



**Akamai Cannabis Consulting**

3615 Harding Ave, Suite 304  
Honolulu, HI 96816

TESTIMONY ON HOUSE BILL 2260 HOUSE DRAFT 1  
RELATING TO CANNABIS

By  
Clifton Otto, MD

House Committee on Finance  
Representative Sylvia Luke, Chair  
Representative Kyle T. Yamashita, Vice Chair

Tuesday, March 1, 2022; 12:30 PM  
State Capitol, Room 308 & Videoconference

Thank you for the opportunity to offer **COMMENTS** on this measure.

I believe this committee has the necessary subject matter authority to add the proposed amendment below because of the severe negative financial impact that the federal conflict with the state authorized medical use of cannabis in Hawaii is having upon our Medical Cannabis Program.

This conflict is prohibiting dispensaries from deducting standard business expenses from their federal tax returns, which is resulting in about a 70% tax burden, which is getting passed on to patients and causing unaffordable dispensary product prices that are driving patients to other sources of medical cannabis, including the illicit market.

If our Medical Cannabis Program is to be sustainable, we need to address the financial impact of the federal conflict.

The proposed amendment below would also be a logical follow-up to [HCR132](#), which was unanimously adopted by both chambers of the Legislature last Session.

Thank you for considering the following amendment proposal in your decision making.

SECTION 8B. Section 329D-25, Hawaii Revised Statutes, is amended to read as follows:

§329D-25 Coordination among state and federal agencies. The department shall initiate ongoing dialogue among relevant state and federal agencies to identify processes and policies that ensure the privacy of qualifying patients and qualifying out-of-state patients and the compliance of qualifying patients, primary caregivers, qualifying out-of-state patients, and caregivers of qualifying out-of-state patients and medical cannabis dispensaries with state laws and regulations related to medical cannabis; provided that the department shall also file for a federal exemption under 21 CFR 1307.03 and 21 CFR 1308.43 for the state authorized use of cannabis in Hawaii to eliminate any conflict between the state and federal regulation of cannabis.

Aloha.