

JAN 21 2026

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 Accordingly, the legislature is prepared to move forward with
10 the legalization of non-medical adult-use cannabis if specific
11 changes are made at the federal level or if the electorate
12 approves a state constitutional amendment to legalize cannabis.

13 In addition, with the enactment of the Agriculture
14 Improvement Act of 2018 (P.L. 115-334), also known as the 2018
15 Farm Bill, the United States Congress removed hemp (cannabis
16 with no more than 0.3 per cent delta-9-THC by weight) from
17 schedule I of the federal Controlled Substances Act, paving the
18 way for hemp-derived products and the industrial use of hemp.
19 In response, the legislature enacted Act 263, Session Laws of
20 Hawaii 2023, to reform hemp industry regulations and acknowledge



1 that hemp is a high-value crop with the potential to generate
2 significant and diverse revenues for Hawaii.

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

19 The legislature further finds that, while hemp holds
20 considerable value for Hawaii's economy and local farmers,
21 certain concerns have surfaced regarding the regulation and



1 enforcement of hemp-derived products that have been processed
2 with the intent to surpass legal THC limits. These items not
3 only contravene the established medical cannabis framework by
4 surpassing permissible THC levels at dispensaries, but have also
5 been marketed toward minors, causing at least one documented
6 case of illness in children who consumed the hemp-derived
7 products. Regulating these products is crucial for the State to
8 uphold public health and safety.

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

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



1 use cannabis, or hemp) in accordance with the Hawaii Cannabis
2 Law; (3) the continuing role of law enforcement agencies in
3 addressing illegal cannabis operations not acting in accordance
4 with the Hawaii Cannabis Law, which pose threats to public
5 order, public health, and business operators who choose to
6 operate in the legal market; (4) a vibrant, well-funded social
7 equity grant program to be implemented by the Hawaii cannabis
8 and hemp office with the intent to bring greater economic
9 opportunity to disadvantaged regions of the State and help
10 transition formerly illicit operators into the legal market; (5)
11 a framework for the legalized sale and possession of cannabis
12 for personal adult use, which will only be effective upon
13 specific changes at the federal level or a state constitutional
14 amendment; and (6) the implementation of extensive, well-funded
15 public health protections, including a public health and
16 education campaign to inform the public about the new laws, the
17 continuing risks to public health - especially to children -
18 posed by cannabis, and financial assistance for public health
19 services, such as addiction and substance abuse treatment.

20 Accordingly, the purpose of this Act is to:

21 (1) Enact the Hawaii Cannabis Law to:



S.B. NO. 2421

- 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) Establish a framework for the legalized sale and
10 possession of cannabis for personal adult use,
11 which will only be effective upon specific
12 changes at the federal level or a state
13 constitutional amendment;
- 14 (D) Provide economic opportunities to
15 disproportionately impacted areas;
- 16 (E) Encourage those currently engaging in illegal,
17 unlicensed commercial cannabis activities to
18 enter the legal market;
- 19 (F) Ensure that state and county law enforcement
20 agencies work closely with the Hawaii cannabis
21 and hemp office and vigorously investigate and



- 1 prosecute illegal cannabis activities that fall
- 2 outside any safe harbor protection; and
- 3 (G) Mandate that the Hawaii cannabis and hemp office
- 4 make the protection of public health and safety
- 5 its highest priorities;
- 6 (2) Establish taxes on the sale of cannabis and require
- 7 every business engaged in the sale of cannabis to
- 8 obtain a cannabis tax permit;
- 9 (3) Add new traffic offenses relating to the consumption
- 10 or possession of marijuana or marijuana concentrate;
- 11 (4) Decriminalize certain drug offenses related to
- 12 marijuana and marijuana concentrate if cannabis for
- 13 personal adult use is legalized;
- 14 (5) Transfer the personnel and assets of the department of
- 15 health and assets of the department of agriculture
- 16 relating to cannabis and hemp to the Hawaii cannabis
- 17 and hemp office;
- 18 (6) Establish various positions within state entities and
- 19 appropriate funds to implement this Act; and
- 20 (7) Make other conforming and housekeeping amendments.

21 PART II



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

"CHAPTER A

HAWAII CANNABIS LAW

PART I. GENERAL PROVISIONS

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

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

- (1) Provide a legal safe harbor from state or county criminal prosecution concerning activities relating to cannabis for those who strictly comply with the provisions of this chapter;
- (2) Establish the Hawaii cannabis and hemp office as an independent body with the power to administratively regulate all aspects of the cannabis plant in accordance with this chapter;
- (3) Establish a framework for the legalized sale and possession of cannabis for personal adult use, which



1 will only be effective upon specific changes at the
2 federal level or a state constitutional amendment;

3 (4) Provide economic opportunities to disproportionately
4 impacted areas;

5 (5) Encourage those engaging in illegal, unlicensed
6 commercial cannabis activities before the enactment of
7 this chapter to enter the legal market;

8 (6) Ensure that state and county law enforcement agencies
9 work closely with the Hawaii cannabis and hemp office
10 and vigorously investigate and prosecute illegal
11 cannabis activities that fall outside of safe harbor
12 protection; and

13 (7) Mandate that the Hawaii cannabis and hemp office make
14 the protection of public health and safety its highest
15 priorities.

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

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



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

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

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

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

20 "Adult-use cannabis product" does not include medical cannabis
21 products.



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

5 "Advisory board" means the advisory board on medical and
6 adult-use cannabis established under section A-26.

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, or general partner of the licensed business,
15 or 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 special 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;



(D) Seizures, including those characteristic of epilepsy;

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

(F) Post-traumatic stress disorder; or

(3) Any other medical condition approved by the office, in consultation with the department of health, under rules adopted pursuant to this chapter.

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

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

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

"Disproportionately impacted area" means historically 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.

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

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

12 "Hemp cultivator" means a person licensed to cultivate hemp
13 pursuant to section A-132.

14 "Hemp extract processor" means a person licensed to process
15 hemp pursuant to section A-133.

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



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

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

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

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

14 (1) Intended for industrial use and not for human
15 consumption, including textiles and construction
16 materials; or

17 (2) Intended for human consumption and generally
18 recognized as safe (GRAS) by the United States Food
19 and Drug Administration for use in foods.



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

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

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

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

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

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

19 "Medical cannabis" means cannabis that is dispensed by a
20 medical cannabis dispensary or retail cannabis store to a
21 medical cannabis patient or the patient's caregiver or cannabis



1 for the medical use of cannabis pursuant to this chapter.

2 "Medical cannabis" includes a medical cannabis product.

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

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

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

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

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

20 "Minor" has the same meaning as defined in section 712-
21 1240.



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

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

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

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

12 "Plant canopy" does not include areas such as space used for the
13 storage of fertilizers, pesticides, or other products,
14 quarantine, or office space.

15 "Private residence" means a house, condominium, or
16 apartment. "Private residence" does not include, unless
17 otherwise authorized by law, dormitories or other on-campus
18 college or university housing; bed-and-breakfast establishments,
19 hotels, motels, or other commercial hospitality operations; and
20 federal public housing, shelters, or residential programs.



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

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

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

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

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

18 "Restricted area" means an enclosed and secured area within
19 a licensed premises used to cultivate, process, store, or test
20 cannabis that is only accessible by authorized employees of the
21 licensed business, employees and agents of the office, state and



1 county law enforcement officers, emergency personnel, and other
2 individuals authorized by law to access the area.

3 "Restricted cannabinoid" means a cannabinoid on the
4 restricted cannabinoid product list established and maintained
5 by the office pursuant to section A-131.

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

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

12 "School" has the same meaning as defined in section 712-
13 1249.6.

14 "School vehicle" has the same meaning as defined in section
15 286-181.

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

19 "Smoke" or "smoking" means inhaling, exhaling, burning, or
20 carrying any lighted or heated cannabis or hemp intended for



1 inhalation in any manner or in any form. "Smoke" or "smoking"
2 includes the use of an electronic cannabis smoking device.

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

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

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

16 (3) The applicant satisfies any other criteria determined
17 by the office and adopted as rules pursuant to this
18 chapter.

19 "Tetrahydrocannabinol" means the group of cannabinoids that
20 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 any 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 in accordance with this chapter,
20 unless:



1 (A) The tenant is renting a room or rooms in only a
2 portion of a residence, where the rest of the
3 residence is rented to other people or occupied
4 by the landlord;

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

8 (C) The residence is a transitional housing facility;
9 or

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

15 **PART II. ADMINISTRATION**

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

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



1 administrative purposes only. The department of commerce and
2 consumer affairs shall not direct or exert authority over the
3 day-to-day operations or functions of the office.

4 (b) The office shall exercise its authority by and through
5 the administrator who shall have expertise and training in the
6 field of cannabis regulation or public health administration.

7 The administrator shall be nominated and, by and with the advice
8 and consent of the senate, appointed by the governor. The
9 administrator shall be exempt from chapter 76 and shall serve at
10 the pleasure of the governor. The term of the administrator
11 shall be coterminous with the term of the governor.

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;



(7) One full-time general counsel; and

(8) One full-time hemp coordinator,
each of whom shall be subject to chapter 76.

SA-12 Hawaii cannabis and hemp office; powers and duties.

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

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

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

(1) Sue and be sued;

(2) Adopt a seal;

(3) Administer oaths and affirmations;

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

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



- 1 (6) Register qualifying patients and qualifying out-of-
2 state patients for medical use of cannabis pursuant to
3 sections A-47 and A-48;
- 4 (7) Develop a process for qualifying patients, qualifying
5 patients' caregivers, and consumers to purchase
6 cannabis plants for cultivation in accordance with
7 sections A-42 and A-53;
- 8 (8) Establish a procedure by which licenses or permits are
9 awarded pursuant to this chapter;
- 10 (9) Approve or deny applications, including renewal
11 applications and change in ownership applications, for
12 licenses or permits pursuant to this chapter;
- 13 (10) Revoke or suspend for cause any license, permit, or
14 registration issued under this chapter;
- 15 (11) Create and maintain a publicly available directory of
16 the names and locations of medical cannabis
17 dispensaries, retail cannabis stores, and craft
18 cannabis dispensaries;
- 19 (12) Create a system whereby a licensed business can verify
20 the status of other licensed businesses;



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



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



1 . authorities for prosecution as appropriate.

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

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

8 (A) A violation of this chapter or any rules adopted
9 pursuant to this chapter; or

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

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

16 (23) For cause, demand and be granted access to all books,
17 papers, and records of licensed businesses for the
18 purposes of audit, examination, inspection, and
19 photocopying; provided that the audit, examination,
20 inspection, and photocopying may take place on the
21 licensed business's licensed premises or elsewhere as



1 practicable and in the presence of the licensed
2 business or its agent;

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

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

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



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

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

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

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

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



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

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

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



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

3 (4) Employ, subject to chapter 76, officers and employees,
4 permanent and temporary, as required;

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

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

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

18 (8) Delegate the powers provided in this section to other
19 officers or employees of the office as may be deemed
20 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.

SA-14 Administrative rules; authority. (a) No later than December 31, 2027, the office shall adopt interim rules, which shall be exempt from chapters 91 and 201M, to effectuate the purposes of this chapter; provided that the interim rules shall remain in effect until December 31, 2032, or until rules are adopted pursuant to subsection (c), whichever occurs sooner.

(b) The office may amend the interim rules to effectuate the purposes of this chapter, and the amendments shall be exempt from chapters 91 and 201M; provided that any amended interim rules shall remain in effect until December 31, 2032, or until rules are adopted pursuant to subsection (c), whichever occurs sooner.



1 (c) No later than December 31, 2032, the office shall
2 adopt rules pursuant to chapter 91 to effectuate the purposes of
3 this chapter.

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

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

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

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

19 (4) Procedures and policies to promote and encourage full
20 participation in the regulated cannabis industry by
21 people from disproportionately impacted areas;



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



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



1 (15) Requirements and procedures to prevent the sale,
2 delivery, or transfer of cannabis to persons under the
3 age of twenty-one, or the purchase of cannabis on
4 behalf of a person under the age of twenty-one,
5 including a prohibition on persons under the age of
6 twenty-one entering the licensed premises of a
7 licensed business unless otherwise authorized for
8 medical use pursuant to this chapter;

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

11 (17) The circumstances, manner, and process by which a
12 licensed business may apply for a change in ownership,
13 including procedures and requirements to enable the
14 transfer of a license for a licensed business to
15 another qualified person or to another suitable
16 location subject to the office's approval;

17 (18) Health and safety standards, established in
18 consultation with the department of health and
19 department of agriculture, for the cultivation,
20 processing, distribution, and dispensing of cannabis,
21 including standards regarding sanitation for the



1 preparation, storage, handling, and sale of edible
2 cannabis products and compliance with chapter 321 and
3 health inspections by the department of health;
4 provided that the power to adopt rules pertaining to
5 the use of pesticides shall remain with the department
6 of agriculture;

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

8 (20) Requirements for the potency or dosing limitations of
9 cannabis, including separate requirements for the
10 potency or dosing limitations of medical cannabis;

11 (21) Requirements for the labeling of a package containing
12 cannabis or hemp;

13 (22) Procedures and policies, in consultation with the
14 department of agriculture, to promote and encourage
15 full participation in the regulated cannabis industry
16 by legacy growers and farmers and agricultural
17 businesses with emphasis on promoting small farms,
18 diversified agriculture, and indigenous farming
19 practices;

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



- 1 (24) Requirements for advertising, marketing, and branding
- 2 cannabis and hemp;
- 3 (25) Requirements for a process allowing the administrator
- 4 to order a prohibition on the sale of cannabis found
- 5 to be detrimental to health or especially appealing to
- 6 persons under the age of twenty-one;
- 7 (26) Requirements for a process allowing a cannabis
- 8 business to voluntarily submit a cannabis product, its
- 9 packaging, and intended marketing to the office for
- 10 review of whether the cannabis product is especially
- 11 appealing to persons under the age of twenty-one;
- 12 (27) Energy and environmental standards for licensure and
- 13 licensure renewal of cannabis cultivators, cannabis
- 14 processors, craft cannabis dispensaries, and hemp
- 15 extract processors;
- 16 (28) Manners in which licensed premises shall be
- 17 constructed, arranged, furnished, equipped,
- 18 maintained, and operated;
- 19 (29) Classification of any cannabis-derived compound,
- 20 cannabinoid or hemp-derived compound, or cannabinoid;
- 21 and



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

(b) For the purposes of this section:

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

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

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

"Synthetic cannabinoid" means a cannabinoid that is:

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

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



1 **SA-16 Cannabis regulation and enforcement special fund;**

2 **established.** (a) There shall be established in the treasury of
3 the State the cannabis regulation and enforcement special fund
4 to cover the costs of:

5 (1) The operations of the office; and

6 (2) Implementing, administering, and enforcing this
7 chapter.

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

10 (1) Fees, fines, and civil penalties received pursuant to
11 this chapter and rules adopted pursuant to this
12 chapter;

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

14 (3) Appropriations made by the legislature to the special
15 fund;

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

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

20 (c) There shall be established within the cannabis
21 regulation and enforcement special fund a social equity grant



1 program subaccount. The tax collected pursuant to section B-
2 7(2)(A) shall be deposited into the social equity grant program
3 subaccount. Moneys in the social equity grant program
4 subaccount shall be expended for the purposes of:

5 (1) Implementing and administering the social equity grant
6 program as provided in part IX; and

7 (2) Funding grants awarded by the advisory board and
8 administered by the designated expending agency under
9 the social equity grant program.

10 (d) There shall be established within the cannabis
11 regulation and enforcement special fund a public health and
12 education grant program subaccount. The tax collected pursuant
13 to section B-7(2)(B) shall be deposited into the public health
14 and education grant program subaccount. Moneys in the public
15 health and education grant program subaccount shall be expended
16 for the purposes of:

17 (1) Implementing and administering the public health and
18 education grant program as provided in part X; and

19 (2) Funding grants awarded by the advisory board and
20 administered by the designated expending agency under
21 the public health and education grant program.



1 (e) There shall be established within the cannabis
2 regulation and enforcement special fund a public safety grant
3 program subaccount. The tax collected pursuant to section B-
4 7(2)(C) shall be deposited into the public safety grant program
5 subaccount. Moneys in the public safety grant program
6 subaccount shall be expended for the purposes of:

7 (1) Implementing and administering the public safety grant
8 program as provided in part XI; and

9 (2) Funding grants awarded by the advisory board and
10 administered by the designated expending agency under
11 the public safety grant program.

12 (f) There shall be established within the cannabis
13 regulation and enforcement special fund a Hawaii hemp grant
14 program subaccount. The tax collected pursuant to section B-
15 7(2)(D) shall be deposited into the Hawaii hemp grant program
16 subaccount. Moneys in the Hawaii hemp grant program subaccount
17 shall be expended for the purposes of:

18 (1) Implementing and administering the Hawaii hemp grant
19 program as provided in sections A-174 and A-175; and



(2) Funding grants awarded by the advisory board and administered by the designated expending agency under the Hawaii hemp grant program.

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

SA-17 County law enforcement and prosecution. Nothing in this chapter shall be construed to relieve or diminish county law enforcement officers and prosecutors of any authority or responsibility to enforce, or prosecute under, criminal laws related to marijuana or marijuana concentrate, including this chapter, chapter 329, and part IV of chapter 712, in their respective counties.

SA-18 Investigation by a law enforcement agency of unlawful activity. Notwithstanding any other law to the contrary, the administrator shall disclose any information, documents, and other records regarding licensed businesses, upon request, to any federal, state, or county agency engaged in the criminal investigation or prosecution of violations of applicable federal, state, or county laws, regulations, rules,



1 or ordinances related to the operations or activities of
2 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 the cultivation, processing, distribution, dispensing, sale, or
16 transfer of cannabis or restricted cannabinoid products, during
17 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, or records, and the
6 entity's agents and employees, shall be directed and required to
7 give the office and attorney general the means, facilities, and
8 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 attorney general may
14 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 on the premises or in a vehicle in violation of this
18 chapter, the cannabis or restricted cannabinoid products, or
19 other tangible personal property containing the cannabis or
20 restricted cannabinoid products and any books, papers, or
21 records in possession of the entity in control or possession of



1 the cannabis or restricted cannabinoid products, may be seized
2 by 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 **SA-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, 2026.

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



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

SA-26 Advisory board on medical and adult-use cannabis.

(a) Beginning January 1, 2027, there shall be established within the office an advisory board on medical and adult-use cannabis. The advisory board shall:

(1) Be responsible for reviewing and awarding grants under:

(A) The social equity grant program pursuant to part IX;

(B) The public health and education grant program pursuant to part X;

(C) The public safety grant program pursuant to part XI; and

(D) The Hawaii hemp grant program pursuant to sections A-174 and A-175;

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

(3) Study and make recommendations on:



- 1 (A) The impact of federal laws, regulations,
2 policies, guidance, or judicial decisions on the
3 legal medical cannabis and adult-use cannabis
4 industries in the State, if applicable;
- 5 (B) Measures to protect and promote the legal medical
6 cannabis and adult-use cannabis industries in the
7 State, if applicable, in response to federal
8 laws, regulations, policies, guidance, or
9 judicial decisions;
- 10 (C) Measures to enable cannabis businesses to compete
11 in interstate commerce related to the
12 cultivation, manufacture, distribution, and
13 testing of cannabis;
- 14 (D) Methods to ensure that there is an adequate
15 supply of affordable cannabis for qualifying
16 patients, including cannabis containing varying
17 levels of potency;
- 18 (E) Pathways to increase the participation of legacy
19 cannabis growers and businesses that are small,
20 minority-owned, or women-owned in the legal



1 medical cannabis and adult-use cannabis industry
2 in the State, if applicable; and

3 (F) Methods to assist social equity grant applicants,
4 social equity grant licensees, and businesses
5 that are small, minority-owned, or women-owned
6 in:

7 (i) Accessing funds for operating or capital
8 expenses associated with a business
9 participating in the medical cannabis or
10 adult-use cannabis industry, if applicable;

11 (ii) Obtaining financing from a lender; and

12 (iii) Partnering with operational cannabis
13 businesses in ways that allow the social
14 equity grant applicants or licensees or
15 small, minority-owned, or women-owned
16 businesses to retain ownership and control
17 of the licenses and businesses.

18 (b) The advisory board shall consist of eleven members,
19 who shall be appointed by the governor pursuant to section 26-
20 34; provided that three members shall be appointed from a list
21 of nominees submitted by the president of the senate and three



1 members shall be appointed from a list of nominees submitted by
2 the speaker of the house of representatives.

3 At a minimum, the composition of the advisory board shall
4 include the following:

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

7 (2) One member who shall have professional experience in
8 oversight or industry management, including
9 commodities, production, or distribution, in the
10 cannabis industry;

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

14 (4) One member who shall have a professional background in
15 public safety or law enforcement;

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

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

20 (c) To be eligible to serve as a member, a person shall
21 be:



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

(2) A resident of the State who has resided in the State for at least the immediately preceding five years before the appointment.

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

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

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

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

(h) The advisory board shall be subject to chapter 92.

PART III. AUTHORIZED CONDUCT; MEDICAL USE OF CANNABIS

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

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

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



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

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

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

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



1 under the age of twenty-one unless that person is a medical
2 cannabis patient.

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

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

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



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

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

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

20 (1) Conducting drug testing and using the results of those
21 tests for the discipline of an employee if the testing



1 is done to comply with federal requirements or in
2 accordance with the applicable collective bargaining
3 agreement or executive order; or

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

6 (j) The authorization of a medical cannabis patient to use
7 medical cannabis shall be inclusive of, and not in addition to,
8 the authorization for personal adult use of cannabis, if
9 personal adult use is authorized pursuant to section A-51.

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

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

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

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

19 (b) The personal cultivation of cannabis for medical use
20 shall only be permitted within, or on the grounds of, the
21 private residence of a qualifying patient or the patient's



1 caregiver; provided that no more than ten plants, whether mature
2 or immature and whether for medical use or personal adult use,
3 if authorized pursuant to section A-51, shall be cultivated at a
4 private residence at any time regardless of the number of
5 qualifying patients, caregivers, or other people residing at the
6 private residence.

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

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

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

17 (f) The office shall adopt rules pursuant to this chapter
18 to establish requirements and restrictions for the personal
19 cultivation of cannabis for medical use, including manners in
20 which cannabis may be cultivated or processed and further
21 restrictions necessary to ensure that the personal cultivation



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

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

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

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

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

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

19 (5) The qualifying patient receives a medical cannabis
20 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, other federal enclave, or other
19 property owned, controlled, or operated by the
20 federal government; or



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

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

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



1 a certifying medical professional stating that, in the
2 certifying 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.

SA-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; and

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



1 (2) The registration form prescribed by the office shall
2 require information from the qualifying patient, the
3 patient's caregiver, and the patient's certifying
4 medical professional as specifically required by this
5 chapter or rules adopted pursuant to this chapter;

6 (3) The office shall issue to the qualifying patient a
7 medical cannabis registration card and may charge a
8 fee for the registration in an amount set in rules by
9 the office; and

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

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

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

20 (2) No caregiver shall be registered for more than five
21 qualifying patients at any given time; and



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

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

14 (d) This section shall not apply to registration of a
15 qualifying out-of-state patient or a caregiver of a qualifying
16 out-of-state patient.

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



- 1 (1) Every qualifying out-of-state patient shall:
- 2 (A) Provide a valid government-issued medical
- 3 cannabis card or any equivalent certificate
- 4 issued by another state, the District of
- 5 Columbia, or a United States territory;
- 6 (B) Provide a valid photographic identification card
- 7 or driver's license issued by the same
- 8 jurisdiction that issued the medical cannabis
- 9 card or equivalent certificate; and
- 10 (C) Have a debilitating medical condition;
- 11 (2) The office shall issue to the qualifying out-of-state
- 12 patient a medical cannabis registration card and shall
- 13 charge a fee for the registration in an amount set in
- 14 rules by the office; and
- 15 (3) The registration shall be effective for no more than
- 16 sixty days and may be renewed for no more than one
- 17 additional sixty-day period that begins no later than
- 18 twelve months after the preceding registration date;
- 19 provided that the office shall not register any
- 20 qualifying out-of-state patient for a period that
- 21 exceeds the term of validity of the qualifying



1 out-of-state patient's authority for the medical use
2 of cannabis in the patient's home jurisdiction.

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

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

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

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

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

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



1 **SA-49 Certifying medical professionals.** (a) The office
2 shall adopt rules to establish requirements for certifying
3 medical professionals.

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

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

10 (2) The certifying medical professional has explained the
11 potential risks and benefits of the medical use of
12 cannabis; and

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



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

PART IV. AUTHORIZED CONDUCT; PERSONAL ADULT USE OF CANNABIS

§A-51 Personal adult use of cannabis; effective date. (a)

This part shall take effect on the earlier of:

- (1) The descheduling of marijuana under the federal Controlled Substances Act; the removal of all federal criminal penalties for the acquisition, cultivation, dispensing, distribution, possession, transportation, and use of marijuana by individuals and entities; or
- the enactment of federal legislation that legalizes the acquisition, cultivation, dispensing, distribution, possession, transportation, and use of marijuana for adult use;



(2) The enactment of federal legislation or the issuance of a final federal judicial decision that delegates, affirms, or recognizes the authority of states to regulate marijuana without being preempted by federal law; or

(3) The ratification of an amendment to the Hawaii State Constitution legalizing cannabis.

(b) The attorney general shall certify in writing to the governor, administrator, president of the senate, speaker of the house of representatives, and revisor of statutes when a condition under subsection (a) has occurred.

§A-52 Personal adult use of cannabis; protections. (a)

Notwithstanding any other provision of law to the contrary, except as limited by this chapter, upon the effective date of section A-51, 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);



1 (3) Within a person's private residence only, possess up
2 to ten ounces of adult-use cannabis produced by their
3 personal cultivation of cannabis pursuant to section
4 A-53; provided that no more than two pounds of
5 cannabis in total, whether for medical use or personal
6 adult use, shall be stored at any private residence,
7 regardless of the number of people residing there; and

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

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

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



1 (d) For the purposes of medical care, including organ and
2 tissue transplants, a person's personal adult use of cannabis in
3 compliance with this part shall not constitute the use of an
4 illicit substance or otherwise disqualify a person from medical
5 care, unless in the judgment of the health care provider the use
6 of cannabis increases the risk for an adverse outcome from a
7 medical procedure or treatment.

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

14 (f) Except as provided in this chapter, the State and any
15 of its political subdivisions shall not impose any discipline
16 upon an employee or deny an employee any benefit or entitlement
17 for conduct permitted under this part or solely for the presence
18 of cannabinoids or cannabinoid metabolites in the urine, blood,
19 saliva, breath, hair, or other tissue or fluid of a person who
20 is at least twenty-one years of age, unless the failure to do so
21 would cause the State or any of its political subdivisions to



1 lose a monetary or licensing-related benefit under a contract or
2 federal law, or otherwise violate federal law. This subsection
3 shall not be construed to prohibit the State or any of its
4 political subdivisions from:

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

10 (2) Disciplining employees for being impaired by cannabis
11 while at work.

12 **SA-53 Personal cultivation of adult-use cannabis.** (a)

13 Notwithstanding any other provision of law to the contrary,
14 except as limited by this part, upon the effective date of
15 section A-51, it shall be lawful for persons who are at least
16 twenty-one years of age to:

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



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

4 (b) Personal cultivation of adult-use cannabis shall only
5 be permitted within, or on the grounds of, a person's private
6 residence; provided that no more than ten plants, whether mature
7 or immature and whether for medical use or for personal adult
8 use, shall be cultivated at a private residence at any time
9 regardless of the number of people residing at the private
10 residence.

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

14 (d) Cannabis plants cultivated for personal adult use
15 shall not be visible to the public without the use of
16 technology.

17 (e) A landlord, condominium association, planned community
18 association, or similar association may limit or prohibit the
19 personal cultivation of adult-use cannabis through contracts,
20 lease or rental agreements, bylaws, or rules.



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

§A-54 Limitation; scope of personal adult use of cannabis.

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

- (1) Any use of cannabis that endangers the health or well-being of another person;
- (2) Any manufacture, distribution, dispensing, possession, or use of cannabis:
 - (A) In a school vehicle, public transportation, or any vehicle;
 - (B) In the workplace of one's employment;
 - (C) On any school grounds;
 - (D) At any public park, beach, or recreation or youth center;



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

(F) In or on any federal fort or arsenal, national park or forest, other federal enclave, or other property owned, controlled, or operated by 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 college or university may authorize the use of adult-use cannabis on the grounds of or within the college or university in accordance with this chapter; and

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

§A-55 Cannabis accessories; authorized. (a)

Notwithstanding any other provision of law to the contrary, it shall be lawful for persons who are at least twenty-one years of age to manufacture, possess, possess with intent to distribute,

1 or purchase cannabis accessories, or distribute or sell cannabis
2 accessories to persons who are at least twenty-one years of age.

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

7 **PART V. UNLAWFUL CONDUCT**

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

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

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

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

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



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

3 (c) The fact that the defendant sold cannabis to a person
4 under the age of twenty-one is prima facie evidence that the
5 defendant knew the transferee to be a person under the age of
6 twenty-one.

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

16 (e) Any person who violates subsection (a) shall be guilty
17 of a misdemeanor.

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

19 Records relating to the arrest, criminal charge, or conviction
20 of a person for an offense under chapter 329 or part IV of
21 chapter 712, or any other offense, the basis of which is an act



1 permitted by this chapter or decriminalized under Act ,
2 Session Laws of Hawaii 2026, including the possession of
3 marijuana, shall be ordered to be expunged in accordance with
4 the provisions of this section.

5 (b) Upon the effective date of section A-51:

6 (1) A person arrested for or charged with an offense under
7 chapter 329 or part IV of chapter 712, or any other
8 offense, the basis of which is an act permitted by
9 this chapter or decriminalized under Act , Session
10 Laws of Hawaii 2026, including the possession or
11 distribution of marijuana, shall have the right to
12 petition the attorney general, at any time and without
13 limitation to the number of petitions a person may
14 file, for the expungement of the person's records
15 relating to the arrest or criminal charge pursuant to
16 procedures established by the attorney general; and

17 (2) A person convicted for an offense under chapter 329 or
18 part IV of chapter 712, or any other offense, the
19 basis of which is an act permitted by this chapter or
20 decriminalized under Act , Session Laws of Hawaii
21 2026, shall have the right to petition the appropriate



1 court of record, at any time and without limitation to
2 the number of petitions a person may file, for the
3 expungement of the person's records relating to the
4 conviction and review and adjustment of the person's
5 sentence pursuant to procedures established by the
6 judiciary.

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

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

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

11 (b) No person shall operate a cannabis business or hemp
12 business unless that person holds a valid license or permit
13 issued by the office pursuant to this chapter or rules adopted
14 pursuant to this chapter; provided that a hemp cultivator shall
15 hold a valid license to produce hemp issued by the United States
16 Secretary of Agriculture and be in compliance with section A-
17 132.

18 (c) Each license or permit issued by the office to a
19 cannabis business or hemp business shall be separate and
20 distinct from any other license or permit issued to the same



1 cannabis business or hemp business pursuant to this chapter or
2 rules adopted pursuant to this chapter.

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

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

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

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

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



provided that this paragraph shall not apply to an
applicant for a license pursuant to part VIII;

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

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

(A) That is pardoned or expunged;

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

(C) Solely for a marijuana-related offense, unless
the offense involved a minor, including the
offense under section 712-1249.6; involved a
firearm, including the offense under section 134-
7(b); or was committed after, or within one year
before, July 1, 2026,

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

(5) Has not had any license, permit, certificate,
registration, or other government-issued authorization



related to cannabis or hemp revoked in any jurisdiction.

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

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

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

(B) Is a natural person who has been a legal resident of the State for no less than five years preceding the date of application; provided that this subparagraph shall not apply to an applicant for a license pursuant to part VIII or a medical cannabis dispensary that converted the dispensary's operation into licenses under this chapter pursuant to section 45 of Act , Session Laws of Hawaii 2026;

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

(i) That is pardoned or expunged;



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

(iii) Solely for a marijuana-related offense, unless the offense involved a minor, including the offense under section 712-1249.6; involved a firearm, including the offense under section 134-7(b); or was committed after, or within one year before, July 1, 2026,

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

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

(2) The applying business entity:

(A) Is controlled by a majority of the shares, membership interests, partnership interests, or other equity ownership interests that is held or



1 owned by natural persons who are legal residents
2 of the State or by business entities whose owners
3 are all natural persons who are legal residents
4 of the State; provided that this subparagraph
5 shall not apply to an applicant for a license
6 pursuant to part VIII or a medical cannabis
7 dispensary that converted the dispensary's
8 operation into licenses under this chapter
9 pursuant to section 45 of Act , Session Laws
10 of Hawaii 2026;

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

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

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

16 (E) Has a federal employer identification number.

17 (d) An applicant shall disclose in or include with its
18 application the names and addresses of the applicant and all
19 persons having a direct or indirect financial interest in the
20 applied-for license and the nature and extent of the financial
21 interest held by each person and the nature and extent of any



1 financial interest the person has in any other license applied
2 for or issued under this chapter.

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

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

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

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

17 **SA-73 Ownership restrictions.** No person shall be issued
18 or have any direct or indirect interest in more than three
19 licenses for each class of license, and no more than nine
20 licenses in total; provided that a medical cannabis dispensary
21 that converted the dispensary's operation into licenses under



1 this chapter pursuant to section 45 of Act , Session Laws of
2 Hawaii 2026, may be issued up to three cannabis cultivator
3 licenses, three cannabis processor licenses, four medical
4 cannabis dispensary licenses, and four retail cannabis store
5 licenses, but no more than ten licenses in total; provided
6 further that no person:

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

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

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



1 interest in, any other licensed business authorized
2 under this chapter or rules adopted pursuant to this
3 chapter.

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

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

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

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

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

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



SA-75 License; application; approval; denial; appeal. (a)

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

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

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

(1) The class or classes of licenses available;

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

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

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

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



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

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

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

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



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

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

(b) An applicant for renewal shall submit to the office information, on the form prescribed by the office, and documentation necessary to verify that the applicant continues to meet the criteria required pursuant to this chapter and rules adopted pursuant to this chapter and is in compliance with all the requirements pursuant to this chapter and rules adopted pursuant to this chapter, including compliance with chapter B



1 and all other laws governing entities doing business in the
2 State, including chapters 237, 383, 386, 392, and 393.

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

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

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

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



1 statute, shall only be taken from the office's final order
2 pursuant to a contested case.

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

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

15 **§A-77 Transfer of ownership; structural reorganization;**
16 **restructuring.** (a) A licensed business shall not sell or
17 otherwise transfer any license issued under this chapter to
18 another person, reorganize its ownership structure, or
19 restructure its business entity, unless otherwise authorized
20 under this section.



1 (b) The office shall adopt rules to establish procedures
2 and requirements for the submission of a license transfer,
3 reorganization, or restructuring application and standards for
4 the approval or denial of the application.

5 (c) A licensed business may apply to the office, on the
6 form prescribed by the office, for approval to transfer
7 ownership interests in the license, reorganize its ownership
8 structure, or restructure its business entity.

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

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



§A-78 Fees; disposition of fees. All fees charged

pursuant to this chapter or rules adopted pursuant to this chapter shall be paid to the office in the form required by the office. All fees collected under this chapter or rules adopted pursuant to this chapter shall be deposited in the cannabis regulation and enforcement special fund established in section A-16.

§A-79 Licensed business operations. (a) The office shall

adopt rules to establish requirements for the operation of a licensed business.

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

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

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



1 (c) No licensed business shall cultivate, process, store,
2 or test cannabis at any location other than within an area that
3 is enclosed and secured in a manner that prevents access by
4 persons not authorized to access the restricted area. A
5 greenhouse or outdoor cannabis cultivation area shall have
6 sufficient security measures to demonstrate that outdoor areas
7 are not readily accessible by unauthorized individuals,
8 including perimeter security fencing designed to prevent
9 unauthorized entry.

10 (d) No licensed business shall refuse employees or agents
11 of the office the right at any time of operation to inspect the
12 entire licensed premises or to audit the books, papers, and
13 records of the licensed business.

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

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

19 (1) That is pardoned or expunged;

20 (2) That resulted in a term of probation, incarceration,

21 or supervised release that was completed more than ten



1 years preceding the date the person begins employment;
2 or
3 (3) Solely for a marijuana-related offense, unless the
4 offense involved a minor, including the offense under
5 section 712-1249.6; involved a firearm, including the
6 offense under section 134-7(b); or was committed
7 after, or within one year before, July 1, 2026,
8 shall not disqualify a person from working for the licensed
9 business.

10 (g) A licensed business shall:
11 (1) Register each employee with the office; and
12 (2) Notify the office within one business day if an
13 employee ceases to be associated with the licensed
14 business.

15 (h) A person under the age of twenty-one shall not enter a
16 licensed business; provided that a medical cannabis patient who
17 is at least eighteen years of age may enter a medical cannabis
18 dispensary or retail cannabis store.

19 (i) A licensed business shall ensure that unauthorized
20 persons under the age of twenty-one do not enter the licensed
21 premises; provided that the office may adopt rules to allow a



1 medical cannabis dispensary or retail cannabis store to use a
2 controlled, indoor entry area in the medical cannabis dispensary
3 or retail cannabis store to verify the identification and age of
4 persons before allowing access beyond the entry area.

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

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

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

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



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

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

7 (2) Mandatory laboratory testing for cannabis flower and
8 hemp flower that shall include testing for:

9 (A) Dangerous molds and mildew;

10 (B) Harmful microbes, including *Escherichia coli* and
11 *Salmonella*;

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

13 (D) Tetrahydrocannabinol potency, homogeneity, and
14 cannabinoid profiles to ensure correct labeling;

15 (3) Mandatory laboratory testing for cannabis products and
16 hemp extract products, except for crude hemp extract,
17 that shall include testing for:

18 (A) Dangerous molds and mildew;

19 (B) Harmful chemicals;

20 (C) Harmful microbes, including *Escherichia coli* and
21 *Salmonella*;



- 1 (D) Pesticides, fungicides, and insecticides;
- 2 (E) Residual solvents, poisons, and toxins; and
- 3 (F) Tetrahydrocannabinol potency, homogeneity, and
- 4 cannabinoid profiles to ensure correct labeling;
- 5 and
- 6 (4) Mandatory laboratory testing for crude hemp extract
- 7 that shall include testing for:
- 8 (A) Residual solvents, poisons, and toxins; and
- 9 (B) Tetrahydrocannabinol potency, homogeneity, and
- 10 cannabinoid profiles to ensure correct labeling.
- 11 (c) A licensed business shall maintain a record of all
- 12 laboratory testing that includes a description of the cannabis
- 13 or hemp provided to the independent laboratory, the identity of
- 14 the independent laboratory, and the results of the test.
- 15 (d) The office may adopt rules to establish other quality
- 16 assurance mechanisms that may include the designation or
- 17 creation of a state cannabis testing facility, creation of a
- 18 secret shopper program, round-robin testing, or any other
- 19 mechanism to ensure the accuracy of product testing and
- 20 labeling.



SA-82 Packaging.

(a) No cannabis or hemp shall be distributed, dispensed, or otherwise sold unless it is packaged in accordance with this chapter and rules adopted pursuant to this chapter.

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

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

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

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

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



(5) Require the division of each serving within a package containing multiple servings in a manner that allows consumers and medical cannabis patients to easily identify a single serving; and

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

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

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

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

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



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



1 pregnancy and breastfeeding may pose potential harms.

2 It is against the law to drive when under the
3 influence of this product. KEEP THIS PRODUCT AWAY
4 FROM CHILDREN.".

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

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

20 (c) Except for a cannabis product intended for external
21 topical application to the skin or hair, no person shall



1 distribute, dispense, sell, or offer for sale any cannabis
2 product intended to be introduced via non-oral routes of entry
3 to the body, including use in the eyes, ears, or nasal cavities.

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

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

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

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



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

(C) Potential adverse events and other risks, including those related to mental health; and

(D) The risks of using cannabis during pregnancy or breastfeeding;

(2) Information about the methods for administering cannabis;

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

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

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

(6) Subject to federal laws, regulations, policies, guidance, or judicial decisions, a disclosure regarding:

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



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

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

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

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

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



- 1 (4) A prohibition on advertising, marketing, and branding,
2 including mascots, cartoons, candies, toys, fruits,
3 brand sponsorships, and celebrity endorsements, that
4 is deemed to appeal to a person under the age of
5 twenty-one;
- 6 (5) A prohibition on advertising, marketing, and branding,
7 including statements by a licensed business, that
8 makes any false or misleading statements concerning
9 other licensed businesses and the conduct and products
10 of the other licensed businesses;
- 11 (6) A prohibition on advertising, marketing, and branding
12 through certain identified promotional items as
13 determined by the office, including giveaways,
14 coupons, samples, prizes, or "free", "donated", or
15 "premium" cannabis or restricted cannabinoid products;
- 16 (7) A prohibition on advertising, marketing, and branding
17 by a licensed business that asserts its products are
18 safe, other than labeling required pursuant to this
19 chapter or rules adopted pursuant to this chapter;
- 20 (8) A reasonable restriction on timing and use of
21 illuminated external signage, which shall comply with



1 any other applicable provisions of law, including
2 local ordinances and requirements, and a prohibition
3 on neon signage;

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

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

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

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

18 (b) No person, other than the holder of a license or
19 permit issued pursuant to this chapter or rules adopted pursuant
20 to this chapter or a person who provides professional services



1 related to a licensed business, shall advertise any cannabis or
2 services related to cannabis in the State.

3 (c) No person shall place or maintain, or cause to be
4 placed or maintained, any sign or other advertisement for a
5 business or product related to cannabis, in any form or through
6 any medium whatsoever, within seven hundred fifty feet of the
7 real property comprising of a school, public park, or public
8 housing project or complex.

9 **SA-87 Signage.** The office shall adopt rules to establish
10 requirements for signage at the licensed premises that shall, at
11 a minimum, require that:

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

18 (2) All cannabis businesses that are open to the public
19 conspicuously post a sign in or about the licensed
20 premises notifying all customers and other persons of
21 the dangers of, and possible sanctions that may be



1 imposed for, operating a vehicle under the influence
2 of cannabis;

3 (3) If applicable under current federal laws, regulations,
4 policies, guidance, or judicial decisions, all
5 cannabis businesses that are open to the public
6 conspicuously post a sign in or about the licensed
7 premises notifying all customers and other persons
8 that the possession and sale of cannabis is illegal
9 under federal law and a person is subject to federal
10 laws, regulations, policies, guidance, and judicial
11 decisions while traveling interisland; and

12 (4) Every license and permit issued and in effect under
13 this chapter shall at all times be conspicuously
14 posted to view, convenient for inspection, on the
15 licensed premises.

16 **§A-88 Seed-to-sale tracking system.** (a) The office shall
17 establish, maintain, and control a seed-to-sale tracking system
18 that shall have real-time, twenty-four-hour access to the data
19 of all cannabis businesses. The office shall adopt rules
20 pursuant to this chapter to establish procedures and
21 requirements for the seed-to-sale tracking system.



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

3 (1) The total amount of cannabis possessed by all cannabis
4 businesses from either the seed or immature plant
5 state, including all plants that are derived from
6 cuttings or cloning, until the cannabis is sampled,
7 dispensed, or destroyed;

8 (2) The total inventory of cannabis products and medical
9 cannabis products, as applicable, including the
10 equivalent physical weight of cannabis that is used to
11 produce the products;

12 (3) The amount of waste produced by each plant at harvest;
13 and

14 (4) The transport of cannabis between cannabis businesses,
15 including tracking the quantity and type of cannabis,
16 the identity of the person transporting the cannabis,
17 and the make, model, and license number of the vehicle
18 being used for the transport.

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



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

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

5 (d) Notwithstanding any other provision of this section to
6 the contrary, if the office's seed-to-sale tracking system is
7 inoperable, as an alternative to requiring a cannabis business
8 to temporarily cease operations, the office may implement an
9 alternate tracking system that will enable a cannabis business
10 to operate on a temporary basis.

11 (e) A cannabis business shall purchase, operate, and
12 maintain a computer software tracking system that shall
13 interface with the office's seed-to-sale tracking system
14 established pursuant to subsection (a) and allow each cannabis
15 business to submit to the office any required data.

16 **§A-89 Violations; penalties.** (a) In addition to any
17 other penalties allowed by law, any person who violates this
18 chapter or rules adopted pursuant to this chapter shall be fined
19 no more than \$1,000 for each separate violation. Unless
20 otherwise provided by applicable law, each day on which a



1 violation occurs or continues shall be counted as a separate
2 violation.

3 (b) Upon the office's determination to impose an
4 administrative penalty on a person pursuant to subsection (a),
5 the office shall provide the person with written notice of the
6 administrative penalty and the basis for the administrative
7 penalty. Any notice of an administrative penalty may be
8 accompanied by a cease-and-desist order or corrective action
9 order. The violation of the cease-and-desist order or
10 corrective action order shall constitute a further violation of
11 this chapter.

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

20 (d) Any action taken to recover, collect, or enforce the
21 penalty provided for in this section shall be considered a civil



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

6 (1) Notice was given;

7 (2) A hearing was held, or the time granted for requesting
8 a hearing has expired without a request;

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

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

13 (e) All monetary penalties imposed pursuant to this
14 chapter shall be paid by the person to the office in the form
15 required by the office. All monetary penalties paid to the
16 office pursuant to this chapter shall be deposited into the
17 cannabis regulation and enforcement special fund established in
18 section A-16.

19 **SA-90 License; permit; suspension; revocation.** (a) In
20 addition to any other actions authorized by law, the office may
21 suspend or revoke any license or permit issued by the office for



violations of this chapter, the rules adopted pursuant to this chapter, or chapter B, or for any good cause, including:

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

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

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



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

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

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

(2) Processing any cannabis or hemp.

(f) A person whose license or permit has been revoked shall immediately cease all activities relating to the operation of the licensed business and ensure that all cannabis or hemp



1 owned by or in the possession of the person pursuant to that
2 license or permit is forfeited to the office for destruction
3 pursuant to section A-92.

4 (g) If any license or permit is revoked or otherwise
5 terminated by the office, any fees paid for the license or
6 permit shall be forfeited to the State.

7 **§A-91 Relinquishment no bar to jurisdiction.** The
8 forfeiture, nonrenewal, surrender, voluntary relinquishment, or
9 abandonment of a license or permit issued by the office under
10 this chapter or rules adopted pursuant to this chapter shall not
11 bar jurisdiction by the office to proceed with any
12 investigation, action, or proceeding to restrict, condition,
13 limit, suspend, or revoke the license or permit, or otherwise
14 penalize a licensed business or an individual licensee or
15 permittee, or both.

16 **§A-92 Forfeiture; destruction.** (a) In addition to any
17 other actions authorized by law, the office may order the
18 forfeiture and destruction of all or a portion of the cannabis
19 or hemp, owned by or in the possession of a licensed business,
20 if it makes a determination that the cannabis or hemp is not



1 authorized by, or is in violation of, this chapter or rules
2 adopted pursuant to this chapter.

3 (b) The office shall adopt rules to establish procedures
4 and standards for the forfeiture and destruction of cannabis or
5 hemp.

6 (c) If the office determines that a violation by a
7 licensed business warrants forfeiture and destruction of all or
8 a portion of the cannabis or hemp owned by or in the possession
9 of that licensed business, the office shall provide the licensed
10 business with a written notice and order describing the basis
11 for the forfeiture and destruction, a description of the
12 cannabis or hemp subject to forfeiture and destruction, and a
13 timeframe in which the cannabis or hemp must be forfeited.

14 (d) A licensed business subject to an order directing the
15 destruction of any cannabis or hemp owned by or in the
16 possession of the licensed business shall forfeit the cannabis
17 or hemp described in the order to the office for destruction
18 within the timeframe described in the order.

19 (e) Any person aggrieved by the office's forfeiture and
20 destruction determination may request a contested case hearing
21 pursuant to chapter 91. To request a contested case hearing,



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

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

13 **SA-93 Administrative holds.** (a) In addition to any other
14 actions authorized by law, the office may impose an
15 administrative hold on a licensed business if there are
16 reasonable grounds to believe the licensed business has
17 committed or is committing a violation of this chapter or rules
18 adopted pursuant to this chapter.

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



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

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

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

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

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

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

(e) For the duration of the administrative hold, the licensed business shall not sell, transfer, transport, distribute, dispense, dispose of, or destroy any cannabis or hemp subject to the administrative hold, but may, as applicable, cultivate or otherwise maintain any cannabis plants or hemp



1 plants subject to the administrative hold unless specifically
2 restricted by the office.

3 (f) A licensed business subject to an administrative hold,
4 for the duration of the administrative hold, shall maintain the
5 licensed premises and may otherwise continue to operate the
6 licensed business in compliance with this chapter, rules adopted
7 pursuant to this chapter, and the provisions of the
8 administrative hold. Except as specifically restricted by the
9 office, the licensed business may, for the duration of the
10 administrative hold, cultivate, process, distribute, or dispense
11 any cannabis or hemp not subject to the administrative hold
12 pursuant to its license or permit.

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

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

21 (a) Any liability to the State under this chapter shall



1 constitute a debt to the State. Once a statement naming a
2 licensed business as a debtor is recorded, registered, or filed,
3 the debt shall constitute a lien on all commercial property
4 owned by the licensed business in the State and shall have
5 priority over an encumbrance recorded, registered, or filed with
6 respect to any property.

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

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

19 (1) An individual licensee or permittee or registered
20 employee of the licensed business;



- 1 (2) A government employee or official acting in the
2 person's official capacity; or
- 3 (3) Escorted by an individual licensee or permittee or
4 registered employee of the licensed business at all
5 times while in the restricted area; provided that:
- 6 (A) The person is at least twenty-one years of age,
7 as verified by a valid government-issued
8 identification card;
- 9 (B) The person is only permitted within those
10 portions of the restricted area as necessary to
11 fulfill the person's purpose for entering;
- 12 (C) The person is only permitted within the
13 restricted area during the times and for the
14 duration necessary to fulfill the person's
15 purpose for entering; and
- 16 (D) The licensed business shall keep a photographic
17 copy of the person's valid government-issued
18 identification card and an accurate record of the
19 date and time of entry into and exit from the
20 restricted area, the purpose of entry, and the
21 identity of the escort.



1 (b) No individual licensee or permittee or registered
2 employee of the licensed business with control over or
3 responsibility for the licensed premises shall intentionally or
4 knowingly allow another person to enter or remain in a
5 restricted area, unless that person is permitted to enter and
6 remain as specified in subsection (a).

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

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

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

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



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

2 **records; criminal offense.** (a) A person commits the offense of
3 alteration or falsification of licensed business records if the
4 person intentionally or knowingly:

5 (1) Makes or causes a false entry in licensed business
6 records;

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

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

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

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

17 (c) For the purposes of this section:

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



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

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

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

10 **§A-98 Unlawful restricted cannabinoid product retailing;**
11 **criminal offense.** (a) A person required to obtain a restricted
12 cannabinoid product permit commits the offense of unlawful
13 restricted cannabinoid product retailing if the person
14 recklessly fails to obtain a valid permit required under section
15 A-118 and recklessly distributes, dispenses, sells, or offers
16 for sale any restricted cannabinoid product or possesses,
17 stores, or acquires any restricted cannabinoid product for the
18 purpose of distribution, dispensing, sale, or offering for sale.

19 (b) Unlawful restricted cannabinoid product retailing
20 shall be a petty misdemeanor; provided that any offense under
21 subsection (a) that occurs within five years of a prior



1 conviction for unlawful restricted cannabinoid product retailing
2 shall be a misdemeanor.

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

4 Notwithstanding any other law, a licensed business shall
5 disclose information, documents, tax records, and other records
6 regarding the licensed business's operation, upon request, to
7 any federal, state, or county agency engaged in the
8 administrative regulation, criminal investigation, or
9 prosecution of violations of applicable federal, state, or
10 county laws, regulations, rules, or ordinances related to the
11 operations or activities of a licensed business.

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

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

17 (b) The office shall adopt rules for the licensure,
18 operations, and oversight of independent laboratories, including
19 protocols for the sampling, testing, and analysis of cannabis
20 and hemp. The rules shall address sampling and analysis related
21 to cannabinoid profiles and biological and chemical



1 contaminants, including terpenoids, pesticides, plant growth
2 regulators, metals, microbiological contaminants, mycotoxins,
3 and residual solvents introduced through cultivation of cannabis
4 plants or hemp plants and post-harvest processing and handling
5 of cannabis, hemp, or any related ingredients.

6 (c) An independent laboratory shall report any results
7 indicating contamination to the office within seventy-two hours
8 of identification of contamination.

9 (d) No independent laboratory 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 type of licensed
14 business authorized by this chapter or rules adopted pursuant to
15 this chapter.

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



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

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

13 (h) An independent laboratory shall:

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

15 (2) Notify the office within one business day if a
16 laboratory agent ceases to be associated with the
17 independent laboratory.

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



1 laboratory in accordance with section 846-2.7, and the office
2 may adopt rules to establish standards and procedures to enforce
3 this subsection.

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

11 (1) Registered with the office; and

12 (2) Acting in accordance with all the requirements under
13 this chapter and rules adopted pursuant to this
14 chapter.

15 **§A-112 Cannabis cultivator; license required.** (a) A

16 cannabis cultivator license shall authorize:

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

19 (2) The distribution of cannabis plants and cannabis
20 flower to:

21 (A) A cannabis cultivator;



1 (B) A cannabis processor;

2 (C) A medical cannabis dispensary; and

3 (D) A retail cannabis store.

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

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

10 (d) The maximum size of plant canopy the office may
11 authorize for each cannabis cultivator license shall be three
12 thousand five hundred square feet of plant canopy for indoor
13 cultivations and five thousand square feet of plant canopy for
14 outdoor cultivations, or a maximum plant count of fifteen
15 thousand indoor plants for all medical cannabis dispensary
16 license cultivation locations that converted pursuant to section
17 45 of Act , Session Laws of Hawaii 2026.

18 (e) A cannabis cultivator shall comply with all laws and
19 rules applicable to an agricultural operation, including laws
20 and rules regarding pesticide use, water use, and the
21 environment, and all other requirements and standards as



1 prescribed by rules adopted by the office. The requirements and
2 standards prescribed by the office shall be guided by
3 sustainable farming principles and practices, such as organic,
4 regenerative, and integrated pest management models to the
5 extent possible; limit the use of pesticides, whenever possible;
6 and encourage the use of renewable energies or resources.

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

- 11 (1) A cannabis processor;
12 (2) A medical cannabis dispensary; and
13 (3) A retail cannabis store.

14 (b) A cannabis processor shall track the cannabis it
15 processes from acquisition to testing, distribution, or
16 destruction.

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

20 (d) A cannabis processor shall calculate the equivalent
21 physical weight of the cannabis flower that is used to process



1 the cannabis product and shall make the equivalency calculations
2 available to the office, consumer, and medical cannabis patient.

3 **SA-114 Medical cannabis dispensary; license required.** (a)

4 A medical cannabis dispensary license shall authorize:

5 (1) The acquisition and possession of cannabis;

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

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

10 (b) A medical cannabis dispensary shall track all cannabis
11 it possesses from acquisition to testing, distribution,
12 dispensing, or destruction.

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

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

20 **SA-115 Retail cannabis store; license required.** (a) A

21 retail cannabis store license shall authorize:



1 (1) The acquisition and possession of cannabis;

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

4 (3) Subject to section A-51, the dispensing of adult-use
5 cannabis from the licensed premises to consumers; and

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

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

10 The office shall adopt rules to implement this section,
11 including requirements for:

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

14 (2) Product supply to ensure medical cannabis patients
15 have access to the cannabis used to treat their
16 debilitating medical conditions.

17 (c) A retail cannabis store shall track all cannabis it
18 possesses from acquisition to testing, distribution, dispensing,
19 or destruction.



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

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

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

Subject to section A-51, 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.



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

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

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

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

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



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

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

11 **§A-117 Other licenses authorized.** The office may
12 establish additional license types and grant temporary licenses
13 of any type specified in this part, in accordance with
14 conditions set forth in rules adopted pursuant to this chapter.

15 **§A-118 Special use permits.** (a) The office may issue
16 permits for carrying out activities consistent with the policy
17 and purpose of this chapter with respect to cannabis and hemp.

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



- 1 (1) Special event and social consumption permits;
- 2 (2) Trucking permits to allow for the trucking or
- 3 transportation of cannabis by a person other than a
- 4 licensed business; and
- 5 (3) Restricted cannabinoid product permits that allow for
- 6 the distribution, dispensing, sale, or offering for
- 7 sale of a restricted cannabinoid product.

8 **PART VIII. HEMP**

9 **§A-131 Restricted cannabinoid product list.** (a) The

10 office shall create and maintain a list of restricted

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

12 pursuant to a permit issued by the office under section A-118;

13 provided that the office may establish an amount of any

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

15 provided further that the office may prohibit any restricted

16 cannabinoid product from being distributed, dispensed, sold, or

17 offered for sale entirely. The office shall publish and make

18 available the list of restricted cannabinoid products.

19 (b) The office shall adopt rules establishing a process

20 and procedure for the office to create and maintain the



1 restricted cannabinoid product list; provided that the
2 procedures shall include at a minimum:

3 (1) Criteria based on public health and safety for the
4 office to determine what constitutes a restricted
5 cannabinoid product;

6 (2) Criteria based on public health and safety for the
7 office to establish allowable limits for restricted
8 cannabinoids in hemp products; provided further that
9 the office may prohibit the restricted cannabinoid
10 entirely; and

11 (3) A process for petitioning the office to add or remove
12 a cannabinoid or restricted cannabinoid product from
13 the restricted cannabinoid product list.

14 (c) The restricted cannabinoid product list shall not
15 include hemp extract products that are:

16 (1) Intended only for external topical application to the
17 skin or hair; and

18 (2) Tinctures; provided that the tincture contains no more
19 than thirty servings per bottle, no more than three
20 milligrams of tetrahydrocannabinol per serving, and no
21 more than ninety milligrams of tetrahydrocannabinol



1 per bottle; provided further that tinctures with over
2 five milligrams of tetrahydrocannabinol per bottle
3 shall not be sold to persons under twenty-one years of
4 age.

5 (d) For the purposes of this section, "tincture" means a
6 liquid hemp extract product consisting of hemp extract dissolved
7 in glycerin or a plant-based oil, that is intended for oral
8 consumption in small amounts using a dropper, and that has a
9 total volume of one ounce or less.

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

16 (b) Notwithstanding any law to the contrary, it shall be
17 legal for a person to cultivate hemp only if they hold a license
18 to produce hemp, issued by the United States Secretary of
19 Agriculture pursuant to title 7 United States Code section
20 1639q; provided that hemp shall not be:



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

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

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

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

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

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

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

(d) A hemp cultivator licensed by the United States Department of Agriculture to produce hemp in the State shall



1 comply with all regulations established by the United States
2 Department of Agriculture, including all inspection, sampling,
3 and compliance testing requirements.

4 (e) The office shall adopt rules pursuant to this chapter
5 to implement this section; provided that the rules adopted by
6 the office shall not require pre-harvest inspections, pre-
7 harvest sampling, or pre-harvest compliance testing with respect
8 to the cultivation of hemp as regulated by the United States
9 Department of Agriculture.

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

15 (g) Any notice of violation of this section may be
16 accompanied by a cease-and-desist order. The violation of the
17 cease-and-desist order shall constitute a further violation of
18 this section.

19 (h) Any person aggrieved by a notice of violation issued
20 under this section may request a contested case hearing pursuant
21 to chapter 91. To request a contested case hearing, the person



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

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

13 (1) Notice was given;

14 (2) A hearing was held, or the time granted for requesting
15 a hearing has expired without a request;

16 (3) The administrative penalty or cease-and-desist order
17 was imposed on the person cultivating hemp; and

18 (4) The penalty remains unpaid, or there was no compliance
19 with the order.

20 **§A-133 Hemp extract processor; license required.** (a) No
21 person shall process hemp into a hemp extract product without a



1 hemp extract processor license issued pursuant to this chapter
2 and any rules adopted pursuant to this chapter. This section
3 shall not apply to processing hemp into an industrial hemp
4 product.

5 (b) A hemp extract processor license shall authorize the
6 acquisition, possession, and processing of hemp into hemp
7 extract products and the distribution of hemp extract products
8 in compliance with this chapter.

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

12 (d) Hemp shall be processed into a hemp extract product
13 within an indoor facility or within an agricultural building or
14 structure as described in section 46-88; provided that the hemp
15 is processed without the use of heat, volatile compounds, or
16 gases under pressure except for carbon dioxide. Hemp extract
17 processors shall comply with all applicable state laws and
18 county ordinances, including zoning ordinances, building codes,
19 and fire codes.

20 **SA-134 Hemp products.** (a) The office shall adopt rules
21 pursuant to this chapter to establish requirements,



1 restrictions, and standards regarding the types, ingredients,
2 and designs of hemp products, including potency limits and
3 cannabinoid limits on hemp extract products.

4 (b) No person shall distribute, sell, or offer for sale
5 crude hemp extract to any person; provided that crude hemp
6 extract may be sold only to a hemp extract processor with a
7 valid license issued by the office pursuant to section A-133 or
8 equivalent authorization from a regulatory agency in another
9 jurisdiction.

10 (c) No person shall distribute, dispense, sell, or offer
11 for sale any restricted cannabinoid product unless that person
12 holds a permit to distribute, dispense, sell, or offer for sale
13 restricted cannabinoid products issued by the office pursuant to
14 section A-118. A permit shall not be required to sell hemp
15 products that are not restricted cannabinoid products.

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

20 (e) Except for a hemp extract product intended for
21 external topical application to the skin or hair, no person



1 shall distribute, sell, or offer for sale any hemp extract
2 product intended to be introduced via non-oral routes of entry
3 to the body, including use in the eyes, ears, or nasal cavities.

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

7 **PART IX. SOCIAL EQUITY**

8 **§A-141 Social equity grant program.** (a) The office shall
9 establish a social equity grant program to provide grants to
10 social equity grant applicants.

11 (b) The advisory board shall be solely responsible for
12 reviewing and awarding grants to assist social equity grant
13 applicants:

14 (1) In gaining entry to, and successfully operating in,
15 the State's regulated cannabis industry, including
16 grants for financial assistance, industry training,
17 and technical assistance; or

18 (2) That are community-based organizations for the purpose
19 of developing, implementing, and supporting nonprofit
20 projects, services, and programs that address
21 community needs of disproportionately impacted areas,



1 including child care, after-school and summer
2 programs, and programs that build youth resiliency.

3 (c) The office, through the chief equity officer or
4 administrator, shall have the power to:

5 (1) Provide staff and administrative support necessary to
6 carry out the purposes of this section, including
7 facilitating the work of the advisory board and
8 expending agencies;

9 (2) Accept funds or grants and cooperate with private
10 entities and state or county agencies to carry out the
11 purposes of this section;

12 (3) Fix, determine, charge, and collect any premiums,
13 fees, charges, costs, and expenses, including
14 application fees, commitment fees, program fees,
15 financing charges, and publication fees in connection
16 with the social equity grant program;

17 (4) 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 (5) Utilize vendors or contract work to carry out the
2 purposes of this part.

3 (d) Every grant shall be monitored by an expending agency
4 other than the office to ensure compliance with this chapter and
5 the public purpose and legislative intent of the grant. The
6 expending agency shall have the power to:

7 (1) Enter into agreements that set forth terms and
8 conditions of the grants; and

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

16 (e) The office, in consultation with the advisory board,
17 shall adopt rules pursuant to this chapter to implement this
18 part, including:

19 (1) Additional requirements and qualifications for
20 determining eligibility of social equity grant
21 applicants for grants;



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

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

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

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

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

12 (f) The office shall submit an annual report on the social
13 equity grant program to the governor and legislature no later
14 than twenty days prior to the convening of each regular session.
15 The report shall detail the outcomes and effectiveness of this
16 section during the prior fiscal year, including the following:

17 (1) The number of social equity grant applicants who
18 received financial assistance under this section;

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

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



(4) Grants awarded to child care, after-school and summer programs, and programs that build youth resiliency by county and program outcomes.

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

(h) The office shall make available to the public the rubric for determining eligibility for social equity grants.

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

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

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

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

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



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

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

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

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

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

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

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



(5) Every grant shall be monitored by the expending agency for the grant according to rules adopted pursuant to this chapter to ensure compliance with this part; and

(6) Any recipient of a grant under this part who withholds or omits any material fact or deliberately misrepresents facts to the advisory board or expending agency for the grant or who violates the terms of the grant agreement shall be in violation of this section and, in addition to any other penalties provided by law, shall be prohibited from applying for a grant or any other benefits under this part for a period of five years from the date of termination.

SA-143 Fee waivers. (a) For social equity grant applicants, the office shall waive fifty per cent of any license application fees and any fees associated with purchasing a license to operate a licensed business for the initial five years of the social equity grant applicant's operations; provided that the social equity grant applicant meets the following qualifications at the time the payment is due:

(1) The social equity grant applicant, including all persons with a direct or indirect interest in the

1 social equity grant applicant, has less than a total
2 of \$750,000 of income in the previous calendar year;
3 and

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

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

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

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



1 **§A-151 Public health and education campaign.** (a) The
2 office shall contract with an entity to develop and implement a
3 comprehensive public health and education campaign regarding the
4 legalization of cannabis pursuant to section A-51 and the impact
5 of cannabis use on public health and safety, including the
6 health risks associated with cannabis and ways to protect
7 children. The public health and education campaign shall also
8 include education to the public about this chapter, including
9 the potential risks associated with patronizing unlicensed
10 dispensary locations, or otherwise procuring cannabis through
11 persons not authorized by the office. The public health and
12 education campaign shall begin no later than September 1, 2026.

13 (b) After the initial campaign, the office shall continue
14 to periodically develop and implement a comprehensive public
15 health and education campaign on issues related to cannabis, as
16 necessary.

17 **§A-152 Public health and education grant program.** (a)
18 The office shall establish a public health and education grant
19 program to provide grants to programs dedicated to preventing
20 and treating substance abuse, especially among youth, and



1 educating the public about cannabis use, this chapter, and other
2 laws regarding cannabis.

3 (b) The advisory board shall be solely responsible for
4 reviewing and awarding grants to assist:

5 (1) Substance abuse prevention and treatment programs in
6 the State;

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

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

20 (c) The office, through the chief public health and
21 education officer or administrator, shall have the power to:



1 (1) Provide staff and administrative support necessary to
2 carry out the purposes of this section, including
3 facilitating the work of the advisory board and
4 expending agencies;

5 (2) Accept funds or grants and cooperate with private
6 entities and state or county agencies to carry out the
7 purposes of this section;

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

13 (4) Establish application, notification, contract, and
14 other forms and procedures deemed necessary and
15 appropriate to implement this section; and

16 (5) Utilize vendors or contract work to carry out the
17 purposes of this section.

18 (d) Every grant shall be monitored by an expending agency
19 other than the office to ensure compliance with this chapter and
20 the public purpose and legislative intent of the grant. The
21 expending agency shall have the power to:



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

10 (e) The office, in consultation with the advisory board,
11 shall adopt rules pursuant to this chapter to implement this
12 part, including:

- 13 (1) Additional requirements and qualifications for
14 determining eligibility of applicants for grants;
- 15 (2) Preferences and priorities in determining eligibility
16 for grants;
- 17 (3) Conditions, consistent with the purpose of this
18 chapter, for the awarding of grants;
- 19 (4) Requirements for the inspection, at reasonable hours,
20 of facilities, books, and records of a grant applicant
21 or grant recipient;



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

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

6 (4) The recipient of a grant shall allow the expending
7 agency for the grant, legislative bodies, and auditor
8 full access to records, reports, files, and other
9 related documents so that the program, management, and
10 fiscal practices of the grant recipient may be
11 monitored and evaluated to assure the proper and
12 effective expenditure of public funds;

13 (5) Every grant shall be monitored by the expending agency
14 for the grant according to rules adopted pursuant to
15 this chapter to ensure compliance with this part; and

16 (6) Any recipient of a grant under this part who withholds
17 or omits any material fact or deliberately
18 misrepresents facts to the advisory board or expending
19 agency for the grant or who violates the terms of the
20 grant agreement shall be in violation of this section
21 and, in addition to any other penalties provided by



1 law, shall be prohibited from applying for a grant or
2 any other benefits under this part for a period of
3 five years from the date of termination.

4 **PART XI. PUBLIC SAFETY**

5 **SA-161 Public safety grant program.** (a) The office shall
6 establish a public safety grant program to provide grants to
7 state and county agencies and private entities to assist with
8 public safety resources relating to cannabis, including law
9 enforcement resources.

10 (b) The advisory board shall be solely responsible for
11 reviewing and awarding grants:

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

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



1 responding to, nonviolent emergencies, including
2 welfare checks, public intoxication, and mental health
3 episodes;

4 (3) To train state and county law enforcement officers in
5 mental health first aid;

6 (4) For the effective enforcement and prosecution of
7 violations of the nuisance abatement laws under part V
8 of chapter 712;

9 (5) To harm reduction programs, including crisis outreach
10 programs, food banks, mental health support programs,
11 homeless outreach programs, outpatient treatment
12 programs, and housing assistance programs;

13 (6) To improve data sharing across law enforcement
14 agencies and the judiciary; and

15 (7) To state and county law enforcement agencies for
16 equipment and training to assist with investigating
17 and prosecuting illegal activities related to
18 cannabis.

19 (c) The office, through the chief compliance officer or
20 administrator, shall have the power to:



(1) Provide staff and administrative support necessary to carry out the purposes of this part, including facilitating the work of the advisory board and expending agencies;

(2) Accept funds or grants and cooperate with private entities and state or county agencies to carry out the purposes of this part;

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

(4) Establish application, notification, contract, and other forms and procedures deemed necessary and appropriate to implement this part; and

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

(d) Every grant shall be monitored by an expending agency other than the office to ensure compliance with this chapter and the public purpose and legislative intent of the grant. The expending agency shall have the power to:



1 (1) Enter into agreements that set forth terms and
2 conditions of the grants; and

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

10 (e) The office, in consultation with the advisory board,
11 shall adopt rules pursuant to this chapter to implement this
12 part, including:

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

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

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

19 (4) Requirements for the inspection, at reasonable hours,
20 of facilities, books, and records of a grant applicant
21 or 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.

(f) The office shall submit an annual report on the public safety 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, businesses, or agencies 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 the person, business, or agency; and

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

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

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



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

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

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

- (1) The recipient of a grant shall not use public funds for purposes of entertainment or perquisites, including lobbying activities;
- (2) The recipient of a grant shall comply with state laws and county ordinances;
- (3) The recipient of a grant shall comply with any other requirements that may be prescribed by rules adopted pursuant to this chapter;
- (4) The recipient of a grant shall allow the expending agency for the grant, legislative bodies, and auditor



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

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

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

18 **PART XII. MISCELLANEOUS**

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



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

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

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



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

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

16 (f) For the purpose of this section:

17 "Application, license, and other regulatory and financial
18 information" includes but is not limited to information in the
19 seed-to-sale tracking system established pursuant to section A-
20 88.



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

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

15 **SA-173 Data collection and research.** (a) The office
16 shall collect data and develop a research agenda to understand
17 the social and economic trends of cannabis in the State, to
18 inform future decisions that would aid in the closure of the
19 illicit marketplace, and to inform the office on the public
20 health impacts of cannabis. The research agenda shall include:



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

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

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



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

SA-174 Hawaii hemp grant program. (a) The office shall establish the Hawaii hemp grant program to provide grants to local hemp farmers and hemp projects.

(b) The advisory board shall be solely responsible for reviewing and awarding grants to assist:

(1) Small hemp cultivators and hemp businesses in gaining entry to, and successfully operating in, the State's hemp industry, including grants for financial assistance, industry training, and technical assistance; and

(2) Research projects related to industrial uses of hemp and marketability of hemp products.

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

(1) Provide staff and administrative support necessary to carry out the purposes of the Hawaii hemp grant



1 program, including facilitating the work of the
2 advisory board and expending agencies;

3 (2) Accept funds or grants and cooperate with private
4 entities and state or county agencies to carry out the
5 purposes of the Hawaii hemp grant program;

6 (3) Fix, determine, charge, and collect any premiums,
7 fees, charges, costs, and expenses, including
8 application fees, commitment fees, program fees,
9 financing charges, or publication fees in connection
10 with the Hawaii hemp grant program;

11 (4) Establish application, notification, contract, and
12 other forms and procedures deemed necessary and
13 appropriate to implement the Hawaii hemp grant
14 program; and

15 (5) Utilize vendors or contract work to carry out the
16 purposes of the Hawaii hemp grant program.

17 (d) Every grant shall be monitored by an expending agency
18 other than the office to ensure compliance with this chapter and
19 the public purpose and legislative intent of the grant. The
20 expending agency shall have the power to:



(1) Enter into agreements that set forth terms and conditions of the grants; and

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

(e) The office, in consultation with the advisory board, shall adopt rules pursuant to this chapter to implement the Hawaii hemp grant program, including:

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

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

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

(4) Requirements for the inspection, at reasonable hours, of facilities, books, and records of a grant applicant or 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.

(f) 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.



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

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

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

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



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

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

(6) Any recipient of a grant under the Hawaii hemp grant program who withholds or omits any material fact or deliberately misrepresents facts to the advisory board or expending agency for the grant or who violates the terms of the grant agreement shall be in violation of this section and, in addition to any other penalties provided by law, shall be prohibited from applying for a grant or any other benefits under the Hawaii hemp grant program for a period of five years from the date of termination."

PART III



1 SECTION 3. The purpose of this part is to impose taxes on
2 the sale of cannabis and require every business engaged in the
3 sale of cannabis to obtain a cannabis tax permit.

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

7 **"CHAPTER B**

8 **HAWAII CANNABIS TAX LAW**

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

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

12 "Department" means the department of taxation.

13 "Director" means the director of taxation.

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

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

18 **§B-2 Cannabis tax permit.** (a) No person shall engage in
19 the retail sale of cannabis or sale of medical cannabis unless a
20 permit has been issued to the person pursuant to this section;



1 provided that this section shall not apply to persons who make
2 sales at wholesale.

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

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



(d) A cannabis tax permit shall be non-assignable and non-transferable. A cannabis tax permit may be transferred from one business location to another business location after:

(1) An application has been filed with the department requesting the transfer;

(2) The applicant has paid a transfer fee of \$25; and

(3) Approval has been obtained from the department.

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

SB-3 Tax. (a) Upon every person engaging or continuing within the State in the retail sale of cannabis, beginning upon the effective date as stated in section A-51, and continuing thereafter, there is hereby levied and shall be assessed and collected a tax equal to fourteen per cent of the gross proceeds of retail sales from cannabis; provided that this subsection shall not apply to the sale of medical cannabis.

(b) Upon every person engaging or continuing within the State in the sale of medical cannabis, beginning January 1, 2027, and continuing thereafter, there is hereby levied and shall be assessed and collected a tax equal to four per cent of



1 the gross proceeds of sales from medical cannabis; provided that
2 this subsection shall not apply to sales at wholesale.

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

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

19 **SB-5 Payment of tax; penalties.** (a) At the time of the
20 filing of the return required under section B-4 and within the
21 time prescribed, each person subject to the tax imposed by this



1 chapter shall pay to the department the tax required to be shown
2 by the return.

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

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

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

21 (1) The taxpayer agrees to suspend the period;



1 (2) The assets of the taxpayer are in control or custody
2 of a court in any proceeding before any court of the
3 United States or any state, and for six months
4 thereafter;

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

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

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



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

4 (1) If an annual return is timely filed, or is filed
5 within three years after the date prescribed for
6 filing the annual return, then the credit or refund
7 shall be claimed within three years after the date the
8 annual return was filed or the date prescribed for
9 filing the annual return, whichever is later; or

10 (2) If an annual return is not filed, or is filed more
11 than three years after the date prescribed for filing
12 the annual return, a claim for credit or refund shall
13 be filed within three years after:

14 (A) The payment of the tax; or

15 (B) The date prescribed for the filing of the annual
16 return,

17 whichever is later;

18 provided that paragraphs (1) and (2) shall be mutually
19 exclusive.

20 (c) Exceptions; fraudulent return or no return. In the
21 case of a false or fraudulent return with intent to evade tax or



1 liability, or of a failure to file the annual return, the tax or
2 liability may be assessed or levied at any time; provided that
3 the burden of proof with respect to the issues of falsity or
4 fraud and intent to evade tax shall be upon the State.

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

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

- 20 (1) An amount necessary to defray the cost of the
21 operations and administrative expenses of the Hawaii



1 cannabis and hemp office established under chapter A
2 shall be deposited into the cannabis regulation and
3 enforcement special fund established by section A-16;
4 and

5 (2) After making the distribution required under paragraph
6 (1):

7 (A) Thirty per cent shall be deposited into the
8 social equity grant program subaccount
9 established by section A-16(c);

10 (B) Ten per cent shall be deposited into the public
11 health and education grant program subaccount
12 established by section A-16(d);

13 (C) Ten per cent shall be deposited into the public
14 safety grant program subaccount established by
15 section A-16(e);

16 (D) Five per cent shall be deposited into the Hawaii
17 hemp grant program subaccount established by
18 section A-16(f);

19 (E) Five per cent shall be deposited to the counties,
20 which shall be allocated to each county based on



1 the percentage of revenue collected from that
2 county;

3 (F) Five per cent shall be deposited to the
4 department of the attorney general for the drug
5 nuisance abatement unit established under section
6 28-131; and

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

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



1 within that period or may adopt rules that require the records
2 to be kept longer.

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

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

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

15 (1) Include:

16 (A) A written statement containing the name and
17 address of the source of cannabis;

18 (B) The date of delivery, quantity, weight, and price
19 of the cannabis; and

20 (C) Documentation in the form of any purchase orders;
21 invoices; bills of lading; or other written



1 statements, books, papers, or records in whatever
2 format, including electronic format, that
3 substantiate the purchase or acquisition of the
4 cannabis stored or offered for sale; and

5 (2) Be offered for inspection and examination within
6 twenty-four hours of demand by the department or
7 Hawaii cannabis and hemp office and shall be preserved
8 for a period of five years; provided that the
9 department may, in writing, consent to the records'
10 destruction within that period or may adopt rules that
11 require the records to be kept longer.

12 **§B-9 Inspection.** (a) A person subject to tax under this
13 chapter shall be subject to the inspection and investigation
14 provisions in chapter 231 and shall provide the department with
15 any information deemed necessary to verify compliance with the
16 requirements of this chapter.

17 (b) The department and Hawaii cannabis and hemp office may
18 examine all records required to be kept under this chapter, and
19 books, papers, and records of any person subject to tax under
20 this chapter, to verify the accuracy of the payment of the tax
21 imposed by this chapter and other compliance with this chapter



1 and rules adopted pursuant to this chapter. Every person in
2 possession of the books, papers, and records and the person's
3 agents and employees shall give the department and Hawaii
4 cannabis and hemp office the means, facilities, and
5 opportunities for examination.

6 (c) Returns, return information, or reports under this
7 chapter, and relating only to this chapter, may be provided to
8 the Hawaii cannabis and hemp office by the department for the
9 purpose of enforcing or ensuring compliance with chapter A.

10 Notwithstanding the foregoing, the inspection, review, or
11 production of any and all federal tax returns and return
12 information shall only be provided as permitted in accordance
13 with applicable federal law.

14 **SB-10 Tax in addition to other taxes.** The tax imposed by
15 this chapter, unless expressly prohibited, shall be in addition
16 to any other tax imposed upon the business of selling cannabis
17 or upon any of the transactions, acts, or activities taxed by
18 law.

19 **SB-11 Appeals.** Any person aggrieved by any assessment of
20 the tax imposed by this chapter may appeal from the assessment
21 in the manner and within the time and in all other respects as



1 provided in the case of income tax appeals by section 235-114.

2 The hearing and disposition of the appeal, including the
3 distribution of costs, shall be as provided in chapter 232.

4 **§B-12 Other provisions applicable.** All of the provisions
5 of chapters 231, 235, and 237 not inconsistent with this chapter
6 and that may appropriately be applied to the taxes, persons,
7 circumstances, and situations involved in this chapter,
8 including (without prejudice to the generality of the foregoing)
9 provisions as to penalties and interest, granting administrative
10 powers to the director, and for the assessment, levy, and
11 collection of taxes, shall be applicable to the taxes imposed by
12 this chapter, and to the assessment, levy, and collection
13 thereof.

14 **§B-13 Inquiry, audits, investigations, hearings, and**
15 **subpoenas.** The director, and any agent authorized by the
16 director, may conduct any inquiry, civil audit, criminal
17 investigation, investigation, or hearing relating to any
18 assessment, the amount of any tax, or the collection of any
19 delinquent tax, including any audit or investigation into the
20 financial resources of any delinquent taxpayer or the



1 collectability of any delinquent tax, in the manner provided in
2 section 231-7.

3 **SB-14 Administration by director; rules; implementation.**

4 (a) The administration of this chapter shall be vested in the
5 director who may adopt and enforce rules for the enforcement and
6 administration of this chapter.

7 (b) The director shall adopt rules pursuant to chapter 91.

8 (c) The director may employ tax law change specialists to
9 assist with the implementation of this chapter, each of whom
10 shall be subject to chapter 76.

11 **SB-15 Penalties.** (a) The penalties provided by this
12 chapter shall apply to any person, whether acting as principal,
13 agent, officer, or director, for oneself, itself, or for another
14 person and shall apply to each single violation.

15 (b) In addition to the penalties imposed under title 14,
16 including this chapter, and under chapter A, any person or
17 cannabis retailer who sells cannabis, or medical cannabis
18 dispensary who sells medical cannabis, without a permit as
19 required by this chapter shall be fined no more than \$1,000 per
20 violation. Each day a violation continues shall constitute a
21 separate violation.



1 (c) For purposes of this section:

2 "Cannabis retailer" means a person who engages in the
3 retail sale of cannabis pursuant to a license or permit issued
4 under chapter A. "Cannabis retailer" includes a retail cannabis
5 store, a craft cannabis dispensary, and any permit holder who
6 engages in the retail sale of cannabis pursuant to a permit
7 issued under chapter A and does not include a medical cannabis
8 dispensary.

9 "Craft cannabis dispensary" has the same meaning as defined
10 in section A-3.

11 "Medical cannabis dispensary" has the same meaning as
12 defined in section A-3.

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

15 PART IV

16 SECTION 5. The purpose of this part is to prohibit:

17 (1) Consuming marijuana or marijuana concentrate or
18 possessing an open container of marijuana or marijuana
19 concentrate while operating, or while a passenger in,
20 a motor vehicle or moped; and



(2) Operating a vehicle under the influence of marijuana
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 while a passenger in or on, 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 any bottle, can, package, wrapper, smoking device,
cartridge, or other receptacle containing any marijuana or



1 marijuana concentrate that has been opened, has a seal broken,
2 or the contents of which have been partially removed, or loose
3 marijuana or marijuana concentrate not in a container, within
4 any passenger area of a motor vehicle or moped being operated
5 upon any public street, road, or highway.

6 (b) This section shall not apply to marijuana, marijuana
7 concentrate, or a bottle, can, package, wrapper, smoking device,
8 cartridge, or other receptacle containing any marijuana or
9 marijuana concentrate that is stored in a trunk, luggage
10 compartment, or similar location.

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

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



1 cartridge, or other receptacle contains marijuana or marijuana
2 concentrate."

3 SECTION 7. Chapter 291E, Hawaii Revised Statutes, is
4 amended as follows:

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

7 **"§291E-A Refusal to submit to testing for**
8 **tetrahydrocannabinol; persons under the age of twenty-one;**
9 **district court hearing; sanctions; appeals; admissibility. (a)**

10 If a person under arrest for operating a vehicle while under the
11 influence of tetrahydrocannabinol, pursuant to section 291E-B,
12 refuses to submit to a blood test, none shall be given, except
13 as provided in section 291E-21, but the arresting law
14 enforcement officer, as soon as practicable, shall submit an
15 affidavit to a district judge of the circuit in which the arrest
16 was made stating that:

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



1 or on or in the waters of the State, while under the
2 influence of tetrahydrocannabinol;

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

6 (3) The person arrested had refused to submit to a blood
7 test;

8 (4) The person arrested was:

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

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

13 (5) The person arrested continued to refuse to submit to a
14 blood test.

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

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



1 in the waters of the State, while under the influence
2 of tetrahydrocannabinol;

3 (2) The person was lawfully arrested;

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

7 (4) The person arrested refused to submit to a blood test;

8 (5) The person arrested was:

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

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

13 (6) The person continued to refuse to submit to a blood
14 test.

15 (c) If the district judge finds the statements contained
16 in the affidavit are true, the judge shall suspend the arrested
17 person's license and privilege to operate a vehicle as follows:

18 (1) For a first suspension, or any suspension not preceded
19 within a five-year period by a suspension under this
20 section, for a period of twelve months; and



1 (2) For any subsequent suspension under this section, for
2 a period no less than two years and no more than five
3 years.

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

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

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

18 (b) A person who violates this section shall be sentenced
19 as follows:



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

4 (A) The court shall impose:

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

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



1 day period, a restriction on the license
2 that allows the person to drive for limited
3 work-related purposes and to participate in
4 substance abuse education and treatment
5 programs; and

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

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

10 (ii) A fine of no less than \$150 but no more than
11 \$500;

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

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

19 (B) In addition, the court may impose any of the
20 following:



- 1 (i) No more than fifty hours of community
2 service work; or
- 3 (ii) A fine of no less than \$300 but no more than
4 \$1,000; and
- 5 (3) For a violation that occurs within five years of two
6 or more prior drug enforcement contacts:
- 7 (A) The court shall impose revocation of license and
8 privilege to operate a vehicle for a period of
9 two years; and
- 10 (B) In addition, the court may impose any of the
11 following:
- 12 (i) No more than one hundred hours of community
13 service work; or
- 14 (ii) A fine of no less than \$300 but no more than
15 \$1,000.
- 16 (c) Notwithstanding any other law to the contrary, any
17 conviction or plea under this section shall be considered a
18 prior drug enforcement contact.
- 19 (d) Whenever a court sentences a person pursuant to
20 subsection (b)(2) or (3), it also shall require that the person
21 be referred to the driver's education program for an assessment,



1 by a certified substance abuse counselor, of the person's
2 substance abuse or dependence and the need for appropriate
3 treatment. The counselor shall submit a report with
4 recommendations to the court. The court shall require the
5 person to obtain appropriate treatment if the counselor's
6 assessment establishes the person's substance abuse or
7 dependence. All costs for assessment and treatment shall be
8 borne by the person or by the person's parent or guardian, if
9 the person is under the age of eighteen.

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

18 (f) Notwithstanding any other law to the contrary,
19 whenever a court revokes a person's driver's license pursuant to
20 this section, the examiner of drivers shall not grant to the



1 person an application for a new driver's license for a period to
2 be determined by the court.

3 (g) Any person sentenced under this section may be ordered
4 to reimburse the county for the cost of any blood tests
5 conducted pursuant to section 291E-11. The court shall order
6 the person to make restitution in a lump sum, or in a series of
7 prorated installments, to the police department or other agency
8 incurring the expense of the blood test.

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

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

14 (j) As used in this section:

15 "Driver's license" has the same meaning as in section
16 286-2.

17 "Examiner of drivers" has the same meaning as in section
18 286-2."

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



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

3 "Marijuana concentrate" has the same meaning as defined in
4 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:

8 "Marijuana" has the same meaning as defined in section
9 712-1240.

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

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

15 PART V

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

18 1. By amending subsection (a) to read:

19 "(a) No department of the State other than the attorney
20 general ~~may~~ shall employ or retain any attorney, by contract
21 or otherwise, for the purpose of representing the State or the



1 department in any litigation, rendering legal counsel to the
2 department, or drafting legal documents for the department;
3 provided that [~~the foregoing provision~~] this subsection shall
4 not apply to the employment or retention of attorneys:

5 (1) By the public utilities commission, [~~the~~] labor and
6 industrial relations appeals board, and [~~the~~] Hawaii
7 labor relations board;

8 (2) By any court or judicial or legislative office of the
9 State; provided further that if the attorney general
10 is requested to provide representation to a court or
11 judicial office by the chief justice or the chief
12 justice's designee, or to a legislative office by the
13 speaker of the house of representatives and [~~the~~]
14 president of the senate jointly, and the attorney
15 general declines to provide [~~such~~] the representation
16 on the grounds of conflict of interest, the attorney
17 general shall retain an attorney for the court,
18 judicial[~~7~~] office, or legislative office, subject to
19 approval by the court, judicial[~~7~~] office, or
20 legislative office;

21 (3) By the legislative reference bureau;



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- 1 (4) By any compilation commission that may be constituted
- 2 from time to time;
- 3 (5) By the real estate commission for any action involving
- 4 the real estate recovery fund;
- 5 (6) By the contractors license board for any action
- 6 involving the contractors recovery fund;
- 7 (7) By the office of Hawaiian affairs;
- 8 (8) By the department of commerce and consumer affairs for
- 9 the enforcement of violations of chapters 480 and
- 10 485A;
- 11 (9) As grand jury counsel;
- 12 (10) By the Hawaii health systems corporation, or its
- 13 regional system boards, or any of their facilities;
- 14 (11) By the auditor;
- 15 (12) By the office of ombudsman;
- 16 (13) By the insurance division;
- 17 (14) By the [~~University~~] university of Hawaii;
- 18 (15) By the Kahoolawe island reserve commission;
- 19 (16) By the division of consumer advocacy;
- 20 (17) By the office of elections;
- 21 (18) By the campaign spending commission;



(19) By the Hawaii tourism authority, as provided in
section 201B-2.5;

(20) By the division of financial institutions;

(21) By the office of information practices;

(22) By the school facilities authority;

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

~~[or]~~

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

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

2. By amending subsection (c) to read:

"(c) Every attorney employed by any department on a full-
time basis, except an attorney employed by the public utilities
commission, the labor and industrial relations appeals board,
the Hawaii labor relations board, the office of Hawaiian
affairs, the Hawaii health systems corporation or its regional
system boards, the department of commerce and consumer affairs
in prosecution of consumer complaints, the insurance division,



1 the division of consumer advocacy, the [~~University~~] university
2 of Hawaii, the Hawaii tourism authority as provided in section
3 201B-2.5, the Mauna Kea stewardship and oversight authority, the
4 Hawaii cannabis and hemp office, the office of information
5 practices, or as grand jury counsel, shall be a deputy attorney
6 general."

7 SECTION 11. Section 28-131, Hawaii Revised Statutes, is
8 amended by amending subsection (c) to read as follows:

9 "(c) The purpose of the drug nuisance abatement unit shall
10 be to provide for the effective enforcement and prosecution of
11 those violations of the drug nuisance abatement laws under
12 chapter 712, part V but only for offenses related to drugs and
13 intoxicating compounds as provided under chapter 712, part IV
14 and violations of chapter [~~329D~~] A as provided under section
15 712-1270. The drug nuisance abatement unit may also review and
16 take appropriate action on drug nuisance complaints of any
17 citizen of the State, or drug nuisances that are discovered by
18 the unit in carrying out its activities."

19 SECTION 12. Section 46-4, Hawaii Revised Statutes, is
20 amended by amending subsection (f) to read as follows:



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

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

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

14 (1) Commissioned and enlisted personnel of the Hawaii
15 National Guard and positions in the Hawaii National
16 Guard that are required by state or federal laws or
17 regulations or orders of the National Guard to be
18 filled from those commissioned or enlisted personnel;

19 (2) Positions filled by persons employed by contract where
20 the director of human resources development has
21 certified that the service is special or unique or is



1 essential to the public interest and that, because of
2 circumstances surrounding its fulfillment, personnel
3 to perform the service cannot be obtained through
4 normal civil service recruitment procedures. Any
5 contract may be for any period not exceeding one year;

6 (3) Positions that must be filled without delay to comply
7 with a court order or decree if the director
8 determines that recruitment through normal recruitment
9 civil service procedures would result in delay or
10 noncompliance, such as the Felix-Cayetano consent
11 decree;

12 (4) Positions filled by the legislature or by either house
13 or any committee thereof;

14 (5) Employees in the office of the governor and office of
15 the lieutenant governor, and household employees at
16 Washington Place;

17 (6) Positions filled by popular vote;

18 (7) Department heads, officers, and members of any board,
19 commission, or other state agency whose appointments
20 are made by the governor or are required by law to be
21 confirmed by the senate;



1 (8) Judges, referees, receivers, masters, jurors, notaries
2 public, land court examiners, court commissioners, and
3 attorneys appointed by a state court for a special
4 temporary service;

5 (9) One bailiff for the chief justice of the supreme court
6 who shall have the powers and duties of a court
7 officer and bailiff under section 606-14; one
8 secretary or clerk for each justice of the supreme
9 court, each judge of the intermediate appellate court,
10 and each judge of the circuit court; one secretary for
11 the judicial council; one deputy administrative
12 director of the courts; three law clerks for the chief
13 justice of the supreme court, two law clerks for each
14 associate justice of the supreme court and each judge
15 of the intermediate appellate court, one law clerk for
16 each judge of the circuit court, two additional law
17 clerks for the civil administrative judge of the
18 circuit court of the first circuit, two additional law
19 clerks for the criminal administrative judge of the
20 circuit court of the first circuit, one additional law
21 clerk for the senior judge of the family court of the



1 first circuit, two additional law clerks for the civil
2 motions judge of the circuit court of the first
3 circuit, two additional law clerks for the criminal
4 motions judge of the circuit court of the first
5 circuit, and two law clerks for the administrative
6 judge of the district court of the first circuit; and
7 one private secretary for the administrative director
8 of the courts, the deputy administrative director of
9 the courts, each department head, each deputy or first
10 assistant, and each additional deputy, or assistant
11 deputy, or assistant defined in paragraph (16);

12 (10) First deputy and deputy attorneys general, the
13 administrative services manager of the department of
14 the attorney general, one secretary for the
15 administrative services manager, an administrator and
16 any support staff for the criminal and juvenile
17 justice resources coordination functions, and law
18 clerks;

19 (11) (A) Teachers, principals, vice-principals, complex
20 area superintendents, deputy and assistant
21 superintendents, other certificated personnel,



1 and no more than twenty noncertificated
2 administrative, professional, and technical
3 personnel not engaged in instructional work;

4 (B) Effective July 1, 2003, teaching assistants,
5 educational assistants, bilingual or bicultural
6 school-home assistants, school psychologists,
7 psychological examiners, speech pathologists,
8 athletic health care trainers, alternative school
9 work study assistants, alternative school
10 educational or supportive services specialists,
11 alternative school project coordinators, and
12 communications aides in the department of
13 education;

14 (C) The special assistant to the state librarian and
15 one secretary for the special assistant to the
16 state librarian; and

17 (D) Members of the faculty of the university of
18 Hawaii, including research workers, extension
19 agents, personnel engaged in instructional work,
20 and administrative, professional, and technical
21 personnel of the university;



1 (12) Employees engaged in special, research, or

2 demonstration projects approved by the governor;

3 (13) (A) Positions filled by inmates, patients of state
4 institutions, and persons with severe physical or
5 mental disabilities participating in the work
6 experience training programs;

7 (B) Positions filled with students in accordance with
8 guidelines for established state employment
9 programs; and

10 (C) Positions that provide work experience training
11 or temporary public service employment that are
12 filled by persons entering the workforce or
13 persons transitioning into other careers under
14 programs such as the federal Workforce Investment
15 Act of 1998, as amended, or the Senior Community
16 Service Employment Program of the Employment and
17 Training Administration of the United States
18 Department of Labor, or under other similar state
19 programs;

20 (14) A custodian or guide at Iolani Palace, the Royal
21 Mausoleum, and Hulihee Palace;



1 (15) Positions filled by persons employed on a fee,
2 contract, or piecework basis, who may lawfully perform
3 their duties concurrently with their private business
4 or profession or other private employment and whose
5 duties require only a portion of their time, if it is
6 impracticable to ascertain or anticipate the portion
7 of time to be devoted to the service of the State;

8 (16) Positions of first deputies or first assistants of
9 each department head appointed under or in the manner
10 provided in section 6, article V, of the Hawaii State
11 Constitution; three additional deputies or assistants
12 either in charge of the highways, harbors, and
13 airports divisions or other functions within the
14 department of transportation as may be assigned by the
15 director of transportation, with the approval of the
16 governor; one additional deputy in the department of
17 human services either in charge of welfare or other
18 functions within the department as may be assigned by
19 the director of human services; four additional
20 deputies in the department of health, each in charge
21 of one of the following: behavioral health,



1 environmental health, hospitals, and health resources
2 administration, including other functions within the
3 department as may be assigned by the director of
4 health, with the approval of the governor; two
5 additional deputies in charge of the law enforcement
6 programs, administration, or other functions within
7 the department of law enforcement as may be assigned
8 by the director of law enforcement, with the approval
9 of the governor; three additional deputies each in
10 charge of the correctional institutions,
11 rehabilitation services and programs, and
12 administration or other functions within the
13 department of corrections and rehabilitation as may be
14 assigned by the director of corrections and
15 rehabilitation, with the approval of the governor; two
16 administrative assistants to the state librarian; and
17 an administrative assistant to the superintendent of
18 education;

19 (17) Positions specifically exempted from this part by any
20 other law; provided that:



1 (A) Any exemption created after July 1, 2014, shall
2 expire three years after its enactment unless
3 affirmatively extended by an act of the
4 legislature; and

5 (B) All of the positions defined by paragraph (9)
6 shall be included in the position classification
7 plan;

8 (18) Positions in the state foster grandparent program and
9 positions for temporary employment of senior citizens
10 in occupations in which there is a severe personnel
11 shortage or in special projects;

12 (19) Household employees at the official residence of the
13 president of the university of Hawaii;

14 (20) Employees in the department of education engaged in
15 the supervision of students during meal periods in the
16 distribution, collection, and counting of meal
17 tickets, and in the cleaning of classrooms after
18 school hours on a less than half-time basis;

19 (21) Employees hired under the tenant hire program of the
20 Hawaii public housing authority; provided that no more
21 than twenty-six per cent of the authority's workforce



1 in any housing project maintained or operated by the
2 authority shall be hired under the tenant hire
3 program;

4 (22) Positions of the federally funded expanded food and
5 nutrition program of the university of Hawaii that
6 require the hiring of nutrition program assistants who
7 live in the areas they serve;

8 (23) Positions filled by persons with severe disabilities
9 who are certified by the state vocational
10 rehabilitation office that they are able to perform
11 safely the duties of the positions;

12 (24) The sheriff;

13 (25) A gender and other fairness coordinator hired by the
14 judiciary;

15 (26) Positions in the Hawaii National Guard youth and adult
16 education programs;

17 (27) In the Hawaii state energy office in the department of
18 business, economic development, and tourism, all
19 energy program managers, energy program specialists,
20 energy program assistants, and energy analysts;



1 (28) Administrative appeals hearing officers in the
2 department of human services;

3 (29) In the Med-QUEST division of the department of human
4 services, the division administrator, finance officer,
5 health care services branch administrator, medical
6 director, and clinical standards administrator;

7 (30) In the director's office of the department of human
8 services, the enterprise officer, information security
9 and privacy compliance officer, security and privacy
10 compliance engineer, security and privacy compliance
11 analyst, information technology implementation
12 manager, assistant information technology
13 implementation manager, resource manager, community or
14 project development director, policy director, special
15 assistant to the director, and limited English
16 proficiency project manager or coordinator;

17 (31) The Alzheimer's disease and related dementia services
18 coordinator in the executive office on aging;

19 (32) In the Hawaii emergency management agency, the
20 executive officer, public information officer, civil
21 defense administrative officer, branch chiefs, and



1 emergency operations center state warning point
2 personnel; provided that for state warning point
3 personnel, the director shall determine that
4 recruitment through normal civil service recruitment
5 procedures would result in delay or noncompliance;

6 (33) The executive director and seven full-time
7 administrative positions of the school facilities
8 authority;

9 (34) Positions in the Mauna Kea stewardship and oversight
10 authority;

11 (35) In the office of homeland security of the department
12 of law enforcement, the statewide interoperable
13 communications coordinator;

14 (36) In the social services division of the department of
15 human services, the business technology analyst;

16 (37) The executive director and staff of the 911 board;

17 (38) The software developer supervisor and senior software
18 developers in the department of taxation;

19 (39) In the department of law enforcement, five Commission
20 on Accreditation for Law Enforcement Agencies, Inc.,
21 coordinator positions;



(40) The state fire marshal and deputy state fire marshal
in the office of the state fire marshal;

(41) The administrator for the law enforcement standards
board;

(42) In the office of the director of taxation, the data
privacy officer and tax business analysts; ~~and~~

[+] (43) [+] All positions filled by the Hawaii tourism
authority within the department of business, economic
development, and tourism[-]; and

(44) The administrator of the Hawaii cannabis and hemp
office pursuant to section A-11.

The director shall determine the applicability of this
section to specific positions.

Nothing in this section shall be deemed to affect the civil
service status of any incumbent as it existed on July 1, 1955."

SECTION 14. Section 91-13.5, Hawaii Revised Statutes, is
amended by amending subsection (f) to read as follows:

"(f) This section shall not apply to:

(1) Any proceedings of the public utilities commission;

~~or~~



(2) Any proceedings of the Hawaii cannabis and hemp
office; or

~~[(2)]~~ (3) Any county or county agency that is exempted by
county ordinance from this section."

SECTION 15. Section 201-13.9, Hawaii Revised Statutes, is
amended to read as follows:

**"§201-13.9 Medical cannabis; economic and other data;
collection.** (a) The department shall continuously collect
de-identified information regarding the medical cannabis
~~[registry]~~ registration and medical cannabis dispensary programs
established pursuant to ~~[chapters 329 and 329D,~~ chapter A,
including but not limited to information regarding the:

(1) Quantities of medical cannabis cultivated and
dispensed;

(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 and retail cannabis stores 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 16. 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 described in section 237-4, or a service business as defined in this section;
- (2) Production of agricultural products where the business is a producer as defined in section 237-5, or the



1 processing of agricultural products, all or some of
2 which were grown within an enterprise zone;

3 (3) Research, development, sale, or production of all
4 types of genetically-engineered medical, agricultural,
5 or maritime biotechnology products; or

6 (4) Production of electric power from wind energy for sale
7 primarily to a public utility company for resale to
8 the public;

9 provided that [~~medical cannabis dispensary~~] the activities of a
10 cannabis business pursuant to chapter [329D] A shall not be
11 considered an eligible business activity for the purposes of
12 this chapter."

13 SECTION 17. Section 231-8.5, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

15 "(b) If the requirements of subsection (c) are satisfied,
16 the department may require electronic filing of any tax return,
17 application, report, or other document required under the
18 provisions of title 14 administered by the department for the
19 following taxpayers:

20 (1) For withholding tax filings required under chapter
21 235, only employers whose total tax liability under



- 1 sections 235-61 and 235-62 for the calendar or fiscal
2 year exceeds \$40,000;
- 3 (2) For income tax filings required under chapter 235,
4 only taxpayers who are subject to tax under section
5 235-71, 235-71.5, or 235-72;
- 6 (3) For general excise tax filings required under chapter
7 237, only taxpayers whose total tax liability under
8 chapter 237 for the calendar or fiscal year exceeds
9 \$4,000;
- 10 (4) For transient accommodations tax filings required
11 under chapter 237D, only operators and plan managers
12 whose total tax liability under chapter 237D for the
13 calendar or fiscal year exceeds \$4,000; and
- 14 (5) For filings required under the following chapters, all
15 taxpayers subject to tax under those chapters:
- 16 (A) 236E;
17 (B) 239;
18 (C) 241;
19 (D) 243;
20 (E) 244D;
21 (F) 245; ~~and~~



1 (G) 251[~~-~~]; and

2 (H) B."

3 SECTION 18. Section 235-2.4, Hawaii Revised Statutes, is
4 amended by amending subsection (v) to read as follows:

5 "(v) Section 280E (with respect to expenditures in
6 connection with the illegal sale of drugs) of the Internal
7 Revenue Code shall be operative for the purposes of this
8 chapter[~~, except~~]; provided that section 280E shall not be
9 operative with respect to the [~~production~~] cultivation,
10 processing, and sale of [~~medical~~] cannabis [~~and manufactured~~
11 ~~cannabis products~~] by [~~dispensaries~~] cannabis businesses
12 licensed or permitted under chapter [~~329D and their~~
13 ~~subcontractors, as defined in section 329D-1.~~] A. For the
14 purposes of this subsection, "cannabis" has the same meaning as
15 defined in section A-3."

16 SECTION 19. Section 237-24.3, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§237-24.3 Additional amounts not taxable.** In addition to
19 the amounts not taxable under section 237-24, this chapter shall
20 not apply to:



1 (1) Amounts received from the loading, transportation, and
2 unloading of agricultural commodities shipped for a
3 producer or produce dealer on one island of this State
4 to a person, firm, or organization on another island
5 of this State. [~~The terms~~] For the purposes of this
6 paragraph, "agricultural commodity", "producer", and
7 "produce dealer" [~~shall be defined in the same manner~~
8 ~~as they are~~] have the same meaning as defined in
9 section 147-1; provided that agricultural commodities
10 need not have been produced in the State;

11 (2) Amounts received by the manager, submanager, or board
12 of directors of:

13 (A) An association of a condominium property regime
14 established in accordance with chapter 514B or
15 any predecessor thereto; or

16 (B) A nonprofit homeowners or community association
17 incorporated in accordance with chapter 414D or
18 any predecessor thereto and existing pursuant to
19 covenants running with the land,

20 in reimbursement of sums paid for common expenses;

21 (3) Amounts received or accrued from:



1 (A) The loading or unloading of cargo from ships,
2 barges, vessels, or aircraft, including
3 stevedoring services as defined in section 382-1,
4 regardless of whether [~~or not~~] the ships, barges,
5 vessels, or aircraft travel between the State and
6 other states or countries or between the islands
7 of the State;

8 (B) Tugboat services including pilotage fees
9 performed within the State, and the towage of
10 ships, barges, or vessels in and out of state
11 harbors, or from one pier to another;

12 (C) The transportation of pilots or governmental
13 officials to ships, barges, or vessels offshore;
14 rigging gear; checking freight and similar
15 services; standby charges; and use of moorings
16 and running mooring lines; and

17 (D) Wharfage and demurrage imposed under chapter 266
18 that is paid to the department of transportation;

19 (4) Amounts received by an employee benefit plan by way of
20 contributions, dividends, interest, and other income;
21 and amounts received by a nonprofit organization or



1 office, as payments for costs and expenses incurred
2 for the administration of an employee benefit plan;
3 provided that this exemption shall not apply to any
4 gross rental income or gross rental proceeds received
5 after June 30, 1994, as income from investments in
6 real property in this State; ~~and~~ provided further
7 that gross rental income or gross rental proceeds from
8 investments in real property received by an employee
9 benefit plan after June 30, 1994, under written
10 contracts executed ~~[prior to]~~ before July 1, 1994,
11 shall not be taxed until the contracts are
12 renegotiated, renewed, or extended, or until after
13 December 31, 1998, whichever is earlier. For the
14 purposes of this paragraph, "employee benefit plan"
15 means any plan as defined in title 29 United States
16 Code section 1002(3), as amended;

- 17 (5) Amounts received for purchases made with United States
18 Department of Agriculture food coupons under the
19 federal food stamp program, and amounts received for
20 purchases made with United States Department of
21 Agriculture food vouchers under the Special



1 Supplemental Foods Program for Women, Infants and
2 Children;

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

11 "Prescription drugs" are those drugs defined
12 under section 328-1 and dispensed by filling or
13 refilling a written or oral prescription by a
14 practitioner licensed under law to administer the drug
15 and sold by a licensed pharmacist under section 328-16
16 or practitioners licensed to administer drugs;
17 provided that "prescription drugs" shall not include
18 any cannabis [~~or manufactured cannabis products~~]
19 authorized pursuant to [~~chapters 329 and 329D; and~~]
20 chapter A.



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

13 (7) Taxes on transient accommodations imposed by chapter
14 237D and passed on and collected by operators holding
15 certificates of registration under that chapter;

16 (8) Amounts received as dues by an unincorporated
17 merchants association from its membership for
18 advertising media, promotional, and advertising costs
19 for the promotion of the association for the benefit
20 of its members as a whole and not for the benefit of



1 an individual member or group of members less than the
2 entire membership;

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

5 (A) A labor organization; or

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

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

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

20 (11) Amounts received as rent for the rental or leasing of
21 aircraft or aircraft engines used by the lessees or



1 renters for interstate air transportation of
2 passengers and goods. For purposes of this paragraph,
3 payments made pursuant to a lease shall be considered
4 rent regardless of whether the lease is an operating
5 lease or a financing lease. ~~[The definition of]~~ As
6 used in this paragraph, "interstate air
7 transportation" ~~[is]~~ has the same meaning as in title
8 49 ~~[U.S.C.]~~ United States Code section 40102; ~~[and]~~

9 (12) Amounts received by a hospital, infirmary, medical
10 clinic, health care facility, or pharmacy, or a
11 medical or dental practitioner, for ~~[healthcare-~~
12 ~~related]~~ health care-related goods or services
13 purchased under the medicare, medicaid, or TRICARE
14 programs. For the purposes of this paragraph, the
15 ~~[healthcare-related]~~ health care-related services need
16 not be performed by a medical or dental practitioner
17 but may be performed by a physician's assistant,
18 nurse, or other employee under the medical or dental
19 practitioner's direction. As used in this paragraph:



1 "Medicaid" means the program established under
2 Title XIX of the Social Security Act of 1935, as
3 amended[+].

4 "Medical or dental practitioner" means a
5 physician or osteopathic physician licensed pursuant
6 to chapter 453; a dentist licensed under chapter 448;
7 an advanced practice registered nurse licensed
8 pursuant to chapter 457; or a pharmacist licensed
9 pursuant to chapter 461[+].

10 "Medicare" means the program established under
11 Title XVIII of the Social Security Act of 1935, as
12 amended[~~+~~and].

13 "TRICARE" means the program of the Department of
14 Defense military health system managed by the Defense
15 Health Agency, or any successor program[~~+~~]; and

16 (13) Amounts received from:

17 (A) Sales of cannabis, whether made at retail or
18 wholesale;

19 (B) Sales of medical cannabis; and

20 (C) Taxes on the retail sale of cannabis or sale of
21 medical cannabis imposed by chapter B and passed



1 on and collected by persons holding permits under
2 chapter B."

3 SECTION 20. Section 245-1, Hawaii Revised Statutes, is
4 amended by amending the definition of "e-liquid" to read as
5 follows:

6 "'E-liquid" means any liquid or like substance, which may
7 or may not contain nicotine, that is designed or intended to be
8 used in an electronic smoking device, whether or not packaged in
9 a cartridge or other container.

10 "E-liquid" does not include:

11 (1) Prescription drugs;

12 (2) Cannabis [~~for medical use pursuant to chapter 329 or~~
13 ~~manufactured~~], cannabis products, or cannabis
14 accessories authorized pursuant to chapter [329D+] A;
15 or

16 (3) Medical devices used to aerosolize, inhale, or ingest
17 prescription drugs[, ~~including manufactured cannabis~~
18 ~~products described in section 329D-10~~]."

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



1 "§322-1 Prevention; abatement; destruction; removal[-];

2 definition. (a) The department of health and its agents shall
3 examine into all nuisances, such as foul or noxious odors, gases
4 or vapors, water in which mosquito larvae exist, sources of
5 filth, and all causes of sickness or disease, on shore, and in
6 any vessel, [~~which~~] that may be known to [~~them~~] the department
7 or brought to [~~their~~] the department's attention, that in
8 [~~their~~] the department's opinion are dangerous or injurious to
9 public health or environmental health, or both, and into any and
10 all conditions created or existing that cause or tend to be
11 dangerous or injurious to public health or environmental health,
12 or both, and shall prevent, abate, destroy, or remove the
13 nuisance or condition that causes a nuisance.

14 (b) For purposes of this part:

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

17 "Hemp product" has the same meaning as defined in section
18 A-3.

19 "Nuisance" does not include a cannabis product or hemp
20 product or any foul or noxious odor, gas, or vapor derived from
21 a cannabis product or hemp product."



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

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

(a) Except as provided in ~~[subsection]~~ subsections (e) ~~[7]~~ and (f), it ~~[is]~~ shall be unlawful for any person to use, or to possess with intent to use, drug paraphernalia to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance in violation of this chapter. A violation of this subsection shall constitute a violation subject to a fine of no more than \$500.

(b) Except as provided in subsection (e), it ~~[is]~~ shall be unlawful for any person to deliver, possess with intent to deliver, or manufacture with intent to deliver drug paraphernalia, knowing or under circumstances where one reasonably should know, that it will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance in



1 violation of this chapter. A violation of this subsection shall
2 constitute a violation subject to a fine of no more than \$500.

3 (c) Any person eighteen years of age or ~~[over]~~ older who
4 violates subsection (b) by delivering drug paraphernalia to a
5 person or persons under eighteen years of age who are at least
6 three years younger than that adult person ~~[is]~~ shall be guilty
7 of a class B felony and upon conviction may be imprisoned
8 pursuant to section 706-660 and, if appropriate as provided in
9 section 706-641, fined pursuant to section 706-640.

10 (d) It ~~[is]~~ shall be unlawful for any person to place in
11 any newspaper, magazine, handbill, or other publication any
12 advertisement, knowing or under circumstances where one
13 reasonably should know, that the purpose of the advertisement,
14 in whole or in part, is to promote the sale of objects designed
15 or intended for use as drug paraphernalia. Any person who
16 violates this section ~~[is]~~ shall be guilty of a class C felony
17 and upon conviction may be imprisoned pursuant to section 706-
18 660 and, if appropriate as provided in section 706-641, fined
19 pursuant to section 706-640.

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



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

~~(2) Dispense, manufacture, or produce cannabis or 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) Upon the effective date of section A-51, 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:



1 "(d) Notwithstanding subsections (b) and (c), the
2 requirement that inquiry into and consideration of a prospective
3 employee's conviction record may take place only after the
4 individual has received a conditional job offer, and the
5 limitation to the most recent seven-year period for felony
6 convictions and the most recent five-year period for misdemeanor
7 convictions, excluding the period of incarceration, shall not
8 apply to employers who are expressly permitted to inquire into
9 an individual's criminal history for employment purposes
10 pursuant to any federal or state law other than subsection (a),
11 including:

12 (1) The State or any of its branches, political
13 subdivisions, or agencies pursuant to sections 78-2.7
14 and 831-3.1; provided that any state law permitting
15 the State and any of its branches, political
16 subdivisions, agencies, or semi-autonomous public
17 bodies corporate and politic to conduct more extensive
18 inquiries into an individual's criminal history for
19 employment purposes than those permitted under this
20 section shall prevail;



- 1 (2) The department of education pursuant to section 302A-
2 601.5;
- 3 (3) The department of health with respect to employees,
4 providers, or subcontractors in positions that place
5 them in direct contact with clients when providing
6 non-witnessed direct mental health services pursuant
7 to section 321-171.5;
- 8 (4) The judiciary pursuant to section 571-34;
- 9 (5) The counties pursuant to section 846-2.7(b)(5), (33),
10 (34), (35), (36), and (38);
- 11 (6) Armed security services pursuant to section 261-17(b);
- 12 (7) Providers of a developmental disabilities domiciliary
13 home pursuant to section 321-15.2;
- 14 (8) Private schools pursuant to sections 302C-1 and 378-
15 3(8);
- 16 (9) Financial institutions in which deposits are insured
17 by a federal agency having jurisdiction over the
18 financial institution pursuant to section 378-3(9);
- 19 (10) Detective agencies and security guard agencies
20 pursuant to sections 463-6(b) and 463-8(b);



- 1 (11) Employers in the business of insurance pursuant to
2 section 431:2-201.3;
- 3 (12) Employers of individuals or supervisors of individuals
4 responsible for screening passengers or property under
5 title 49 United States Code section 44901 or
6 individuals with unescorted access to an aircraft of
7 an air carrier or foreign carrier or in a secured area
8 of an airport in the United States pursuant to title
9 49 United States Code section 44936(a);
- 10 (13) The department of human services pursuant to sections
11 346-2.5, 346-97, and 352-5.5;
- 12 (14) The public library system pursuant to section 302A-
13 601.5;
- 14 (15) The department of law enforcement pursuant to section
15 353C-5;
- 16 (16) The board of directors of a cooperative housing
17 corporation or the manager of a cooperative housing
18 project pursuant to section 421I-12;
- 19 (17) The board of directors of an association under chapter
20 514B, or the managing agent or resident manager of a
21 condominium pursuant to section 514B-133;



(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:

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



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

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

8 (1) Procuring, or aiding or abetting in procuring, an
9 abortion that is unlawful under the laws of this State
10 or that would be unlawful under the laws of this State
11 if performed within this State;

12 (2) Employing any person to solicit patients for one's
13 self;

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

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

18 (B) Assuring a permanent cure for an incurable
19 disease; or



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

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

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

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

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

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



1 (9) Conduct or practice contrary to recognized standards
2 of ethics of the medical profession as adopted by the
3 Hawaii Medical Association, the American Medical
4 Association, the Hawaii Association of Osteopathic
5 Physicians and Surgeons, or the American Osteopathic
6 Association;

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

9 (11) Revocation, suspension, or other disciplinary action
10 by another state or federal agency of a license,
11 certificate, or medical privilege, except when the
12 revocation, suspension, or other disciplinary action
13 was based on the provision or assistance in receipt or
14 provision of medical, surgical, pharmaceutical,
15 counseling, or referral services relating to the human
16 reproductive system, including but not limited to
17 services relating to pregnancy, contraception, or the
18 termination of a pregnancy, so long as the provision
19 or assistance in receipt or provision of the services
20 was in accordance with the laws of this State or would



1 have been in accordance with the laws of this State if
2 it occurred within this State;

3 (12) Conviction, whether by nolo contendere or otherwise,
4 of a penal offense substantially related to the
5 qualifications, functions, or duties of a physician or
6 osteopathic physician, notwithstanding any statutory
7 provision to the contrary, except when the conviction
8 was based on the provision or assistance in receipt or
9 provision of medical, surgical, pharmaceutical,
10 counseling, or referral services relating to the human
11 reproductive system, including but not limited to
12 services relating to pregnancy, contraception, or the
13 termination of a pregnancy, so long as the provision
14 or assistance in receipt or provision of the services
15 was in accordance with the laws of this State or would
16 have been in accordance with the laws of this State if
17 it occurred within this State;

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



- 1 (14) Failure to report to the board, in writing, any
2 disciplinary decision issued against the licensee or
3 the applicant in another jurisdiction within thirty
4 days after the disciplinary decision is issued; or
5 (15) Submitting to or filing with the board any notice,
6 statement, or other document required under this
7 chapter~~[, which]~~ that is false or untrue or contains
8 any material misstatement or omission of fact."

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

11 "**§514B-113 Medical cannabis; discrimination.** A provision
12 in any articles of incorporation, declaration, bylaws,
13 administrative rules, house rules, or association documents of a
14 condominium allowing for any of the discriminatory practices
15 listed in section 515-3(a)(1) to (7) against a person residing
16 in a unit who has a valid ~~[certificate]~~ medical cannabis
17 registration card for the medical use of cannabis as provided in
18 section ~~[329-123]~~ A-47 in any form is void, unless the documents
19 prohibit the smoking of tobacco and the medical cannabis is used
20 by means of smoking. Nothing in this section shall be construed
21 to diminish the obligation of a condominium association to



1 provide reasonable accommodations for persons with disabilities
2 pursuant to section 515-3(a)(9)."

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

5 "**§521-39 Medical cannabis; tenant use; eviction.** A
6 provision in a rental agreement allowing for eviction of a
7 tenant who has a valid ~~[certificate]~~ medical cannabis
8 registration card for the medical use of cannabis as provided in
9 section ~~[329-123]~~ A-47 in any form is void, unless the rental
10 agreement allows for eviction for smoking tobacco and the
11 medical cannabis is used by means of smoking; provided that this
12 section shall not apply where the articles of incorporation,
13 declaration, bylaws, administrative rules, house rules,
14 association documents, or a similar document of a condominium
15 property regime or planned community association prohibits the
16 ~~[medical]~~ use of cannabis."

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

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



- 1 (a) Intentionally or knowingly allows another person to
2 inflict serious or substantial bodily injury on the
3 minor; or
- 4 (b) Intentionally or knowingly causes or permits the minor
5 to inject, ingest, inhale, or otherwise introduce into
6 the minor's body any controlled substance listed in
7 sections 329-14, 329-16, 329-18, and 329-20 that has
8 not been prescribed by a physician for the minor,
9 except as permitted under section ~~[329-122.]~~ A-41."

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

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

- 15 (a) Recklessly allows another person to inflict serious or
16 substantial bodily injury on the minor; or
- 17 (b) Recklessly causes or permits the minor to inject,
18 ingest, inhale, or otherwise introduce into the
19 minor's body any controlled substance listed in
20 sections 329-14, 329-16, 329-18, and 329-20 that has
21 not been prescribed by a physician for the minor,



1 except as permitted under section [~~329-122.~~] A-41.

2 This subsection shall not apply to nursing mothers who
3 may cause the ingestion or introduction of detectable
4 amounts of any controlled substance listed in sections
5 329-14, 329-16, 329-18, and 329-20 to their minor
6 children through breastfeeding."

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

9 "(2) It [~~is~~] shall be an affirmative defense to
10 prosecution for any marijuana-related offense defined in this
11 part that the person who possessed or distributed the marijuana
12 was authorized to possess or distribute the marijuana [~~for~~
13 ~~medical purposes pursuant to part IX of chapter 329.~~] pursuant
14 to chapter A."

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

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

19 (a) Possesses one hundred or more capsules or tablets or
20 dosage units containing one or more of the harmful



1 drugs or one or more of the marijuana concentrates, or
2 any combination thereof;

3 (b) Possesses one or more preparations, compounds,
4 mixtures, or substances, of an aggregate weight of one
5 ounce or more containing one or more of the harmful
6 drugs or one or more of the marijuana concentrates, or
7 any combination thereof;

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

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

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



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

3 "(2) Promoting a harmful drug in the fourth degree [~~is~~]
4 shall be a misdemeanor[-]; provided that possession of one or
5 more preparations, compounds, mixtures, or substances containing
6 more than five grams of marijuana concentrate shall be a petty
7 misdemeanor; provided further that possession of one or more
8 preparations, compounds, mixtures, or substances containing up
9 to five grams of marijuana concentrate shall be a violation,
10 punishable by a fine of \$25. A person found responsible for a
11 violation under this section may request, and shall be granted,
12 a penalty of up to two hours of community service in lieu of a
13 fine. Whenever a court sentences a person under twenty-one
14 years old pursuant to this section, it shall also require that
15 the person be referred for an assessment by a certified
16 substance abuse counselor of the person's substance abuse or
17 dependence and the need for appropriate treatment. The
18 counselor shall submit a report with a recommendation to the
19 court. The court shall require the person to obtain appropriate
20 treatment if the counselor's assessment establishes the person's
21 substance abuse or dependence. All costs for assessment and



1 treatment shall be borne by the person or, if the person is
2 under the age of eighteen, by the person's parent or guardian."

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

5 "**§712-1249 Promoting a detrimental drug in the third**
6 **degree.** (1) A person commits the offense of promoting a
7 detrimental drug in the third degree if ~~[the]~~:

8 (a) The person knowingly possesses any marijuana or any
9 Schedule V substance in any amount[-]; or

10 (b) Smokes marijuana in a public place.

11 (2) Promoting a detrimental drug in the third degree ~~[is]~~
12 shall be a petty misdemeanor; provided that ~~[possession of three~~
13 ~~grams or less of marijuana is a violation, punishable by a fine~~
14 ~~of \$130.]:~~

15 (a) The following shall be a violation, punishable by a
16 fine of \$25:

17 (i) Possession of one or more preparations,
18 compounds, mixtures, or substances containing any
19 marijuana, with an aggregate weight of up to one
20 ounce; or



1 (ii) Possession, within a person's private residence
2 only, of one or more preparations, compounds,
3 mixtures, or substances with an aggregate weight
4 of up to ten ounces containing any marijuana
5 produced by the person's personal cultivation of
6 marijuana; provided further that regardless of
7 the number of persons residing at the private
8 residence, the total amount of preparations,
9 compounds, mixtures, or substances containing any
10 marijuana shall not exceed an aggregate weight of
11 two pounds.

12 A person found responsible for a violation under this
13 paragraph may request, and shall be granted, a penalty
14 of up to two hours of community service in lieu of a
15 fine; and

16 (b) Smoking marijuana in a public place shall be a
17 violation, punishable by a fine of up to \$130. A
18 person found responsible for a violation under this
19 paragraph may request, and shall be granted, a penalty
20 of up to ten hours of community service in lieu of a
21 fine.



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

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

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

- (a) All offenses that specifically authorize forfeiture;
- (b) Murder; kidnapping; labor trafficking; unlicensed sale of liquor; unlicensed manufacture of liquor; gambling; criminal property damage; robbery; bribery; extortion; theft; unauthorized entry into motor vehicle; burglary; money laundering; trademark counterfeiting;



1 insurance fraud; promoting a dangerous, harmful, or
2 detrimental drug; commercial promotion of marijuana;
3 methamphetamine trafficking; manufacturing of a
4 controlled substance with a child present; promoting
5 child abuse; promoting prostitution; sex trafficking;
6 commercial sexual exploitation of a minor; habitual
7 commercial sexual exploitation; or electronic
8 enticement of a child that is chargeable as a felony
9 offense under state law;

10 (c) The manufacture, sale, or distribution of a controlled
11 substance in violation of chapter 329, promoting
12 detrimental drugs or intoxicating compounds, promoting
13 pornography, promoting pornography for minors, or
14 commercial sexual exploitation near schools or public
15 parks, which is chargeable as a felony or misdemeanor
16 offense, but not as a petty misdemeanor, under state
17 law; provided that the activities authorized under
18 chapter A shall not be subject to forfeiture under
19 this chapter;



(d) The attempt, conspiracy, solicitation, coercion, or intimidation of another to commit any offense for which property is subject to forfeiture; and

(e) Criminal trespass on agricultural land as defined in section 708- ."

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

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

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

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

(3) The department of health or its designee on all applicants for licensure or certification for,



1 operators for, prospective employees, adult
2 volunteers, and all adults, except adults in care, at
3 healthcare facilities as defined in section 321-15.2;

4 (4) The department of education on employees, prospective
5 employees, and teacher trainees in any public school
6 in positions that necessitate close proximity to
7 children, as provided by section 302A-601.5;

8 (5) The counties on employees and prospective employees
9 who may be in positions that place them in close
10 proximity to children in recreation or child care
11 programs and services;

12 (6) The county liquor commissions on applicants for liquor
13 licenses, as provided by section 281-53.5;

14 (7) The county liquor commissions on employees and
15 prospective employees involved in liquor
16 administration, law enforcement, and liquor control
17 investigations;

18 (8) The department of human services on operators and
19 employees of child caring institutions, child placing
20 organizations, and resource family homes, as provided
21 by section 346-17;



- 1 (9) The department of human services on prospective
2 adoptive parents as established under section 346-
3 19.7;
- 4 (10) The department of human services or its designee on
5 applicants to operate child care facilities, household
6 members of the applicant, prospective employees of the
7 applicant, and new employees and household members of
8 the provider after registration or licensure, as
9 provided by section 346-154, and persons subject to
10 section 346-152.5;
- 11 (11) The department of human services on persons exempt
12 pursuant to section 346-152 to be eligible to provide
13 child care and receive child care subsidies, as
14 provided by section 346-152.5;
- 15 (12) The department of health on operators and employees of
16 home and community-based case management agencies and
17 operators and other adults, except for adults in care,
18 residing in community care foster family homes, as
19 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 of youth services or
9 the Hawaii youth correctional facility, as provided by
10 section 352D-4.3;

11 (15) The judiciary on employees and applicants at detention
12 and shelter facilities, as provided by section 571-34;

13 (16) The department of corrections and rehabilitation on
14 employees and prospective employees, volunteers,
15 contract service providers, and subcontract service
16 providers who are directly involved with the treatment
17 and care of, or directly involved in providing
18 correctional programs and services to, persons
19 committed to a correctional facility, or placed in
20 close proximity to persons committed when providing
21 services on behalf of the department or the



1 correctional facility, as provided by section 353-1.5,
2 and the department of law enforcement on employees and
3 prospective employees whose duties involve or may
4 involve the exercise of police powers including the
5 power of arrest, as provided by section 353C-5;

6 (17) The board of private detectives and guards on
7 applicants for private detective or private guard
8 licensure, as provided by section 463-9;

9 (18) Private schools and designated organizations on
10 employees and prospective employees who may be in
11 positions that necessitate close proximity to
12 children; provided that private schools and designated
13 organizations receive only indications of the states
14 from which the national criminal history record
15 information was provided pursuant to section 302C-1;

16 (19) The public library system on employees and prospective
17 employees whose positions place them in close
18 proximity to children, as provided by section 302A-
19 601.5;

20 (20) The State or any of its branches, political
21 subdivisions, or agencies on applicants and employees



1 holding a position that has the same type of contact
2 with children, vulnerable adults, or persons committed
3 to a correctional facility as other public employees
4 who hold positions that are authorized by law to
5 require criminal history record checks as a condition
6 of employment, as provided by section 78-2.7;

7 (21) The department of health on licensed adult day care
8 center operators, employees, new employees,
9 subcontracted service providers and their employees,
10 and adult volunteers, as provided by section 321-15.2;

11 (22) The department of human services on purchase of
12 service contracted and subcontracted service providers
13 and their employees and volunteers, as provided by
14 sections 346-2.5 and 346-97;

15 (23) The department of human services on foster grandparent
16 program, senior companion program, and respite
17 companion program participants, as provided by section
18 346-97;

19 (24) The department of human services on contracted and
20 subcontracted service providers and their current and
21 prospective employees that provide home and community-



1 based services under section 1915(c) of the Social
2 Security Act, title 42 United States Code section
3 1396n(c), or under any other applicable section or
4 sections of the Social Security Act for the purposes
5 of providing home and community-based services, as
6 provided by section 346-97;

7 (25) The department of commerce and consumer affairs on
8 proposed directors and executive officers of a bank,
9 savings bank, savings and loan association, trust
10 company, and depository financial services loan
11 company, as provided by section 412:3-201;

12 (26) The department of commerce and consumer affairs on
13 proposed directors and executive officers of a
14 nondepository financial services loan company, as
15 provided by section 412:3-301;

16 (27) The department of commerce and consumer affairs on the
17 original chartering applicants and proposed executive
18 officers of a credit union, as provided by section
19 412:10-103;

20 (28) The department of commerce and consumer affairs on:



- 1 (A) Each principal of every non-corporate applicant
2 for a money transmitter license;
- 3 (B) Each person who upon approval of an application
4 by a corporate applicant for a money transmitter
5 license will be a principal of the licensee; and
- 6 (C) Each person who upon approval of an application
7 requesting approval of a proposed change in
8 control of licensee will be a principal of the
9 licensee,
- 10 as provided by sections 489D-9 and 489D-15;
- 11 (29) The department of commerce and consumer affairs on
12 applicants for licensure and persons licensed under
13 title 24;
- 14 (30) The Hawaii health systems corporation on:
- 15 (A) Employees;
- 16 (B) Applicants seeking employment;
- 17 (C) Current or prospective members of the corporation
18 board or regional system board; or
- 19 (D) Current or prospective volunteers, providers, or
20 contractors,



1 in any of the corporation's health facilities, as
2 provided by section 323F-5.5;

3 (31) The department of commerce and consumer affairs on:

4 (A) An applicant for a mortgage loan originator
5 license, or license renewal; and

6 (B) Each control person, executive officer, director,
7 general partner, and managing member of an
8 applicant for a mortgage loan originator company
9 license or license renewal,

10 as provided by chapter 454F;

11 (32) The state public charter school commission or public
12 charter schools on employees, teacher trainees,
13 prospective employees, and prospective teacher
14 trainees in any public charter school for any position
15 that places them in close proximity to children, as
16 provided in section 302D-33;

17 (33) The counties on prospective employees who work with
18 children, vulnerable adults, or senior citizens in
19 community-based programs;



- 1 (34) The counties on prospective employees for fire
2 department positions that involve contact with
3 children or vulnerable adults;
- 4 (35) The counties on prospective employees for emergency
5 medical services positions that involve contact with
6 children or vulnerable adults;
- 7 (36) The counties on prospective employees for emergency
8 management positions and community volunteers whose
9 responsibilities involve planning and executing
10 homeland security measures including viewing,
11 handling, and engaging in law enforcement or
12 classified meetings and assisting vulnerable citizens
13 during emergencies or crises;
- 14 (37) The State and counties on employees, prospective
15 employees, volunteers, and contractors whose position
16 responsibilities require unescorted access to secured
17 areas and equipment related to a traffic management
18 center;
- 19 (38) The State and counties on employees and prospective
20 employees whose positions involve the handling or use
21 of firearms for other than law enforcement purposes;



(39) The State and counties on current and prospective systems analysts and others involved in an agency's 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 466M-7; and

(C) Each of the controlling persons of an applicant for registration as an appraisal management company, as provided by section 466M-7;

(41) The ~~[department of health or its designee]~~ Hawaii cannabis and hemp office 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,



1 and subcontractors and current or prospective
2 employees of the contractors and subcontractors
3 of the Hawaii cannabis and hemp office, as
4 provided by section A-24; and

5 (B) All license and permit applicants, [~~licensees,~~
6 current or prospective employees~~]~~ and
7 ~~contractors[, and prospective employees of~~
8 ~~medical cannabis dispensaries, and individuals~~
9 ~~permitted to enter and remain in medical cannabis~~
10 ~~dispensary facilities, as provided under sections~~
11 ~~329D-15(a)(4) and 329D-16(a)(3),]~~ of licensed
12 businesses, and current or prospective laboratory
13 agents of independent laboratories, as provided
14 by section A-74;

15 (42) The department of commerce and consumer affairs on
16 applicants for nurse licensure or license renewal,
17 reactivation, or restoration, as provided by sections
18 457-7, 457-8, 457-8.5, and 457-9;

19 (43) The county police departments on applicants for
20 permits to acquire firearms pursuant to section 134-2,
21 on individuals registering their firearms pursuant to



1 section 134-3, and on applicants for new or renewed
2 licenses to carry a pistol or revolver and ammunition
3 pursuant to section 134-9;

4 (44) The department of commerce and consumer affairs on:

5 (A) Each of the controlling persons of the applicant
6 for licensure as an escrow depository, and each
7 of the officers, directors, and principals who
8 will be in charge of the escrow depository's
9 activities upon licensure; and

10 (B) Each of the controlling persons of an applicant
11 for proposed change in control of an escrow
12 depository licensee, and each of the officers,
13 directors, and principals who will be in charge
14 of the licensee's activities upon approval of the
15 application,

16 as provided by chapter 449;

17 (45) The department of taxation on current or prospective
18 employees or contractors who have access to federal
19 tax information in order to comply with requirements
20 of federal law, regulation, or procedure, as provided
21 by section 231-1.6;



1 (46) The department of labor and industrial relations on
2 current or prospective employees or contractors who
3 have access to federal tax information in order to
4 comply with requirements of federal law, regulation,
5 or procedure, as provided by section 383-110;

6 (47) The department of human services on current or
7 prospective employees or contractors who have access
8 to federal tax information in order to comply with
9 requirements of federal law, regulation, or procedure,
10 and on current or prospective employees, volunteers,
11 contractors, or contractors' employees or volunteers,
12 subcontractors, or subcontractors' employees or
13 volunteers, whose position places or would place them
14 in close proximity to minors, young adults, or
15 vulnerable adults, as provided by section 346-2.5;

16 (48) The child support enforcement agency on current or
17 prospective employees, or contractors who have access
18 to federal tax information to comply with federal law,
19 regulation, or procedure, as provided by section 576D-
20 11.5;



1 (49) The department of the attorney general on current or
2 prospective employees, contractors, contractor's
3 employees, or subcontractors who have access to
4 federal tax information to comply with federal law,
5 regulation, or procedure, as provided by section 28-
6 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;

16 (52) The department of commerce and consumer affairs on
17 applicants for physician licensure or license renewal,
18 through the Interstate Medical Licensure Compact, as
19 provided by section 453B-2; and



(53) Any other organization, entity, or the State, its branches, political subdivisions, or agencies as may be authorized by state law."

SECTION 36. Act 14, Session Laws of Hawaii 2020, as amended by section 2 of Act 137, Session Laws of Hawaii 2022, as amended by section 15 of Act 263, Session Laws of Hawaii 2023, is amended by amending section 9 to read as follows:

"SECTION 9. This Act shall take effect upon its approval, and shall be repealed on July 1, ~~[2027.]~~ 2026; provided that the definition of "marijuana" in section 329-1, Hawaii Revised Statutes, and the definitions of "marijuana" and "marijuana concentrate" in section 712-1240, Hawaii Revised Statutes, shall be reenacted in the form in which they read on the day prior to the effective date of this Act."

SECTION 37. Act 263, Session Laws of Hawaii 2023, is amended by amending section 19 to read as follows:

"SECTION 19. This Act shall take effect on July 1, 2023, and shall be repealed on July 1, ~~[2027.]~~ 2026."

SECTION 38. Act 110, Session Laws of Hawaii 2024, is amended by amending section 4 to read as follows:



1 "SECTION 4. This Act shall take effect upon its approval[+
2 ~~provided that on July 1, 2027, this Act shall be repealed and~~
3 ~~section 846-2.7, Hawaii Revised Statutes, shall be reenacted in~~
4 ~~the form in which it read on the day prior to the effective date~~
5 ~~of this Act]."~~

6 SECTION 39. Act 241, Session Laws of Hawaii 2025, is
7 amended as follows:

8 1. By amending sections 16 and 17 to read:

9 "SECTION 16. [~~The purpose of this part is to prohibit the~~
10 ~~cultivation of cannabis without a cannabis cultivator license~~
11 ~~issued by the department of health.] Repealed.~~

12 SECTION 17. [~~Chapter 329D, Hawaii Revised Statutes, is~~
13 ~~amended by adding a new section to be appropriately designated~~
14 ~~and to read as follows:~~

15 "~~§329D— Cannabis cultivator; license required.~~ (a)
16 ~~Notwithstanding section 329D-24, it shall be unlawful for any~~
17 ~~person to cultivate cannabis without a license issued by the~~
18 ~~department pursuant to this section.~~

19 ~~(b) A cannabis cultivator license shall authorize the~~
20 ~~licensee to:~~



~~(1) Acquire and cultivate cannabis plants, seeds,
cuttings, or clones; and~~

~~(2) Distribute cannabis plants and cannabis flower to a
medical cannabis dispensary.~~

~~(c) The department shall issue no more than one cannabis
cultivator license for each person.~~

~~(d) A person issued a cannabis cultivator license under
this section shall meet all production facility and processing
requirements of this chapter.] Repealed."~~

2. By amending section 20 to read:

"SECTION 20. This Act shall take effect on July 1, 2025;
provided that part IV of this Act shall take effect on [~~January
1, 2028,~~] July 1, 2026; provided further that the amendments
made to section 453-1.3(c), Hawaii Revised Statutes, by section
9 of this Act shall not be repealed when that section is
reenacted on December 31, 2025, pursuant to section 8 of Act
107, Session Laws of Hawaii 2023."

SECTION 40. Act 269, Session Laws of Hawaii 2025, is
amended by amending section 11 to read as follows:

"SECTION 11. This Act shall take effect on July 1,
2025[-]; provided that on July 1, 2026, this Act shall be



1 repealed and section 712-1270, Hawaii Revised Statutes, shall be
2 reenacted in the form in which it read on the day prior to the
3 effective date of this Act."

4 SECTION 41. Section 321-30.1, Hawaii Revised Statutes, is
5 repealed.

6 ~~["**S321-30.1 Medical cannabis registry and regulation**~~
7 ~~**special fund; established.** (a) There is established within the~~
8 ~~state treasury the medical cannabis registry and regulation~~
9 ~~special fund. The fund shall be expended at the discretion of~~
10 ~~the director of health:~~

11 ~~(1) To establish and regulate a system of medical cannabis~~
12 ~~dispensaries in the State;~~

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

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

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

20 ~~(5) To fund public education as required by section 329D-~~

21 ~~26;~~



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

~~(7) To fund programs for the mitigation and abatement of nuisances relating to illegal cannabis and hemp products and chapter 329D; and~~

~~(8) 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, into which shall be deposited all fees collected pursuant to subsection (c); and~~

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

~~(c) The department, upon completion of the transfer of the medical use of cannabis program, shall charge a medical cannabis~~



~~1 registration fee to each qualifying patient, other than a~~
~~2 qualifying out-of-state patient, of no more than \$35 per year."]~~

3 SECTION 42. Chapter 329, part IX, Hawaii Revised Statutes,
4 is repealed.

5 SECTION 43. Chapter 329D, Hawaii Revised Statutes, is
6 repealed.

7 PART VI

8 SECTION 44. Licenses previously issued under chapters 328G
9 or 329D, Hawaii Revised Statutes, shall remain in full force and
10 effect until the previously issued licenses expire on their own
11 terms; provided that the licensees shall be regulated under
12 chapter A, Hawaii Revised Statutes, and rules adopted pursuant
13 to chapter A, Hawaii Revised Statutes.

14 SECTION 45. (a) Each existing medical cannabis dispensary
15 whose license remains effective pursuant to section 44 of this
16 Act may convert their operation into licenses under chapter A,
17 Hawaii Revised Statutes, before January 1, 2027; provided that
18 the existing medical cannabis dispensary may only convert
19 existing licensed operations and premises; provided further that
20 an existing medical cannabis dispensary may only be issued up to
21 three cannabis cultivator licenses, three cannabis processor



1 licenses, four medical cannabis dispensary licenses, and four
2 retail cannabis store licenses, but no more than ten licenses in
3 total, in accordance with chapter A, Hawaii Revised Statutes,
4 and rules adopted pursuant to chapter A, Hawaii Revised
5 Statutes.

6 (b) To convert an existing medical cannabis dispensary
7 license into a license or licenses under chapter A, Hawaii
8 Revised Statutes, before the expiration of the existing license,
9 but no later than October 1, 2026, the existing medical cannabis
10 dispensary shall apply to the Hawaii cannabis and hemp office,
11 on forms prescribed by the office, and shall establish to the
12 office's satisfaction:

13 (1) The existing medical cannabis dispensary's existing
14 ownership structure;

15 (2) All persons with a direct or indirect interest in the
16 existing medical cannabis dispensary;

17 (3) The existing medical cannabis dispensary is currently
18 in full compliance with the terms and conditions under
19 which the license was issued;

20 (4) The existing medical cannabis dispensary meets the
21 application criteria required by chapter A, Hawaii



1 Revised Statutes, and rules adopted pursuant to
2 chapter A, Hawaii Revised Statutes;

3 (5) The existing medical cannabis dispensary is in
4 compliance with any other requirements of chapter A,
5 Hawaii Revised Statutes, including the ownership
6 restrictions; and

7 (6) The existing medical cannabis dispensary is capable of
8 sustaining the product supply and access for the
9 registered qualifying patients they serve.

10 (c) An existing medical cannabis dispensary shall pay a
11 one-time conversion fee of \$50,000 per retail dispensing
12 location being converted and \$25,000 per production facility
13 being converted. The one-time conversion fee may be paid in
14 separate installments; provided that the conversion fee shall be
15 paid in full on or before January 1, 2027. If the conversion
16 fee is not paid by January 1, 2027, any license held by the
17 licensee shall be subject to revocation in accordance with
18 chapter A, Hawaii Revised Statutes, and rules adopted pursuant
19 to chapter A, Hawaii Revised Statutes.

20 (d) The Hawaii cannabis and hemp office shall audit the
21 existing medical cannabis dispensary ownership to ensure



1 compliance with the ownership restrictions in chapter A, Hawaii
2 Revised Statutes.

3 (e) Upon full or partial payment of the conversion fee,
4 and a complete and valid conversion application, the Hawaii
5 cannabis and hemp office shall issue licenses under chapter A,
6 Hawaii Revised Statutes, for the premises and operations of the
7 existing medical cannabis dispensary that have been approved for
8 conversion by the office. The converted licenses shall be
9 issued no later than January 1, 2027.

10 SECTION 46. All functions of the department of health
11 office of medical cannabis control and regulation shall be
12 transferred to the Hawaii cannabis and hemp office.

13 All employees who occupy civil service positions and whose
14 functions are transferred by this Act shall retain their civil
15 service status, whether permanent or temporary. Employees shall
16 be transferred without loss of salary, seniority (except as
17 prescribed by collective bargaining agreements), retention
18 points, prior service credit, any vacation and sick leave
19 credits previously earned, and other rights, benefits, and
20 privileges, in accordance with state personnel laws and this
21 Act; provided that the employees possess the minimum



1 qualifications and public employment requirements for the class
2 or position to which transferred or appointed, as applicable;
3 provided further that subsequent changes in status may be made
4 pursuant to applicable civil service and compensation laws.

5 Any employee who, before this Act, is exempt from civil
6 service and is transferred as a consequence of this Act may
7 continue to retain the employee's exempt status but shall not be
8 appointed to a civil service position because of this Act. An
9 exempt employee who is transferred by this Act shall not suffer
10 any loss of prior service credit, any vacation and sick leave
11 credits previously earned, or other employee benefits or
12 privileges as a consequence of this Act; provided that the
13 employee possesses legal and public employment requirements for
14 the position to which transferred or appointed, as applicable;
15 provided further that subsequent changes in status may be made
16 pursuant to applicable employment and compensation laws. The
17 Hawaii cannabis and hemp office to which the employee is
18 transferred may prescribe the duties and qualifications of the
19 employees and fix their salaries without regard to chapter 76,
20 Hawaii Revised Statutes.



1 SECTION 47. 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.

5 SECTION 48. All leases, contracts, loans, agreements,
6 permits, or other documents executed or entered into by or on
7 behalf of the department of health or department of agriculture
8 pursuant to the provisions of the Hawaii Revised Statutes that
9 are reenacted or made applicable to the Hawaii cannabis and hemp
10 office by this Act shall remain in full force and effect. On
11 the effective date of this Act, every reference to the
12 department of health, director of health, department of
13 agriculture, or chairperson of the board of agriculture in those
14 leases, contracts, loans, agreements, permits, or other
15 documents shall be construed as a reference to the Hawaii
16 cannabis and hemp office or administrator of the Hawaii cannabis
17 and hemp office, as appropriate.

18 SECTION 49. All appropriations, records, equipment,
19 machines, files, supplies, contracts, books, papers, documents,
20 maps, and other personal property heretofore made, used,
21 acquired, or held by the department of health or department of



1 agriculture relating to the functions transferred to the Hawaii
2 cannabis and hemp office shall be transferred with the functions
3 to which they relate.

4 SECTION 50. All rules, policies, procedures, guidelines,
5 and other material adopted or developed by the department of
6 health or department of agriculture to implement provisions of
7 the Hawaii Revised Statutes that are reenacted or made
8 applicable to the Hawaii cannabis and hemp office or
9 administrator of the Hawaii cannabis and hemp office by this
10 Act, as appropriate, shall remain in full force and effect until
11 amended or repealed by the Hawaii cannabis and hemp office. In
12 the interim, every reference to the department of health,
13 director of health, department of agriculture, or chairperson of
14 the board of agriculture in those rules, policies, procedures,
15 guidelines, and other material shall be construed as a reference
16 to the Hawaii cannabis and hemp office or administrator of the
17 Hawaii cannabis and hemp office, as appropriate.

18 SECTION 51. The right of appeal from administrative
19 actions or determinations as provided by law shall not be
20 impaired by this Act. Except as otherwise provided by this Act,
21 whenever a right of appeal from administrative actions or



1 determinations is provided by law to or from any officer, board,
2 department, bureau, commission, administrative agency, or
3 instrumentality of the State, or any of the programs of which,
4 that is transferred by this Act to the Hawaii cannabis and hemp
5 office or administrator of the Hawaii cannabis and hemp office,
6 as the case may be, the right of appeal shall lie to or from the
7 Hawaii cannabis and hemp office or administrator of the Hawaii
8 cannabis and hemp office, as the case may be, when the transfer
9 is made. The right of appeal shall exist to the same extent and
10 in accordance with the applicable procedures that are in effect
11 immediately before the effective date of the applicable part.

12 If the provisions of this section relating to appeals
13 cannot be effected by reason of abolishment, splitting, or
14 shifting of functions or otherwise, the right of appeal shall
15 lie to the circuit court of the State pursuant to the Hawaii
16 rules of civil procedure.

17 SECTION 52. Notwithstanding any other provision of law to
18 the contrary, from the effective date of this Act to
19 December 31, 2028, the Hawaii cannabis and hemp office shall be
20 exempt from procurement requirements under chapter 103D, Hawaii
21 Revised Statutes, if the procurement is for:



- 1 (1) Banking services for the Hawaii cannabis and hemp
2 office or department of taxation, or both, to collect
3 fees and tax revenue;
- 4 (2) Banking services to help support cannabis businesses
5 to transition from an all-cash system;
- 6 (3) A consultant to support the Hawaii cannabis and hemp
7 office in the process for cannabis licensure,
8 including services related to investigations and the
9 financial or criminal history review of applicants or
10 licensed businesses;
- 11 (4) A consultant to support the Hawaii cannabis and hemp
12 office to draft rules to implement chapter A, Hawaii
13 Revised Statutes;
- 14 (5) A consultant to provide technical assistance regarding
15 the social equity grant program;
- 16 (6) Communication services for public and consumer
17 education campaigns on cannabis laws and rules and
18 potential health and safety risks associated with
19 cannabis use;
- 20 (7) Establishing a state cannabis testing facility; and



(8) A consultant to support the Hawaii cannabis and hemp office in administering grant programs.

SECTION 53. The following positions are established within the Hawaii cannabis and hemp office:

- (1) Administrator;
- (2) Chief compliance officer;
- (3) Chief equity officer;
- (4) Chief financial officer;
- (5) Chief public health and education officer;
- (6) Chief technology officer;
- (7) Executive secretary to the administrator;
- (8) General counsel; and
- (9) Hemp coordinator.

SECTION 54. Any unexpended or unencumbered balance in the:

- (1) Industrial hemp special fund, established by section 141-14, Hawaii Revised Statutes;
- (2) Medical cannabis registry and regulation special fund, established by section 321-30.1, Hawaii Revised Statutes; and
- (3) Hawaii hemp processing special fund, established by section 328G-7, Hawaii Revised Statutes,



1 shall be transferred as of the close of business on the
2 effective date of this Act to the cannabis regulation and
3 enforcement special fund, established by section A-16, Hawaii
4 Revised Statutes.

5 SECTION 55. There is appropriated out of the cannabis
6 regulation and enforcement special fund the following sums or so
7 much thereof as may be necessary for fiscal year 2026-2027:

8 (1) \$ for the hiring and filling of full-
9 time equivalent (FTE) positions established by
10 this Act and full-time equivalent (FTE)
11 positions within the Hawaii cannabis and hemp office
12 established by this Act, the administration and
13 enforcement of the Hawaii Cannabis Law by the Hawaii
14 cannabis and hemp office, and other associated
15 administrative costs;

16 (2) \$ for the implementation and associated
17 administrative costs of the social equity grant
18 program established by this Act;

19 (3) \$ for the implementation and associated
20 administrative costs of the public health and
21 education grant program established by this Act;



(4) \$ for the implementation and associated administrative costs of the public safety grant program established by this Act; and

(5) \$ for the purposes of establishing a state cannabis testing facility within the Hawaii cannabis and hemp office.

The sums appropriated shall be expended by the Hawaii cannabis and hemp office for the purposes of this Act.

SECTION 56. There is appropriated out of the cannabis regulation and enforcement special fund the sum of \$ or so much thereof as may be necessary for fiscal year 2026-2027 for grants awarded under the social equity grant program established by this Act.

The sum appropriated shall be expended by the office of community services of the department of labor and industrial relations for the purposes of this Act.

SECTION 57. There is appropriated out of the cannabis regulation and enforcement special fund the sum of \$ or so much thereof as may be necessary for fiscal year 2026-2027 for grants awarded under the public health and education grant program established by this Act.



1 The sum appropriated shall be expended by the office of
2 community services of the department of labor and industrial
3 relations for the purposes of this Act.

4 SECTION 58. There is appropriated out of the cannabis
5 regulation and enforcement special fund the sum of
6 \$ or so much thereof as may be necessary for fiscal
7 year 2026-2027 for grants awarded under the public safety grant
8 program established by this Act.

9 The sum appropriated shall be expended by the office of
10 community services of the department of labor and industrial
11 relations for the purposes of this Act.

12 SECTION 59. There is appropriated out of the cannabis
13 regulation and enforcement special fund the sum of
14 \$ or so much thereof as may be necessary for fiscal
15 year 2026-2027 for grants awarded under the Hawaii hemp grant
16 program established by this Act.

17 The sum appropriated shall be expended by the office of
18 community services of the department of labor and industrial
19 relations for the purposes of this Act.

20 SECTION 60. 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 deputy
6 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 61. 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 2026-2027 for
18 the department of the attorney general special investigation and
19 prosecution division to prevent the proliferation of money
20 laundering and organized crime that may result from the
21 expansion of the legal cannabis market or is related to fentanyl



1 and methamphetamine, including the hiring and filling of
2 the full-time equivalent (FTE) positions within the
3 department of the attorney general established by this Act,
4 equipment costs, and other associated administrative costs.

5 The sum appropriated shall be expended by the department of
6 the attorney general for the purposes of this Act.

7 SECTION 62. The following positions are established within
8 the department of taxation to implement part III of this Act:

9 (1) full-time equivalent (FTE) auditor
10 positions;

11 (2) full-time equivalent (FTE) cashier position;

12 (3) full-time equivalent (FTE) special
13 enforcement section investigator positions;

14 (4) full-time equivalent (FTE) tax information
15 technician positions; and

16 (5) full-time equivalent (FTE) tax law change
17 specialist positions.

18 In filling these positions, the director of taxation may
19 appoint tax law change specialists who shall be subject to
20 chapter 76, Hawaii Revised Statutes.



1 SECTION 63. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2026-2027 for
4 the department of taxation to implement part III of this Act,
5 including the hiring and filling of the full-time
6 equivalent (FTE) positions within the department of
7 taxation established by this Act, costs for project management
8 services, costs for building and security improvements, and
9 other associated administrative costs.

10 The sum appropriated shall be expended by the department of
11 taxation for the purposes of this Act.

12 SECTION 64. The appropriations made by this Act shall not
13 lapse at the end of the fiscal biennium for which the
14 appropriations are made; provided that all moneys from the
15 appropriations unencumbered as of June 30, 2028, shall lapse as
16 of that date.

17 SECTION 65. This Act shall not be applied to impair any
18 contract existing as of the effective date of this Act in a
19 manner violative of either the Hawaii State Constitution or
20 Article I, section 10, of the United States Constitution.



1 SECTION 66. This Act shall not affect rights and duties
2 that matured, penalties and forfeitures that were incurred, and
3 proceedings that were begun before its effective date.

4 SECTION 67. If any provision of this Act or the
5 application thereof to any person or circumstance is held
6 invalid, the invalidity does not affect other provisions or
7 applications of the Act that can be given effect without the
8 invalid provision or application, and to this end the provisions
9 of this Act are severable.

10 SECTION 68. If any part of this Act is found to be in
11 conflict with federal requirements that are a prescribed
12 condition for the allocation of federal funds to the State, the
13 conflicting part of this Act is inoperative solely to the extent
14 of the conflict and with respect to the agencies directly
15 affected, and this finding does not affect the operation of the
16 remainder of this Act in its application to the agencies
17 concerned. The rules under this Act shall meet federal
18 requirements that are a necessary condition to the receipt of
19 federal funds by the State.

20 SECTION 69. In codifying the new sections added by
21 sections 2, 4, and 7 of this Act, the revisor of statutes shall



1 substitute appropriate section numbers for the letters used in
2 designating the new sections in this Act.

3 SECTION 70. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 71. This Act shall take effect on July 1, 2026;
6 provided that:

7 (1) Sections A-51 through A-55, Hawaii Revised Statutes,
8 of section 2 of this Act and sections 31, 32, and 33
9 of this Act shall take effect on the earlier of:

10 (A) The descheduling of marijuana under the federal
11 Controlled Substances Act; the removal of all
12 federal criminal penalties for the acquisition,
13 cultivation, dispensing, distribution,
14 possession, transportation, and use of marijuana
15 by individuals and entities; or the enactment of
16 federal legislation that legalizes the
17 acquisition, cultivation, dispensing,
18 distribution, possession, transportation, and use
19 of marijuana for adult use;

20 (B) The enactment of federal legislation or the
21 issuance of a final federal judicial decision



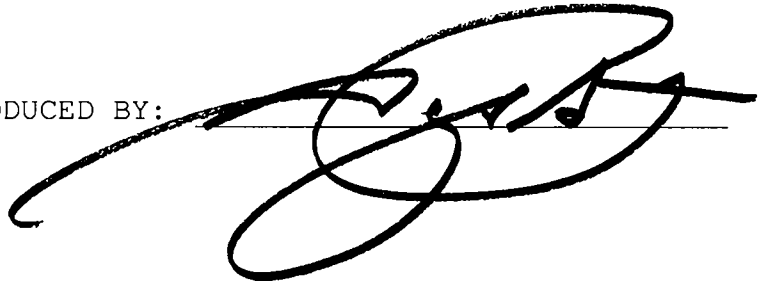
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1 that delegates, affirms, or recognizes the
2 authority of states to regulate marijuana without
3 being preempted by federal law; or

4 (C) The ratification of an amendment to the Hawaii
5 State Constitution legalizing cannabis; and

6 (2) Part III of this Act shall take effect on January 1,
7 2027.

8
INTRODUCED BY:

A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and loops around itself.

S.B. NO. 2421

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. Contingent upon specific changes at the federal level or a state constitutional amendment, legalizes the personal adult use of cannabis and decriminalizes certain marijuana-related offenses. Beginning 1/1/2027, establishes taxes on cannabis sales. Adds new traffic offenses relating to the consumption or possession of marijuana or marijuana concentrate. Transfers the personnel and assets of the Department of Health and assets of the Department of Agriculture relating to cannabis and hemp to the Hawaii Cannabis and Hemp Office. Establishes various positions within state entities. Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

