

STAND. COM. REP. NO.

502

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 1372  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committees on Health and Commerce and Consumer Protection, to which was referred S.B. No. 1372 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Create a cultivation facility license that allows cultivators to grow cannabis for sale to licensed dispensaries; and
- (2) Establish requirements for license applications and qualifications for license holders.

Your Committees received testimony in support of this measure from one individual. Your Committees received comments on this measure from the Department of Taxation; Department of Health; Department of the Attorney General; Big Island Grown Dispensaries; Green Aloha, Ltd.; Hawai'i Cannabis Industry Association; and Akamai Cannabis Clinic.

Your Committees find that currently, only holders of medical cannabis dispensary licenses may legally cultivate and sell medical cannabis in retail locations. Your Committees further find that allowing residents, farmers, and families to grow cannabis for retail would provide a positive social and economic



impact across the State and creates better access to safe, regulated products for qualified patients. This measure creates a cultivation license that allows cultivators to grow cannabis for sale to licensed dispensaries.

Your Committees heard the testimony of several stakeholders, who raised concerns that under the current language of the measure, cultivation licenses would be impossible for anyone to obtain other than large, well-financed corporations. Your Committees also heard the testimony of the Attorney General, which proposed amendments to improve the safety and regulation of cultivation licenses. Therefore, your Committees have amended this measure by:

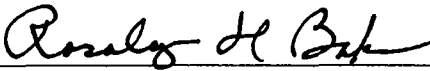
- (1) Removing the prescribed number of cultivation licenses to be issued and allowing the Department of Health to issue cultivation licenses at its discretion, subject to certain conditions;
- (2) Limiting the number of cannabis plants allowed to be grown at one cultivation facility to one thousand plants;
- (3) Allowing one cultivation license to be issued per tax map key number;
- (4) Lowering the minimum asset requirement for cultivation licensees from \$500,000 to \$250,000;
- (5) Clarifying that cultivation licensees may only sell to licensed medical cannabis dispensaries;
- (6) Establishing requirements for cultivation facility operations, including required cannabis plant tracking and testing;
- (7) Making the cultivation licenses available after December 31, 2023;
- (8) Inserting an effective date of July 1, 2050, to encourage further discussion; and



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

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1372, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1372, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

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



ROSALYN H. BAKER, Chair



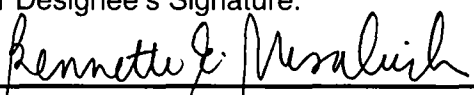
JARRETT KEOHOKALOOLE, Chair





The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1372	HTH/CPN,WAM/JDC	02.16.2021		
<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)	✓			
CHANG, Stanley (VC)	✓			
MISALUCHA, Bennette E.		✓		
NISHIHARA, Clarence K.	✓			
RIVIERE, Gil	✓			
SAN BUENAVENTURA, Joy A.	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	6	1		
Recommendation:				
<input checked="" type="checkbox"/> Adopted				
<input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes