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**Currently, Hawai'i patients must either grow their own medical marijuana or obtain it from the black market, where there are no assurances of consistent strength or purity.**

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# Sunrise Analysis: Regulation of Medical Marijuana Dispensaries

Report No. 14-12, December 2014

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## *Flaw in existing medical marijuana law justifies regulation of dispensaries*

### **Regulation of medical marijuana dispensaries is warranted**

Because the sale of marijuana is illegal under state law, there is no place within Hawai'i to legally obtain medical marijuana, which forces qualifying patients to either grow their own medical marijuana or seek out black market products. We therefore found that regulation of medical marijuana dispensaries is necessary to protect the health, safety, and welfare of qualifying patients in Hawai'i. Without regulated dispensaries, patients' health is jeopardized because a product's strength, strain, and lack of contaminants cannot be verified. Regulation could also mitigate fears that dispensaries would introduce a criminal element into surrounding neighborhoods by stipulating where and how many dispensaries may operate. Regulation would also satisfy most other criteria in Hawai'i's "sunrise" law, Chapter 26H, Hawai'i Revised Statutes: it would not unreasonably restrict potential operators' ability to join the field, fees would likely cover administrative costs of the program, and viable alternatives to protect the public have not been identified. In addition, most other states with medical marijuana programs regulate dispensaries.

### **House Bill No. 1587 is flawed**

The proposed regulatory vehicle, HB No. 1587 (2014), has several flaws. First, licensure would be more appropriate than registration for dispensaries. Second, the bill does not specify a funding mechanism for the new regulatory program. No seed moneys are provided, and the existing Medical Marijuana Registry Special Fund statute does not contemplate use of the fund for overseeing a dispensary regulatory program. In addition, various duties in the bill are unclear or inappropriately assigned to the entity to be regulated (dispensaries) rather than the regulating authority (the Department of Health). Finally, the bill needs several technical changes in order to be effectively implemented.

### **Agencies' responses**

The Department of Health offered clarifying technical comments and pointed out that its agreement on a reasonable number of statewide dispensaries was hypothetical. The Department of Public Safety did not comment on the report.