

Honolulu, Hawaii

MAR 24 2017

RE: H.B. No. 1488
H.D. 1
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 H.B. No. 1488, H.D. 1, 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, including



authorizing qualifying patients and primary caregivers to directly obtain testing services.

Your Committee received testimony in support of this measure from the Hawaii Educational Association for Licensed Therapeutic Healthcare; Cure Oahu; We Are One, Inc.; NuWayve Unlimited; Spectra Analytical Lab; Steep Hill Hawaii; Hawaii Cannabis Care; Maui Grown Therapies; Lau Ola LLC; Patients Without Time; and twenty-five individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Dispensary Alliance, Kush Bottles Hawaii, and seven individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Health, Drug Policy Forum of Hawai'i, Hawaii Veteran's Cannabis Alliance, and two individuals.

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 the intent of this measure is to refine existing law related to the State's medical marijuana



program and implement new aspects that are necessary to promote safe and adequate patient access to medical marijuana. In reviewing this measure, your Committee has taken into consideration testimony submitted, ongoing discussions with stakeholders and the community, as well as industry standards currently in effect in other states.

Your Committee notes that the companion to this measure, S.B. No. 1159, S.D. 1 (Regular Session of 2017), which was previously passed by your Committee, is a substantially similar measure that also addresses issues related to the State's medical marijuana system. Your Committee finds that the language in S.B. No. 1159, S.D. 1, is preferable because it includes more of the items that your Committee finds necessary to be addressed at this time.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 1159, S.D. 1, which is substantially similar except as follows:
 - (A) Limits each location used by a qualifying patient to cultivate marijuana to use by five qualifying patients;
 - (B) Makes the authority of primary caregivers to cultivate marijuana for qualifying patients terminate on December 31, 2020, rather than December 31, 2019;
 - (C) 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;
 - (D) Makes use of the alternate medical marijuana dispensary tracking system optional instead of mandatory, requires the Department of Health to seek input from medical marijuana licensees about the alternate tracking system, and requires the Department to report to the legislative oversight



working group information and recommendations about the alternate tracking system twenty days prior to the convening of the Regular Session of 2018;

- (E) Requires retention of video security recordings of production centers and dispensaries for not less than 45 days;
 - (F) 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; and
 - (G) Contains an effective date of July 1, 2050;
- (2) Reinserting provisions from H.B. No. 1488, H.D. 1, that:
- (A) Amend the definition of the term "transport" to allow qualifying patients and primary caregivers to directly obtain testing services from certified laboratories on the same island;
 - (B) Require the Department of Health to establish security requirements for the transportation of marijuana and manufactured marijuana products between production centers, retail dispensing locations, qualifying patients, or primary caregivers and a certified laboratory; and
 - (C) Extend the Department of Health's interim rulemaking authority until July 1, 2020;
- (3) Further amending the definition of the term "transport" to allow qualified patients and primary caregivers to transport up to one gram of medical marijuana for laboratory testing when the qualified patient or primary caregiver:
- (A) Secures an appointment for testing at a certified laboratory;



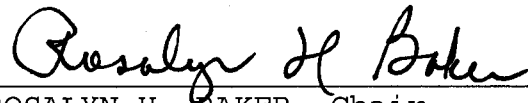
- (B) Obtains confirmation, which may be electronic, that includes the specific time and date of the appointment and a detailed description of the product and amount to be transported to the certified laboratory for the appointment; and
 - (C) Has the confirmation, which may be electronic, available during transport;
- (4) Further amending the retention of video security recordings requirement for production centers and dispensaries to exactly 45 days, rather than not less than 45 days;
 - (5) Removing the provisions that established the Office of Medical Marijuana Administration;
 - (6) Amending the definition of "adequate supply" of marijuana to include seven marijuana seedlings;
 - (7) Amending the definition of "debilitating medical condition" to include lupus, epilepsy, multiple sclerosis, arthritis, and autism as conditions that qualify for the legal use of medical marijuana;
 - (8) Inserting language to establish that, when considering whether to award a new medical marijuana dispensary license or allow existing licensees to increase the number of production centers or retail dispensing locations, the Department of Health shall consider the capability of the applicant or licensee to serve a "rural or underserved geographical area" and specifying that a "rural or underserved geographical area" shall be determined by considering the number of registered medical marijuana patients that reside within a certain zip code compared to the quantity of medical marijuana that the closest production center and retail dispensing location are able to provide;
 - (9) Updating the purpose section to reflect the amended purpose; 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 H.B. No. 1488, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1488, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and 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.:*	Committee Referral:	Date:		
HB1488 HD1	CPH, JDL/WAM	3/21/17		
<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				/
IHARA, Jr., Les				/
KIDANI, Michelle N.				/
RUDERMAN, Russell E.	/			
TOTAL	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Clarence K. Nishihara</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes