park, beach, or recreation or youth  
13           center;

14          (E) In or on any land, facility, building, or vehicle  
15           owned, controlled, or operated by the State or  
16           any county;

17          (F) In or on any federal fort or arsenal, national  
18           park or forest, any other federal enclave, or any  
19           other property owned, controlled, or operated by  
20           the federal government; or



(G) At any other place open to the public, including smoking or vaping cannabis in public as prohibited by chapter 328J; provided that a caregiver may administer a medical cannabis product that is not intended for inhalation to a medical cannabis patient under the age of twenty-one in a vehicle on school grounds; provided further that a college or university may authorize the medical use of cannabis by persons who are at least twenty-one years of age on the grounds of or within the college or university in accordance with this chapter, and may allow medical use of cannabis by a college or university faculty member or student while the faculty member or student is within faculty or student housing; and

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

**§A-46 Written certifications; qualifying patients.** (a) A qualifying patient shall have a valid written certification from



1 a certifying medical professional stating that in the certifying  
2 medical professional's professional opinion:

3 (1) The qualifying patient has a debilitating medical  
4 condition; and

5 (2) The potential benefits of the medical use of cannabis  
6 would likely outweigh the health risks of cannabis use  
7 for the qualifying patient.

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

11 (1) Include the name, address, patient identification  
12 number, and other identifying information of the  
13 qualifying patient;

14 (2) Be valid for one year from the time of signing;  
15 provided that the office may allow for the validity of  
16 any written certification for up to three years if the  
17 qualifying patient's certifying medical professional  
18 states that the qualifying patient's debilitating  
19 medical condition is chronic in nature;

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



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

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

Qualifying patients shall register with the office. The office shall adopt rules to establish procedures and requirements for the registration of qualifying patients; provided that:

(1) Every qualifying patient shall:

- (A) Provide sufficient identifying information to establish the qualifying patient's personal identity;
- (B) Provide the address of the location where the qualifying patient or the patient's caregiver intends to cultivate cannabis for medical use pursuant to section A-42; provided that if the qualifying patient or patient's caregiver intends to cultivate cannabis for medical use at a medical cannabis cooperative pursuant to section A-117, the license number and documentation



1            verifying that the qualifying patient is a valid  
2            member of the medical cannabis cooperative shall  
3            be required; and

4            (C) Report a change in any information provided to  
5            the office for registration within ten business  
6            days of the change;

7            (2) The registration form prescribed by the office shall  
8            require information from the qualifying patient, the  
9            patient's caregiver, and the patient's certifying  
10           medical professional as specifically required by this  
11           chapter or rules adopted pursuant to this chapter;

12           (3) The office shall issue to the qualifying patient a  
13           medical cannabis registration card and may charge a  
14           fee for the registration in an amount set in rules by  
15           the office; and

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

19           (b) The caregiver of a qualifying patient shall register  
20 with the office. The office shall adopt rules to establish



1 procedures and requirements for the registration of caregivers;  
2 provided that:

3 (1) Every caregiver shall provide sufficient identifying  
4 information to establish the caregiver's personal  
5 identity;

6 (2) No caregiver shall be registered for more than one  
7 qualifying patient at any given time; provided that  
8 the office may permit the parent, guardian, or person  
9 having legal custody of two or more qualifying  
10 patients who are under the age of eighteen to be the  
11 caregiver for each of those qualifying patients; and

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

17 (c) Upon inquiry by a law enforcement agency, the office  
18 shall immediately verify whether a person who is the subject of  
19 the inquiry has registered with the office and the location of  
20 the person's registered cultivation site and shall provide  
21 reasonable access to the registry information for official law



1 enforcement purposes. An inquiry and verification under this  
2 subsection may be made twenty-four hours a day, seven days a  
3 week.

4 (d) This section shall not apply to registration of a  
5 qualifying out-of-state patient or a caregiver of a qualifying  
6 out-of-state patient.

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

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

13 (A) Provide a valid government-issued medical  
14 cannabis card or any equivalent certificate  
15 issued by another state, the District of  
16 Columbia, or a United States territory;

17 (B) Provide a valid photographic identification card  
18 or driver's license issued by the same  
19 jurisdiction that issued the medical cannabis  
20 card or equivalent certificate; and

21 (C) Have a debilitating medical condition;



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

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

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

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





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

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

(d) The office may temporarily suspend the registration of qualifying out-of-state patients or their caregivers for a period of up to thirty days if the office determines that the registration process for qualifying patients or their caregivers is being adversely affected or the supply of cannabis for medical use available in medical cannabis dispensaries and



1 retail cannabis stores is insufficient to serve both qualifying  
2 patients and qualifying out-of-state patients. A temporary  
3 suspension may be extended by thirty-day periods until the  
4 office determines that:

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

8 (2) The medical cannabis dispensaries and retail cannabis  
9 stores are able to meet the demands of qualifying  
10 patients and qualifying out-of-state patients.

11 **§A-49 Certifying medical professionals.** (a) The office  
12 shall adopt rules to establish requirements for certifying  
13 medical professionals.

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

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



1 (2) The certifying medical professional has explained the  
2 potential risks and benefits of the medical use of  
3 cannabis; and

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

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

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



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

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

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

(b) All adult-use cannabis that is dispensed by a licensed business shall be stored in a sealed child-resistant and



1 resealable packaging with original labels and not easily  
2 accessible to any person under the age of twenty-one. All  
3 cannabis cultivated for personal adult use shall be stored in a  
4 manner that is not easily accessible to any person under the age  
5 of twenty-one.

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

10 (d) For the purposes of medical care, including organ and  
11 tissue transplants, a person's personal adult use of cannabis in  
12 compliance with this part shall not constitute the use of an  
13 illicit substance or otherwise disqualify a person from medical  
14 care, unless in the judgment of the health care provider the use  
15 of cannabis increases the risk for an adverse outcome from a  
16 medical procedure or treatment.

17 (e) No person shall be denied custody, visitation, or  
18 parenting time with a minor for conduct allowed under this part  
19 and no presumption of neglect or child endangerment shall arise  
20 therefrom; provided that this subsection shall not apply if the



1 person's conduct creates a danger to the safety of the minor as  
2 established by a preponderance of the evidence.

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

15 (1) Conducting drug testing and using the results of those  
16 tests for the discipline of an employee if the testing  
17 is done to comply with federal requirements or in  
18 accordance with the applicable collective bargaining  
19 agreement or executive order; or

20 (2) Disciplining employees for being impaired by cannabis  
21 while at work.



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

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

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

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

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

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



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

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

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

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

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

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

20 (2) Any manufacture, distribution, dispensing, possession,  
21 or use of cannabis:





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



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

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

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

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

13 **PART V. UNLAWFUL CONDUCT**

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

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

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

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



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

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

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

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



1 (e) Any person who violates subsection (a) shall be guilty  
2 of a misdemeanor.

3 **§A-63 Criminal offenses; records; expungement.** (a)  
4 Records relating to the arrest, criminal charge, or conviction  
5 of a person for an offense under chapter 329 or part IV of  
6 chapter 712, or any other offense, the basis of which is an act  
7 permitted by this chapter or decriminalized under Act ,  
8 Session Laws of Hawaii 2025, including the possession of  
9 marijuana, shall be ordered to be expunged in accordance with  
10 the provisions of this section.

11 (b) Beginning January 1, 2026:

12 (1) A person arrested for or charged with an offense under  
13 chapter 329 or part IV of chapter 712, or any other  
14 offense, the basis of which is an act permitted by  
15 this chapter or decriminalized under Act , Session  
16 Laws of Hawaii 2025, including the possession or  
17 distribution of marijuana, shall have the right to  
18 petition the attorney general, at any time and without  
19 limitation to the number of petitions a person may  
20 file, for the expungement of the person's records



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

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

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

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

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



1 hold a valid license to produce hemp issued by the United States  
2 Secretary of Agriculture and be in compliance with section A-  
3 132.

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

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



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

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

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

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

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

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

15       (A) That is pardoned or expunged;

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

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



1 offense under section 712-1249.6; involved a  
2 firearm, including the offense under section 134-  
3 7(b); or was committed after, or within one year  
4 before, July 1, 2025,

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

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

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

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

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

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





1 for a license pursuant to part VIII or a medical  
2 cannabis dispensary that converted the  
3 dispensary's operation into licenses under this  
4 chapter pursuant to section 41 of Act ,  
5 Session Laws of Hawaii 2025;

6 (C) Has not been convicted of a felony; provided that  
7 a conviction:

8 (i) That is pardoned or expunged;

9 (ii) That resulted in a term of probation,  
10 incarceration, or supervised release that  
11 was completed more than ten years preceding  
12 the date of application; or

13 (iii) Solely for a marijuana-related offense,  
14 unless the offense involved a minor,  
15 including the offense under section  
16 712-1249.6; involved a firearm, including  
17 the offense under section 134-7(b); or was  
18 committed after, or within one year before,  
19 July 1, 2025,

20 shall not disqualify a person from applying for a  
21 license; and



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

5 (2) The applying business entity:

6 (A) Is controlled by a majority of the shares,  
7 membership interests, partnership interests, or  
8 other equity ownership interests that is held or  
9 owned by natural persons who are legal residents  
10 of the State or by business entities whose owners  
11 are all natural persons who are legal residents  
12 of the State; provided that this subparagraph  
13 shall not apply to an applicant for a license  
14 pursuant to part VIII or a medical cannabis  
15 dispensary that converted the dispensary's  
16 operation into licenses under this chapter  
17 pursuant to section 41 of Act , Session Laws  
18 of Hawaii 2025;

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

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



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

3 (E) Has a federal employer identification number.

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

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

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

18 (g) The office may adopt rules to require additional  
19 criteria for licensure for the purposes of protecting the public  
20 health and safety, promoting sustainability and agriculture, and



1 encouraging the full participation in the regulated cannabis  
2 industry from disproportionately impacted areas.

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

5 **§A-73 Ownership restrictions.** No person shall be issued  
6 or have any direct or indirect interest in more than three  
7 licenses for each class of license, and no more than nine  
8 licenses in total; provided that a medical cannabis dispensary  
9 that converted the dispensary's operation into licenses under  
10 this chapter pursuant to section 41 of Act , Session Laws of  
11 Hawaii 2025, may be issued up to three cannabis cultivator  
12 licenses, three cannabis processor licenses, four medical  
13 cannabis dispensary licenses, and four retail cannabis store  
14 licenses, but no more than ten licenses in total; provided  
15 further that no person:

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



1 independent laboratory, a craft cannabis dispensary,  
2 or a medical cannabis cooperative;

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

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

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

20 **§A-74 Criminal history background check.** (a) The  
21 following shall be subject to background checks conducted by the



1 office or its designee, which may include criminal history  
2 record checks in accordance with section 846-2.7:

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

8 (2) Each current or prospective employee of a licensed  
9 business;

10 (3) Each current or prospective contractor of a licensed  
11 business; and

12 (4) Each current or prospective laboratory agent of an  
13 independent laboratory.

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

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

18 The office shall adopt rules to establish procedures for  
19 licensure application, review, approval, and denial, including  
20 an application fee for each license.



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

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

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

9 (2) The number of licenses available for each class of  
10 license;

11 (3) The application criteria for each class of license  
12 available; and

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

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



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

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

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

17 (h) Any person aggrieved by the office's denial of a  
18 license application may request a contested case hearing  
19 pursuant to chapter 91. To request a contested case hearing,  
20 the person shall submit a written request to the office within  
21 thirty calendar days of the date of the written notice of





1 denial. Appeal to the circuit court under section 91-14, or any  
2 other applicable statute, shall only be taken from the office's  
3 final order pursuant to a contested case.

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

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

19 (c) In addition to the review and verification of the  
20 information and documentation submitted by the applicant, the



1 office shall conduct an unannounced inspection of the applicant  
2 to verify compliance as required by subsection (b).

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

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

12 (f) Any person aggrieved by the office's denial of license  
13 renewal may request a contested case hearing pursuant to chapter  
14 91. To request a contested case hearing, the person shall  
15 submit a written request to the office within thirty calendar  
16 days of the date of the written notice of denial. Appeal to the  
17 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 (g) A licensee that files a renewal application and pays  
21 all required fees under this section before the expiration of



1 the license may continue to operate under that license  
2 notwithstanding its expiration until the office takes final  
3 action on the renewal application, unless the office suspends or  
4 revokes the license before taking final action on the renewal  
5 application.

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

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

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

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

20 (c) A licensed business may apply to the office, on the  
21 form prescribed by the office, for approval to transfer



1 ownership interests in the license, reorganize its ownership  
2 structure, or restructure its business entity.

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

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

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



1 regulation and enforcement special fund established in section  
2 A-16.

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

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

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

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

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



1 are not readily accessible by unauthorized individuals,  
2 including perimeter security fencing designed to prevent  
3 unauthorized entry.

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

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

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

13 (1) That is pardoned or expunged;

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

18 (3) Solely for a marijuana-related offense, unless the  
19 offense involved a minor, including the offense under  
20 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.



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

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

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

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

(b) The office shall adopt rules to establish requirements and standards for the mandatory laboratory testing of cannabis and hemp that conform with the best practices generally used 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 chapter 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 **§A-83 Labeling.** (a) No cannabis or hemp shall be  
10 distributed, dispensed, or otherwise sold unless it is labeled  
11 in accordance with this chapter 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       **§A-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 verify that the entrant is at  
3           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 **SA-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 **SA-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 **SA-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 for  
14 violations of this chapter, the rules adopted pursuant to this  
15 chapter, or chapter B, or for any good cause, including:

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

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

20 (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;



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

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

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

(c) For the purposes of this section:

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

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

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

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



1       **§A-98 Unlawful restricted cannabinoid product retailing;**  
2 **criminal offense.** (a) A person required to obtain a restricted  
3 cannabinoid product permit commits the offense of unlawful  
4 restricted cannabinoid product retailing if the person  
5 recklessly fails to obtain a valid permit required under section  
6 A-119 and recklessly distributes, sells, or offers for sale any  
7 restricted cannabinoid product or possesses, stores, or acquires  
8 any restricted cannabinoid product for the purpose of  
9 distribution, 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 **SA-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 conditions.

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.



**SA-116 Craft cannabis dispensary; license required. (a)**

A craft cannabis dispensary license shall authorize the limited:

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

(2) Distribution of adult-use cannabis to:

(A) A cannabis processor;

(B) A medical cannabis dispensary; and

(C) A retail cannabis store; and

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

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

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

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

(e) No craft cannabis dispensary shall have a direct or indirect interest, including by stock ownership, interlocking directors, mortgage or lien, personal or real property, 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, legacy growers, and  
20 small farms with a focus on indigenous crops or farming  
21 practices.



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

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

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

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

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

(e) Each medical cannabis cooperative member shall designate the licensed premises as their grow site and shall not 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 (3) Restricted cannabinoid product permits that allow for  
2 the distribution, dispensing, or sale of a restricted  
3 cannabinoid product.

4 **PART VIII. HEMP**

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

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

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



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, three milligram  
15          of tetrahydrocannabinol per serving, and ninety  
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 **§A-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                                   **PART IX.   SOCIAL EQUITY**

2           **SA-141   Social equity grant program.**   (a)   The office shall  
3   establish a social equity grant program for the purpose of  
4   providing grants to social equity grant applicants.

5           (b)   The office, through the chief equity officer or  
6   administrator, shall have the power to:

7           (1)   Provide grants to assist social equity grant  
8                   applicants in gaining entry to, and successfully  
9                   operating in, the State's regulated cannabis industry,  
10                  including grants for financial assistance, industry  
11                  training, and technical assistance;

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

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



- 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 **§A-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 programs  
6 dedicated to preventing and treating substance abuse, especially  
7 among youth, and educating the public about cannabis use, this  
8 chapter, and other laws regarding cannabis.

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

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

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

20 (3) Provide grants to assist community-based organizations  
21 with developing, implementing, and supporting programs



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

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

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

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

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



1 if the grant recipient is found to be noncompliant  
2 with the terms and conditions of the grant agreement;

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

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

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

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

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

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

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

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



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

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

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

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

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

14          (4)   The extent and reach of the public health and  
15               education campaigns;

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

19          (6)   The number of youth support and resiliency programs  
20               served by county.



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

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

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

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

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

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





1                                   **PART XI. PUBLIC SAFETY**

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

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

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

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



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



1 cooperate with private entities and state or county  
2 agencies to carry out the purposes of this part;

3 (10) Fix, determine, charge, and collect any premiums,  
4 fees, charges, costs, and expenses, including  
5 application fees, commitment fees, program fees,  
6 financing charges, or publication fees in connection  
7 with its activities under this section;

8 (11) Take whatever actions are necessary or appropriate to  
9 protect the State's interest in the event of  
10 bankruptcy, default, foreclosure, or noncompliance  
11 with the terms and conditions of grants provided under  
12 this section, including the ability to recapture funds  
13 if the grant recipient is found to be noncompliant  
14 with the terms and conditions of the grant agreement;

15 (12) Establish application, notification, contract, and  
16 other forms and procedures deemed necessary and  
17 appropriate to administer this part; and

18 (13) Utilize vendors or contract work to carry out the  
19 purposes of this part.

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



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



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

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

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

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

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

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

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

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

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

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



- 1           (1) The recipient of a grant shall not use public funds  
2                   for purposes of entertainment or perquisites,  
3                   including lobbying activities;
- 4           (2) The recipient of a grant shall comply with state laws  
5                   and county ordinances;
- 6           (3) The recipient of a grant shall comply with any other  
7                   requirements that may be prescribed by rules adopted  
8                   pursuant to this chapter;
- 9           (4) The recipient of a grant shall allow the office,  
10                   legislative bodies, and auditor full access to  
11                   records, reports, files, and other related documents  
12                   so that the program, management, and fiscal practices  
13                   of the grant recipient may be monitored and evaluated  
14                   to assure the proper and effective expenditure of  
15                   public funds;
- 16           (5) Every grant shall be monitored according to rules  
17                   adopted pursuant to this chapter to ensure compliance  
18                   with this part; and
- 19           (6) Any recipient of a grant under this part who withholds  
20                   or omits any material fact or deliberately  
21                   misrepresents facts to the office or who violates the



1 terms of the grant agreement shall be in violation of  
2 this section and, in addition to any other penalties  
3 provided by law, shall be prohibited from applying for  
4 a grant or any other benefits under this part for a  
5 period of five years from the date of termination.

6 **PART XII. MISCELLANEOUS**

7 **§A-171 Banking.** (a) A financial institution that  
8 receives deposits, extends credit, conducts fund transfers,  
9 transports cash or financial instruments, or provides other  
10 financial services customarily provided by financial  
11 institutions shall not be penalized or punished under any  
12 criminal law, including chapter 708A, or under any provision of  
13 the Code of Financial Institutions, chapter 412, solely by  
14 virtue of the fact that the person receiving the benefit of any  
15 of those services engages in commercial cannabis activity as a  
16 cannabis business licensed pursuant to this chapter.

17 (b) A cannabis business may request in writing that the  
18 office share the cannabis business's application, license, and  
19 other regulatory and financial information with a financial  
20 institution of the cannabis business's designation. The  
21 cannabis business shall include in that written request a waiver



1 authorizing the transfer of that information and waiving any  
2 confidentiality or privilege that applies to that information.

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

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

15 (e) This section shall be construed to refer only to the  
16 disclosure of information by the office reasonably necessary to  
17 facilitate the provision of financial services for the cannabis  
18 business making a request pursuant to this section. Nothing in  
19 this section shall be construed to authorize the disclosure of  
20 confidential or privileged information, or waive a cannabis  
21 business's rights to assert confidentiality or privilege, except





1 to a financial institution as provided in this section and  
2 except as reasonably necessary to facilitate the provision of  
3 financial services for the cannabis business making the request.

4 (f) For the purpose of this section:

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

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

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



1 States, the hemp product shall identify the percentage of hemp  
2 origin as "Foreign".

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

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



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

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

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

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

(1) Provide the office with any existing data requested by the office, subject to any applicable confidentiality



1 laws and rules regarding personally identifiable  
2 information and personal health information; and  
3 (2) Collect data, as reasonably requested by the office,  
4 to complete the office's research agenda.

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

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

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

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

19 (1) Provide grants to assist small hemp cultivators and  
20 hemp businesses in gaining entry to, and successfully  
21 operating in, the State's hemp industry, including



- 1 grants for financial assistance, industry training,  
2 and technical assistance;
- 3 (2) Provide grants to assist research projects related to  
4 industrial uses of hemp and marketability of hemp  
5 products;
- 6 (3) Provide staff, administration, and related support  
7 required to administer the Hawaii hemp grant program;
- 8 (4) Enter into agreements that set forth terms and  
9 conditions of the grants, accept funds or grants, and  
10 cooperate with private entities and state or county  
11 agencies to carry out the purposes of the Hawaii hemp  
12 grant program;
- 13 (5) Fix, determine, charge, and collect any premiums,  
14 fees, charges, costs, and expenses, including  
15 application fees, commitment fees, program fees,  
16 financing charges, or publication fees in connection  
17 with its activities under this section;
- 18 (6) Take whatever actions are necessary or appropriate to  
19 protect the State's interest in the event of  
20 bankruptcy, default, foreclosure, or noncompliance  
21 with the terms and conditions of grants provided under



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

4           (7) Establish application, notification, contract, and  
5           other forms and procedures deemed necessary and  
6           appropriate to administer the Hawaii hemp grant  
7           program; and

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

10          (c) The office shall adopt rules pursuant to this chapter  
11 to implement the Hawaii hemp grant program, 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;



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

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

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

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

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

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

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

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

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



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, an applicant shall  
4 show:

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

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

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





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

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

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

18 PART III

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



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

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

6 "CHAPTER B

7 HAWAII CANNABIS TAX LAW

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

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

11 "Department" means the department of taxation.

12 "Director" means the director of taxation.

13 "Medical cannabis" has the same meaning as defined in  
14 section A-3.

15 "Retail sale" has the same meaning as "retailing" or "sales  
16 at retail" as defined in section 237-1.

17 **§B-2 Cannabis tax permit.** (a) No person shall engage in  
18 the retail sale of cannabis or sale of medical cannabis unless a  
19 permit has been issued to the person pursuant to this section;  
20 provided that this section shall not apply to persons who make  
21 sales at wholesale.



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

(c) A separate cannabis tax permit shall be obtained for each place of business owned, controlled, or operated by a taxpayer. A taxpayer who owns or controls more than one place of business may submit a single application for more than one cannabis tax permit; provided that the application fee of \$25 shall be required for each permit. Each cannabis tax permit issued shall clearly describe the place of business where the retail sale of cannabis or sale of medical cannabis is conducted.

(d) A cannabis tax permit shall be non-assignable and non-transferable. A cannabis tax permit may be transferred from one



1 business location to another business location after an  
2 application has been filed with the department requesting the  
3 transfer, the applicant has paid a transfer fee of \$25, and  
4 approval has been obtained from the department.

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

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

15 (b) Upon every person engaging or continuing within the  
16 State in the sale of medical cannabis, beginning January 1,  
17 2026, and continuing thereafter, there is hereby levied and  
18 shall be assessed and collected a tax equal to four per cent of  
19 the gross proceeds of sales from medical cannabis; provided that  
20 this subsection shall not apply to sales at wholesale.



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

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

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



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

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

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

(1) The taxpayer agrees to suspend the period;

(2) The assets of the taxpayer are in control or custody of a court in any proceeding before any court of the



1 United States or any state, and for six months  
2 thereafter;

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

5 (4) During which the taxpayer is outside the State for a  
6 continuous period of at least six months; provided  
7 that if at the time of the taxpayer's return to the  
8 State the period of limitations on collection after  
9 assessment would expire before the expiration of six  
10 months from the date of the taxpayer's return, the  
11 period shall not expire before the expiration of the  
12 six months; and

13 (5) An appeal of the assessment is pending before the  
14 taxation board of review or the tax appeal court,  
15 beginning on the date the notice of appeal is filed  
16 and concluding on the date a final decision is issued  
17 or the case is withdrawn or dismissed.

18 (b) Limitations on credit or refund. No credit or refund  
19 shall be allowed for any tax imposed by this chapter unless a  
20 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 the attorney general for the  
7 special investigation and prosecution division  
8 for the purpose of preventing the proliferation  
9 of money laundering and organized crime that may  
10 result from the expansion of the legal cannabis  
11 market or is related to fentanyl and  
12 methamphetamine.

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

2       (a) The administration of this chapter shall be 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       **§B-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.



SECTION 6. Chapter 291, Hawaii Revised Statutes, is amended by adding three new sections to part I to be appropriately designated and to read as follows:

**"§291- Consuming marijuana or marijuana concentrate while operating or a passenger in a motor vehicle or moped. (a)**

No person shall consume, including through secondhand or passive smoking, any marijuana or marijuana concentrate while operating a motor vehicle or moped upon any public street, road, or highway.

(b) No person shall smoke or vaporize any marijuana or marijuana concentrate while a passenger in any motor vehicle or on any moped upon any public street, road, or highway.

(c) Any person violating this section shall be guilty of a petty misdemeanor; provided that, notwithstanding section 706-640, the maximum fine shall be no more than \$2,000.

**§291- Open container of marijuana or marijuana concentrate in a motor vehicle or on a moped. (a) No person shall possess within any passenger area of a motor vehicle or moped being operated upon any public street, road, or highway, any bottle, can, package, wrapper, smoking device, cartridge, or 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 stored in a trunk, luggage  
8 compartment, or similar location.

9 (c) Any person violating this section shall be guilty of a  
10 violation and shall be fined no more than \$130. A person found  
11 responsible for a violation under this section may request, and  
12 shall be granted, a penalty of up to ten hours of community  
13 service in lieu of a fine.

14 **\$291- Marijuana or marijuana concentrate; prima facie**  
15 **evidence.** Any bottle, can, package, wrapper, smoking device,  
16 cartridge, or other receptacle that displays or is imprinted  
17 with a label indicating that the contents contain marijuana or  
18 marijuana concentrate shall be prima facie evidence that the  
19 contents of the bottle, can, package, wrapper, smoking device,  
20 cartridge, or other receptacle contains marijuana or marijuana  
21 concentrate."



1       SECTION 7. Chapter 291E, Hawaii Revised Statutes, is  
2 amended as follows:

3       1. By adding a new section to part II to be appropriately  
4 designated and to read:

5       "§291E-A Refusal to submit to testing for  
6 tetrahydrocannabinol; persons under the age of twenty-one;  
7 district court hearing; sanctions; appeals; admissibility. (a)  
8 If a person under arrest for operating a vehicle while under the  
9 influence of tetrahydrocannabinol, pursuant to section 291E-B,  
10 refuses to submit to a blood test, none shall be given, except  
11 as provided in section 291E-21, but the arresting law  
12 enforcement officer, as soon as practicable, shall submit an  
13 affidavit to a district judge of the circuit in which the arrest  
14 was made stating that:

15       (1) At the time of the arrest, the arresting officer had  
16 probable cause to believe the person arrested was  
17 under the age of twenty-one and had been operating a  
18 vehicle upon a public way, street, road, or highway,  
19 or on or in the waters of the State, while under the  
20 influence of tetrahydrocannabinol;



1       (2) The person arrested was informed that the person may  
2       refuse to submit to a blood test, in compliance with  
3       section 291E-11;

4       (3) The person arrested had refused to submit to a blood  
5       test;

6       (4) The person arrested was:

7           (A) Informed of the sanctions of this section; and

8           (B) Secondly queried if the person still refuses to  
9           submit to a blood test, in compliance with the  
10          requirements of section 291E-15; and

11       (5) The person arrested continued to refuse to submit to a  
12       blood test.

13       (b) Upon receipt of the affidavit, the district judge  
14       shall hold a hearing within twenty days. The district judge  
15       shall hear and determine whether:

16       (1) The arresting law enforcement officer had probable  
17       cause to believe that the person arrested was under  
18       the age of twenty-one and had been operating a vehicle  
19       upon a public way, street, road, or highway, or on or  
20       in the waters of the State, while under the influence  
21       of tetrahydrocannabinol;



- 1        (2) The person was lawfully arrested;
- 2        (3) The person arrested was informed that the person may  
3                refuse to submit to a blood test, in compliance with  
4                section 291E-11;
- 5        (4) The person arrested refused to submit to a blood test;
- 6        (5) The person arrested was:
- 7                (A) Informed of the sanctions of this section; and
- 8                (B) Secondly queried if the person still refuses to  
9                submit to a blood test, in compliance with the  
10               requirements of section 291E-15; and
- 11       (6) The person continued to refuse to submit to a blood  
12               test.
- 13       (c) If the district judge finds the statements contained  
14 in the affidavit are true, the judge shall suspend the arrested  
15 person's license and privilege to operate a vehicle as follows:
- 16       (1) For a first suspension, or any suspension not preceded  
17               within a five-year period by a suspension under this  
18               section, for a period of twelve months; and
- 19       (2) For any subsequent suspension under this section, for  
20               a period no less than two years and no more than five  
21               years.



1        (d) An order of a district court issued under this section  
2        may be appealed to the supreme court."

3            2. By adding a new section to part IV to be appropriately  
4        designated and to read:

5            **"§291E-B Operating a vehicle under the influence of**  
6        **tetrahydrocannabinol; persons under the age of twenty-one;**  
7        **expungement.**    (a) It shall be unlawful for any person under the  
8        age of twenty-one to operate any vehicle while under the  
9        influence of tetrahydrocannabinol. A law enforcement officer  
10       may arrest a person under this section when the officer has  
11       probable cause to believe the person arrested is under the age  
12       of twenty-one and had been operating a vehicle upon a public  
13       way, street, road, or highway, or on or in the waters of the  
14       State, while under the influence of tetrahydrocannabinol.

15           (b) A person who violates this section shall be sentenced  
16        as follows:

17           (1) For a first violation or any violation not preceded  
18           within a five-year period by a prior drug enforcement  
19           contact:

20           (A) The court shall impose:



1           (i) A requirement that the person and, if the  
2           person is under the age of eighteen, the  
3           person's parent or guardian, attend a  
4           substance abuse education and counseling  
5           program for no more than ten hours; and

6           (ii) A one hundred eighty-day prompt suspension  
7           of license and privilege to operate a  
8           vehicle with absolute prohibition from  
9           operating a vehicle during the suspension  
10          period; provided that in the case of a  
11          person who is at least eighteen years of  
12          age, the court may impose, in lieu of the  
13          one hundred eighty-day prompt suspension of  
14          license, a minimum thirty-day prompt  
15          suspension of license with absolute  
16          prohibition from operating a vehicle and,  
17          for the remainder of the one hundred eighty-  
18          day period, a restriction on the license  
19          that allows the person to drive for limited  
20          work-related purposes and to participate in





1                   substance abuse education and treatment  
2                   programs; and

3       (B)   In addition, the court may impose any one or more  
4           of the following:

5           (i)   No more than thirty-six hours of community  
6               service work; or

7           (ii)   A fine of no less than \$150 but no more than  
8               \$500;

9       (2)   For a violation that occurs within five years of a  
10       prior drug enforcement contact:

11       (A)   The court shall impose prompt suspension of  
12           license and privilege to operate a vehicle for a  
13           period of one year with absolute prohibition from  
14           operating a vehicle during the suspension period;  
15           and

16       (B)   In addition, the court may impose any of the  
17           following:

18           (i)   No more than fifty hours of community  
19               service work; or

20           (ii)   A fine of no less than \$300 but no more than  
21               \$1,000; and



1       (3) For a violation that occurs within five years of two  
2       or more prior drug enforcement contacts:

3       (A) The court shall impose revocation of license and  
4       privilege to operate a vehicle for a period of  
5       two years; and

6       (B) In addition, the court may impose any of the  
7       following:

8       (i) No more than one hundred hours of community  
9       service work; or

10       (ii) A fine of no less than \$300 but no more than  
11       \$1,000.

12       (c) Notwithstanding any other law to the contrary, any  
13       conviction or plea under this section shall be considered a  
14       prior drug enforcement contact.

15       (d) Whenever a court sentences a person pursuant to  
16       subsection (b) (2) or (3), it also shall require that the person  
17       be referred to the driver's education program for an assessment,  
18       by a certified substance abuse counselor, of the person's  
19       substance abuse or dependence and the need for appropriate  
20       treatment. The counselor shall submit a report with  
21       recommendations to the court. The court shall require the



1 person to obtain appropriate treatment if the counselor's  
2 assessment establishes the person's substance abuse or  
3 dependence. All costs for assessment and treatment shall be  
4 borne by the person or by the person's parent or guardian, if  
5 the person is under the age of eighteen.

6 (e) Notwithstanding section 831-3.2 or any other law to  
7 the contrary, a person convicted of a first-time violation under  
8 subsection (b) (1), who had no prior drug enforcement contacts,  
9 may apply to the court for an expungement order upon attaining  
10 the age of twenty-one, or thereafter, if the person has  
11 fulfilled the terms of the sentence imposed by the court and has  
12 had no subsequent alcohol or drug related enforcement contacts.

13 (f) Notwithstanding any other law to the contrary,  
14 whenever a court revokes a person's driver's license pursuant to  
15 this section, the examiner of drivers shall not grant to the  
16 person an application for a new driver's license for a period to  
17 be determined by the court.

18 (g) Any person sentenced under this section may be ordered  
19 to reimburse the county for the cost of any blood tests  
20 conducted pursuant to section 291E-11. The court shall order  
21 the person to make restitution in a lump sum, or in a series of



1 prorated installments, to the police department or other agency  
2 incurring the expense of the blood test.

3 (h) The requirement to provide proof of financial  
4 responsibility pursuant to section 287-20 shall not be based  
5 upon a sentence imposed under subsection (b) (1).

6 (i) Any person who violates this section shall be guilty  
7 of a violation.

8 (j) As used in this section:

9 "Driver's license" has the same meaning as in section  
10 286-2.

11 "Examiner of drivers" has the same meaning as in section  
12 286-2."

13 SECTION 8. Section 291-1, Hawaii Revised Statutes, is  
14 amended by adding two new definitions to be appropriately  
15 inserted and to read as follows:

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

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



SECTION 9. Section 291E-1, Hawaii Revised Statutes, is amended by adding three new definitions to be appropriately inserted and to read as follows:

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

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

"Tetrahydrocannabinol" means the cannabinoids that function as the primary psychoactive component of marijuana or marijuana concentrate."

PART V

SECTION 10. Section 28-8.3, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) No department of the State other than the attorney general ~~[may]~~ shall employ or retain any attorney, by contract or otherwise, for the purpose of representing the State or the department in any litigation, rendering legal counsel to the department, or drafting legal documents for the department; provided that ~~[the foregoing provision]~~ this subsection shall not apply to the employment or retention of attorneys:



- 1           (1) By the public utilities commission, [~~the~~] labor and  
2           industrial relations appeals board, and [~~the~~] Hawaii  
3           labor relations board;
- 4           (2) By any court or judicial or legislative office of the  
5           State; provided further that if the attorney general  
6           is requested to provide representation to a court or  
7           judicial office by the chief justice or the chief  
8           justice's designee, or to a legislative office by the  
9           speaker of the house of representatives and [~~the~~]  
10          president of the senate jointly, and the attorney  
11          general declines to provide [~~such~~] the representation  
12          on the grounds of conflict of interest, the attorney  
13          general shall retain an attorney for the court,  
14          judicial[~~r~~] office, or legislative office, subject to  
15          approval by the court, judicial[~~r~~] office, or  
16          legislative office;
- 17          (3) By the legislative reference bureau;
- 18          (4) By any compilation commission that may be constituted  
19          from time to time;
- 20          (5) By the real estate commission for any action involving  
21          the real estate recovery fund;



- 1 (6) By the contractors license board for any action
- 2 involving the contractors recovery fund;
- 3 (7) By the office of Hawaiian affairs;
- 4 (8) By the department of commerce and consumer affairs for
- 5 the enforcement of violations of chapters 480 and
- 6 485A;
- 7 (9) As grand jury counsel;
- 8 (10) By the Hawaii health systems corporation, or its
- 9 regional system boards, or any of their facilities;
- 10 (11) By the auditor;
- 11 (12) By the office of ombudsman;
- 12 (13) By the insurance division;
- 13 (14) By the University of Hawaii;
- 14 (15) By the Kahoolawe island reserve commission;
- 15 (16) By the division of consumer advocacy;
- 16 (17) By the office of elections;
- 17 (18) By the campaign spending commission;
- 18 (19) By the Hawaii tourism authority, as provided in
- 19 section 201B-2.5;
- 20 (20) By the division of financial institutions;
- 21 (21) By the office of information practices;



1 (22) By the school facilities authority;

2 (23) By the Mauna Kea stewardship and oversight authority;

3 [~~or~~]

4 (24) By the Hawaii cannabis and hemp office; or

5 [~~(24)~~] (25) By a department, if the attorney general, for  
6 reasons deemed by the attorney general to be good and  
7 sufficient, declines to employ or retain an attorney  
8 for a department; provided further that the governor  
9 waives the provision of this section."

10 2. By amending subsection (c) to read:

11 "(c) Every attorney employed by any department on a full-  
12 time basis, except an attorney employed by the public utilities  
13 commission, the labor and industrial relations appeals board,  
14 the Hawaii labor relations board, the office of Hawaiian  
15 affairs, the Hawaii health systems corporation or its regional  
16 system boards, the department of commerce and consumer affairs  
17 in prosecution of consumer complaints, the insurance division,  
18 the division of consumer advocacy, the University of Hawaii, the  
19 Hawaii tourism authority as provided in section 201B-2.5, the  
20 Mauna Kea stewardship and oversight authority, the Hawaii





1 cannabis and hemp office, the office of information practices,  
2 or as grand jury counsel, shall be a deputy attorney general."

3 SECTION 11. Section 46-4, Hawaii Revised Statutes, is  
4 amended by amending subsection (f) to read as follows:

5 "(f) Neither this section nor any other law, county  
6 ordinance, or rule shall prohibit the use of land for ~~[medical]~~  
7 ~~cannabis [production centers or medical cannabis dispensaries]~~  
8 businesses established and licensed pursuant to chapter ~~[329D]~~  
9 ~~provided that the land is otherwise zoned for agriculture,~~  
10 ~~manufacturing, or retail purposes.]~~ A, except as provided in  
11 section A-21."

12 SECTION 12. Section 76-16, Hawaii Revised Statutes, is  
13 amended by amending subsection (b) to read as follows:

14 "(b) The civil service to which this chapter applies shall  
15 comprise all positions in the State now existing or hereafter  
16 established and embrace all personal services performed for the  
17 State, except the following:

- 18 (1) Commissioned and enlisted personnel of the Hawaii  
19 National Guard and positions in the Hawaii National  
20 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 ~~[-(2)]~~ (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;



(3) Geographic areas in which medical cannabis is  
cultivated and consumed;

(4) Prices of medical cannabis and related products;

(5) Number of employment opportunities related to medical  
cannabis; and

(6) Economic impact of medical cannabis cultivation and  
sales.

(b) The [~~department of health~~] Hawaii cannabis and hemp  
office and medical cannabis dispensaries, retail cannabis  
stores, and medical cannabis cooperatives licensed pursuant to  
chapter [329D] A shall provide de-identified aggregated data as  
required by the department pursuant to this section.

(c) Upon request, the department shall provide an analysis  
of the aggregated de-identified data to the [~~department of  
health~~] Hawaii cannabis and hemp office and [~~the~~] legislature."

SECTION 15. Section 209E-2, Hawaii Revised Statutes, is  
amended by amending the definition of "eligible business  
activity" to read as follows:

"Eligible business activity" means the:

(1) Manufacture of tangible personal property, the  
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~~[v]~~; 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;



- (4) Amounts received by an employee benefit plan by way of contributions, dividends, interest, and other income; and amounts received by a nonprofit organization or office, as payments for costs and expenses incurred for the administration of an employee benefit plan; provided that this exemption shall not apply to any gross rental income or gross rental proceeds received after June 30, 1994, as income from investments in real property in this State; ~~and~~ provided further that gross rental income or gross rental proceeds from investments in real property received by an employee benefit plan after June 30, 1994, under written contracts executed ~~[prior to]~~ before July 1, 1994, shall not be taxed until the contracts are renegotiated, renewed, or extended, or until after December 31, 1998, whichever is earlier. For the purposes of this paragraph, "employee benefit plan" means any plan as defined in title 29 United States Code section 1002(3), as amended;
- (5) Amounts received for purchases made with United States Department of Agriculture food coupons under the



1 federal food stamp program, and amounts received for  
2 purchases made with United States Department of  
3 Agriculture food vouchers under the Special  
4 Supplemental Foods Program for Women, Infants and  
5 Children;

6 (6) Amounts received by a hospital, infirmary, medical  
7 clinic, health care facility, pharmacy, or a  
8 practitioner licensed to administer the drug to an  
9 individual for selling prescription drugs or  
10 prosthetic devices to an individual; provided that  
11 this paragraph shall not apply to any amounts received  
12 for services provided in selling prescription drugs or  
13 prosthetic devices. As used in this paragraph:

14 "Prescription drugs" are those drugs defined  
15 under section 328-1 and dispensed by filling or  
16 refilling a written or oral prescription by a  
17 practitioner licensed under law to administer the drug  
18 and sold by a licensed pharmacist under section 328-16  
19 or practitioners licensed to administer drugs;  
20 provided that "prescription drugs" shall not include  
21 any cannabis [~~or manufactured cannabis products~~]



1 authorized pursuant to [~~chapters 329 and 329D,~~]  
2 chapter A; and

3 "Prosthetic device" means any artificial device  
4 or appliance, instrument, apparatus, or contrivance,  
5 including their components, parts, accessories, and  
6 replacements thereof, used to replace a missing or  
7 surgically removed part of the human body, which is  
8 prescribed by a licensed practitioner of medicine,  
9 osteopathy, or podiatry and that is sold by the  
10 practitioner or that is dispensed and sold by a dealer  
11 of prosthetic devices; provided that "prosthetic  
12 device" shall not mean any auditory, ophthalmic,  
13 dental, or ocular device or appliance, instrument,  
14 apparatus, or contrivance;

15 (7) Taxes on transient accommodations imposed by chapter  
16 237D and passed on and collected by operators holding  
17 certificates of registration under that chapter;

18 (8) Amounts received as dues by an unincorporated  
19 merchants association from its membership for  
20 advertising media, promotional, and advertising costs  
21 for the promotion of the association for the benefit



1 of its members as a whole and not for the benefit of  
2 an individual member or group of members less than the  
3 entire membership;

4 (9) Amounts received by a labor organization for real  
5 property leased to:

6 (A) A labor organization; or

7 (B) A trust fund established by a labor organization  
8 for the benefit of its members, families, and  
9 dependents for medical or hospital care, pensions  
10 on retirement or death of employees,  
11 apprenticeship and training, and other membership  
12 service programs.

13 As used in this paragraph, "labor organization" means  
14 a labor organization exempt from federal income tax  
15 under section 501(c)(5) of the Internal Revenue Code,  
16 as amended;

17 (10) Amounts received from foreign diplomats and consular  
18 officials who are holding cards issued or authorized  
19 by the United States Department of State granting them  
20 an exemption from state taxes; ~~and~~





(11) Amounts received as rent for the rental or leasing of aircraft or aircraft engines used by the lessees or renters for interstate air transportation of passengers and goods. For purposes of this paragraph, payments made pursuant to a lease shall be considered rent regardless of whether the lease is an operating lease or a financing lease. The definition of "interstate air transportation" is the same as in 49 U.S.C. section 40102[~~7~~]; and

(12) Amounts received from:

- (A) Sales of cannabis, whether made at retail or wholesale;
- (B) Sales of medical cannabis; and
- (C) Taxes on the retail sale of cannabis or sale of medical cannabis imposed by chapter B and passed on and collected by persons holding permits under chapter B."

SECTION 19. Section 245-1, Hawaii Revised Statutes, is amended by amending the definition of "e-liquid" to read as follows:



1       "E-liquid" means any liquid or like substance, which may  
2 or may not contain nicotine, that is designed or intended to be  
3 used in an electronic smoking device, whether or not packaged in  
4 a cartridge or other container.

5       "E-liquid" does not include:

- 6       (1) Prescription drugs;
- 7       (2) Cannabis [~~for medical use pursuant to chapter 329 or~~  
8       ~~manufactured~~], cannabis products, or cannabis  
9       accessories authorized pursuant to chapter [329D,] A;  
10       or
- 11       (3) Medical devices used to aerosolize, inhale, or ingest  
12       prescription drugs[~~, including manufactured cannabis~~  
13       ~~products described in section 329D-10]~~."

14       SECTION 20. Section 321-30.1, Hawaii Revised Statutes, is  
15 amended by amending subsections (a) and (b) to read as follows:

16       "(a) There is established within the state treasury the  
17 medical cannabis registry and regulation special fund. The fund  
18 shall be expended at the discretion of the director of health:

- 19       (1) To establish and regulate a system of medical cannabis  
20       dispensaries in the State;



(2) To offset the cost of the processing and issuance of patient registry identification certificates and primary caregiver registration certificates;

(3) To fund positions and operating costs authorized by the legislature;

(4) To establish and manage a secure and confidential database;

(5) To fund public education [~~as required by section 329D-26~~];

(6) To fund substance abuse prevention and education programs; and

(7) For any other expenditure necessary, consistent with this chapter [~~and chapter 329D~~], to implement medical cannabis registry and regulation programs.

(b) The fund shall consist of all moneys derived from fees collected pursuant to subsection (c) [~~and section 329D-4~~].

There is established within the medical cannabis registry and regulation special fund:

(1) A medical cannabis registry program [~~sub-account,~~ subaccount, into which shall be deposited all fees collected pursuant to subsection (c); and



(2) A medical cannabis dispensary program [~~sub-account,~~  
subaccount, into which shall be deposited all fees  
collected [~~pursuant to section 329D-4~~]."

SECTION 21. Section 322-1, Hawaii Revised Statutes, is  
amended to read as follows:

"§322-1 Removal[~~;~~]; prevention[~~;~~]; definition. (a) The  
department of health and its agents shall examine into all  
nuisances, foul or noxious odors, gases or vapors, water in  
which mosquito larvae exist, sources of filth, and all causes of  
sickness or disease, on shore, and in any vessel, [~~which~~] that  
may be known to [~~them~~] the department or brought to [~~their~~] the  
department's attention, [~~which~~] that in [~~their~~] the department's  
opinion are dangerous or injurious to health, and into any and  
all conditions created or existing [~~which~~] that cause or tend to  
cause sickness or disease or to be dangerous or injurious to  
health, and shall cause the same to be abated, destroyed,  
removed, or prevented.

(b) For purposes of this part[~~, a nuisance shall~~  
include]:

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



1 "Hemp product" has the same meaning as defined in section  
2 A-3.

3 "Nuisance":

4 (1) Includes:

5 (A) Toxic materials that are used in or by-products  
6 of the manufacture or conversion of  
7 methamphetamine, and clandestine drug labs that  
8 manufacture methamphetamine; and

9 ~~[(+2)]~~ (B) Odors and filth resulting from a person  
10 feeding feral birds~~[-]~~; and

11 (2) Does not include a cannabis product or hemp product or  
12 any foul or noxious odor, gas, or vapor derived from a  
13 cannabis product or hemp product."

14 SECTION 22. Section 329-43.5, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 **"§329-43.5 Prohibited acts related to drug paraphernalia.**

17 (a) Except as provided in ~~[subsection]~~ subsections (e) [7] and  
18 (f), it ~~[is]~~ shall be unlawful for any person to use, or to  
19 possess with intent to use, drug paraphernalia to plant,  
20 propagate, cultivate, grow, harvest, manufacture, compound,  
21 convert, produce, process, prepare, test, analyze, pack, repack,



1 store, contain, conceal, inject, ingest, inhale, or otherwise  
2 introduce into the human body a controlled substance in  
3 violation of this chapter. A violation of this subsection shall  
4 constitute a violation subject to a fine of no more than \$500.

5 (b) Except as provided in subsection (e), it [~~is~~] shall be  
6 unlawful for any person to deliver, possess with intent to  
7 deliver, or manufacture with intent to deliver drug  
8 paraphernalia, knowing or under circumstances where one  
9 reasonably should know, that it will be used to plant,  
10 propagate, cultivate, grow, harvest, manufacture, compound,  
11 convert, produce, process, prepare, test, analyze, pack, repack,  
12 store, contain, conceal, inject, ingest, inhale, or otherwise  
13 introduce into the human body a controlled substance in  
14 violation of this chapter. A violation of this subsection shall  
15 constitute a violation subject to a fine of no more than \$500.

16 (c) Any person eighteen years of age or [~~over~~] older who  
17 violates subsection (b) by delivering drug paraphernalia to a  
18 person or persons under eighteen years of age who are at least  
19 three years younger than that adult person [~~is~~] shall be guilty  
20 of a class B felony and upon conviction may be imprisoned



1 pursuant to section 706-660 and, if appropriate as provided in  
2 section 706-641, fined pursuant to section 706-640.

3 (d) It ~~[is]~~ shall be unlawful for any person to place in  
4 any newspaper, magazine, handbill, or other publication any  
5 advertisement, knowing or under circumstances where one  
6 reasonably should know, that the purpose of the advertisement,  
7 in whole or in part, is to promote the sale of objects designed  
8 or intended for use as drug paraphernalia. Any person who  
9 violates this section ~~[is]~~ shall be guilty of a class C felony  
10 and upon conviction may be imprisoned pursuant to section 706-  
11 660 and, if appropriate as provided in section 706-641, fined  
12 pursuant to section 706-640.

13 (e) Subsections (a) and (b) shall not apply to a person  
14 who is ~~[authorized to:]~~

15 ~~(1) Acquire, possess, cultivate, use, distribute, or~~  
16 ~~transport cannabis pursuant to the definition of~~  
17 ~~"medical use" under section 329-121, while the person~~  
18 ~~is facilitating the medical use of cannabis by a~~  
19 ~~qualifying patient; or~~

20 ~~(2) Dispense, manufacture, or produce cannabis or~~  
21 ~~manufactured cannabis products pursuant to and in~~



~~compliance with chapter 329D, while the person is~~  
~~facilitating the medical use of cannabis by a~~  
~~qualifying patient pursuant to part IX of chapter~~  
~~329.]~~ acting in strict compliance with chapter A with  
respect to cannabis.

(f) Beginning January 1, 2026, subsection (a) shall not  
apply to the possession of drug paraphernalia to:

(1) Store, contain, or conceal; or  
(2) Inject, ingest, inhale, or otherwise introduce into  
the human body,  
marijuana."

SECTION 23. Section 378-2.5, Hawaii Revised Statutes, is  
amended by amending subsection (d) to read as follows:

"(d) Notwithstanding subsections (b) and (c), the  
requirement that inquiry into and consideration of a prospective  
employee's conviction record may take place only after the  
individual has received a conditional job offer, and the  
limitation to the most recent seven-year period for felony  
convictions and the most recent five-year period for misdemeanor  
convictions, excluding the period of incarceration, shall not  
apply to employers who are expressly permitted to inquire into





1 an individual's criminal history for employment purposes  
2 pursuant to any federal or state law other than subsection (a),  
3 including:

4 (1) The State or any of its branches, political  
5 subdivisions, or agencies pursuant to sections 78-2.7  
6 and 831-3.1; provided that any state law permitting  
7 the State and any of its branches, political  
8 subdivisions, agencies, or semi-autonomous public  
9 bodies corporate and politic to conduct more extensive  
10 inquiries into an individual's criminal history for  
11 employment purposes than those permitted under this  
12 section shall prevail;

13 (2) The department of education pursuant to section  
14 302A-601.5;

15 (3) The department of health with respect to employees,  
16 providers, or subcontractors in positions that place  
17 them in direct contact with clients when providing  
18 non-witnessed direct mental health services pursuant  
19 to section 321-171.5;

20 (4) The judiciary pursuant to section 571-34;



- 1 (5) The counties pursuant to section 846-2.7(b)(5), (33),  
2 (34), (35), (36), and (38);
- 3 (6) Armed security services pursuant to section 261-17(b);
- 4 (7) Providers of a developmental disabilities domiciliary  
5 home pursuant to section 321-15.2;
- 6 (8) Private schools pursuant to sections 302C-1 and  
7 378-3(8);
- 8 (9) Financial institutions in which deposits are insured  
9 by a federal agency having jurisdiction over the  
10 financial institution pursuant to section 378-3(9);
- 11 (10) Detective agencies and security guard agencies  
12 pursuant to sections 463-6(b) and 463-8(b);
- 13 (11) Employers in the business of insurance pursuant to  
14 section 431:2-201.3;
- 15 (12) Employers of individuals or supervisors of individuals  
16 responsible for screening passengers or property under  
17 title 49 United States Code section 44901 or  
18 individuals with unescorted access to an aircraft of  
19 an air carrier or foreign carrier or in a secured area  
20 of an airport in the United States pursuant to title  
21 49 United States Code section 44936(a);



(13) The department of human services pursuant to sections 346-2.5, 346-97, and 352-5.5;

(14) The public library system pursuant to section 302A-601.5;

(15) The department of law enforcement pursuant to section 353C-5;

(16) The board of directors of a cooperative housing corporation or the manager of a cooperative housing project pursuant to section 421I-12;

(17) The board of directors of an association under chapter 514B, or the managing agent or resident manager of a condominium pursuant to section 514B-133;

(18) The department of health pursuant to section 321-15.2; [and]

(19) The department of corrections and rehabilitation pursuant to section 353-1.5[-];

(20) The Hawaii cannabis and hemp office pursuant to section A-24; and

(21) A licensed business pursuant to section A-74."

SECTION 24. Section 421J-16, Hawaii Revised Statutes, is amended to read as follows:



1       "**§421J-16 Medical cannabis; discrimination.** A provision  
2 in any association document allowing for any of the  
3 discriminatory practices listed in section 515-3(a) (1) to (7)  
4 against a person residing in a unit who has a valid  
5 ~~[certificate]~~ medical cannabis registration card for the medical  
6 use of cannabis as provided in section ~~[329-123]~~ A-47 in any  
7 form is void, unless the association document prohibits the  
8 smoking of tobacco and the medical cannabis is used by means of  
9 smoking. Nothing in this section shall be construed to diminish  
10 the obligation of a planned community association to provide  
11 reasonable accommodations for persons with disabilities pursuant  
12 to section 515-3(a) (9)."

13       SECTION 25. Section 453-8, Hawaii Revised Statutes, is  
14 amended by amending subsection (a) to read as follows:

15       "(a) In addition to any other actions authorized by law,  
16 any license to practice medicine and surgery may be revoked,  
17 limited, or suspended by the board at any time in a proceeding  
18 before the board, or may be denied, for any cause authorized by  
19 law, including but not limited to the following:

20       (1) Procuring, or aiding or abetting in procuring, an  
21 abortion that is unlawful under the laws of this State



1 or that would be unlawful under the laws of this State  
2 if performed within this State;

3 (2) Employing any person to solicit patients for one's  
4 self;

5 (3) Engaging in false, fraudulent, or deceptive  
6 advertising, including but not limited to:

7 (A) Making excessive claims of expertise in one or  
8 more medical specialty fields;

9 (B) Assuring a permanent cure for an incurable  
10 disease; or

11 (C) Making any untruthful and improbable statement in  
12 advertising one's medical or surgical practice or  
13 business;

14 (4) Being habituated to the excessive use of drugs or  
15 alcohol; or being addicted to, dependent on, or a  
16 habitual user of a narcotic, barbiturate, amphetamine,  
17 hallucinogen, or other drug having similar effects;

18 (5) Practicing medicine while the ability to practice is  
19 impaired by alcohol, drugs, physical disability, or  
20 mental instability;



1 (6) Procuring a license through fraud, misrepresentation,  
2 or deceit, or knowingly permitting an unlicensed  
3 person to perform activities requiring a license;

4 (7) Professional misconduct, hazardous negligence causing  
5 bodily injury to another, or manifest incapacity in  
6 the practice of medicine or surgery;

7 (8) Incompetence or multiple instances of negligence,  
8 including but not limited to the consistent use of  
9 medical service, which is inappropriate or  
10 unnecessary;

11 (9) Conduct or practice contrary to recognized standards  
12 of ethics of the medical profession as adopted by the  
13 Hawaii Medical Association, the American Medical  
14 Association, the Hawaii Association of Osteopathic  
15 Physicians and Surgeons, or the American Osteopathic  
16 Association;

17 (10) Violation of the conditions or limitations upon which  
18 a limited or temporary license is issued;

19 (11) Revocation, suspension, or other disciplinary action  
20 by another state or federal agency of a license,  
21 certificate, or medical privilege, except when the



1 revocation, suspension, or other disciplinary action  
2 was based on the provision or assistance in receipt or  
3 provision of medical, surgical, pharmaceutical,  
4 counseling, or referral services relating to the human  
5 reproductive system, including but not limited to  
6 services relating to pregnancy, contraception, or the  
7 termination of a pregnancy, so long as the provision  
8 or assistance in receipt or provision of the services  
9 was in accordance with the laws of this State or would  
10 have been in accordance with the laws of this State if  
11 it occurred within this State;

12 (12) Conviction, whether by nolo contendere or otherwise,  
13 of a penal offense substantially related to the  
14 qualifications, functions, or duties of a physician or  
15 osteopathic physician, notwithstanding any statutory  
16 provision to the contrary, except when the conviction  
17 was based on the provision or assistance in receipt or  
18 provision of medical, surgical, pharmaceutical,  
19 counseling, or referral services relating to the human  
20 reproductive system, including but not limited to  
21 services relating to pregnancy, contraception, or the



1 termination of a pregnancy, so long as the provision  
2 or assistance in receipt or provision of the services  
3 was in accordance with the laws of this State or would  
4 have been in accordance with the laws of this State if  
5 it occurred within this State;

6 (13) Violation of chapter 329, the uniform controlled  
7 substances act, or any rule adopted thereunder except  
8 as provided in section [~~329-122~~] A-49;

9 (14) Failure to report to the board, in writing, any  
10 disciplinary decision issued against the licensee or  
11 the applicant in another jurisdiction within thirty  
12 days after the disciplinary decision is issued; or

13 (15) Submitting to or filing with the board any notice,  
14 statement, or other document required under this  
15 chapter, which is false or untrue or contains any  
16 material misstatement or omission of fact."

17 SECTION 26. Section 514B-113, Hawaii Revised Statutes, is  
18 amended to read as follows:

19 "**§514B-113 Medical cannabis; discrimination.** A provision  
20 in any articles of incorporation, declaration, bylaws,  
21 administrative rules, house rules, or association documents of a





1 condominium allowing for any of the discriminatory practices  
2 listed in section 515-3(a)(1) to (7) against a person residing  
3 in a unit who has a valid [~~certificate~~] medical cannabis  
4 registration card for the medical use of cannabis as provided in  
5 section [~~329-123~~] A-47 in any form is void, unless the documents  
6 prohibit the smoking of tobacco and the medical cannabis is used  
7 by means of smoking. Nothing in this section shall be construed  
8 to diminish the obligation of a condominium association to  
9 provide reasonable accommodations for persons with disabilities  
10 pursuant to section 515-3(a)(9)."

11 SECTION 27. Section 521-39, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "**§521-39 Medical cannabis; tenant use; eviction.** A  
14 provision in a rental agreement allowing for eviction of a  
15 tenant who has a valid [~~certificate~~] medical cannabis  
16 registration card for the medical use of cannabis as provided in  
17 section [~~329-123~~] A-47 in any form is void, unless the rental  
18 agreement allows for eviction for smoking tobacco and the  
19 medical cannabis is used by means of smoking; provided that this  
20 section shall not apply where the articles of incorporation,  
21 declaration, bylaws, administrative rules, house rules,



1 association documents, or a similar document of a condominium  
2 property regime or planned community association prohibits the  
3 ~~[medical]~~ use of cannabis."

4 SECTION 28. Section 709-903.5, Hawaii Revised Statutes, is  
5 amended by amending subsection (1) to read as follows:

6 "(1) Except as provided in subsection (2), a person  
7 commits the offense of endangering the welfare of a minor in the  
8 first degree if, having care or custody of a minor, the person:

9 (a) Intentionally or knowingly allows another person to  
10 inflict serious or substantial bodily injury on the  
11 minor; or

12 (b) Intentionally or knowingly causes or permits the minor  
13 to inject, ingest, inhale, or otherwise introduce into  
14 the minor's body any controlled substance listed in  
15 sections 329-14, 329-16, 329-18, and 329-20 that has  
16 not been prescribed by a physician for the minor,  
17 except as permitted under section ~~[329-122.]~~ A-41."

18 SECTION 29. Section 709-904, Hawaii Revised Statutes, is  
19 amended by amending subsection (1) to read as follows:



1       "(1) Except as provided in section 709-903.5(2), a person  
2 commits the offense of endangering the welfare of a minor in the  
3 second degree if, having care or custody of a minor, the person:

4       (a) Recklessly allows another person to inflict serious or  
5       substantial bodily injury on the minor; or

6       (b) Recklessly causes or permits the minor to inject,  
7       ingest, inhale, or otherwise introduce into the  
8       minor's body any controlled substance listed in  
9       sections 329-14, 329-16, 329-18, and 329-20 that has  
10      not been prescribed by a physician for the minor,  
11      except as permitted under section [~~329-122.~~] A-41.

12      This subsection shall not apply to nursing mothers who  
13      may cause the ingestion or introduction of detectable  
14      amounts of any controlled substance listed in sections  
15      329-14, 329-16, 329-18, and 329-20 to their minor  
16      children through breastfeeding."

17      SECTION 30. Section 712-1240.1, Hawaii Revised Statutes,  
18 is amended by amending subsection (2) to read as follows:

19      "(2) It [~~is~~] shall be an affirmative defense to  
20 prosecution for any marijuana-related offense defined in this  
21 part that the person who possessed or distributed the marijuana



1 was authorized to possess or distribute the marijuana [~~for~~  
2 ~~medical purposes pursuant to part IX of chapter 329.~~] pursuant  
3 to chapter A."

4 SECTION 31. Section 712-1244, Hawaii Revised Statutes, is  
5 amended by amending subsection (1) to read as follows:

6 "(1) A person commits the offense of promoting a harmful  
7 drug in the first degree if the person knowingly:

8 (a) Possesses one hundred or more capsules or tablets or  
9 dosage units containing one or more of the harmful  
10 drugs or one or more of the marijuana concentrates, or  
11 any combination thereof;

12 (b) Possesses one or more preparations, compounds,  
13 mixtures, or substances, of an aggregate weight of one  
14 ounce or more containing one or more of the harmful  
15 drugs or one or more of the marijuana concentrates, or  
16 any combination thereof;

17 (c) Distributes twenty-five or more capsules or tablets or  
18 dosage units containing one or more of the harmful  
19 drugs or one or more of the marijuana concentrates, or  
20 any combination thereof;



(d) Distributes one or more preparations, compounds, mixtures, or substances, of an aggregate weight of one-eighth ounce or more, containing one or more of the harmful drugs or one or more of the marijuana concentrates, or any combination thereof; ~~[or]~~

(e) Distributes any harmful drug ~~[or any marijuana concentrate]~~ in any amount to a minor~~[-]~~; or

(f) Distributes any marijuana concentrate in any amount to a person under the age of twenty-one."

SECTION 32. Section 712-1246.5, Hawaii Revised Statutes, is amended by amending subsection (2) to read as follows:

"(2) Promoting a harmful drug in the fourth degree ~~[is]~~ shall be a misdemeanor[-]; provided that possession of one or more preparations, compounds, mixtures, or substances containing more than five grams of marijuana concentrate shall be a petty misdemeanor; provided further that possession of one or more preparations, compounds, mixtures, or substances containing up to five grams of marijuana concentrate shall be a violation, punishable by a fine of \$25. A person found responsible for a violation under this section may request, and shall be granted, a penalty of up to two hours of community service in lieu of a



1 fine. Whenever a court sentences a person under twenty-one  
2 years old pursuant to this section, it shall also require that  
3 the person be referred for an assessment by a certified  
4 substance abuse counselor of the person's substance abuse or  
5 dependence and the need for appropriate treatment. The  
6 counselor shall submit a report with a recommendation to the  
7 court. The court shall require the person to obtain appropriate  
8 treatment if the counselor's assessment establishes the person's  
9 substance abuse or dependence. All costs for assessment and  
10 treatment shall be borne by the person or, if the person is  
11 under the age of eighteen, by the person's parent or guardian."

12 SECTION 33. Section 712-1249, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 **"§712-1249 Promoting a detrimental drug in the third**  
15 **degree.** (1) A person commits the offense of promoting a  
16 detrimental drug in the third degree if ~~[the]~~:

17 (a) The person knowingly possesses any marijuana or any

18 Schedule V substance in any amount[-]; or

19 (b) Smokes marijuana in a public place.



1 (2) Promoting a detrimental drug in the third degree [~~is~~]  
2 shall be a petty misdemeanor; provided that [~~possession of three~~  
3 ~~grams or less of~~]:

4 (a) Possession of one or more preparations, compounds,  
5 mixtures, or substances, of an aggregate weight of:

6 (i) Up to one ounce, containing any marijuana [~~is~~];

7 or

8 (ii) Within a person's private residence only, up to  
9 ten ounces, containing any marijuana produced by  
10 the person's personal cultivation of marijuana;  
11 provided that at any private residence,  
12 regardless of the number of people residing  
13 there, the total amount of preparations,  
14 compounds, mixtures, or substances containing any  
15 marijuana shall not exceed an aggregate weight of  
16 two pounds,

17 shall be a violation, punishable by a fine of [~~\$130.~~]  
18 \$25. A person found responsible for a violation under  
19 this paragraph may request, and shall be granted, a  
20 penalty of up to two hours of community service in  
21 lieu of a fine; and



1        (b) Smoking marijuana in a public place shall be a  
2        violation, punishable by a fine of up to \$130. A  
3        person found responsible for a violation under this  
4        paragraph may request, and shall be granted, a penalty  
5        of up to ten hours of community service in lieu of a  
6        fine.

7        Whenever a court sentences a person under twenty-one years old  
8        pursuant to this section, it shall also require that the person  
9        be referred for an assessment by a certified substance abuse  
10       counselor of the person's substance abuse or dependence and the  
11       need for appropriate treatment. The counselor shall submit a  
12       report with a recommendation to the court. The court shall  
13       require the person to obtain appropriate treatment if the  
14       counselor's assessment establishes the person's substance abuse  
15       or dependence. All costs for assessment and treatment shall be  
16       borne by the person or, if the person is under the age of  
17       eighteen, by the person's parent or guardian."

18       SECTION 34. Section 712A-4, Hawaii Revised Statutes, is  
19       amended to read as follows:

20       **"§712A-4 Covered offenses.** Offenses for which property is  
21       subject to forfeiture under this chapter are:





- 1 (a) All offenses that specifically authorize forfeiture;  
2 (b) Murder; kidnapping; labor trafficking; unlicensed sale  
3 of liquor; unlicensed manufacture of liquor; gambling;  
4 criminal property damage; robbery; bribery; extortion;  
5 theft; unauthorized entry into motor vehicle;  
6 burglary; money laundering; trademark counterfeiting;  
7 insurance fraud; promoting a dangerous, harmful, or  
8 detrimental drug; commercial promotion of marijuana;  
9 methamphetamine trafficking; manufacturing of a  
10 controlled substance with a child present; promoting  
11 child abuse; promoting prostitution; sex trafficking;  
12 commercial sexual exploitation of a minor; habitual  
13 commercial sexual exploitation; or electronic  
14 enticement of a child that is chargeable as a felony  
15 offense under state law;  
16 (c) The manufacture, sale, or distribution of a controlled  
17 substance in violation of chapter 329, promoting  
18 detrimental drugs or intoxicating compounds, promoting  
19 pornography, promoting pornography for minors, or  
20 commercial sexual exploitation near schools or public  
21 parks, which is chargeable as a felony or misdemeanor



1 offense, but not as a petty misdemeanor, under state  
2 law; provided that the activities authorized under  
3 chapter A shall not be subject to forfeiture under  
4 this chapter; and

5 (d) The attempt, conspiracy, solicitation, coercion, or  
6 intimidation of another to commit any offense for  
7 which property is subject to forfeiture."

8 SECTION 35. Section 846-2.7, Hawaii Revised Statutes, is  
9 amended by amending subsection (b) to read as follows:

10 "(b) Criminal history record checks may be conducted by:

11 (1) The department of health or its designee on operators  
12 of adult foster homes for individuals with  
13 developmental disabilities or developmental  
14 disabilities domiciliary homes and their employees, as  
15 provided by section 321-15.2;

16 (2) The department of health or its designee on  
17 prospective employees, persons seeking to serve as  
18 providers, or subcontractors in positions that place  
19 them in direct contact with clients when providing  
20 non-witnessed direct mental health or health care  
21 services as provided by section 321-171.5;



- 1           (3) The department of health or its designee on all  
2           applicants for licensure or certification for,  
3           operators for, prospective employees, adult  
4           volunteers, and all adults, except adults in care, at  
5           healthcare facilities as defined in section 321-15.2;
- 6           (4) The department of education on employees, prospective  
7           employees, and teacher trainees in any public school  
8           in positions that necessitate close proximity to  
9           children as provided by section 302A-601.5;
- 10          (5) The counties on employees and prospective employees  
11          who may be in positions that place them in close  
12          proximity to children in recreation or child care  
13          programs and services;
- 14          (6) The county liquor commissions on applicants for liquor  
15          licenses as provided by section 281-53.5;
- 16          (7) The county liquor commissions on employees and  
17          prospective employees involved in liquor  
18          administration, law enforcement, and liquor control  
19          investigations;
- 20          (8) The department of human services on operators and  
21          employees of child caring institutions, child placing



1 organizations, and resource family homes as provided  
2 by section 346-17;

3 (9) The department of human services on prospective  
4 adoptive parents as established under section  
5 346-19.7;

6 (10) The department of human services or its designee on  
7 applicants to operate child care facilities, household  
8 members of the applicant, prospective employees of the  
9 applicant, and new employees and household members of  
10 the provider after registration or licensure as  
11 provided by section 346-154, and persons subject to  
12 section 346-152.5;

13 (11) The department of human services on persons exempt  
14 pursuant to section 346-152 to be eligible to provide  
15 child care and receive child care subsidies as  
16 provided by section 346-152.5;

17 (12) The department of health on operators and employees of  
18 home and community-based case management agencies and  
19 operators and other adults, except for adults in care,  
20 residing in community care foster family homes as  
21 provided by section 321-15.2;



1       (13) The department of human services on staff members of  
2       the Hawaii youth correctional facility as provided by  
3       section 352-5.5;

4       (14) The department of human services on employees,  
5       prospective employees, and volunteers of contracted  
6       providers and subcontractors in positions that place  
7       them in close proximity to youth when providing  
8       services on behalf of the office or the Hawaii youth  
9       correctional facility as provided by section 352D-4.3;

10      (15) The judiciary on employees and applicants at detention  
11      and shelter facilities as provided by section 571-34;

12      (16) The department of corrections and rehabilitation on  
13      employees and prospective employees, volunteers,  
14      contract service providers, and subcontract service  
15      providers who are directly involved with the treatment  
16      and care of, or directly involved in providing  
17      correctional programs and services to, persons  
18      committed to a correctional facility, or placed in  
19      close proximity to persons committed when providing  
20      services on behalf of the department or the  
21      correctional facility, as provided by section 353-1.5



1 and the department of law enforcement on employees and  
2 prospective employees whose duties involve or may  
3 involve the exercise of police powers including the  
4 power of arrest as provided by section 353C-5;

5 (17) The board of private detectives and guards on  
6 applicants for private detective or private guard  
7 licensure as provided by section 463-9;

8 (18) Private schools and designated organizations on  
9 employees and prospective employees who may be in  
10 positions that necessitate close proximity to  
11 children; provided that private schools and designated  
12 organizations receive only indications of the states  
13 from which the national criminal history record  
14 information was provided pursuant to section 302C-1;

15 (19) The public library system on employees and prospective  
16 employees whose positions place them in close  
17 proximity to children as provided by section  
18 302A-601.5;

19 (20) The State or any of its branches, political  
20 subdivisions, or agencies on applicants and employees  
21 holding a position that has the same type of contact



1 with children, vulnerable adults, or persons committed  
2 to a correctional facility as other public employees  
3 who hold positions that are authorized by law to  
4 require criminal history record checks as a condition  
5 of employment as provided by section 78-2.7;

6 (21) The department of health on licensed adult day care  
7 center operators, employees, new employees,  
8 subcontracted service providers and their employees,  
9 and adult volunteers as provided by section 321-15.2;

10 (22) The department of human services on purchase of  
11 service contracted and subcontracted service providers  
12 and their employees and volunteers, as provided by  
13 sections 346-2.5 and 346-97;

14 (23) The department of human services on foster grandparent  
15 program, senior companion program, and respite  
16 companion program participants as provided by section  
17 346-97;

18 (24) The department of human services on contracted and  
19 subcontracted service providers and their current and  
20 prospective employees that provide home and community-  
21 based services under section 1915(c) of the Social



1 Security Act, title 42 United States Code section  
2 1396n(c), or under any other applicable section or  
3 sections of the Social Security Act for the purposes  
4 of providing home and community-based services, as  
5 provided by section 346-97;

6 (25) The department of commerce and consumer affairs on  
7 proposed directors and executive officers of a bank,  
8 savings bank, savings and loan association, trust  
9 company, and depository financial services loan  
10 company as provided by section 412:3-201;

11 (26) The department of commerce and consumer affairs on  
12 proposed directors and executive officers of a  
13 nondepository financial services loan company as  
14 provided by section 412:3-301;

15 (27) The department of commerce and consumer affairs on the  
16 original chartering applicants and proposed executive  
17 officers of a credit union as provided by section  
18 412:10-103;

19 (28) The department of commerce and consumer affairs on:  
20 (A) Each principal of every non-corporate applicant  
21 for a money transmitter license;





- 1 (B) Each person who upon approval of an application  
2 by a corporate applicant for a money transmitter  
3 license will be a principal of the licensee; and
- 4 (C) Each person who upon approval of an application  
5 requesting approval of a proposed change in  
6 control of licensee will be a principal of the  
7 licensee,
- 8 as provided by sections 489D-9 and 489D-15;
- 9 (29) The department of commerce and consumer affairs on  
10 applicants for licensure and persons licensed under  
11 title 24;
- 12 (30) The Hawaii health systems corporation on:
- 13 (A) Employees;
- 14 (B) Applicants seeking employment;
- 15 (C) Current or prospective members of the corporation  
16 board or regional system board; or
- 17 (D) Current or prospective volunteers, providers, or  
18 contractors,
- 19 in any of the corporation's health facilities as  
20 provided by section 323F-5.5;
- 21 (31) The department of commerce and consumer affairs on:



- 1 (A) An applicant for a mortgage loan originator  
2 license, or license renewal; and
- 3 (B) Each control person, executive officer, director,  
4 general partner, and managing member of an  
5 applicant for a mortgage loan originator company  
6 license or license renewal,  
7 as provided by chapter 454F;
- 8 (32) The state public charter school commission or public  
9 charter schools on employees, teacher trainees,  
10 prospective employees, and prospective teacher  
11 trainees in any public charter school for any position  
12 that places them in close proximity to children, as  
13 provided in section 302D-33;
- 14 (33) The counties on prospective employees who work with  
15 children, vulnerable adults, or senior citizens in  
16 community-based programs;
- 17 (34) The counties on prospective employees for fire  
18 department positions that involve contact with  
19 children or vulnerable adults;



1 (35) The counties on prospective employees for emergency  
2 medical services positions that involve contact with  
3 children or vulnerable adults;

4 (36) The counties on prospective employees for emergency  
5 management positions and community volunteers whose  
6 responsibilities involve planning and executing  
7 homeland security measures including viewing,  
8 handling, and engaging in law enforcement or  
9 classified meetings and assisting vulnerable citizens  
10 during emergencies or crises;

11 (37) The State and counties on employees, prospective  
12 employees, volunteers, and contractors whose position  
13 responsibilities require unescorted access to secured  
14 areas and equipment related to a traffic management  
15 center;

16 (38) The State and counties on employees and prospective  
17 employees whose positions involve the handling or use  
18 of firearms for other than law enforcement purposes;

19 (39) The State and counties on current and prospective  
20 systems analysts and others involved in an agency's  
21 information technology operation whose position



responsibilities provide them with access to  
proprietary, confidential, or sensitive information;

(40) The department of commerce and consumer affairs on:

(A) Applicants for real estate appraiser licensure or  
certification as provided by chapter 466K;

(B) Each person who owns more than ten per cent of an  
appraisal management company who is applying for  
registration as an appraisal management company,  
as provided by section -7; and

(C) Each of the controlling persons of an applicant  
for registration as an appraisal management  
company, as provided by section -7;

(41) The ~~[department of health]~~ Hawaii cannabis and hemp  
office or its designee on:

(A) ~~[Individual applicants or individuals acting on  
behalf of applying entities for hemp processor  
permits as provided under section 328C-2;]~~

Current or prospective employees, contractors,  
and subcontractors and current or prospective  
employees of the contractors and subcontractors



1           of the Hawaii cannabis and hemp office, as  
2           provided by section A-24; and

3           (B) All license and permit applicants, [~~licensees,~~  
4           current or prospective employees~~]~~ and  
5           contractors [~~, and prospective employees of~~  
6           ~~medical cannabis dispensaries, and individuals~~  
7           ~~permitted to enter and remain in medical cannabis~~  
8           ~~dispensary facilities as provided under sections~~  
9           ~~329D-15(a)(4) and 329D-16(a)(3);~~] of licensed  
10          businesses, and current and prospective  
11          laboratory agents of independent laboratories, as  
12          provided by section A-74;

13          (42) The department of commerce and consumer affairs on  
14          applicants for nurse licensure or license renewal,  
15          reactivation, or restoration as provided by sections  
16          457-7, 457-8, 457-8.5, and 457-9;

17          (43) The county police departments on applicants for  
18          permits to acquire firearms pursuant to section 134-2,  
19          on individuals registering their firearms pursuant to  
20          section 134-3, and on applicants for new or renewed



1 licenses to carry a pistol or revolver and ammunition  
2 pursuant to section 134-9;

3 (44) The department of commerce and consumer affairs on:

4 (A) Each of the controlling persons of the applicant  
5 for licensure as an escrow depository, and each  
6 of the officers, directors, and principals who  
7 will be in charge of the escrow depository's  
8 activities upon licensure; and

9 (B) Each of the controlling persons of an applicant  
10 for proposed change in control of an escrow  
11 depository licensee, and each of the officers,  
12 directors, and principals who will be in charge  
13 of the licensee's activities upon approval of the  
14 application,

15 as provided by chapter 449;

16 (45) The department of taxation on current or prospective  
17 employees or contractors who have access to federal  
18 tax information [~~in order~~] to comply with requirements  
19 of federal law, regulation, or procedure, as provided  
20 by section 231-1.6;



1 (46) The department of labor and industrial relations on  
2 current or prospective employees or contractors who  
3 have access to federal tax information [~~in order~~] to  
4 comply with requirements of federal law, regulation,  
5 or procedure, as provided by section 383-110;

6 (47) The department of human services on current or  
7 prospective employees or contractors who have access  
8 to federal tax information [~~in order~~] to comply with  
9 requirements of federal law, regulation, or procedure,  
10 and on current or prospective employees, volunteers,  
11 contractors, or contractors' employees or volunteers,  
12 subcontractors, or subcontractors' employees or  
13 volunteers, whose position places or would place them  
14 in close proximity to minors, young adults, or  
15 vulnerable adults, as provided by section 346-2.5;

16 (48) The child support enforcement agency on current or  
17 prospective employees, or contractors who have access  
18 to federal tax information [~~in order~~] to comply with  
19 federal law, regulation, or procedure, as provided by  
20 section 576D-11.5;



1       (49) The department of the attorney general on current or  
2       prospective employees or employees or agents of  
3       contractors who have access to federal tax information  
4       to comply with requirements of federal law,  
5       regulation, or procedure, as provided by section  
6       28-17;

7       (50) The department of commerce and consumer affairs on  
8       each control person, executive officer, director,  
9       general partner, and managing member of an installment  
10      loan licensee, or an applicant for an installment loan  
11      license, as provided in chapter 480J;

12      (51) The university of Hawaii on current and prospective  
13      employees and contractors whose duties include  
14      ensuring the security of campus facilities and  
15      persons; and

16      (52) Any other organization, entity, or the State, its  
17      branches, political subdivisions, or agencies as may  
18      be authorized by state law."

19      SECTION 36. Act 14, Session Laws of Hawaii 2020, as  
20      amended by section 2 of Act 137, Session Laws of Hawaii 2022, as





1 amended by section 15 of Act 263, Session Laws of Hawaii 2023,  
2 is amended by amending section 9 to read as follows:

3 "SECTION 9. This Act shall take effect upon its approval,  
4 and shall be repealed on July 1, [~~2027,~~] 2025; provided that the  
5 definition of "marijuana" in section 329-1, Hawaii Revised  
6 Statutes, and the definitions of "marijuana" and "marijuana  
7 concentrate" in section 712-1240, Hawaii Revised Statutes, shall  
8 be reenacted in the form in which they read on the day prior to  
9 the effective date of this Act."

10 SECTION 37. Act 263, Session Laws of Hawaii 2023, is  
11 amended by amending section 19 to read as follows:

12 "SECTION 19. This Act shall take effect on July 1, 2023,  
13 and shall be repealed on July 1, [~~2027,~~] 2025."

14 SECTION 38. Act 110, Session Laws of Hawaii 2024, is  
15 amended by amending section 4 to read as follows:

16 "SECTION 4. This Act shall take effect upon its approval[+  
17 ~~provided that on July 1, 2027, this Act shall be repealed and~~  
18 ~~section 846-2.7, Hawaii Revised Statutes, shall be reenacted in~~  
19 ~~the form in which it read on the day prior to the effective date~~  
20 ~~of this Act]."~~



1 SECTION 39. Chapter 329, part IX, Hawaii Revised Statutes,  
2 is repealed.

3 SECTION 40. Chapter 329D, Hawaii Revised Statutes, is  
4 repealed.

5 PART VI

6 SECTION 41. Licenses previously issued under chapters 328G  
7 or 329D, Hawaii Revised Statutes, shall remain in full force and  
8 effect until the previously issued licenses expire on their own  
9 terms; provided that the licensees shall be regulated under  
10 chapter A, Hawaii Revised Statutes, and rules adopted pursuant  
11 to chapter A, Hawaii Revised Statutes.

12 SECTION 42. (a) Each existing medical cannabis dispensary  
13 whose license remains effective pursuant to section 41 of this  
14 Act may convert their operation into licenses under chapter A,  
15 Hawaii Revised Statutes, before January 1, 2026; provided that  
16 the existing medical cannabis dispensary may only convert  
17 existing licensed operations and premises; provided further that  
18 an existing medical cannabis dispensary may only be issued up to  
19 three cannabis cultivator licenses, three cannabis processor  
20 licenses, four medical cannabis dispensary licenses, and four  
21 retail cannabis store licenses, but no more than ten licenses in



1 total, in accordance with chapter A, Hawaii Revised Statutes,  
2 and rules adopted pursuant to chapter A, Hawaii Revised  
3 Statutes.

4 (b) To convert an existing medical cannabis dispensary  
5 license into a license or licenses under chapter A, Hawaii  
6 Revised Statutes, before the expiration of the existing license,  
7 but no later than October 1, 2025, the existing medical cannabis  
8 dispensary shall apply to the Hawaii cannabis and hemp office,  
9 on forms prescribed by the office, and shall establish to the  
10 office's satisfaction:

11 (1) The existing medical cannabis dispensary's existing  
12 ownership structure;

13 (2) All persons with a direct or indirect interest in the  
14 existing medical cannabis dispensary;

15 (3) The existing medical cannabis dispensary is currently  
16 in full compliance with the terms and conditions under  
17 which the license was issued;

18 (4) The existing medical cannabis dispensary meets the  
19 application criteria required by chapter A, Hawaii  
20 Revised Statutes, and rules adopted pursuant to  
21 chapter A, Hawaii Revised Statutes;



1 (5) The existing medical cannabis dispensary is in  
2 compliance with any other requirements of chapter A,  
3 Hawaii Revised Statutes, including the ownership  
4 restrictions; and

5 (6) The existing medical cannabis dispensary is capable of  
6 sustaining the product supply and access for the  
7 registered qualifying patients they serve.

8 (c) An existing medical cannabis dispensary shall pay a  
9 one-time conversion fee of \$50,000 per retail dispensing  
10 location being converted and \$25,000 per production facility  
11 being converted. The one-time conversion fee may be paid in  
12 separate installments; provided that the conversion fee shall be  
13 paid in full on or before January 1, 2026. If the conversion  
14 fee is not paid by January 1, 2026, any license held by the  
15 licensee shall be subject to revocation in accordance with  
16 chapter A, Hawaii Revised Statutes, and rules adopted pursuant  
17 to chapter A, Hawaii Revised Statutes.

18 (d) The Hawaii cannabis and hemp office shall audit the  
19 existing medical cannabis dispensary ownership to ensure  
20 compliance with the ownership restrictions in chapter A, Hawaii  
21 Revised Statutes.



1 (e) Upon full or partial payment of the conversion fee,  
2 and a complete and valid conversion application, the Hawaii  
3 cannabis and hemp office shall issue licenses under chapter A,  
4 Hawaii Revised Statutes, for the premises and operations of the  
5 existing medical cannabis dispensary that have been approved for  
6 conversion by the office. The converted licenses shall be  
7 issued no later than January 1, 2026.

8 SECTION 43. The Hawaii cannabis and hemp office shall  
9 issue the initial round of new licenses under chapter A, Hawaii  
10 Revised Statutes, by July 1, 2026.

11 SECTION 44. All functions of the department of health  
12 office of medical cannabis control and regulation shall be  
13 transferred to the Hawaii cannabis and hemp office.

14 All employees who occupy civil service positions and whose  
15 functions are transferred by this Act shall retain their civil  
16 service status, whether permanent or temporary. Employees shall  
17 be transferred without loss of salary, seniority (except as  
18 prescribed by collective bargaining agreements), retention  
19 points, prior service credit, any vacation and sick leave  
20 credits previously earned, and other rights, benefits, and  
21 privileges, in accordance with state personnel laws and this



1 Act; provided that the employees possess the minimum  
2 qualifications and public employment requirements for the class  
3 or position to which transferred or appointed, as applicable;  
4 provided further that subsequent changes in status may be made  
5 pursuant to applicable civil service and compensation laws.

6 Any employee who, before this Act, is exempt from civil  
7 service and is transferred as a consequence of this Act may  
8 continue to retain the employee's exempt status but shall not be  
9 appointed to a civil service position because of this Act. An  
10 exempt employee who is transferred by this Act shall not suffer  
11 any loss of prior service credit, any vacation and sick leave  
12 credits previously earned, or other employee benefits or  
13 privileges as a consequence of this Act; provided that the  
14 employee possesses legal and public employment requirements for  
15 the position to which transferred or appointed, as applicable;  
16 provided further that subsequent changes in status may be made  
17 pursuant to applicable employment and compensation laws. The  
18 Hawaii cannabis and hemp office to which the employee is  
19 transferred may prescribe the duties and qualifications of the  
20 employees and fix their salaries without regard to chapter 76,  
21 Hawaii Revised Statutes.



1       SECTION 45. The program manager of the department of  
2 health office of medical cannabis control and regulation shall  
3 serve as the interim administrator of the Hawaii cannabis and  
4 hemp office until the governor appoints an administrator or  
5 March 1, 2026, whichever occurs first.

6       SECTION 46. All leases, contracts, loans, agreements,  
7 permits, or other documents executed or entered into by or on  
8 behalf of the department of health or department of agriculture  
9 pursuant to the provisions of the Hawaii Revised Statutes that  
10 are reenacted or made applicable to the Hawaii cannabis and hemp  
11 office by this Act shall remain in full force and effect. On  
12 the effective date of this Act, every reference to the  
13 department of health, director of health, department of  
14 agriculture, or chairperson of the board of agriculture in those  
15 leases, contracts, loans, agreements, permits, or other  
16 documents shall be construed as a reference to the Hawaii  
17 cannabis and hemp office or administrator of the Hawaii cannabis  
18 and hemp office, as appropriate.

19       SECTION 47. All appropriations, records, equipment,  
20 machines, files, supplies, contracts, books, papers, documents,  
21 maps, and other personal property heretofore made, used,



1 acquired, or held by the department of health or department of  
2 agriculture relating to the functions transferred to the Hawaii  
3 cannabis and hemp office shall be transferred with the functions  
4 to which they relate.

5 SECTION 48. All rules, policies, procedures, guidelines,  
6 and other material adopted or developed by the department of  
7 health or department of agriculture to implement provisions of  
8 the Hawaii Revised Statutes that are reenacted or made  
9 applicable to the Hawaii cannabis and hemp office or  
10 administrator of the Hawaii cannabis and hemp office by this  
11 Act, as appropriate, shall remain in full force and effect until  
12 amended or repealed by the Hawaii cannabis and hemp office. In  
13 the interim, every reference to the department of health,  
14 director of health, department of agriculture, or chairperson of  
15 the board of agriculture in those rules, policies, procedures,  
16 guidelines, and other material shall be construed as a reference  
17 to the Hawaii cannabis and hemp office or administrator of the  
18 Hawaii cannabis and hemp office, as appropriate.

19 SECTION 49. The right of appeal from administrative  
20 actions or determinations as provided by law shall not be  
21 impaired by this Act. Except as otherwise provided by this Act,





1 whenever a right of appeal from administrative actions or  
2 determinations is provided by law to or from any officer, board,  
3 department, bureau, commission, administrative agency, or  
4 instrumentality of the State, or any of the programs of which,  
5 that is transferred by this Act to the Hawaii cannabis and hemp  
6 office or administrator of the Hawaii cannabis and hemp office,  
7 as the case may be, the right of appeal shall lie to or from the  
8 Hawaii cannabis and hemp office or administrator of the Hawaii  
9 cannabis and hemp office, as the case may be, when the transfer  
10 is made. The right of appeal shall exist to the same extent and  
11 in accordance with the applicable procedures that are in effect  
12 immediately before the effective date of the applicable part.

13 If the provisions of this section relating to appeals  
14 cannot be effected by reason of abolishment, splitting, or  
15 shifting of functions or otherwise, the right of appeal shall  
16 lie to the circuit court of the State pursuant to the Hawaii  
17 rules of civil procedure.

18 SECTION 50. Notwithstanding any other provision of law to  
19 the contrary, from the effective date of this Act to  
20 December 31, 2027, the Hawaii cannabis and hemp office shall be



1 exempt from procurement requirements under chapter 103D, Hawaii  
2 Revised Statutes, if the procurement is for:

3 (1) Banking services for the Hawaii cannabis and hemp  
4 office or department of taxation, or both, to collect  
5 fees and tax revenue;

6 (2) Banking services to help support cannabis businesses  
7 to transition from an all-cash system;

8 (3) A consultant to support the Hawaii cannabis and hemp  
9 office in the process for cannabis licensure,  
10 including services related to investigations and the  
11 financial or criminal history review of applicants or  
12 licensed businesses;

13 (4) A consultant to support the Hawaii cannabis and hemp  
14 office to draft rules to implement chapter A, Hawaii  
15 Revised Statutes;

16 (5) A consultant to provide technical assistance regarding  
17 the social equity grant program;

18 (6) Communication services for public and consumer  
19 education campaigns on cannabis laws and rules and  
20 potential health and safety risks associated with  
21 cannabis use;



- 1 (7) Establishing a state cannabis testing facility; and  
2 (8) A consultant to support the Hawaii cannabis and hemp  
3 office in administering grant programs.

4 SECTION 51. The following positions are established within  
5 the Hawaii cannabis and hemp office:

- 6 (1) Administrator;  
7 (2) Chief compliance officer;  
8 (3) Chief equity officer;  
9 (4) Chief financial officer;  
10 (5) Chief public health and education officer;  
11 (6) Chief technology officer;  
12 (7) Executive secretary to the administrator;  
13 (8) General counsel; and  
14 (9) Hemp coordinator.

15 SECTION 52. Any unexpended or unencumbered balance in the:

- 16 (1) Industrial hemp special fund, established by section  
17 141-14, Hawaii Revised Statutes;  
18 (2) Medical cannabis registry and regulation special fund,  
19 established by section 321-30.1, Hawaii Revised  
20 Statutes; and



(3) Hawaii hemp processing special fund, established by section 328G-7, Hawaii Revised Statutes, shall be transferred as of the close of business on the effective date of this Act to the cannabis regulation and enforcement special fund, established by section A-16, Hawaii Revised Statutes.

SECTION 53. There is appropriated out of the cannabis regulation and enforcement special fund the following sums or so much thereof as may be necessary for fiscal year 2025-2026 and the same sums or so much thereof as may be necessary for fiscal year 2026-2027:

(1) \$                    for the hiring and filling of                    full-time equivalent (           FTE) positions established by this Act and           full-time equivalent (           FTE) positions within the Hawaii cannabis and hemp office established by this Act, the administration and enforcement of the Hawaii Cannabis Law by the Hawaii cannabis and hemp office, and other associated administrative costs;



1           (2)   \$                   for the implementation and administration  
2                   of the social equity grant program established by this  
3                   Act;

4           (3)   \$                   for the implementation and administration  
5                   of the public health and education grant program  
6                   established by this Act;

7           (4)   \$                   for the implementation and administration  
8                   of the public safety grant program established by this  
9                   Act; and

10          (5)   \$                   for the purposes of establishing a state  
11                   cannabis testing facility within the Hawaii cannabis  
12                   and hemp office.

13          The sums appropriated shall be expended by the Hawaii  
14          cannabis and hemp office for the purposes of this Act.

15          SECTION 54. The following positions are established within  
16          the department of the attorney general for the drug nuisance  
17          abatement unit pursuant to section 28-131, Hawaii Revised  
18          Statutes, to carry out part II of this Act:

19          (1)           full-time equivalent (       FTE) supervising  
20                   deputy attorney general position;



- 1 (2) full-time equivalent ( FTE) deputy attorney  
2 general position;
- 3 (3) full-time equivalent ( FTE) administrative  
4 assistant position;
- 5 (4) full-time equivalent ( FTE) supervisory  
6 special agent (investigator VI) position; and
- 7 (5) full-time equivalent ( FTE) special agent  
8 (investigator V) positions.

9 SECTION 55. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$ or so  
11 much thereof as may be necessary for fiscal year 2025-2026 and  
12 the same sum or so much thereof as may be necessary for fiscal  
13 year 2026-2027 for the department of the attorney general to  
14 implement part II of this Act, including the hiring and filling  
15 of the full-time equivalent ( FTE) positions within the  
16 department of the attorney general established by this Act,  
17 equipment costs, and other associated administrative costs.

18 The sums appropriated shall be expended by the department  
19 of the attorney general for the purposes of this Act.

20 SECTION 56. The following positions are established within  
21 the department of the attorney general for the special



1 investigation and prosecution division to prevent the  
2 proliferation of money laundering and organized crime that may  
3 result from the expansion of the legal cannabis market or is  
4 related to fentanyl and methamphetamine:

- 5 (1) full-time equivalent ( FTE) supervising  
6 deputy attorney general position;
- 7 (2) full-time equivalent ( FTE) deputy attorney  
8 general position;
- 9 (3) full-time equivalent ( FTE) administrative  
10 assistant position;
- 11 (4) full-time equivalent ( FTE) supervisory  
12 special agent (investigator VI) position; and
- 13 (5) full-time equivalent ( FTE) special agent  
14 (investigator V) positions.

15 SECTION 57. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$ or so  
17 much thereof as may be necessary for fiscal year 2025-2026 and  
18 the same sum or so much thereof as may be necessary for fiscal  
19 year 2026-2027 for the department of the attorney general  
20 special investigation and prosecution division to prevent the  
21 proliferation of money laundering and organized crime that may



1 result from the expansion of the legal cannabis market or is  
2 related to fentanyl and methamphetamine, including the hiring  
3 and filling of the full-time equivalent ( FTE)  
4 positions within the department of the attorney general  
5 established by this Act, equipment costs, and other associated  
6 administrative costs.

7 The sums appropriated shall be expended by the department  
8 of the attorney general for the purposes of this Act.

9 SECTION 58. The following positions are established within  
10 the department of taxation to implement part III of this Act:

11 (1) full-time equivalent ( FTE) auditor

12 positions;

13 (2) full-time equivalent ( FTE) cashier position;

14 (3) full-time equivalent ( FTE) special

15 enforcement section investigator positions;

16 (4) full-time equivalent ( FTE) tax information

17 technician positions; and

18 (5) full-time equivalent ( FTE) tax law change

19 specialist positions.





1 In filling these positions, the director of taxation may  
2 appoint tax law change specialists who shall be exempt from  
3 chapter 76, Hawaii Revised Statutes.

4 SECTION 59. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$ or so  
6 much thereof as may be necessary for fiscal year 2025-2026 and  
7 the same sum or so much thereof as may be necessary for fiscal  
8 year 2026-2027 for the department of taxation to implement part  
9 III of this Act, including the hiring and filling of  
10 the full-time equivalent ( FTE) positions within the  
11 department of taxation established by this Act, costs for  
12 project management services, costs for building and security  
13 improvements, and other associated administrative costs.

14 The sums appropriated shall be expended by the department  
15 of taxation for the purposes of this Act.

16 SECTION 60. The appropriations made by this Act shall not  
17 lapse at the end of the fiscal biennium for which the  
18 appropriations are made; provided that all moneys from the  
19 appropriations unencumbered as of June 30, 2028, shall lapse as  
20 of that date.



1       SECTION 61. This Act shall not be applied to impair any  
2 contract existing as of the effective date of this Act in a  
3 manner violative of either the Hawaii State Constitution or  
4 Article I, section 10, of the United States Constitution.

5       SECTION 62. This Act shall not affect rights and duties  
6 that matured, penalties and forfeitures that were incurred, and  
7 proceedings that were begun before its effective date.

8       SECTION 63. If any provision of this Act or the  
9 application thereof to any person or circumstance is held  
10 invalid, the invalidity does not affect other provisions or  
11 applications of the Act that can be given effect without the  
12 invalid provision or application, and to this end the provisions  
13 of this Act are severable.

14       SECTION 64. If any part of this Act is found to be in  
15 conflict with federal requirements that are a prescribed  
16 condition for the allocation of federal funds to the State, the  
17 conflicting part of this Act is inoperative solely to the extent  
18 of the conflict and with respect to the agencies directly  
19 affected, and this finding does not affect the operation of the  
20 remainder of this Act in its application to the agencies  
21 concerned. The rules under this Act shall meet federal



1 requirements that are a necessary condition to the receipt of  
2 federal funds by the State.

3 SECTION 65. In codifying the new sections added by  
4 sections 2, 4, and 7 of this Act, the revisor of statutes shall  
5 substitute appropriate section numbers for the letters used in  
6 designating the new sections in this Act.

7 SECTION 66. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 67. This Act shall take effect on July 1, 3000;  
10 provided that:

11 (1) Sections A-26 and A-51 through A-54, Hawaii Revised  
12 Statutes, of section 2 of this Act and part III and  
13 sections 31, 32, and 33 of this Act shall take effect  
14 on January 1, 2026;

15 (2) The amendments made to section 237-24.3, Hawaii  
16 Revised Statutes, by section 18 of this Act shall not  
17 be repealed when the amendments made to that section  
18 by section 2 of Act 47, Session Laws of Hawaii 2024,  
19 take effect on January 1, 2026; and

20 (3) The amendments made to section 846-2.7, Hawaii Revised  
21 Statutes, by section 35 of this Act shall not be



1 repealed when section 846-2.7, Hawaii Revised  
2 Statutes, is reenacted on July 1, 2027, pursuant to  
3 section 4 of Act 110, Session Laws of Hawaii 2024.



**Report Title:**

DCCA; DOH; DOA; DoTax; Hawaii Cannabis and Hemp Office; Adult-Use Cannabis; Medical Cannabis; Hemp; Appropriations

**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. Effective 7/1/3000. (HD1)

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

