

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 2742
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred H.B. No. 2742, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to more effectively regulate and administer medical cannabis patient registration and medical cannabis dispensaries by establishing the Office of Medical Cannabis Control and Regulation (Office) within the Department of Health.

Your Committee received testimony in support of this measure from the Drug Policy Forum of Hawai'i, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and Kush Bottles. Your Committee received comments on this measure from the Department of Health and Department of the Attorney General.

Your Committee finds that this measure creates a new office to oversee and administer medical cannabis dispensary licensure and regulation, and the registration of qualifying patients. Your Committee further finds that this measure will enable fair and equitable access to medical cannabis while allowing the Department of Health to maintain oversight through the licensing process.



Your Committee received testimony from the Department of Health indicating that the Office would be more appropriately placed under the direct operational oversight of the Deputy Director of Health Resources Administration, rather than the Director of Health, to allow easier access to subject matter experts. The Department of Health also indicated to your Committee that the Office will require the transfer of additional staff to help accomplish its mission, and that, due to the specialized nature of the required positions, the positions should be exempt from civil service. Your Committee also received a suggested amendment from the Attorney General to include within the purview of the Office the registration of primary caregivers.

Accordingly, your Committee has amended this measure by:

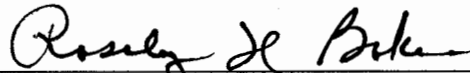
- (1) Placing the Office of Medical Cannabis Control and Registration under the oversight of the Deputy Director of Health Resources Administration rather than the Director of Health;
- (2) Including the establishment of four full-time equivalent positions as purposes of the appropriation, to provide operational support for the Office of Medical Cannabis Control and Registration;
- (3) Extending the civil service exempt status for persons in civil service exempt positions prior to enactment of this measure and who will transfer into the Office of Medical Cannabis Control and Registration as a consequence, notwithstanding section 76-16(b)(17)(A), Hawaii Revised Statutes, to the contrary; and
- (4) Expanding the purview of the Office of Medical Cannabis Control and Registration to include registration of primary caregivers.

Your Committee notes that, although the appropriation amount in this measure is blank, the Department of Health's testimony indicates that establishing an Office of Medical Cannabis Control and Registration would cost as much as \$2,777,836, which does not include general fund advances to establish the dispensary licensing program.



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. 2742, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2742, H.D. 1, 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,

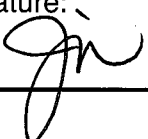


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

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

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|--|---------------------|----------|-----|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| HB 2742 HD1 | CPH, WAM | 3/21/18 | | |
| <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) | / | | | |
| TOKUDA, Jill N. (VC) | / | | | |
| CHANG, Stanley | / | | | |
| ESPERO, Will | / | | | |
| IHARA, Jr., Les | / | | | |
| NISHIHARA, Clarence K. | / | | | |
| RUDERMAN, Russell E. | / | | | |
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| TOTAL | 7 | | | |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <div style="text-align:center; margin-top: 10px;">  </div> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes