JOSH GREEN, M.D.
GOVERNOR OF HAWAIʻI
KE KIAʻĀINA O KA MOKUʻĀINA ʻO HAWAIʻI

DEPT. COMM. NO. 315

KENNETH S. FINK, M.D., M.P.H., M.G.A.
DIRECTOR OF HEALTH
KA LUNA HOʻOKELE

STATE OF HAWAI'I
DEPARTMENT OF HEALTH
KA ʻOIHANA OLAKINO
P. O. BOX 3378
HONOLULU, HI 96801-3378

In reply, please refer to:
File:

January 20, 2026

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Nadine K. Nakamura,
Speaker
and Members of the House of
Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Annual Report on the Establishment and Regulation of Medical Cannabis Production Centers and Dispensaries to the Legislature, pursuant to Chapter 329D, Section 23, Hawaii Revised Statutes.

In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at:

https://health.hawaii.gov/opppd/department-of-health-reports-to-2026-legislature/

Sincerely,

Kenneth S. Fink, M.D., M.P.H., M.G.A.
Director of Health

Enclosures

c: Legislative Reference Bureau
Hawaii State Library System (2)
Hamilton Library

REPORT TO THE THIRTY-THIRD LEGISLATURE

STATE OF HAWAII

2026

ANNUAL REPORT

MEDICAL CANNABIS DISPENSARY LICENSING SYSTEM

Pursuant to Act 241, Session Laws of Hawaii, 2015,
Requesting the Department of Health to Submit an Annual Report on the Establishment and Regulation of Medical Cannabis Production Centers and Dispensaries

Prepared by:
DEPARTMENT OF HEALTH
STATE OF HAWAII

January 2026

EXECUTIVE SUMMARY

Pursuant to Act 241, Session Laws of Hawaii, 2015, the Department of Health submits a report to the 2023 Legislature on the establishment and regulation of medical cannabis production centers and dispensaries that includes:

(1) The number and location of production centers and dispensaries licensed;

(2) The total licensing fees collected;

(3) The total amount of taxes collected from production centers and dispensaries; and

(4) Any licensing violations determined by the department.

BACKGROUND

Act 241, Session Laws of Hawaii, 2015, codified as Chapter 329D, Hawaii Revised Statutes (HRS), established a regulated statewide dispensary system for medical cannabis to ensure safe and legal access to medical cannabis for qualifying patients. Section 329D-2, HRS, directed the Department of Health (DOH) to issue eight dispensary licenses statewide – three for the City and County of Honolulu, two each for the County of Hawaii and County of Maui, and one for the County of Kauai. Regulatory oversight of the licensees is the responsibility of the DOH Medical Cannabis Dispensary Licensing Section (MCDLS), Office of Medical Cannabis Control and Regulation.

Online applications for Medical Cannabis Dispensary Licenses were accepted from January 12, 2016 through January 29, 2016. A total of 66 applications were received. DOH announced selection of the eight dispensary licensees on April 29, 2016.

There have been no new licenses issued since April 29, 2016.

City and County of Honolulu

Aloha Green Holdings Inc.

Manoa Botanicals, LLC

TCG Retro Market 1, LLC

County of Hawaii

Hawaiian Ethos, LLC

Lau Ola, LLC

County of Maui

Maui Wellness Group, LLC

Pono Life Sciences Maui, LLC

County of Kauai

Green Aloha Ltd.

NUMBER AND LOCATION OF LICENSED FACILITIES

Each licensee is allowed to operate up to three production centers for cultivation, manufacturing, and packaging of cannabis and manufactured cannabis products.[1] Each licensee is allowed to establish up to two retail dispensing locations. DOH may authorize two additional retail dispensing location per licensee to serve qualified patients in a rural or underserved geographical area.[2, 3] Retail dispensing locations may not be co-located with production centers, and each production center may not hold more than seven thousand five hundred plants (7,500).[4, 5] Licensees are capped at fifteen thousand (15,000) cannabis plants in total across all of their production centers. For security reasons, locations of production centers are not publicly disclosed.

The first production centers were given a notice to proceed for cultivation on February 1, 2017. The first dispensary was given a notice to proceed to retail on August 8, 2017. As of December 23, 2025, there are a total of 34 operational licensed medical cannabis facilities statewide; 10 production centers and 24 retail locations (Table 1).

Table 1. Licensed Medical Cannabis Facilities in Operation December 2025

Licensee	Facilities	Address	Notice to Proceed
Aloha Green Holdings Inc.	Production Center #1	---	Feb. 1, 2017
	Retail Location #1	1314 S. King Street, Honolulu, HI 96814	Aug. 9, 2017
	Retail Location #2	2113 Kalakaua Avenue, Honolulu, HI 96815	Aug. 22, 2019
	Retail Location #3	3131 N Nimitz Highway, Honolulu, HI 96819	Mar. 17, 2021
	Retail Location #4	92-1047 Olani St, Unit 1-110 Kapolei, HI 96707	June 29, 2023
Manoa Botanicals LLC, dba Noa Botanicals	Production Center #1	---	Feb. 9, 2017
	Retail Location #1	1308 Young Street, Honolulu, HI 96814	Oct. 9, 2017

[1] §329D-2(f), HRS.
[2] §329D-2(g), HRS.
[3] §329D-2(l), HRS.
[4] §329D-2(i), HRS.
[5] §329D-2(k), HRS.

	Retail Location #2	46-028 Kawa Street, Kaneohe, HI 96744	Feb. 13, 2019
	Retail Location #3	98-302 Kamehameha Hwy, Aiea, HI 96701	Sept. 24, 2020
	Retail Location #4	345 Royal Hawaiian Avenue, Unit 101, Honolulu HI 96815	Apr. 19, 2025
TCG Retro Market 1, LLC dba Cure Oahu	Production Center #1	---	Jun. 28, 2017
	Retail Center #1	727 Kapahulu Avenue, Honolulu, HI 96816	Mar. 17, 2018
	Retail Center #2	4850 Kapolei Parkway, Building D, Unit 501, Kapolei, HI 96707	Feb. 2, 2022
	Retail Center #3	70 Kihapai Street Kailua, HI 96734	Dec. 5, 2024
Hawaiian Ethos LLC	Production Center #1	---	Aug. 9, 2018
	Production Center #2	---	May 29, 2019
	Retail Location #1	73-5613 Olowalu Street, Suite 7, Kailua-Kona, HI 96740	Jun. 24, 2019
	Retail Location #2	64-1035 Mamalahoa Hwy, Suite J, Kamuela, HI 96743	Feb. 3, 2020
	Retail Location #3	578 Kanoelehua Avenue, Hilo, HI 96720	Sept. 18, 2020
Lau Ola LLC, dba Big Island Grown	Production Center #1	---	Oct. 3, 2018
	Production Center #2	---	June 14, 2023
	Retail Location #1	750 Kanoelehua Avenue, Suite 104, Hilo, HI 96720	Jan. 11, 2019
	Retail Location #2	74-5617 Pawai Place, Kailua-Kona, HI 96740	Jul. 26, 2019
	Retail Location #3	64-1040 Mamalahoa Highway, Kamuela, HI 96743	Mar. 7, 2019
Maui Wellness Group, LLC, dba Maui Grown Therapies	Production Center #1	---	Feb. 1, 2017
	Retail Location #1	44 Paa Street, Kahului, HI 96732	Aug. 8, 2017
	Retail Location #2	7 Aewa Place, Kahului, HI 96732	Mar. 23, 2022
	Retail Location #3	1215 South Kihei Road, Unit D-2 Kihei, HI 96753	Nov. 17, 2023

Pono Life Sciences Maui, LLC, dba Pono Life Maui	Production Center #1	---	Sep. 19, 2023
	Retail Location #1	95 E. Lipoa St. Kihei, HI 96753	Oct. 10, 2023
	Retail Location #2	60 Ulupono St #8 Lahaina, HI 96761	May 16, 2024
Green Aloha, Ltd.	Production Center #1	---	June 20, 2017
	Retail Location #1	4-1565 Kuhio Highway, #3, Kapaa, HI 96746	May 18, 2018
	Retail Location #2	2827 Poipu Road Koloa, HI 96756	Sep. 16, 2022

INSPECTIONS CONDUCTED 2025

2025	Production Centers	Retail Centers
January	8	10
February	3	6
March	5	10
April	3	9
May	6	8
June	4	10
July	4	10
August	4	3
September	0	0
October	0	0
November	0	0
December	0	0
Total	**37**	**66**

LICENSING FEES COLLECTED

MCDLS collected an initial licensing fee of $75,000 from each of the eight licensees in May 2016.

An annual $50,000 renewal fee was collected from each licensee in 2017, 2018, 2019, 2020, and 2022.

In 2023 a new licensing fee schedule was introduced consisting of four factors. The factors, listed below, were used to determine the License renewal fee for each licensee.

1. Base fee for production center(s)
2. Base fee for retail center(s)
3. Discount percentage based on market conditions in each county
4. Discount percentage based on market share

The total collected for the License renewal fee for 2025 totaled **$915,250.**

Table 2. Licensing Fees Collected[6]

Year	Amount
2016	$600,000
2017	$400,000
2018	$400,000
2019	$400,000
2020	$400,000
2021	$400,000
2022	$400,000
2023	$885,250
2024	$961,250
2025	$915,250
Total to-date	**$5,761,750**

[6] Source: DOH Medical Cannabis Dispensary Licensing Section, Office of Medical Cannabis Control and Regulation.

TAXES COLLECTED

Excise Taxes

A 4% general excise tax is assessed on cannabis and manufactured cannabis products purchased at the licensed dispensaries by qualifying registered patients. The City and County of Honolulu, County of Kauai, and County of Hawaii have current additional 0.5% surcharges which brings the excise tax rate to 4.5% for these counties.[7] The County of Maui has not adopted a county surcharge.

Table 3. Excise Taxes Collected[8]	
Year	**Amount**
2016	No licensee sales
2017	$99,871
2018	$572,170
2019	$1,201,168
2020	$2,023,138
2021	$2,568,947
2022	$2,428,035
2023	$2,588,588
2024	$2,937,877
2025	$2,828,019
Total to-date	**$17,247,813**

Income Taxes

The eight dispensary licensees are structured as either a limited liability company or an S corporation and therefore do not pay state or federal income taxes.

[7] Source: General Excise Tax (GET) Information | Department of Taxation (hawaii.gov)

[8] Source: BioTrack THC™ Electronic Seed-to-Sale Tracking System.

Table 4. All Licensing Violations February 2017 through December 2025									
HAR or HRS Section Violated	**Frequency**								
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
HAR 11-850-2								1	
HAR 11-850-6	0	0	1	0	0	0	0		
HAR 11-850-17	0	0	0	0	0	1	0		
HAR 11-850-21	0	0	0	2	0	1	0		
HAR 11-850-22	0	0	0	0	0	0	1		
HAR 11-850-32	0	3	0	0	0	0	0		1
HAR 11-850-33(c)(8)	1	3	1	2	0	6	1	3	2
HAR 11-850-34(c)	0	1	3	3	0	0	0	4	
HAR 11-850-36(h)	2	0	0	2	3	5	14	2	1
HAR 11-850-37	0	0	1	0	0	0	0		1
HAR 11-850-39	0	2	0	0	0	0	0		
HAR 11-850-41	0	6	4	0	0	0	0		
HAR 11-850-42	0	0	0	0	32	0	0		
HAR 11-850-43	1	3	24	1	0	0	2		1
HAR 11-850-51								1	2
HAR 11-850-51(a)(3)								1	1
HAR 11-850-51(a)(1)(e)								3	
HAR 11-850-51(e)	1	4	4	8	3	48	13	3	1
HAR 11-850-52(1)	3	9	5	1	12	4	0	4	2
HAR 11-850-61(a)	0	1	0	15	49	5	15	5	3
HAR 11-850-71(a)	0	0	0	0	0	0	6	1	
HAR 11-850-72(d)(1)(b)	0	0	0	0	0	0	21	2	
HAR 11-850-72(e)								1	
HAR 11-850-75	0	0	0	1	3	5	0		
HAR 11-850-76(f)	0	0	0	0	0	0	1	1	
HAR 11-850-91	0	0	0	0	1	2	12		

HAR 11-850-92	0	3	0	1	3	3	1		
HAR 11-850-93	0	0	1	3	1	0	0		
HAR 11-850-113	0	0	0	0	0	0	6		1
HAR 11-850-114									2
HAR 11-850-116	0	0	0	0	0	0	3		
HAR 11-850-128								1	
HAR 11-850-131	0	0	0	0	0	0	21	1	
HAR 11-850-141								2	
HAR 11-850-142(a)(1)	0	0	0	0	0	0	6	1	
HAR 11-850-143(j)	0	0	0	0	0	0	12	3	
HAR 11-850-143(b)(3)								6	
HAR 11-850-143(b)(2)								2	
HAR 11-850-143(b)(2)(a)								1	
HAR 11-850-143(b)(2)(b)								3	
HAR 11-850-143(b)(5)								1	
HAR 11-850-143(b)(7)								1	
HAR 11-850-143(b)(8)								4	
HAR 11-850-143(b)(9)								1	
HAR 11-850-143(b)(10)								2	
HAR 11-850-143(b)(10)(f)								2	
HAR 11-850-143(c)(1)								1	
HAR 11-850-143(d)(2)								1	

HAR 11-850-143(2)(a)								3	
HAR 11-850-143(j)								3	
HAR 11-850-144								2	
HAR 11-850-144(b)(1)								1	
HAR 11-850-144(b)(1)(a)								1	
HAR 11-850-145	0	0	0	0	0	0	1		
HRS 329D-6	0	0	0	0	1	0	0		
HRS 329D-10	0	1	5	2	3	0	0		
HRS 329D-22	0	1	0	1	0	2	0		
Total	**8**	**37**	**49**	**42**	**111**	**87**	**136**	**75**	**18**

Review of 2025 Violations

For the period from January 1, 2025, through December 1, 2025, DOH identified a total of 18 licensing violations. The most common violations involved section 11-850-61 (tracking requirements), Hawaii Administrative Rules (HAR).

Notables

On November 7, 2025 Governor Green approved amendments to Hawai‘i Administrative Rules (HAR), Chapter 11-850 (Interim Rules). Medical cannabis dispensaries were given authority to conduct the sale of dry herb vaporizers, grinders, mats, trays, rolling papers, filters and cones. Other amendments include: changes to conditions for dispensary waiting rooms (Act 108 SLH 2023); removing thirty day waiting period for department review and approval of a dispensary to dispensary purchasing plan (Act 172 SLH 2024); and allow maintenance personnel on department-approved list to be reasonably monitored while performing work at a dispensary facility (Act 108 SLH 2023).

From the months of August to December 2025, the OMCCR diverted all efforts to prioritize requirements set forth in Act 269 SLH 2025. The department was required to establish and maintain a registry of all manufactured hemp product retailers and distributors doing business in the State by January 1, 2026. Significant efforts were made to create an online application using only existing resources within the program. Concurrently, the program amended Chapter 11-37 (Interim Rules) Hawaii Administrative Rules ahead of the January 1, 2026 deadline.

Conclusions and Recommendations

The rapid expansion of Hawaii's medical cannabis industry has substantially increased the demand for regulatory oversight by the Office of Medical Cannabis Control and Regulation (OMCCR). Ongoing and frequent industry changes creates downstream impacts to the program. In 2025, changes to federal law enacted by the U.S government directly affects the cannabis and hemp sectors, requiring OMCCR to respond swiftly and strategically. The office must continuously adapt to ensure that medical cannabis remains accessible to Hawaii's patients while maintaining a strong focus on patient safety and public health.

OMCCR's assumption of responsibility for regulating manufactured hemp products, hemp processors, and hemp retailers and distributors has further strained the office's operational capacity. Concurrently, the proliferation of unregulated cannabis and cannabinoid hemp retailers have intensified the need for additional resources, specialized training, and enhanced regulatory oversight.

Recommendations

1. **Increase Staffing Capacity**
    - **Action**: Expand the number of program positions beyond the status. At minimum, include two (2) compliance officers, one (1) data scientist, one (1) program planner, and one (1) accountant.
    - **Rationale**: The current staffing levels are inadequate to manage the growing number of facilities, increasing complexity of processes, and additional hemp regulatory duties. A high level of independent judgment in overseeing both the administrative and technical aspects of the program is required. The additional positions will increase compliance within the program and encourage process improvement.
2. **Enhance Training Programs**
    - **Action**: Provide targeted training for surveyors in good manufacturing practices (GMP), laboratory testing, and emerging cannabis extraction methods.
    - **Rationale**: Up-to-date training will ensure that surveyors are equipped to evaluate new manufacturing techniques and product safety, thereby protecting patients and consumers.
3. **Expand Inspection Scope**
    - **Action**: Include cannabinoid hemp retailers in the regular inspection schedule.
    - **Rationale**: The enactment of Act 269 SLH 2025 requires the program to enforce the law and to protect public health. The rapid growth of cannabinoid hemp and illicit cannabis retailers pose potential risks to public health and safety. Formal inspections will ensure compliance with safety and environmental standards.
4. **Develop a Long-Term Resource Plan**
    - **Action**: Collaborate with state authorities to establish a sustainable resource allocation plan, including funding for additional staff, training programs, and inspection tools.

- **Rationale**: A structured plan will support the long-term effectiveness of OMCCR's regulatory activities and ensure the agency can meet increasing demands.

5. **Public Education and Collaboration**
   - **Action**: Expand educational outreach to licensees, cannabinoid hemp retailers, and the public about regulatory expectations and product safety standards.
   - **Rationale**: Clear communication will promote voluntary compliance and reduce the likelihood of regulatory violations.

Final Note

To ensure the health and safety of Hawaii's citizens and the sustainability of the medical cannabis industry, OMCCR must address these challenges proactively. Securing the necessary resources and implementing these recommendations will enable the office to fulfill its mission of providing access to safe, effective, and responsibly manufactured medical cannabis.