

STAND. COM. REP. NO. 493

Honolulu, Hawaii

FEB 17 2017

RE: S.B. No. 1159
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 1159 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Office of Medical Marijuana Administration;
- (2) Amend certain dates and deadlines in existing law to address the delays in implementation;
- (3) Establish new deadlines for the Department of Health to implement the dispensary system, including deadlines for implementation of the Department's computer software tracking system and laboratory testing program;
- (4) Provide for an alternative means to track marijuana sales during any shutdown of the Department of Health's computer tracking system; and
- (5) Amend requirements for laboratory standards and testing to ensure product and patient safety at reasonable tolerance levels with reasonable cost implications.

Your Committee received testimony in support of this measure from the Hawaii Educational Association for Licensed Therapeutic



Healthcare, Drug Policy Action Group, Hawai'i Dispensary Alliance, and five individuals. Your Committee received testimony in opposition to this measure from the Hawaii Veteran's Cannabis Alliance, Patients Without Time, and three individuals. Your Committee received comments on this measure from the Department of Health, Department of the Attorney General, and Drug Policy Forum of Hawaii.

Your Committee finds that chapter 329D, Hawaii Revised Statutes, was enacted pursuant to Act 241, Session Laws of Hawaii 2015, to establish medical marijuana dispensaries to ensure access to medical marijuana for qualifying patients. Your Committee further finds that Act 241 required the Department of Health to allow retail dispensing of medical marijuana beginning July 15, 2016, but has only recently authorized a few medical marijuana dispensary licensees to proceed with the planting or cultivation of medical marijuana. The Department has also been unable to guarantee that the dispensary program will be fully implemented in the near future.

Your Committee also finds that a medical marijuana computer tracking system is necessary and intended to ensure the safety of the product, patient, and public, and that other jurisdictions have found it useful to have a pre-determined alternative tracking system to ensure uninterrupted access to medical marijuana during any shutdown of the initial tracking system. However, your Committee also finds that there have been delays with the Department of Health's implementation of a computer tracking system and that the need for a tracking system must be balanced with patients' need to receive their medicine.

As Hawaii expands its medical marijuana program through dispensaries, it is important that discussions continue to ensure that patients have adequate and timely access to medical marijuana. Your Committee finds that establishing the Office of Medical Marijuana Administration will facilitate the efficient and fair implementation of the medical marijuana dispensary system.

Your Committee has amended this measure by:

- (1) Moving the provision establishing the Office of Medical Marijuana Administration from the chapter in Hawaii Revised Statutes pertaining to the medical marijuana dispensary system to the chapter pertaining to general



and administrative provisions of the Department of Health;

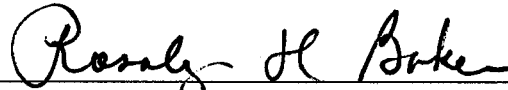
- (2) Inserting a provision that limits each location used by a qualifying patient to cultivate marijuana to use by five qualifying patients;
- (3) Making the authority of primary caregivers to cultivate marijuana for qualifying patients terminate on December 31, 2020, rather than December 31, 2019;
- (4) Inserting a provision that allows the Department of Health to determine whether existing dispensary licensees shall be allowed to increase plant count, the number of production centers, or the number of retail dispensing locations per license;
- (5) When the Department of Health's computer tracking system is nonfunctional, making use of the alternate medical marijuana dispensary tracking system optional instead of mandatory, requiring the Department of Health to seek input from medical marijuana licensees about the alternative tracking system, and requiring the Department to report to the legislative oversight working group twenty days prior to the convening of the Regular Session of 2018;
- (6) Deleting provisions requiring a qualifying patient to purchase marijuana or a manufactured marijuana product from one designated dispensary during a period in which the Department of Health's computer software tracking system is inoperable;
- (7) Inserting a provision that requires the Department of Health to include in its established testing standards permission for qualifying patients and primary caregivers to obtain testing services directly from certified laboratories on the island where the qualifying patient and primary caregiver reside;
- (8) Shortening the Department of Health's interim rulemaking authority until July 1, 2019, instead of July 1, 2020;
- (9) Inserting an effective date of July 1, 2050, to encourage further discussion; and



- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1159, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* SB1159	Committee Referral: CPH, WAM	Date: 2/14/17		
<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
BAKER, Rosalyn H. (C)	/			
NISHIHARA, Clarence K. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will	/			<i>exc</i>
IHARA, Jr., Les	/			
KIDANI, Michelle N.	/			
RUDERMAN, Russell E.	/			
TOTAL	7			<i>exc</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Clarence K. Nishihara</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes