

STAND. COM. REP. NO.

2856

Honolulu, Hawaii

MAR 0 1 2024

RE: S.B. No. 2461
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and
Judiciary, to which was referred S.B. No. 2461, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Amend the circumstances under which medical cannabis may be transported by and between dispensaries; and
- (2) Require the Department of Health to adopt rules no later than nine months after a medical cannabis product is permitted to be manufactured and distributed by dispensaries.

Your Committees received testimony in support of this measure from the Hawaii Cannabis Industry Association, Cure Oahu, Pono Life Maui, and Hawaiian Ethos.

Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees received comments on this measure from Akamai Cannabis Consulting.



Your Committees find that the practice of wholesaling, which means the act of buying a large number of goods directly from a manufacturer or producer, storing them, and preparing them for sale in smaller quantities to retailers, is a well-established business practice that provides cost savings through bulk purchasing and economies of scale and streamlined inventory management that can help stabilize supply chains. Your Committees also find that for medical cannabis, under existing law, wholesale only occurs upon request by a dispensary who can show an emergency or proof of need, with the Department of Health having no specific timeline to respond and complete discretion to reject any request. This limited wholesale approach has impaired dispensaries' abilities to efficiently plan their business operations and has led to the disruption in supply of medical cannabis to many patients in need. Therefore, this measure amends the medical cannabis dispensary system law in Hawaii to clarify that any medical cannabis dispensary may purchase cannabis and manufactured cannabis products directly from another dispensary as a matter of course, without the need to demonstrate a need for the purchase.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2040, to encourage further discussion; and
- (2) 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 Commerce and Consumer Protection and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2461, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2461, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and
Judiciary,



KARL RHOADS, Chair

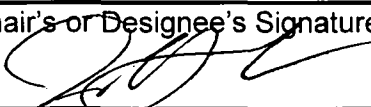


JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

| | | | | |
|--|---------------------|----------|----------|----------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB2461 SDI | HHS, CPN/JDC | 2/23/24 | | |
| <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 |
| KEOHOKALOLE, Jarrett (C) | ✓ | | | |
| FUKUNAGA, Carol (VC) | ✓ | | | |
| MCKELVEY, Angus L.K. | | | | ✓ |
| RICHARDS, III, Herbert M. "Tim" | ✓ | | | |
| AWA, Brenton | | | ✓ | |
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| TOTAL | 3 | | 1 | 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

