
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 patient
5 access based on experiences in other states that have a
6 reasonable medical cannabis program, and resolve other issues
7 that have arisen under the existing law.

8 The purpose of this Act is to:

- 9 (1) Increase the allowable number of production centers
10 and retail dispensing locations per dispensary
11 license; and
- 12 (2) Authorize the department of health to allow a licensed
13 dispensary to purchase medical cannabis or
14 manufactured cannabis products from another licensed
15 dispensary to ensure ongoing qualified patient access.



H.B. NO. 477

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; ~~[or]~~

13 (4) Dispensaries as permitted by section 329D-6(r);
14 provided that a selling dispensary may only transport
15 up to four thousand grams of cannabis or manufactured
16 cannabis products to a purchasing dispensary; or

17 ~~[(4)]~~ (5) A production center, retail dispensing location,
18 qualifying patient, primary caregiver, qualifying out-
19 of-state patient, or caregiver of a qualifying out-of-
20 state patient and a certified laboratory for the
21 purpose of laboratory testing; provided that a



H.B. NO. 477

1 qualifying patient, primary caregiver, qualifying out-
2 of-state patient, or caregiver of a qualifying out-of-
3 state patient may only transport up to one gram of
4 cannabis per test to a certified laboratory for
5 laboratory testing and may only transport the product
6 if the qualifying patient, primary caregiver,
7 qualifying out-of-state patient, or caregiver of a
8 qualifying out-of-state patient:

9 (A) Secures an appointment for testing at a certified
10 laboratory;

11 (B) Obtains confirmation, which may be electronic,
12 that includes the specific time and date of the
13 appointment and a detailed description of the
14 product and amount to be transported to the
15 certified laboratory for the appointment; and

16 (C) Has the confirmation, which may be electronic,
17 available during transport.

18 For purposes of interisland transportation, "transport" of
19 cannabis, usable cannabis, or any manufactured cannabis product,
20 by any means is allowable only between dispensaries as permitted
21 by section 329D-6(r) and between a production center or retail



1 dispensing location and a certified laboratory for the sole
2 purpose of laboratory testing pursuant to section 329D-8, as
3 permitted under section 329D-6(m) and subject to section
4 329D-6(j), and with the understanding that state law and its
5 protections do not apply outside of the jurisdictional limits of
6 the State[-]; provided that a selling dispensary may only
7 transport up to four thousand grams of cannabis or manufactured
8 cannabis products to a purchasing dispensary. Allowable
9 transport pursuant to this section does not include interisland
10 transportation by any means or for any purpose between a
11 qualified patient, primary caregiver, qualifying out-of-state
12 patient, or caregiver of a qualifying out-of-state patient and
13 any other entity or individual, including an individual who is a
14 qualified patient, primary caregiver, qualifying out-of-state
15 patient, or caregiver of a qualifying out-of-state patient."

16 SECTION 3. Section 329D-1, Hawaii Revised Statutes, is
17 amended as follows:

18 1. By amending the definition of "medical cannabis
19 dispensary" or "dispensary" to read:

20 ""Medical cannabis dispensary" or "dispensary" means a
21 person licensed by the State pursuant to this chapter to own,



1 operate, or subcontract up to [~~two~~] _____ production
2 centers and up to [~~two~~] _____ retail dispensing locations."

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

5 ""Medical cannabis production center" or "production
6 center" means a farm or facility wholly owned, operated, or
7 subcontracted by a person licensed by the State pursuant to this
8 chapter as a medical cannabis dispensary that produces cannabis
9 and manufactured cannabis products [~~solely~~] to supply cannabis
10 and manufactured cannabis products to one or more of the retail
11 dispensing locations of [~~the~~] any licensed medical cannabis
12 dispensary."

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

15 "(f) Up to [~~two~~] _____ production centers shall be
16 allowed under each dispensary license; provided that, except as
17 otherwise specified in subsection (k), each production center
18 shall be limited to no more than three thousand cannabis plants.
19 For purposes of this subsection, "plant" means a cannabis plant
20 that is greater than twelve vertical inches in height from where
21 the base of the stalk emerges from the growth medium to the



1 tallest point of the plant, or greater than twelve horizontal
2 inches in width from the end of one branch to the end of another
3 branch; provided that multiple stalks emanating from the same
4 root ball or root system shall be considered part of the same
5 single plant.

6 (g) A dispensary licensee may establish up to [~~two~~]
7 _____ retail dispensing locations under the licensee's
8 dispensary license, except as otherwise specified in subsection
9 (1)."

10 SECTION 5. Section 329D-6, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "**§329D-6 Dispensary operations.** (a) No person shall
13 operate a dispensary, nor engage in the production, manufacture,
14 or sale of cannabis or manufactured cannabis products, unless
15 the person has obtained a license from the department pursuant
16 to this chapter.

17 (b) No dispensary licensee, its officers, employees, or
18 agents shall provide written certification for the use of
19 medical cannabis or manufactured cannabis products for any
20 person.



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

3 (d) Notwithstanding any other law to the contrary,
4 including but not limited to sections 378-2 and 378-2.5,
5 dispensaries:

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

7 (A) Convicted of murder in any degree;

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

9 (C) Convicted of a class C felony involving

10 trafficking, distributing, or promoting a

11 schedule I or II controlled substance other than

12 cannabis within the last ten years; and

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

15 (A) Fraud, deceit, misrepresentation, embezzlement,
16 or theft; or

17 (B) Endangering the welfare of a minor.

18 Employment under this chapter shall be exempt from section
19 378-2(a)(1), as it relates to arrest and court record
20 discrimination, and section 378-2.5.



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

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

18 (g) In all dispensary facilities, only the licensee, if an
19 individual, registered employees of the dispensary licensee,
20 registered employees of a subcontracted production center or
21 retail dispensing location, employees of a certified laboratory



1 for testing purposes, state employees authorized by the director
2 of health, and law enforcement and other government officials
3 acting in their official capacity shall be permitted to touch or
4 handle any cannabis or manufactured cannabis products, except
5 that a qualifying patient, primary caregiver, qualifying out-of-
6 state patient, or caregiver of a qualifying out-of-state patient
7 may receive manufactured cannabis products at a retail
8 dispensing location following completion of a sale.

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

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



H.B. NO. 477

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

4 (1) The computer software tracking system shall collect
5 data relating to:

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

12 (B) The total amount of manufactured cannabis product
13 inventory, including the equivalent physical
14 weight of cannabis that is used to manufacture
15 manufactured cannabis products, purchased by a
16 qualifying patient, primary caregiver, qualifying
17 out-of-state patient, and caregiver of a
18 qualifying out-of-state patient from all retail
19 dispensing locations in the State in any fifteen-
20 day period;



H.B. NO. 477

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



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



H.B. NO. 477

1 requirements of this subsection, the department
2 may notify all licensed dispensaries, and the
3 alternate tracking system in this subsection
4 shall be discontinued.

5 (k) A dispensary licensed pursuant to this chapter shall
6 purchase, operate, and maintain a computer software tracking
7 system that shall:

8 (1) Interface with the department's computer software
9 tracking system established pursuant to subsection
10 (j);

11 (2) Allow each licensed dispensary's production center to
12 submit to the department in real time, by automatic
13 identification and data capture, all cannabis,
14 cannabis plants, and manufactured cannabis product
15 inventory in possession of that dispensary from either
16 seed or immature plant state, including all plants
17 that are derived from cuttings or cloning, until the
18 cannabis or manufactured cannabis product is sold or
19 destroyed pursuant to section 329D-7;

20 (3) Allow the licensed dispensary's retail dispensing
21 location to submit to the department in real time for



H.B. NO. 477

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

- 15 (4) Allow the licensed dispensary to submit all data
16 required by this subsection to the department and
17 permit the department to access the data if the
18 department's computer software tracking system is not
19 functioning properly and sales are made pursuant to
20 the alternate tracking system under subsection (j).



H.B. NO. 477

1 (1) No free samples of cannabis or manufactured cannabis
2 products shall be provided at any time, and no consumption of
3 cannabis or manufactured cannabis products shall be permitted on
4 any dispensary premises.

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

20 (n) [A] Except for dispensary-to-dispensary sales as
21 provided in subsection (r), a dispensary shall be prohibited



1 from off-premises delivery of cannabis or manufactured cannabis
2 products to a qualifying patient, primary caregiver, qualifying
3 out-of-state patient, or caregiver of a qualifying out-of-state
4 patient.

5 (o) A dispensary shall not:

6 (1) Display cannabis or manufactured cannabis products in
7 windows or in public view; or

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

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

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



H.B. NO. 477

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

5 (1) The purchasing dispensary provides sufficient
6 justification that purchase of the cannabis and
7 manufactured cannabis products from another dispensary
8 is necessary to ensure ongoing qualified patient
9 access;

10 (2) The selling dispensary may only transport up to four
11 thousand grams of cannabis or manufactured cannabis
12 products to a purchasing dispensary;

13 (3) The selling dispensary is permitted by the department
14 to transport up to four thousand grams of cannabis or
15 manufactured cannabis products to another county or
16 another island, for the limited purpose of completing
17 its sale to the purchasing dispensary pursuant to this
18 subsection, in a manner prescribed by the department
19 by rules adopted pursuant to this chapter and chapter
20 91 and with the understanding that state law and its



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

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

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

8 "**§329D-7 Medical cannabis dispensary rules.** The
9 department shall establish standards with respect to:

10 (1) The number of medical cannabis dispensaries that shall
11 be permitted to operate in the State;

12 (2) A fee structure for the submission of applications and
13 renewals of licenses to dispensaries; provided that
14 the department shall consider the market conditions in
15 each county in determining the license renewal fee
16 amounts;

17 (3) Criteria and procedures for the consideration and
18 selection, based on merit, of applications for
19 licensure of dispensaries; provided that the criteria
20 shall include but not be limited to an applicant's:

21 (A) Ability to operate a business;



H.B. NO. 477

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



H.B. NO. 477

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 section
- 20 329D-6(r), and between a production center, retail
- 21 dispensing location, qualifying patient, primary



H.B. NO. 477

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

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

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

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



H.B. NO. 477

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



H.B. NO. 477

1 patient, or caregiver of a qualifying out-of-
2 state patient in quantities that exceed limits
3 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."

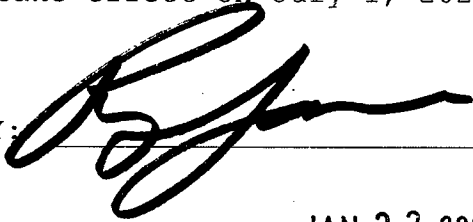


H.B. NO. 477

1 SECTION 7. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 8. This Act shall take effect on July 1, 2021.
4

INTRODUCED BY: _____

A handwritten signature in black ink, appearing to be 'R. J.', is written over a horizontal line.

JAN 22 2021



H.B. NO. 477

Report Title:

Medical Cannabis; Dispensary; License; DOH

Description:

Increases the allowable number of production centers and retail dispensing locations per dispensary license. Authorizes the department of health to allow a licensed dispensary to purchase medical cannabis or manufactured cannabis products from another licensed dispensary to ensure ongoing qualified patient access.

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

