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# A BILL FOR AN ACT

RELATING TO CANNABIS.

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

1           SECTION 1. The legislature finds that amendments to  
2 chapter 329D, Hawaii Revised Statutes, are warranted to clarify  
3 legislative intent, ensure smooth administration of the medical  
4 cannabis dispensary system law, allow for adequate qualifying  
5 patient access based on experiences in other states that have a  
6 sensible medical cannabis program, and resolve other issues that  
7 have arisen under the existing law.

8           The purpose of this Act is to:

- 9           (1) Authorize the department of health to allow a licensed  
10           dispensary to purchase up to three thousand grams of  
11           medical cannabis or manufactured cannabis products  
12           from another licensed dispensary located on the same  
13           island to ensure ongoing qualifying patient access;
- 14           (2) Increase the allowable number of production centers  
15           and retail dispensing locations per dispensary  
16           license;



- 1           (3) Limit where qualifying patients can obtain medical  
2           cannabis or manufactured cannabis products after  
3           December 31, 2021;
- 4           (4) Authorize the department of health to set the fee  
5           structure for the submission of applications for each  
6           additional production center and retail dispensing  
7           location and for dispensary-to-dispensary sales;
- 8           (5) Authorize the department of health or law enforcement,  
9           upon the request of the department, to conduct  
10          administrative inspections of registered grow sites to  
11          ensure compliance with cannabis plant limits;
- 12          (6) Clarify that so long as federal law prohibits the  
13          transportation of medical cannabis over a body of  
14          water, dispensary-to-dispensary sales may only occur  
15          between dispensaries located on the same island; and
- 16          (7) Clarify that the transport of cannabis to another  
17          county or island for the sole purposes of laboratory  
18          testing is permissible only if no certified laboratory  
19          is located in the county or on the island where the  
20          dispensary is located.



1 SECTION 2. Section 329-122, Hawaii Revised Statutes, is  
2 amended by amending subsection (f) to read as follows:

3 "(f) For the purposes of this section, "transport" means  
4 the transportation of cannabis, usable cannabis, or any  
5 manufactured cannabis product between:

- 6 (1) A qualifying patient and the qualifying patient's  
7 primary caregiver;
- 8 (2) A qualifying out-of-state patient under eighteen years  
9 of age and the caregiver of a qualifying out-of-state  
10 patient;
- 11 (3) The production centers and the retail dispensing  
12 locations under a dispensary licensee's license; [œ]
- 13 (4) Dispensaries as permitted by section 329D-6(r);  
14 provided that so long as federal law prohibits  
15 transportation of medical cannabis over a body of  
16 water, a selling dispensary may only sell and  
17 transport up to three thousand grams of cannabis or  
18 manufactured cannabis products to a purchasing  
19 dispensary located on the same island as the selling  
20 dispensary; or



1        [~~4~~] (5) A production center, retail dispensing location,  
2                    qualifying patient, primary caregiver, qualifying  
3                    out-of-state patient, or caregiver of a qualifying  
4                    out-of-state patient and a certified laboratory for  
5                    the purpose of laboratory testing; provided that a  
6                    qualifying patient, primary caregiver, qualifying  
7                    out-of-state patient, or caregiver of a qualifying  
8                    out-of-state patient may only transport up to one gram  
9                    of cannabis per test to a certified laboratory for  
10                   laboratory testing and may only transport the product  
11                   if the qualifying patient, primary caregiver,  
12                   qualifying out-of-state patient, or caregiver of a  
13                   qualifying out-of-state patient:

14                   (A) Secures an appointment for testing at a certified  
15                   laboratory;

16                   (B) Obtains confirmation, which may be electronic,  
17                   that includes the specific time and date of the  
18                   appointment and a detailed description of the  
19                   product and amount to be transported to the  
20                   certified laboratory for the appointment; and



1 (C) Has the confirmation, which may be electronic,  
2 available during transport.

3 For purposes of interisland transportation, "transport" of  
4 cannabis, usable cannabis, or any manufactured cannabis product,  
5 by any means is allowable only between dispensaries as permitted  
6 by section 329D-6(r) and between a production center or retail  
7 dispensing location and a certified laboratory for the sole  
8 purpose of laboratory testing pursuant to section 329D-8, as  
9 permitted under section 329D-6(m) and subject to  
10 section 329D-6(j), and with the understanding that state law and  
11 its protections do not apply outside of the jurisdictional  
12 limits of the State[-]; provided that so long as federal law  
13 prohibits transportation of medical cannabis over a body of  
14 water, a selling dispensary may only sell and transport up to  
15 three thousand grams of cannabis or manufactured cannabis  
16 products to a purchasing dispensary located on the same island  
17 as the selling dispensary. Allowable transport pursuant to this  
18 section does not include interisland transportation by any means  
19 or for any purpose between a [~~qualified~~] qualifying patient,  
20 primary caregiver, qualifying out-of-state patient, or caregiver  
21 of a qualifying out-of-state patient and any other entity or



1 individual, including an individual who is a [~~qualified~~  
2 qualifying patient, primary caregiver, qualifying out-of-state  
3 patient, or caregiver of a qualifying out-of-state patient."

4 SECTION 3. Section 329-130, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6 "(a) After December 31, [~~2023,~~] 2021, a qualifying patient  
7 shall obtain medical cannabis or manufactured cannabis products  
8 only:

9 (1) From a dispensary licensed pursuant to chapter 329D;  
10 provided that the cannabis shall be purchased and paid  
11 for at the time of purchase; or

12 (2) By cultivating cannabis in an amount that does not  
13 exceed an adequate supply for the qualifying patient,  
14 pursuant to section 329-122; provided that each  
15 location used to cultivate cannabis shall be used by  
16 no more than five qualifying patients; and provided  
17 further that the department, or law enforcement upon  
18 the request of the department, may make inspections,  
19 including onsite inspections for criminal and  
20 administrative purposes, of registered grow sites to



1           verify compliance with the requirements of this  
2           chapter pursuant to authority under this chapter.

3 After December 31, 2023, no primary caregiver shall be  
4 authorized to cultivate cannabis for any qualifying patient."

5           SECTION 4. Section 329D-1, Hawaii Revised Statutes, is  
6 amended as follows:

7           1. By amending the definition of "medical cannabis  
8 dispensary" or "dispensary" to read:

9           ""Medical cannabis dispensary" or "dispensary" means a  
10 person licensed by the State pursuant to this chapter to own,  
11 operate, or subcontract up to [~~two~~] \_\_\_\_\_ production  
12 centers and up to [~~two~~] \_\_\_\_\_ retail dispensing locations."

13           2. By amending the definition of "medical cannabis  
14 production center" or "production center" to read:

15           ""Medical cannabis production center" or "production  
16 center" means a farm or facility wholly owned, operated, or  
17 subcontracted by a person licensed by the State pursuant to this  
18 chapter as a medical cannabis dispensary that produces cannabis  
19 and manufactured cannabis products [~~solely~~] to supply cannabis  
20 and manufactured cannabis products to one or more of the retail



1 dispensing locations of [~~the~~] any licensed medical cannabis  
2 dispensary."

3 SECTION 5. Section 329D-2, Hawaii Revised Statutes, is  
4 amended by amending subsections (f) and (g) to read as follows:

5 "(f) Up to [~~two~~] \_\_\_\_\_ production centers shall be  
6 allowed under each dispensary license; provided that, except as  
7 otherwise specified in subsection (k), each production center  
8 shall be limited to no more than three thousand cannabis plants.  
9 For purposes of this subsection, "plant" means a cannabis plant  
10 that is greater than twelve vertical inches in height from where  
11 the base of the stalk emerges from the growth medium to the  
12 tallest point of the plant, or greater than twelve horizontal  
13 inches in width from the end of one branch to the end of another  
14 branch; provided that multiple stalks emanating from the same  
15 root ball or root system shall be considered part of the same  
16 single plant.

17 (g) A dispensary licensee may establish up to  
18 [~~two~~] \_\_\_\_\_ retail dispensing locations under the  
19 licensee's dispensary license, except as otherwise specified in  
20 subsection (l)."





1 SECTION 6. Section 329D-4, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By amending subsection (c) to read:

4 "(c) A nonrefundable application fee [~~of \$5,000~~] for each  
5 license application shall be submitted to the department by  
6 certified or cashier's check. Within seven days of approval, a  
7 dispensary license fee [~~of \$75,000~~] for each license approved  
8 shall be submitted to the department by certified or cashier's  
9 check or the department shall issue a license to the next  
10 qualified applicant."

11 2. By amending subsection (n) to read:

12 "(n) A dispensary license may be renewed annually by  
13 payment of an annual renewal fee [~~of \$50,000~~] and subject to  
14 verification by the department through an unannounced inspection  
15 that the individual licensee and entity licensee continue to  
16 meet all licensing requirements from the date the initial  
17 licenses were issued."

18 SECTION 7. Section 329D-6, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 "**§329D-6 Dispensary operations.** (a) No person shall  
21 operate a dispensary, nor engage in the production, manufacture,



1 or sale of cannabis or manufactured cannabis products, unless  
2 the person has obtained a license from the department pursuant  
3 to this chapter.

4 (b) No dispensary licensee, its officers, employees, or  
5 agents shall provide written certification for the use of  
6 medical cannabis or manufactured cannabis products for any  
7 person.

8 (c) No person under the age of twenty-one shall be  
9 employed by a dispensary licensee.

10 (d) Notwithstanding any other law to the contrary,  
11 including but not limited to sections 378-2 and 378-2.5,  
12 dispensaries:

13 (1) Shall deny employment to any individual who has been:

14 (A) Convicted of murder in any degree;

15 (B) Convicted of a class A or class B felony; or

16 (C) Convicted of a class C felony involving  
17 trafficking, distributing, or promoting a  
18 schedule I or II controlled substance other than  
19 cannabis within the last ten years; and

20 (2) May deny employment to any individual who has been  
21 convicted of a class C felony involving:



1 (A) Fraud, deceit, misrepresentation, embezzlement,  
2 or theft; or

3 (B) Endangering the welfare of a minor.

4 Employment under this chapter shall be exempt from  
5 section 378-2(a)(1), as it relates to arrest and court record  
6 discrimination, and section 378-2.5.

7 (e) Retail dispensing locations shall not be open for  
8 retail sales before 8:00 a.m. or after 8:00 p.m.,  
9 Hawaii-Aleutian Standard Time, Monday through Sunday.

10 (f) All dispensary facilities, including but not limited  
11 to production centers and retail dispensing locations, shall be  
12 enclosed indoor facilities and shall maintain twenty-four hour  
13 security measures, including but not limited to an alarm system,  
14 video monitoring and recording on the premises, and exterior  
15 lighting. A dispensary licensee who intends to utilize, as a  
16 production center, an enclosed indoor facility that includes a  
17 roof that is partially or completely transparent or translucent,  
18 as provided under section 329D-1, shall notify the department of  
19 that intention [~~prior to~~] before altering or constructing the  
20 facility. Production centers shall remain locked at all times.  
21 Retail dispensing locations shall remain locked at all times,



1 other than business hours as authorized by subsection (e), and  
2 shall only be opened for authorized persons.

3 (g) In all dispensary facilities, only the licensee, if an  
4 individual, registered employees of the dispensary licensee,  
5 registered employees of a subcontracted production center or  
6 retail dispensing location, employees of a certified laboratory  
7 for testing purposes, state employees authorized by the director  
8 of health, and law enforcement and other government officials  
9 acting in their official capacity shall be permitted to touch or  
10 handle any cannabis or manufactured cannabis products, except  
11 that a qualifying patient, primary caregiver, qualifying  
12 out-of-state patient, or caregiver of a qualifying out-of-state  
13 patient may receive manufactured cannabis products at a retail  
14 dispensing location following completion of a sale.

15 (h) A dispensary shall provide the department with the  
16 address, tax map key number, and a copy of the premises lease,  
17 if applicable, of the proposed location of a production center  
18 allowed under a license for a county [~~not~~] no later than thirty  
19 days [~~prior to~~] before any medical cannabis or manufactured  
20 cannabis products being produced or manufactured at that  
21 production center.



1 (i) A dispensary shall provide the department with the  
2 address, tax map key number, and a copy of the premises lease,  
3 if applicable, of the proposed location of each retail  
4 dispensing location allowed under a license [~~not~~] no less than  
5 sixty days [~~prior to~~] before opening for business.

6 (j) The department shall establish, maintain, and control  
7 a computer software tracking system that shall have real time,  
8 twenty-four-hour access to the data of all dispensaries.

9 (1) The computer software tracking system shall collect  
10 data relating to:

11 (A) The total amount of cannabis in possession of all  
12 dispensaries from either seed or immature plant  
13 state, including all plants that are derived from  
14 cuttings or cloning, until the cannabis, cannabis  
15 plants, or manufactured cannabis product is sold  
16 or destroyed pursuant to section 329D-7;

17 (B) The total amount of manufactured cannabis product  
18 inventory, including the equivalent physical  
19 weight of cannabis that is used to manufacture  
20 manufactured cannabis products, purchased by a  
21 qualifying patient, primary caregiver, qualifying



- 1 out-of-state patient, and caregiver of a  
2 qualifying out-of-state patient from all retail  
3 dispensing locations in the State in any  
4 fifteen-day period;
- 5 (C) The amount of waste produced by each plant at  
6 harvest; and
- 7 (D) The transport of cannabis and manufactured  
8 cannabis products between production centers and  
9 retail dispensing locations~~[7]~~ and as permitted  
10 by subsection (r), including tracking  
11 identification issued by the tracking system, the  
12 identity of the person transporting the cannabis  
13 or manufactured cannabis products, and the make,  
14 model, and license number of the vehicle being  
15 used for the transport;
- 16 (2) The procurement of the computer software tracking  
17 system established pursuant to this subsection shall  
18 be exempt from chapter 103D; provided that:
- 19 (A) The department shall publicly solicit at least  
20 three proposals for the computer software  
21 tracking system; and



1 (B) The selection of the computer software tracking  
2 system shall be approved by the director of the  
3 department and the chief information officer; and  
4 (3) Notwithstanding any other provision of this subsection  
5 to the contrary, once the department has authorized a  
6 licensed dispensary to commence sales of cannabis or  
7 manufactured cannabis products, if the department's  
8 computer software tracking system is inoperable or is  
9 not functioning properly, as an alternative to  
10 requiring dispensaries to temporarily cease  
11 operations, the department may implement an alternate  
12 tracking system that will enable a qualifying patient,  
13 primary caregiver, qualifying out-of-state patient,  
14 and caregiver of a qualifying out-of-state patient to  
15 purchase cannabis or manufactured cannabis products  
16 from a licensed dispensary on a temporary basis. The  
17 department shall seek input regarding the alternate  
18 tracking system from medical cannabis licensees. The  
19 alternate tracking system may operate as follows:



1 (A) The department may immediately notify all  
2 licensed dispensaries that the computer software  
3 tracking system is inoperable; and

4 (B) Once the computer software tracking system is  
5 operational and functioning to meet the  
6 requirements of this subsection, the department  
7 may notify all licensed dispensaries, and the  
8 alternate tracking system in this subsection  
9 shall be discontinued.

10 (k) A dispensary licensed pursuant to this chapter shall  
11 purchase, operate, and maintain a computer software tracking  
12 system that shall:

13 (1) Interface with the department's computer software  
14 tracking system established pursuant to  
15 subsection (j);

16 (2) Allow each licensed dispensary's production center to  
17 submit to the department in real time, by automatic  
18 identification and data capture, all cannabis,  
19 cannabis plants, and manufactured cannabis product  
20 inventory in possession of that dispensary from either  
21 seed or immature plant state, including all plants





1 that are derived from cuttings or cloning, until the  
2 cannabis or manufactured cannabis product is sold or  
3 destroyed pursuant to section 329D-7;

4 (3) Allow the licensed dispensary's retail dispensing  
5 location to submit to the department in real time for  
6 the total amount of cannabis and manufactured cannabis  
7 product purchased by a qualifying patient, primary  
8 caregiver, qualifying out-of-state patient, and  
9 caregiver of a qualifying out-of-state patient from  
10 the dispensary's retail dispensing locations in the  
11 State in any fifteen day period; provided that the  
12 software tracking system shall impose an automatic  
13 stopper in real time, which cannot be overridden, on  
14 any further purchases of cannabis or manufactured  
15 cannabis products, if the maximum allowable amount of  
16 cannabis has already been purchased for the applicable  
17 fifteen day period; provided further that additional  
18 purchases shall not be permitted until the next  
19 applicable period; and

20 (4) Allow the licensed dispensary to submit all data  
21 required by this subsection to the department and



1 permit the department to access the data if the  
2 department's computer software tracking system is not  
3 functioning properly and sales are made pursuant to  
4 the alternate tracking system under subsection (j).

5 (l) No free samples of cannabis or manufactured cannabis  
6 products shall be provided at any time, and no consumption of  
7 cannabis or manufactured cannabis products shall be permitted on  
8 any dispensary premises.

9 (m) [A] Except as permitted pursuant to subsection (r), a  
10 dispensary shall not transport cannabis or manufactured cannabis  
11 products to another county or another island; provided that this  
12 subsection shall not apply to the transportation of cannabis or  
13 any manufactured cannabis product solely for the purposes of  
14 laboratory testing pursuant to section 329D-8, and subject to  
15 subsection (j) [↗], if no certified laboratory is located in the  
16 county or on the island where the dispensary is located;  
17 provided further that a dispensary shall only transport samples  
18 of cannabis and manufactured cannabis products for laboratory  
19 testing for purposes of this subsection in an amount and manner  
20 prescribed by the department, in rules adopted pursuant to this  
21 chapter, and with the understanding that state law and its



1 protections do not apply outside of the jurisdictional limits of  
2 the State.

3 (n) A dispensary shall be prohibited from off-premises  
4 delivery of cannabis or manufactured cannabis products to a  
5 qualifying patient, primary caregiver, qualifying out-of-state  
6 patient, or caregiver of a qualifying out-of-state patient.

7 (o) A dispensary shall not:

8 (1) Display cannabis or manufactured cannabis products in  
9 windows or in public view; or

10 (2) Post any signage other than a single sign no greater  
11 than one thousand six hundred square inches bearing  
12 only the business or trade name in text without any  
13 pictures or illustrations; provided that if any  
14 applicable law or ordinance restricting outdoor  
15 signage is more restrictive, that law or ordinance  
16 shall govern.

17 (p) No cannabis or manufactured cannabis products shall be  
18 transported to, from, or within any federal fort or arsenal,  
19 national park or forest, any other federal enclave, or any other  
20 property possessed or occupied by the federal government.



1 (q) A dispensary licensed pursuant to this chapter shall  
2 be prohibited from providing written certification pursuant to  
3 section 329-122 for the use of medical cannabis for any person.

4 (r) The department may permit a dispensary to purchase  
5 cannabis and manufactured cannabis products from another  
6 dispensary in a manner prescribed by the department by rules  
7 adopted pursuant to this chapter and chapter 91; provided that:

8 (1) The purchasing dispensary provides sufficient  
9 justification that purchase of the cannabis and  
10 manufactured cannabis products from another dispensary  
11 is necessary to ensure ongoing qualifying patient  
12 access;

13 (2) The selling dispensary may only transport up to three  
14 thousand grams of cannabis or manufactured cannabis  
15 products to a purchasing dispensary located on the  
16 same island as the selling dispensary; and

17 (3) Nothing in this subsection shall relieve any  
18 dispensary of its responsibilities and obligations  
19 under this chapter and chapter 329."

20 SECTION 8. Section 329D-7, Hawaii Revised Statutes, is  
21 amended to read as follows:



- 1           "§329D-7 Medical cannabis dispensary rules. The  
2 department shall establish standards with respect to:
- 3           (1) The number of medical cannabis dispensaries that shall  
4           be permitted to operate in the State;
- 5           (2) A fee structure for [the]:
- 6           (A) The submission of applications and renewals of  
7           licenses to dispensaries; [provided that the  
8           department shall consider the market conditions  
9           in each county in determining the license renewal  
10           fee amounts,]
- 11           (B) The submission of applications for each  
12           additional production center and each additional  
13           retail dispensing location; and
- 14           (C) Dispensary-to-dispensary sales;  
15           provided that the department shall consider market  
16           conditions in each county in determining the license  
17           renewal fee amounts;
- 18           (3) Criteria and procedures for the consideration and  
19           selection, based on merit, of applications for  
20           licensure of dispensaries; provided that the criteria  
21           shall include but not be limited to an applicant's:



- 1 (A) Ability to operate a business;
- 2 (B) Financial stability and access to financial  
3 resources; provided that applicants for medical  
4 cannabis dispensary licenses shall provide  
5 documentation that demonstrates control of [~~net~~]  
6 no less than \$1,000,000 in the form of escrow  
7 accounts, letters of credit, surety bonds, bank  
8 statements, lines of credit or the equivalent to  
9 begin operating the dispensary;
- 10 (C) Ability to comply with the security requirements  
11 developed pursuant to paragraph (6);
- 12 (D) Capacity to meet the needs of qualifying patients  
13 and qualifying out-of-state patients;
- 14 (E) Ability to comply with criminal background check  
15 requirements developed pursuant to paragraph (8);  
16 and
- 17 (F) Ability to comply with inventory controls  
18 developed pursuant to paragraph (13);
- 19 (4) Specific requirements regarding annual audits and  
20 reports required from each production center and  
21 dispensary licensed pursuant to this chapter;



- 1           (5) Procedures for announced and unannounced inspections  
2                   by the department or its agents of production centers  
3                   and dispensaries licensed pursuant to this chapter;  
4                   provided that inspections for license renewals shall  
5                   be unannounced;
- 6           (6) Security requirements for the operation of production  
7                   centers and retail dispensing locations; provided  
8                   that, at a minimum, the following shall be required:
- 9                   (A) For production centers:
- 10                           (i) Video monitoring and recording of the  
11                                   premises; provided that recordings shall be  
12                                   retained for fifty days;
- 13                           (ii) Fencing that surrounds the premises and that  
14                                   is sufficient to reasonably deter intruders  
15                                   and prevent anyone outside the premises from  
16                                   viewing any cannabis in any form;
- 17                           (iii) An alarm system; and
- 18                           (iv) Other reasonable security measures to deter  
19                                   or prevent intruders, as deemed necessary by  
20                                   the department;
- 21                   (B) For retail dispensing locations:



- 1 (i) Presentation of a valid government-issued  
2 photo identification and a valid  
3 identification as issued by the department  
4 pursuant to section 329-123 by a qualifying  
5 patient or caregiver, or section 329-123.5  
6 by a qualifying out-of-state patient or  
7 caregiver of a qualifying out-of-state  
8 patient, upon entering the premises;
- 9 (ii) Video monitoring and recording of the  
10 premises; provided that recordings shall be  
11 retained for fifty days;
- 12 (iii) An alarm system;
- 13 (iv) Exterior lighting; and
- 14 (v) Other reasonable security measures as deemed  
15 necessary by the department;
- 16 (7) Security requirements for the transportation of  
17 cannabis and manufactured cannabis products between  
18 production centers and retail dispensing locations,  
19 between dispensaries as permitted by  
20 section 329D-6(r), and between a production center,  
21 retail dispensing location, qualifying patient,





- 1 primary caregiver, qualifying out-of-state patient, or  
2 caregiver of a qualifying out-of-state patient and a  
3 certified laboratory, pursuant to section 329-122(f);
- 4 (8) Standards and criminal background checks to ensure the  
5 reputable and responsible character and fitness of all  
6 license applicants, licensees, employees,  
7 subcontractors and their employees, and prospective  
8 employees of medical cannabis dispensaries to operate  
9 a dispensary; provided that the standards, at a  
10 minimum, shall exclude from licensure or employment  
11 any person convicted of any felony;
- 12 (9) The training and certification of operators and  
13 employees of production centers and dispensaries;
- 14 (10) The types of manufactured cannabis products that  
15 dispensaries shall be authorized to manufacture and  
16 sell pursuant to sections 329D-9 and 329D-10;
- 17 (11) Laboratory standards related to testing cannabis and  
18 manufactured cannabis products for content,  
19 contamination, and consistency;
- 20 (12) The quantities of cannabis and manufactured cannabis  
21 products that a dispensary may sell or provide to a



1           qualifying patient, primary caregiver, qualifying  
2           out-of-state patient, or caregiver of a qualifying  
3           out-of-state patient; provided that no dispensary  
4           shall sell or provide to a qualifying patient, primary  
5           caregiver, qualifying out-of-state patient, or  
6           caregiver of a qualifying out-of-state patient any  
7           combination of cannabis and manufactured products  
8           that:

9           (A) During a period of fifteen consecutive days,  
10           exceeds the equivalent of four ounces of  
11           cannabis; or

12           (B) During a period of thirty consecutive days,  
13           exceeds the equivalent of eight ounces of  
14           cannabis;

15       (13) Dispensary and production center inventory controls to  
16       prevent the unauthorized diversion of cannabis or  
17       manufactured cannabis products or the distribution of  
18       cannabis or manufactured cannabis products to a  
19       qualifying patient, primary caregiver, qualifying  
20       out-of-state patient, or caregiver of a qualifying  
21       out-of-state patient in quantities that exceed limits



- 1 established by this chapter; provided that the  
2 controls, at a minimum, shall include:
- 3 (A) A computer software tracking system as specified  
4 in section 329D-6(j) and (k); and
  - 5 (B) Product packaging standards sufficient to allow  
6 law enforcement personnel to reasonably determine  
7 the contents of an unopened package;
- 8 (14) Limitation to the size or format of signs placed  
9 outside a retail dispensing location or production  
10 center; provided that the signage limitations, at a  
11 minimum, shall comply with section 329D-6(o)(2) and  
12 shall not include the image of a cartoon character or  
13 other design intended to appeal to children;
- 14 (15) The disposal or destruction of unwanted or unused  
15 cannabis and manufactured cannabis products;
- 16 (16) The enforcement of the following prohibitions against:
- 17 (A) The sale or provision of cannabis or manufactured  
18 cannabis products to unauthorized persons;
  - 19 (B) The sale or provision of cannabis or manufactured  
20 cannabis products to a qualifying patient,  
21 primary caregiver, qualifying out-of-state



1 patient, or caregiver of a qualifying  
2 out-of-state patient in quantities that exceed  
3 limits established by this chapter;

4 (C) Any use or consumption of cannabis or  
5 manufactured cannabis products on the premises of  
6 a retail dispensing location or production  
7 center; and

8 (D) The distribution of cannabis or manufactured  
9 cannabis products, for free, on the premises of a  
10 retail dispensing location or production center;

11 (17) The establishment of a range of penalties for  
12 violations of this chapter or rule adopted thereto;  
13 and

14 (18) A process to recognize and register patients who are  
15 authorized to purchase, possess, and use medical  
16 cannabis in another state, a United States territory,  
17 or the District of Columbia as qualifying out-of-state  
18 patients; provided that this registration process may  
19 commence no sooner than January 1, 2018."

20 SECTION 9. Section 329D-9, Hawaii Revised Statutes, is  
21 amended by amending subsection (b) to read as follows:



1           "(b) The department shall establish health, safety, [~~and~~  
2 ~~sanitation~~] manufacturing, and product stability standards  
3 regarding the manufacture of manufactured cannabis products."

4           SECTION 10. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6           SECTION 11. This Act shall take effect on July 1, 2060.



**Report Title:**

Medical Cannabis; Dispensary; Dispensary-to-Dispensary Sales;  
License; Department of Health

**Description:**

Authorizes the department of health to allow a licensed dispensary to purchase up to three thousand grams of medical cannabis or manufactured cannabis products from another licensed dispensary to ensure ongoing qualifying patient access. Increases the allowable number of production centers and retail dispensing locations per dispensary license. Places certain limits on where qualifying patients can obtain medical cannabis or manufactured cannabis products after 12/31/21. Authorizes the department of health to set fee structures for the submission of applications for each additional production center and retail dispensing location and for dispensary-to-dispensary sales. Permits inspections of registered grow sites by department of health or law enforcement to verify compliance with cannabis plant limits for cultivation by qualifying patients. Limits dispensary-to-dispensary sales to those located on the same island, as long as federal law prohibits the transportation of medical cannabis over a body of water. Effective 7/1/2060. (SD1)

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

