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## A BILL FOR AN ACT

RELATING TO MEDICAL CANNABIS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The purpose of this Act is to establish the  
2 office of medical cannabis control and regulation, which shall  
3 be responsible for implementing the medical cannabis dispensary  
4 system and administering the medical cannabis patient registry.

5           SECTION 2. Chapter 329D, Hawaii Revised Statutes, is  
6 amended by adding a new section to be appropriately designated  
7 and to read as follows:

8           "§329D-           Office of medical cannabis control and  
9 regulation; established; duties. (a) There is established  
10 within the department the office of medical cannabis control and  
11 regulation, which shall report directly to the director of  
12 health.

13           (b) The office of medical cannabis control and regulation  
14 shall administer medical cannabis dispensary licensure and  
15 regulation, pursuant to this chapter, and the registration of  
16 qualifying patients, pursuant to section 329-123."



1 SECTION 3. Section 329D-27, Hawaii Revised Statutes, is  
2 amended by amending subsections (b) and (c) to read as follows:

3 "(b) No later than January 4, 2016, the department shall  
4 adopt interim rules, which shall be exempt from chapter 91 and  
5 chapter 201M, to effectuate the purposes of this chapter;  
6 provided that the interim rules shall remain in effect until  
7 July 1, [~~2020~~] 2025, or until rules are adopted pursuant to  
8 subsection (a), whichever occurs sooner.

9 (c) The department may amend the interim rules, and the  
10 amendments shall be exempt from chapters 91 and 201M, to  
11 effectuate the purposes of this chapter; provided that any  
12 amended interim rules shall remain in effect until July 1,  
13 [~~2020~~] 2025, or until rules are adopted pursuant to subsection  
14 (a), whichever occurs sooner."

15 SECTION 4. Act 241, Session Laws of Hawaii 2015, as  
16 amended by Act 41, Session Laws of Hawaii 2017, is amended by  
17 amending section 14 to read as follows:

18 "SECTION 14. For the purposes of effectuating this Act,  
19 the personnel hired and the contracts entered into by the  
20 department of health, pursuant to this Act, shall be exempt from  
21 chapter 76, Hawaii Revised Statutes, for a period beginning on



1 July 1, 2015, and ending on June 30, [~~2020~~] 2025; provided  
2 that:

3 (1) All personnel actions taken pursuant to this Act by  
4 the department of health after June 30, [~~2020~~] 2025,  
5 shall be subject to chapter 76, Hawaii Revised  
6 Statutes, as appropriate; and

7 (2) Any employee hired by the department of health to  
8 effectuate this Act, who occupies a position exempt  
9 from civil service on July 1, [~~2020~~] 2025, shall:

10 (A) Be appointed to a civil service position; and

11 (B) Not suffer any loss of prior service credit,  
12 vacation or sick leave credits previously earned,  
13 or other employee benefits or privileges;

14 provided that the employee possesses the minimum  
15 qualifications and public employment requirements for  
16 the class or position to which appointed; provided  
17 further that subsequent changes in status shall be  
18 made pursuant to applicable civil service and  
19 compensation laws."

20 SECTION 5. All appropriations records, equipment,  
21 machines, files, supplies, contracts, books, papers, documents,



1 maps, and other personal property heretofore made, used,  
2 acquired, or held by the office of health care assurance  
3 relating to the functions transferred to the office of medical  
4 cannabis control and regulation shall be transferred with the  
5 functions to which they relate.

6 SECTION 6. Employees performing duties related to medical  
7 cannabis dispensary licensure and regulation pursuant to chapter  
8 329D, Hawaii Revised Statutes, and relating to the registration  
9 of qualifying patients pursuant to section 329-123, Hawaii  
10 Revised Statutes, shall be transferred to the office of medical  
11 cannabis control and regulation without loss of salary,  
12 seniority (except as prescribed by applicable collective  
13 bargaining agreements), retention points, prior service credit,  
14 any vacation and sick leave credits previously earned, and other  
15 rights, benefits, and privileges, in accordance with state  
16 personnel laws and this Act; provided that the employees possess  
17 the minimum qualifications and public employment requirements  
18 for the class or position to which transferred or appointed, as  
19 applicable; provided further that subsequent changes in status  
20 may be made pursuant to applicable civil service and  
21 compensation laws.



1 Any employee who, prior to this Act, is exempt from civil  
2 service and is transferred as a consequence of this Act may  
3 retain the employee's exempt status, but shall not be appointed  
4 to a civil service position as a consequence of this Act. An  
5 exempt employee who is transferred by this Act shall not suffer  
6 any loss of prior service credit, vacation or sick leave credits  
7 previously earned, or other employee benefits or privileges as a  
8 consequence of this Act; provided that the employees possess  
9 legal and public employment requirements for the position to  
10 which transferred or appointed, as applicable; provided further  
11 that subsequent changes in status may be made pursuant to  
12 applicable employment and compensation laws.

13 SECTION 7. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$ or so much  
15 thereof as may be necessary for fiscal year 2018-2019 for staff  
16 and operations of the office of medical cannabis control and  
17 regulation.

18 The sum appropriated shall be expended by the department of  
19 health for the purposes of this Act.

20 SECTION 8. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



1 SECTION 9. This Act shall take effect on July 1, 2018.

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INTRODUCED BY:

John M. Pappas  
James A. Schmitt

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JAN 24 2018



# H.B. NO. 2742

**Report Title:**

DOH; Office of Medical Cannabis Control and Regulation;  
Established; Appropriation

**Description:**

Establishes the Office of Medical Cannabis Control and Regulation in the Department of Health to administer cannabis patient registration and dispensary licensing and regulation. Extends civil service exemptions. Extends interim rulemaking authority. Appropriates moneys.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

