

ACT 159

H.B. NO. 2742

A Bill for an Act Relating to Medical Cannabis.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to establish the office of medical cannabis control and regulation, which shall be responsible for implementing the medical cannabis dispensary system and administering the medical cannabis patient registry.

SECTION 2. Chapter 329D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§329D- Office of medical cannabis control and regulation; established; duties.** (a) There is established within the department the office of medical cannabis control and regulation, which shall report to the deputy director of health resources administration.

(b) The office of medical cannabis control and regulation shall administer medical cannabis dispensary licensure and regulation, pursuant to this chapter, and the registration of qualifying patients and primary caregivers, pursuant to part IX of chapter 329.”

SECTION 3. Section 329D-27, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

“(b) No later than January 4, 2016, the department shall adopt interim rules, which shall be exempt from chapter 91 and chapter 201M, to effectuate the purposes of this chapter; provided that the interim rules shall remain in effect until July 1, [2020,] 2025, or until rules are adopted pursuant to subsection (a), whichever occurs sooner.

(c) The department may amend the interim rules, and the amendments shall be exempt from chapters 91 and 201M, to effectuate the purposes of this chapter; provided that any amended interim rules shall remain in effect until July 1, [2020,] 2025, or until rules are adopted pursuant to subsection (a), whichever occurs sooner.”

SECTION 4. Act 241, Session Laws of Hawaii 2015, section 14, as amended by Act 41, Session Laws of Hawaii 2017, section 11, is amended to read as follows:

“SECTION 14. For the purposes of effectuating this Act, the personnel hired and the contracts entered into by the department of health, pursuant to this Act, shall be exempt from chapter 76, Hawaii Revised Statutes, for a period beginning on July 1, 2015, and ending on June 30, [2020,] 2025; provided that:

- (1) All personnel actions taken pursuant to this Act by the department of health after June 30, [2020,] 2025, shall be subject to chapter 76, Hawaii Revised Statutes, as appropriate; and
- (2) Any employee hired by the department of health to effectuate this Act, who occupies a position exempt from civil service on July 1, [2020,] 2025, shall:
  - (A) Be appointed to a civil service position; and
  - (B) Not suffer any loss of prior service credit, vacation or sick leave credits previously earned, or other employee benefits or privileges;
 provided that the employee possesses the minimum qualifications and public employment requirements for the class or position to which appointed; provided further that subsequent changes in status shall be made pursuant to applicable civil service and compensation laws.”

SECTION 5. All appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the office of health care assurance relating to the functions transferred to the office of medical cannabis control and regulation shall be transferred with the functions to which they relate.

SECTION 6. Employees performing duties related to medical cannabis dispensary licensure and regulation pursuant to chapter 329D, Hawaii Revised Statutes, and relating to the registration of qualifying patients pursuant to section 329-123, Hawaii Revised Statutes, shall be transferred to the office of medical cannabis control and regulation without loss of salary, seniority (except as prescribed by applicable collective bargaining agreements), retention points,

prior service credit, any vacation and sick leave credits previously earned, and other rights, benefits, and privileges, in accordance with state personnel laws and this Act; provided that the employees possess the minimum qualifications and public employment requirements for the class or position to which transferred or appointed, as applicable; provided further that subsequent changes in status may be made pursuant to applicable civil service and compensation laws.

Notwithstanding section 76-16(b)(17)(A), Hawaii Revised Statutes, to the contrary, any employee who, prior to this Act, is exempt from civil service and is transferred as a consequence of this Act may retain the employee's exempt status, but shall not be appointed to a civil service position as a consequence of this Act. An exempt employee who is transferred by this Act shall not suffer any loss of prior service credit, vacation or sick leave credits previously earned, or other employee benefits or privileges as a consequence of this Act; provided that the employees possess legal and public employment requirements for the position to which transferred or appointed, as applicable; provided further that subsequent changes in status may be made pursuant to applicable employment and compensation laws.

**SECTION 7.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$140,000 or so much thereof as may be necessary for fiscal year 2018-2019 for staff and operations of the office of medical cannabis control and regulation, including the establishment of four full-time equivalent (4.00 FTE) positions.

The sum appropriated shall be expended by the department of health for the purposes of this Act.

**SECTION 8.** Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

**SECTION 9.** This Act shall take effect on July 1, 2018.

(Approved July 10, 2018.)

**Note**

1. Edited pursuant to HRS §23G-16.5.