

Honolulu, Hawaii

APR 10 2015

RE: H.B. No. 321
H.D. 1
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committees on Judiciary and Labor and Ways and Means, to which was referred H.B. No. 321, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL MARIJUANA,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a system of medical marijuana dispensaries;
- (2) Prohibit counties from enacting ordinances or rules to prohibit the use of land for medical marijuana dispensaries;
- (3) Amend the medical marijuana special fund to the medical marijuana registry and regulation special fund and to expand the permitted usage of funds to include establishing and regulating a system of medical marijuana dispensaries;
- (4) Provide that an owner or employee of a licensed marijuana dispensary shall have an affirmative defense to any prosecution involving marijuana pursuant to chapter 329, part IX, or chapter 712, Hawaii Revised Statutes;
- (5) Establishes several criminal offenses relating to dispensary premises, distribution of marijuana and



marijuana products to minors, diversion, dispensary records, and extraction of tetrahydrocannabinol using flammable solvents;

- (6) Allows any licensed physician, rather than only the qualifying patient's primary care physician, to issue a written certification for the use of medical marijuana;
- (7) Appropriate an unspecified amount of general revenues into the medical marijuana registry and regulation special fund;
- (8) Appropriate an unspecified amount from the medical marijuana registry and regulation special fund to implement this measure, including the hiring of full time personnel;
- (9) Provide that by no later than July 1, 2016, the Department of Health is required to establish and commence a repayment plan for the general funds deposited into the medical marijuana registry and regulation special fund; and
- (10) Require the Director of Health to report and provide an informational briefing no later than March 15, 2016, to the Legislature regarding the implementation of medical marijuana dispensaries.

Your Committees received testimony in support of this measure from the Department of Health, Chamber of Commerce for People with Disabilities, Hawaii Advocates for Consumer Rights, Hawaii Cannabis Care, Hawaii Substance Abuse Coalition, American Civil Liberties Union Hawaii, Americans for Safe Access - Big Island Chapter, Capitol Consultants of Hawaii LLP, Community Alliance on Prisons, The Drug Policy Forum, Effective Change LLC, and forty-three individuals. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Office of the Prosecuting Attorney, County of Hawaii Police Department, City and County of Honolulu Police Department, County of Maui Police Department, Hawaii Catholics Conference, Hawaii Family Forum, Alternative Pain Management - Pu'uhonua, Coalition for Drug Free Hawaii, and five individuals. Your Committees received comments on this measure from the Department of the Attorney General.



Your Committees find that Hawaii enacted a medical use of marijuana law to provide medical relief for seriously ill individuals in the State. Since that time, there has been no established system for qualifying medical marijuana patients to legally obtain medical marijuana if they are unable to grow it themselves. It is estimated that there are approximately 13,000 qualifying medical marijuana patients in the State and that a large portion of them are unable to grow their own marijuana. Your Committees find that this measure would establish a medical marijuana dispensary system that would enable qualifying medical marijuana patients to obtain marijuana legally.

Your Committees have amended this measure by:

- (1) Amending part II to create a new chapter, rather than a new part within chapter 321, of the Hawaii Revised Statutes to establish and regulate medical marijuana dispensaries;
- (2) Filling in various unspecified amounts and dates that existed in the prior version of this measure;
- (3) Inserting a new part VI, which creates a special general excise tax of twenty-five percent on marijuana sales by dispensaries and also a retail marijuana special sales tax of ten percent;
- (4) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (5) Making various technical, nonsubstantive amendments for the purposes of clarity and consistency and as requested by the Department of the Attorney General.

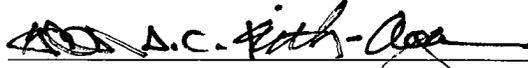
As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 321, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 321, H.D. 1, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Labor and Ways and Means,



JILL N. TOKODA, Chair



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB321, HD1, SD1	HTH/PSM, JDL/WAM	4/8/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)			✓	
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene				✓
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam			✓	
TOTAL	20	0	2	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes