

STAND. COM. REP. NO.

930

Honolulu, Hawaii

MAR 05 2021

RE: S.B. No. 767
S.D. 2

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

Sir:

Your Committees on Judiciary and Ways and Means, to which was referred S.B. No. 767, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CANNABIS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Legalize the personal use, possession, and sale of cannabis in a specified quantity;
- (2) Require licensing to operate cannabis establishments;
and
- (3) Subject cannabis establishments to excise taxes and income taxes.

Your Committees received testimony in support of this measure from the Maui County Council; Office of the Prosecuting Attorney of the County of Kaua'i; Cannabis Maui; Drug Policy Forum of Hawai'i; Pono Hawai'i Initiative; Young Progressives Demanding Action; Our Revolution Hawaii; Imua Alliance; Aloha Green Holdings, Inc.; and ninety-six individuals. Your Committees received testimony in opposition to this measure from the Department of the Attorney General, Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Maui Police Department, Kaua'i Police Department,



Hawai'i Police Department, AAA Hawai'i, Coalition for a Drug-Free Hawaii, Hawai'i Public Health Institute, Hawaii Family Forum, and thirteen individuals. Your Committees received comments on this measure from the Department of Taxation, Department of Public Safety, Tax Foundation of Hawaii, Mothers Against Drunk Driving Hawai'i, Akamai Cannabis Clinic, and one individual.

Your Committees find that, notwithstanding the prospect of federal prosecution, fifteen states and the District of Columbia have legalized the recreational use of cannabis by adults, and that others are in the process of considering legalization. Your Committees further find that legalization in these states has avoided the criminalization of thousands of people, reduced opioid overdose deaths and untreated opioid use disorders, and lowered the number of arrests for driving under the influence of alcohol and other drugs. Additionally, recent polling indicates broad public support in Hawai'i for the legalization of cannabis. Your Committees further find that the legalization of cannabis for personal or recreational use is a logical and reasonable outgrowth of the scientific consensus, public attitudes, and nationwide legal trends regarding cannabis.

Your Committees have amended this measure by:

- (1) Removing cannabis from the list of Schedule I controlled substances;
- (2) Making conforming amendments to chapter 712, Hawaii Revised Statutes;
- (3) Deleting redundant language subjecting cannabis establishments to certain taxes;
- (4) Specifying that personal use of cannabis is not permitted in any location where the consumption of alcohol is prohibited;
- (5) Expanding the medical cannabis exemption to the rule against giving tax benefits and deductions for the sale of illegal drugs to include recreational cannabis;
- (6) Amending the allowable decriminalized amount of cannabis from one ounce to thirty grams;



- (7) Inserting an effective date of May 6, 2137, to encourage further discussion; and
- (8) 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 Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 767, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 767, S.D. 2.

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



DONOVAN M. DELA CRUZ, Chair


KARL RHOADS, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

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|--|--|------------------------|----------|----------|
| Bill / Resolution No.:* SB 767, SDI | Committee Referral: PSM, JDC/WAM | Date: 3/3/21 | | |
| <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 |
| DELA CRUZ, Donovan M. (C) | X | | | |
| KEITH-AGARAN, Gilbert S.C. (VC) | X | | | |
| ENGLISH, J. Kalani | X | | | |
| INOUE, Lorraine R. | | | X | |
| KANUHA, Dru Mamo | X | | | |
| KIDANI, Michelle N. | | X | | |
| MORIWAKI, Sharon Y. | | | X | |
| SHIMABUKURO, Maile S.L. | X | | | |
| TANIGUCHI, Brian T. | X | | | |
| WAKAI, Glenn | | | | X |
| FEVELLA, Kurt | | X | | |
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| TOTAL | 6 | 2 | 2 | 1 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature:  | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes