

HCR 48 Task Force Meeting #2
August 12, 2014
Hawaii State Capitol, Room 325
9:00-11:00am

Task Force Members Present:

Jill Nagamine, and Lance Goto, Attorney General's Office
Peter Whitar, Department of Health
Jacob Herlitz (alternate for Jonathan White, Department of Taxation)
May Ferrer (alternate for Lee Ann Teshima), Department of Commerce and Consumer Affairs
Susan Chandler, University of Hawaii Public Policy Center
Jon Riki Karamatsu, Department of the Prosecuting Attorney
Major Samuel Thomas (alternate for Harry Kubojiri, Law Enforcement Coalition)
Senator Josh Green, Senate Committee on Health
Representative Della Au Belatti, House Committee on Health
Representative Gregg Takayama
Jensen Yoshihide Uyeda, University of Hawaii Tropical Agriculture and Human Resources
Michael Attocknie, Drug Policy Forum
Dr. Clif Otto, A physician participating in Hawaii's Medical Marijuana Program
Karl Malivuk, A patient who is over the age of 18 and is a participant in Hawaii's Medical Marijuana Program
Jari S. K. Sugano, A guardian of a patient who is under the age of 10 and is a participant in Hawaii's Medical Marijuana Program
Dana Ciccone, A caregiver participating in Hawaii's Medical Marijuana Program
Dan Gluck, American Civil Liberties Union of Hawaii
Dr. Christopher Flanders, Hawaii Medical Association
Alan Shinn, Coalition for a Drug Free Hawaii

Absent:

Senator Rosalyn Baker
Ted Sakai

August Agenda Approval

Request for an addition to agenda topics – philosophical and legal disconnect
Request to create a formal agenda for follow-up meetings at meeting closing
Question: Are the meetings under sunshine laws? No.
- This is not a legislative Task Force
* The agenda was approved

Announcements

Medical Marijuana Information session – August 12th 11:15 Rm 225
The Public Policy Center's website has a tab called Hawai'i Medical Marijuana
<http://www.publicpolicycenter.hawaii.edu/projects-programs>

June Minutes Approval

* Approved

Plans for Public Hearings

There will be two public meetings in September, One on each Oahu & Big Island- In Capitol auditorium (Oahu) and Big Island TBD

- Proposed dates – September 3, 10, 24 @ 4:30-6:00 pm
- Legislative Reference Bureau (LRB) will present a 10 min presentation of their Medical Marijuana Dispensary report

Question: Should the September Task Force meeting be postponed until after the public hearings?

Agreement: No, the Task Force should meet as scheduled on September 9th since the LRB report due out on September 1st – the meeting is needed to discuss the report's findings

Question: Should the Big Island public hearing be held prior to the September 9th Task Force meeting and prior to the Oahu public hearing?

Agreement: Yes

Agreed upon dates (Rep. Belatti and Senator Green will organize)

- Sep 10th – Big Island (Hilo)
- Sep 24th – Oahu
- Proposal to have 'Ōlelo film the Public Hearing raised by Representative Belatti

Follow-ups

Department of Public Safety will be asked to provide a briefing to provide the PSD perspective on the issues related to establishing an appropriate regulatory system on medical marijuana for dispensaries at the September Task Force meeting

ACLU Report - Policy sub-committee (Dan Gluck)

The ACLU subcommittee is open to the public. Anyone who would like to participate please see Dan or Holly to get on the list to attend or check the ACLU website for updates. The issues discussed are presented below:

- 1) What will be the appropriate number of dispensaries statewide – retail storefronts?
 - Need to answer questions about producers
 - If use the criteria of 500-1000 patients per dispensary – Hawai'i would need 30 dispensaries using this standard
- 2) What would be the appropriate location of dispensaries?
 - Geographical locations for dispensaries
 - Issues of access on each island
 - Inter-island issues need to be clarified

This subcommittee feels that they should not set the geographic recommendations for dispensaries.
- 3) What would be the best structure of dispensaries (non-profit, for-profit, government-run?)

- Government run – not favored
- Non-profit / for profit (shareholders)

4) What would be the best framework for manufacturing the product?

- May need 39,000 plants for 13,000 patients
- Growers would provide product to dispensaries

Discussion: Are dispensaries the only form of access?

- assumption is that the dispensary is the model Hawai'i will use
- potentially review other models of distribution – focus on manufacturing

Question: Are there other models with delivery that don't include dispensaries?

Answer: (not in any other state)

Have you looked at the patients' preference for dispensaries, self-cultivation or both?

- should be addressed at the public hearings
- could potentially poll current patients – establish understanding of demand
- physicians could poll their patients
- current database not sophisticated (access issues)
- potentially could mail a survey to current patients using the Department of Public Safety's database?

Issues about the cost of the medical marijuana product

- overhead cost of production/distribution
- affordability of product

Issues and Themes

Language from HCR48

- the appropriate number and location of dispensaries statewide;
- the design of a tax structure (state and county);
- location and restriction issues;
- methodology for ensuring safety of supply;
- a framework for cultivating and manufacturing medical marijuana products;
- regulations to ensure security and public safety;
- restrictions on advertising;
- issues raised and compliance with any guidelines and/or directives issued by federal agencies with respect to medical marijuana

Question: Are sub-committees established for the duration of the process – Yes

Intent of these subcommittees

- to generate a list of questions to ask medical marijuana administrators in other states.
- conduct a conference call with Task Force members to hear from these state administrators

Question: Do we need to define the term Dispensary?

Federal interface Issues

- banking concerns including ability to deposit and utilize the banking system for operation of the dispensaries
- transport – inter-island movement of the medicine and the people who need it is problematic thus dispensary access would be needed on all islands
- reciprocity for medical marijuana patients from other states?

The Six sub-committees were established and met for thirty minutes during the meeting and then reported back to the group. Members from the public also joined the subcommittees. Each subcommittee was asked to generate three key questions that could be posed to dispensary program administrators in other states;

Subcommittee Generated Questions:

1. Appropriate Number and Location of dispensaries

Structure of Dispensaries (Nonprofit? For-profit? State?)

- What is the right fit (#, location) in year 1 for our patient population (economic feasibility, medical necessity)?
- What’s the percentage of patients that use dispensaries in other states?
- Should DOH be provided the flexibility to adjust the number of dispensaries for the first 1-3 years based on the need and roll-out?
- How do we deal with geographical discrepancies (rural areas)?

2. Manufacturing Issues (Cultivation, Quality control; types of product, testing, labeling, security, environmental issues)

- What’s the best method for cultivating in-house or external source?
- Who will test the medicine? Dispensaries or state-run department?
- How do you handle regulation structure at different levels (growing, security, point of sale)?
- Is indoor growing more secure than outdoor?

3. Administration (registration, staffing, regulatory issues, evaluation)

Database, Data needs, Privacy concerns

- What is the process to become an operator? How do we select the applicants?
- Do we want the retailers to be the growers (vertical integration)? What cultivation practice works best (indoor vs outdoor)?
- How do we ensure medical marijuana (MMJ) is not cost prohibitive for patients?
- What kind of regulatory structure do they (the other state) have in place?

4. Education and Training (consumers, physicians, public; protection of minors)

- Do states have education/training experts that can educate and inform doctors, patients, and the general public?
- How does your state educate and inform dispensaries/operators about the legal and safety best practices, community involvement, and sensitivity?
- Does your state have educational resources for minors on medicine and drugs in the DOE, private, or community resources?

5. Taxes/revenue/costs

- To what degree did your state utilize your current tax system to the medical cannabis industry? (Hawai'i is specifically interested in contacting New Mexico because they have a similar GET system)
- What are the ranges of tax rates applicable to different points of the industry? (import of seeds → use up to 4%; grower→manufacturer wholesale tax ½ %; manufacturer → retailer ½ %; etc)
- Are taxes earmarked for particular uses? What are those uses?
- Lessons learned/best practices – If you could design your tax system based on what you now know, what would you do and not do?
- Does your state collect any revenue not in the form of a tax (i.e. application or registration fees)?

6. Federal interface

- How do we protect state licensed dispensaries from Federal intervention? How do you enlist the support of local/state law enforcement?
- Are there steps that the state can take to pre-emptively protect the patient population from federal intervention?
- How do we allow for intra-state transport of product?

Public input

Will there be reciprocal benefits for out of state or outer island patients to purchase medical marijuana during a visit in Hawai'i?

How would this also work with International tourists?

Should review the information from the states with existing dispensary systems

- take best practices to develop HI model
- LRB report will help address this

Kat Brady had visited two California dispensaries and reported on what she learned

- She visited both a rural and an urban location.
- She wrote up a report which she distributed to task force members and which will be posted on the HCR 48 website.

Patient rights and protections

- fed/state issues
- potential evictions for growing MMJ
- concerns about CPS taking children from parents who are growing and/or using
 - concerns about asset forfeiture with use of this medicine

Banking issues with medical marijuana are also important to consider

Next steps

ACLU will add their report to website.

The ACLU Policy sub-committee will announce to the Task Force what topics they will be covering next

- Their next meeting will be on August 27th in Room 325 (meeting details including the time will be posted on the ACLU website)

Teleconference/webinar with other states will be scheduled and announced to task force members

- The states that will be included in teleconference is TBD

Education & Training sub-committee

- open to increased participation (currently 2 members)

The Meeting Adjourned: 11:00

**The next Task Force meeting is September 9th at the State Capitol, Room 325
from 9:00-11:00am**