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A BILL FOR AN ACT

RELATING TO CANNABIS

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The Legislature finds that all of the Western States and a few central and Eastern States of the United States have legalized and regulated recreational cannabis and other cannabis derivatives. The Nation of Canada has legalized recreational cannabis as the second Nation after Uruguay.

The Legislature finds and supports research and adoption of successful crime reduction strategies currently implemented in other States and Nations including the decriminalization and legalization of recreational cannabis. *Democratic Party of Hawai'i Platform 2018, p. 13, Lines 44-45.*

The Legislature finds that Drug Enforcement Administration (DEA) Administrative Law Judge Francis L. Young ruled on September 6, 1988, that the DEA improperly classified cannabis as a "Schedule I" drug. The Legislature finds that the Federal government should remove cannabis from the list of "Schedule I" Federal controlled substances and to appropriately regulate recreational cannabis to provide a reasonable pathway for future legalization.

The Legislature finds there currently are sufficient policies on adult-use recreational cannabis and laws that allow for legal retail cannabis businesses to exist without uncertainty in many sister states in the United States, and in the nations of Uruguay and in as recent as 2018, Canada. *Democratic Party of Hawai'i Platform 2018, p. 8, Lines 46-49.*

The Legislature finds that for more than 40 years the "War on Drugs" has fostered violence, increased criminal activity and imposed criminal records on otherwise law-abiding

1 citizens. The prohibition of cannabis serves no public good which incarcerates potentially
2 productive people solely for the use of the natural intoxicant, cannabis, and causes huge
3 disruption to innocent families, and has resulted in corruption of the law enforcement mission
4 to serve and protect. The prohibition has been totally ineffective at keeping cannabis away from
5 our youth and has tragically criminalized and needlessly exposed many of them to the prison
6 system. More than 750,000 individuals in the United States are arrested every year for simple
7 possession. *Resolution GOV 2012-04 Proposed Resolution to Repeal the Prohibition of Cannabis, Democratic*
8 *Party of Hawai'i (2012).*

9 The Legislature finds that medical cannabis has currently been legalized in thirty-three
10 (33) states and the District of Columbia, Guam and Puerto Rico, including 11 which allow
11 recreational (non-medical) cannabis use, with New York soon to be included making the
12 number to be at twelve (12) states. The thirty-three states that have legalized medical cannabis
13 are: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia,
14 Florida, Hawaii, Illinois, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri,
15 Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio,
16 Oklahoma, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, Washington, and West Virginia. In
17 addition, the following States allow *restricted use of medical cannabis* including: Alabama, Florida,
18 Georgia, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Virginia,
19 Wisconsin and Wyoming rounding the number of medical cannabis states and three Territories to
20 increase the number to forty-nine (49) states and territories. *Bhandari, Smitha, reviewed on November 14,*
21 *2018, WebMd, retrieved from [https://www.webmd.com/a-to-z-guides/qa/what-us-states-have-legalized-medical-
23 marijuana](https://www.webmd.com/a-to-z-guides/qa/what-us-states-have-legalized-medical-
22 marijuana) on January 7, 2019; National Conference of State Legislators (2028), retrieved from*
<http://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx> on January 7, 2019.

1 The eleven (11) States that have legalized recreational cannabis are: Alaska, California,
2 Colorado, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont, Washington,
3 Washington D.C., and soon to include New York. *Which States Have Legalized Medical Marijuana in*
4 *2018? Cannabis Health (2018), Marijuana Legalization 2018: A State-by-State Guide to Legal Weed, (April 18,*
5 *2018), retrieved from <https://www.cannahealth.org/medical-marijuana/states/> on January 7, 2019; Litman-
6 Navarro, Kevin, (April 2018), updated by Jeung, Tiffany (Dec. 2018) Inverse, retrieved from
7 <https://www.inverse.com/article/43850-marijuana-legal-weed-states-in-2018> on January 7, 2019.*

8 The Legislature finds that cannabis has a long history of positive spiritual and medical use
9 and has caused far fewer negative health and social impacts than alcohol or tobacco. In the state
10 auditor's December 2010 report, "Management Audit of the Department of Public Safety's
11 Contracting for Prison Beds and Services stated, "In Hawaii, spending on incarceration has soared
12 in recent years, despite the economic problems that have been haunting the state." Also saying the
13 corrections budget has increased from \$128 million in 2000 to \$225 million in 2009 and "Higher
14 education has been a clear loser in the nation's choice to fund bars not books." This 2010 report
15 also stated that "there are serious management and procurement problems with the state's
16 contract to hold some 2,000 inmates at Corrections Corporation of America facilities in Arizona."

17 In June 2011, an alliance of World Leaders declared that the War on Drugs was "a
18 resounding failure" and recommended ending the criminalization of drug users who "do no harm
19 to others!" This alliance included former Secretary of State George Shultz, former Chairman of
20 the Federal Reserve Paul Volcker, the late former UN Secretary General Kofi Annan, and former
21 presidents of Columbia and Mexico.

22 The Legislature finds that legalization would reduce Hawai'i's over-crowded prison
23 population as many inmates were incarcerated for the use of cannabis, incorrectly classified as a

1 dangerous drug, while widely used by the general public, and is legal for its many health benefits
2 as medical cannabis. *Resolution GOV 2012-02 Reducing Prison Population and Pardoning Inmates with*
3 *Cannabis Charges, Democratic Party of Hawai`i (2012).*

4 The Legislature finds that in as early as 2008, 53% of Hawai`i County voters passed an
5 ordinance making the possession of cannabis the lowest law enforcement priority.

6 The Legislature finds that an effective distribution system could be set in place to tax,
7 regulate and control cannabis as are alcohol and cigarettes. The enormous amount of resources
8 currently spent trying to control cannabis could be better spent on public education and on
9 education to reduce the demand on all drugs and to treat those that have additions. *Resolution*
10 *GOV 2012-04 Proposed Resolution to Repeal the Prohibition of Cannabis, Democratic Party of Hawai`i (2012).*

11 The Legislature finds that all preschool students should be taught with and to high
12 academic standards. Public preschools should have adequate resources to provide programs and
13 support to help meet the needs of every preschool child.

14 The Legislature finds that schools, districts, communities and the State are accountable
15 for raising achievement levels in all students – particularly low-income students, Native
16 Hawaiian and Pacific Islander students, English Language Learners and students with
17 disabilities.

18 The Legislature finds that all professionals who work in public schools are necessary to
19 support student education – teachers, education support professionals, and specialized staff as
20 good teachers are essential to improving student learning and helping all students meet high
21 academic standards. For these reasons, there remains a need to recruit and retain high-quality
22 teachers and these teachers require the tools, including ongoing professional development to
23 succeed in the classroom to provide Hawai`i's preschool children with a world-class education.

1 The Legislature finds that educators must continually build their capacity and that our
2 schools are safe, welcoming, collaborative, and well-resourced places for our students,
3 educators, and communities. *Democratic Party of Hawai`i Platform 2018, p. 4, ln. 22-35.*

4 The Legislature finds that there are opportunity gaps – particularly those that lead
5 students from low-income communities arriving on Day One of kindergarten several years
6 behind their peers. This includes additional labor and public assistance laws that ensure that
7 more parents can spend more time with their children, particularly those at the low-income
8 wage earners. This would require raising household incomes in low income communities. This
9 also includes ensuring that Hawai`i’s children have adequate healthcare, stable housing free of
10 contaminants, and a community free of violence to minimize the likelihood of cognitive delays.
11 This additionally includes enriching early childhood programming to prepare Hawai`i’s children
12 in areas such as literacy, numeracy, civic engagement and emotional intelligence. This requires
13 supporting equitable and adequate State funding for public preschool education and expanding
14 Title I funding for preschools that see a large number of high concentrations of children from
15 low income communities. This also requires ending curriculum gaps that maintain and
16 exacerbate achievement gaps. *Democratic Party of Hawai`i Platform 2018, p. 4, ln. 46-52; 5, ln. 1-3.*

17 The Legislature finds that Hawai`i must strive to have the best-educated-population and
18 workforce in the world. This includes making early childhood education and universal
19 preschool a priority, especially in light of research showing that early learning impacts life-long
20 success by investing in early childhood programs like “Early Head Start” and providing every
21 family with access to high-quality childcare and high-quality preschool programs. This includes
22 raising wages for childcare workers, and ensuring that early childhood educators are
23 experienced and high-quality. *Democratic Party of Hawai`i Platform 2018, p. 4, ln. 6-11.*

1 The Legislature finds that children’s early years are particularly important and supports
2 increased funding for birth to Pre-Kindergarten and early childhood teacher education and a
3 coordination of departments so that there is a “Continuity of Care” that includes medical
4 providers when appropriate.

5 The Legislature finds that additional a dedicated source of funding for the Department of
6 Education for State public preschool education and access to Federal funds to offset the State
7 costs are necessary and required to provide specialized support.

8 The Legislature finds that adequate funding is tantamount for mandatory public
9 education for Pre-Kindergarten age students statewide. *Democratic Party of Hawai`i Platform 2018, p.*
10 *3, lines 29-38.*

11 The Legislature finds that in New York City, by 2018, about 94 percent of its
12 prekindergarten programs met or exceeded the threshold that predicted positive student
13 outcomes after pre-K, according to a national evaluation system, the Early Childhood
14 Environment Rating Scale, developed by a coalition of experts. Those are markers of an
15 excellent pre-K classroom. The New York City model, home of the largest citywide
16 prekindergarten initiative in the country, has these features — and many more — in the vast
17 majority of its programs, according to new data shared with The New York Times. This public
18 pre-K for all 4-year-olds initiative, which began in 2014, now enrolls about 70,000 pre-K
19 students. *Shapiro, Eliza, Bright Spot for N.Y.’s Struggling Schools: Pre-K, The New York Times, (Jan. 1, 2019),*
20 *retrieved from <https://www.nytimes.com/2019/01/01/nyregion/deblasio-pre-k-program-nyc.html> on January 15,*
21 *2019.*

22 The Legislature finds that New York State has the largest program in early and quality
23 public preschool education, and similarly, there is a serious need to open Department of

1 Education approved preschools in the State of Hawai'i. The New York Model is much more
2 than a daycare-like setting, preschools in New York State are practicing early childhood
3 education, including skills like reading, writing and basic math and science. Many of the
4 preschools offer a well-balanced instructional program based on research by the state. Rather
5 than a structured play place, preschool is now comprised of intentional instruction, research-
6 based curriculum and a systemic evaluation and progress monitoring system. This early
7 education is the basis for a solid future full of success and growth.

8 The Legislature finds that teachers in the preschool level in New York State are
9 extremely more qualified. These educators possess four-year degrees leading to teacher
10 certifications in early childhood education, making them highly qualified to lead a preschool
11 class. In addition, there is extensive professional development and parental involvement, giving
12 both teachers and parents a firm understanding of the goings on in a preschool classroom.
13 Preschool in New York State has evolved into an extension of the Kindergarten through high
14 school education, adhering to state standards and helping children to get a jump-start on the
15 educational process. Preschool graduates are often more prepared for Kindergarten not only
16 academically but also socially, an important part of education. There has even been a shift in
17 education to support a Universal Pre-K program in New York State, making quality and publicly
18 funded preschool available to all four-year olds in the state. Such a movement is testament to the
19 fact that New York State Preschool is a stand out among other states in the nation. *Public*
20 *Preschools in New York State (2019). retrieved from <http://www.newyorkschoos.com/Preschools/> on January*
21 *15, 2019.*

22 Similarly, the Legislature finds that greater focus must be placed on early learners —
23 birth through age 8 — and more high-quality early care and education offerings must be made
24 available. This encompasses increasing public early-care and education settings, addressing the

1 growing demand for Hawaiian-language immersion options; increased support for children with
2 special needs; and an emphasis on children’s social-emotional development so they are better
3 prepared to learn.

4 The Legislature finds that strong partnerships with families must be made to
5 continuously support their needs and encourage family engagement in their children’s education
6 and well-being. Increased support also incorporates strategies for transportation; affordability of
7 programs and services; access to programs and services for rural and remote residents;
8 overcoming language barriers; and meeting our population’s diverse cultural needs.

9 The Legislature promotes the development of a highly competent and adequately
10 compensated early-childhood workforce, especially considering the dire shortage, that follows
11 nationally accepted standards for best practices and has earned credentials for a solid
12 foundation and understanding of child development, which has proven critical in helping our
13 keiki achieve positive outcomes. Moriguchi, Lauren, Community Voice, A New Plan To Help Our Keiki And
14 Hawaii’s Future, (January 15, 2019), Honolulu Civil Beat, retrieved from [www.civilbeat.org/2019/01/a-new-plan-](http://www.civilbeat.org/2019/01/a-new-plan-to-help-our-keiki-and-hawaiis-future/)
15 to-help-our-keiki-and-hawaiis-future/ on January 15, 2019.

16 The legislature also finds that Hawaii and thirty-three other states, the District of
17 Columbia, and the United States territories of Guam and Puerto Rico have legalized the use of
18 medical cannabis for the treatment of certain qualifying medical conditions; and the states of
19 Alaska, California, Colorado, Maine, Massachusetts, Michigan, Nevada, Oregon, Vermont,
20 Washington, Washington D.C., have approved the legalization of adult recreational cannabis.
21 These states that have legalized the adult recreational use of cannabis generated approximately
22 \$655,000,000 in combined state tax revenue in 2017.

1 Beginning in 2011, polls consistently show that a majority Americans are supportive of
2 legalizing cannabis, and many states have already passed legalization ballot initiatives or
3 legislative measures and many more are legalizing cannabis in consistent frequency.

4 In those states that have fully legalized cannabis, revenue collections have far exceeded
5 initial estimates, Colorado anticipated \$70 million in cannabis tax collections per year, and after
6 a slow initial start, Colorado collections in 2017 were at \$247,368,473, and in 2018 (Jan. to Nov.)
7 the tax collections were at \$244,907,128. *Colorado Department of Revenue (2018), retrieved from*
8 <https://www.colorado.gov/pacific/revenue/colorado-marijuana-tax-data> on December 18, 2018.

9 In Washington, after a slow start to bring the licensing system online, sales are now
10 averaging over \$2 million a day with a revenue possibly reaching \$270 million per year.

11 If all states legalized and taxed cannabis, states could collectively expect to raise
12 between \$5 billion and \$18 billion per year. It is estimated that the current size of the cannabis
13 market nationally is \$45 billion per year, approximately 0.28 percent of gross domestic product
14 and comprising some 26 million pounds of cannabis consumed per year. *Ekins, Gavin; Bishop-*
15 *Henchman, Joseph, (2016) Marijuana Legalization and Taxes: Federal Revenue Impact, Tax Foundation.*
16 *retrieved from <http://taxfoundation.org/marijuana-tax-legalization-federal-revenue> on November 10, 2018.*

17 In California, Proposition 64 – officially known as the Control, Regulate and Tax Adult
18 Use of Marijuana Act, predicts that cannabis sales in California which could be the biggest
19 market for recreational cannabis in the county, is expected to generate more than \$1 billion in
20 tax revenue annually. The law, which took effect in January 2018, states that the proportion
21 must be spent on youth education, prevention and early intervention programs.

1 The Legislature finds that eleven (11) states and Washington D.C. have legalized
2 recreational – or adult use – of cannabis. Most of them have dedicated or planned to allocate a
3 portion of the tax revenue to education and/or programs that benefit children and youth.

4 In Colorado, one the first of two states to legalize recreational use in 2012, the first \$40
5 million in excise taxes on wholesale sales annually go to Colorado’s Building Excellent Schools
6 Today (BEST) program, a competitive grant program providing funds to district and charter
7 schools for construction and renovation of facilities. Since fiscal year 2015, 110 Colorado schools
8 have received funds from cannabis revenue through a BEST grant. Revenue from a separate 15%
9 retail sales tax supports early literacy, school health, bullying prevention and dropout
10 prevention programs.

11 In Nevada, sales tax on wholesale and retail cannabis flow to schools through the state’s
12 Distributive School Account – Nevada’s school funding formula – instead of to special programs.

13 In Oregon, revenue from recreational cannabis also provides basic funding for schools for
14 expenses such as textbooks and teachers’ salaries.

15 In Washington, which legalized recreation use the same year as Colorado in 2012, more
16 than half of the revenue is dedicated toward public health programs, such as expanding
17 Medicaid and preventing substance abuse program.

18 Massachusetts Revenue Commissioner Christopher Harding testified before a Joint
19 Ways and Means Committee that Massachusetts should earn between \$44 million and \$82
20 million in cannabis taxes during fiscal year 2019, State House News Service reported. *Blake
21 Andrew (2018) Massachusetts expects Marijuana Taxes to meet projections despite delayed
22 start to Retail Sales. The Washington Times., retrieved at
23 [https://www.washingtontimes.com/news/2018/dec/5/massachusetts-expects-marijuana-
24 taxes-meet-project/](https://www.washingtontimes.com/news/2018/dec/5/massachusetts-expects-marijuana-taxes-meet-project/) on November 18, 2018.*

1 The Legislature finds that public preschool models for using the funds already exist in
2 counties in California where voters approved additional taxes on retail cannabis cultivation or
3 manufacturing. In Santa Cruz County, on the central coast, a cannabis business tax will help
4 fund home-visiting programs and improvements in child-care facilities and quality. In
5 Humboldt County, near Oregon, cannabis tax revenue is going toward parent education
6 programs, playgroups and early-childhood mental health consultation. *Jacobson, Linda (2018)*
7 *Marijuana sales creating new revenue for schools, children’s programs, EducationDive. retrieved from*
8 [10 The Legislature finds that all of the West Coast States are devoting some of the revenue
11 to education or programs for children and youth. Because of this new potential revenue source
12 for Hawai`i, there is the potential to finally fund programs intended to improve the well-being of
13 children and families, such as home visiting, preschool quality enhancements and efforts to
14 strengthen young children’s resilience.](https://www.educationondive.com/news/marijuana-sales-creating-new-revenue-for-schools-childrens-
9 <u>programs/516468</u>. November 26, 2018.</p></div><div data-bbox=)

15 The Legislature also finds that the State's main economic engine is tourism, and visitor
16 numbers continue to increase year-over-year with a record-breaking 8,900,000 visitors to
17 Hawaii in 2016; and visitors from states with legal adult recreational cannabis account for
18 approximately one-third of the total annual visitors to Hawaii. Thus, the State’s need for a
19 major source of tax revenue for public preschool education could partially be funded through
20 our visitor industry.

21 SECTION 2. The Hawaii Revised Statutes are amended by adding a new chapter to Title
22 19 to be appropriately designated and to read as follows:

23 " CHAPTER
24 CANNABIS

1 § -1 Definitions. As used in this chapter:

2 “Affiliated Cannabis business licensees” means cannabis business licensees that are
3 owned or controlled by the same or related interests, where “related interest” includes
4 individuals who are related by blood or marriage or entities that are directly or indirectly
5 controlled by an entity or individual or related individuals.

6 “Average market rate” means the average price, as determined by the Department on a
7 quarterly basis, of all unprocessed retail cannabis that is sold or transferred from retail cannabis
8 cultivation facilities in the state to retail cannabis product manufacturing facility or retail
9 cannabis stores, less taxes paid on the sales or transfers. “An average market rate” may be based
10 on the purchaser or transfer on unprocessed retail cannabis or on the nature of the unprocessed
11 retail cannabis that is sold or transferred. The “average market rate” must include one or more
12 rates that cover unprocessed cannabis that is located to extraction, and the initial rates for the
13 product types must be lower than the rate of unprocessed cannabis that is allocated for direct
14 sale to consumers.

15 “Cannabis” shall have the same meaning as “marijuana” and “marijuana concentrate” as
16 provided in section 712-1240.

17 “Consumer” means a person twenty-one years of age or older who purchases retail
18 cannabis or retail cannabis products for personal use from persons twenty-one years or age or
19 older, but not for resale to others.

20 “Contract Price” means the invoice price charged by a retail cannabis cultivation facility
21 to each licensed purchaser for each sale or transfer of unprocessed retail cannabis, exclusive of
22 any tax that is included in the written invoice price, and exclusive of any discount or other
23 reduction. In the case of multipole invoices reflecting multiple prices for the same transaction,
24 “contract price” is the highest such price.

25 “Department” means the Department of Taxation.

1 “Industrial Hemp” means the plant of the genus cannabis and any part of such plant
2 whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not
3 exceed three-tenths percent on a dry weight basis.

4 “Local Government” means a county, municipality or city and county.

5 “Medical Cannabis Center” means an entity licensed by the Department to sell cannabis
6 and cannabis products pursuant to Section ___ of Article ___ of the State Constitution and the
7 “Hawaii Medical Cannabis Code,” Article __ of the Title ___.

8 “Retail Cannabis” means all parts of the plant of the genus cannabis whether growing or
9 not, the seeds therefrom the resin extracted from any part of the plant, and every compound,
10 manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin,
11 including cannabis concentrate.

12 “Retail Cannabis” does not include industrial hemp, nor does it include fiber produced
13 from the stalks, oil, cake made from the seeds of the plant, sterilized seed of the plant that is
14 incapable of germination, or the weight of any other ingredient combined with cannabis to
15 prepare topical or oral administration of food, drink, or other product.

16 “Retail Cannabis accessories” means any equipment, products, or materials of any kind
17 which are used, intended for use, or designed for use in planting, propagating, cultivating,
18 growing, harvesting, composting, manufacturing, compounding, converting, producing,
19 processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, or
20 vaporizing cannabis or for ingesting, inhaling, or otherwise introducing retail cannabis into the
21 human body.

22 “Retail Cannabis Cultivation Facility” means an entity licensed to cultivate, prepare, and
23 package retail cannabis and sell retail cannabis to retail cannabis stores, to retail cannabis

1 product manufacturing facilities, and to other retail cannabis cultivation facilities, but not to
2 consumers.

3 “Retail Cannabis establishment” means a retail cannabis cultivation facility, a retail
4 cannabis testing facility, a retail cannabis product manufacturing facility, or a retail cannabis
5 store.

6 “Retail Cannabis Products” means concentrated retail cannabis products and retail
7 cannabis products that are comprised of retail cannabis and other ingredients and are intended
8 for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

9 “Retail Cannabis Product Manufacturing Facility” means an entity licensed to purchase
10 retail cannabis; manufacture, prepare and package retail cannabis products; and sell retail
11 cannabis and retail cannabis products to other retail cannabis product manufacturing facilities
12 to retail cannabis stores, but not to consumers.

13 “Retail Cannabis Excise Tax” means the excise tax imposed on retail cannabis and retail
14 cannabis products pursuant to part ___ of this article.

15 “Retail Cannabis store” means an entity licensed by the Department to purchase retail
16 cannabis from retail cannabis cultivation facilities and retail cannabis and retail cannabis
17 products from retail cannabis product manufacturing facilities, and sell retail cannabis and retail
18 cannabis products to consumers.

19 “Retail Cannabis Taxes” means the retail cannabis excise tax imposed under section
20 _____.

21 “Retail Cannabis testing facility” means an entity licensed to analyze and certify the
22 safety and potency of retail cannabis.

23 “Sale” means any exchange or barter, in any manner or by any means whatsoever, for
24 consideration.

1 “Transfer” means to grant, convey, hand over, assign, sell, exchange, or barter, in any
2 manner or by any means, with or without consideration.

3 “Unprocessed Retail Cannabis” means cannabis at the time of the first transfer or sale
4 from a retail cannabis cultivation facility to a retail cannabis product manufacturing facility or a
5 retail cannabis store.

6 “Unreasonably impracticable” means that the measures necessary to comply with
7 regulations require such a high investment of risk, money, time, or any other resource or asset
8 that the operation of a retail cannabis establishment is not worthy of being carried out in
9 practice by a reasonably prudent businessperson.

10 § -2 **Personal use of cannabis.** Notwithstanding any other state law to the contrary,
11 the following acts shall neither be a criminal offense under Hawaii law nor a basis for seizure or
12 forfeiture of assets under Hawaii law for persons twenty-one years of age or older:

- 13 (1) Possessing, using, displaying, purchasing, or transporting cannabis accessories or
14 one ounce or less of cannabis;
- 15 (2) Possessing, growing, processing, or transporting up to five cannabis plants and
16 possession of the cannabis produced by the plants on the premises where the
17 plants were grown; provided that the plants are grown in a secured space, the
18 plants are not grown openly or publicly, and are not made available for sale;
- 19 (3) Transfer of one ounce or less of cannabis without remuneration to a person who
20 is twenty-one years of age or older;
- 21 (4) Consumption of cannabis; provided that nothing in this section shall permit
22 consumption that is conducted openly and publicly or in a manner that
23 endangers others; and

1 (5) Assisting another person who is twenty-one years of age or older in any of the
2 acts described in paragraphs (1) through (4) .

3 § -3 Lawful operation of Retail cannabis-related facilities. Notwithstanding any
4 other state law to the contrary, the following acts shall neither be a criminal offense under
5 Hawaii law nor a basis for seizure or forfeiture of assets under Hawaii law for persons twenty-
6 one years of age or older:

7 (1) Manufacture, sale, purchase, or possession of retail cannabis accessories;

8 (2) Possessing, displaying, or transporting retail cannabis or retail cannabis products;
9 purchase of retail cannabis from a retail cannabis cultivation facility; purchase of
10 retail cannabis or retail cannabis products from a retail cannabis product
11 manufacturing facility; or sale of retail cannabis or retail cannabis products to
12 consumers if the person conducting the activities described in this paragraph
13 holds a valid license to operate a retail cannabis store or is acting in the person's
14 capacity as an owner, employee, or agent of a licensed retail cannabis store;

15 (3) Cultivating, harvesting, processing, packaging, transporting, displaying, or
16 possessing retail cannabis; delivery or transfer of retail cannabis to a retail
17 cannabis testing facility; selling retail cannabis to a retail cannabis cultivation
18 facility, a retail cannabis product manufacturing facility, or a retail cannabis
19 store; or the purchase of retail cannabis from a retail cannabis cultivation facility,
20 if the person conducting the activities described in this paragraph holds a valid
21 license to operate a retail cannabis cultivation facility or is acting in the person's
22 capacity as an owner, employee, or agent of a licensed retail cannabis cultivation
23 facility;

1 (4) Packaging, processing, transporting, manufacturing, displaying, or possessing
2 retail cannabis or retail cannabis products; delivery or transfer of retail cannabis
3 or retail cannabis products to a retail cannabis testing facility; selling retail
4 cannabis or retail cannabis products to a retail cannabis store or a retail cannabis
5 product manufacturing facility; purchase of retail cannabis from a retail cannabis
6 cultivation facility; or purchase of retail cannabis or retail cannabis products from
7 a retail cannabis product manufacturing facility, if the person conducting the
8 activities described in this paragraph holds a valid license to operate a retail
9 cannabis product manufacturing facility or is acting in the person's capacity as an
10 owner, employee, or agent of a licensed retail cannabis product manufacturing
11 facility;

12 (5) Possessing, cultivating, processing, repackaging, storing, transporting, displaying,
13 transferring, or delivering retail cannabis or retail cannabis products if the person
14 holds a valid license to operate a retail cannabis testing facility or is acting in the
15 person's capacity as owner, employee, or agent of a licensed retail cannabis
16 testing facility; and

17 (6) Leasing or otherwise allowing the use of property owned, occupied, or controlled
18 by any person, corporation, or other entity for any of the activities described in
19 paragraphs (1) through (5).

20 § 4 Regulation of retail cannabis. (a) Not later than one hundred twenty days after
21 the effective date of this Act, the department shall adopt rules pursuant to chapter 91 necessary
22 to implement this chapter. The rules shall not prohibit the operation of retail cannabis
23 establishments either expressly or by making operations unreasonably impracticable. The rules
24 shall include:

- 1 (1) Procedures for the issuance, renewal, suspension, and revocation of a license to
2 operate a retail cannabis establishment;
- 3 (2) A schedule of application, licensing, and renewal fees;
- 4 (3) Qualifications for a license that are directly and demonstrably related to the
5 operation of a retail cannabis establishment;
- 6 (4) Security requirements for retail cannabis establishments;
- 7 (5) Requirements to prevent the sale or diversion of retail cannabis and retail
8 cannabis products to persons under the age of twenty-one;
- 9 (6) Labeling requirements for retail cannabis and retail cannabis products sold or
10 distributed by a retail cannabis establishment;
- 11 (7) Health and safety regulations and standards for the manufacture of retail
12 cannabis products and the cultivation of retail cannabis;
- 13 (8) Restrictions on the advertising and display of retail cannabis and retail cannabis
14 products; and
- 15 (9) Civil penalties not to exceed \$100 per violation for any failure to comply with
16 rules made pursuant to this section.

17 (b) To ensure that individual privacy is protected, notwithstanding subsection (a), the
18 department shall not require a consumer to provide a retail cannabis store with personal
19 information other than government-issued identification to determine the consumer's age. A
20 retail cannabis store shall not be required to acquire and record personal information about
21 consumers other than information typically acquired in a financial transaction conducted at a
22 retail liquor store.

23 (c) Each application for a license to operate a retail cannabis establishment shall be
24 submitted to the department. The department shall:

- 1 (1) Begin accepting and processing applications by July 1, 2020;
- 2 (2) Issue a license to the applicant within ninety days of receipt of an application
3 unless the department finds the applicant is not in compliance with rules
4 adopted pursuant to subsection (a); and
- 5 (3) Upon denial of an application, notify the applicant in writing of the reason or
6 reasons for its denial.
- 7 (4) No license issued by the department pursuant to this section shall be valid for more
8 than one year.

9 § -5 Employers; driving; minors; control of property. Nothing in this chapter
10 shall be construed to:

- 11 (1) Require an employer to permit or accommodate the use, consumption,
12 possession, transfer, display, transportation, sale, or growing of cannabis in the
13 workplace or to affect the ability of employers to have policies restricting the use
14 of cannabis by employees;
- 15 (2) Allow driving under the influence of cannabis or driving while impaired by
16 cannabis or to supersede any law relating to driving under the influence of
17 cannabis or driving while impaired by cannabis, nor shall this chapter preclude
18 the State from enacting laws and imposing penalties for driving under the
19 influence of or while impaired by cannabis;
- 20 (3) Permit the transfer of cannabis, with or without remuneration, to a person under
21 the age of twenty-one or to allow a person under the age of twenty-one to
22 purchase, possess, use, transport, grow, or consume cannabis; or
- 23 (4) Prohibit a person, employer, school, hospital, detention facility, corporation, or
24 any other entity who occupies, owns, or controls property from prohibiting or

1 otherwise regulating the possession, consumption, use, display, transfer,
2 distribution, sale, transportation, or growing of cannabis on or in that property.

3 **§ -6 Medical cannabis provisions unaffected.** Nothing in this chapter shall limit
4 any privileges or rights of a medical cannabis qualifying patient, primary caregiver, or registered
5 entity as provided in chapter 329, part IX.

6 **§ - 7 Cannabis excise tax; State Public Preschool Education Fund.** The tax
7 imposed by chapter 237 shall apply to the gross proceeds of sale of retail cannabis products
8 pursuant to this chapter. 100% of the excise tax revenues collected shall be deposited in State
9 Public Preschool Education Fund (SPPEF) established pursuant to section 321- ___

10 ”SECTION 3. Chapter 237, Hawaii Revised Statutes, is amended by adding a new
11 section to be appropriately designated and to read as follows:

12 “§ 237 - Exemption of sales of Medical cannabis and manufactured Medical cannabis
13 products. This chapter shall not apply to amounts received by medical cannabis dispensaries
14 licensed under chapter 329D for sales of cannabis or manufactured cannabis Products intended
15 for medical use to qualifying patients or primary caregivers registered with the department of
16 health under section 329-123.”

17 SECTION 4. Chapter 321, Hawaii Revised Statutes, is amended by adding a new
18 section to be appropriately designated and to read as follows:

19 **§ 321 – State Public Preschool Education Fund (SPPEF).**

20 (a) There is created in the Department of Taxation the State Public Preschool Education
21 Fund, into which shall be deposited retail cannabis excise tax revenues designated in section
22 ____-7.

23 (b) Moneys in the State Public Preschool Education Fund shall be used ninety percent
24 (90%) for the support of State public preschool education in the State.

1 SECTION 5. Chapter 712, Hawaii Revised Statutes, is amended by adding a new section
2 to part IV to be appropriately designated and to read as follows:

3 §7 12 - Cannabis. The following acts shall be exempt from arrest, prosecution, and
4 criminal culpability under this part:

- 5 (1) Any act permitted under section _____-2; and
- 6 (2) Any act permitted under section _____-3.”

7 SECTION 6. Section 46-4, Hawaii Revised Statutes, is amended by amending
8 subsection (f) to read as follows:

9 (f) Neither this section nor any other law, county ordinance, or rule shall prohibit the use
10 of land for medical cannabis production centers or medical cannabis dispensaries established
11 and licensed pursuant to chapter 329D[-] or Retail cannabis establishments established and
12 licensed pursuant to chapter _____; provided that the land is otherwise zoned for agriculture,
13 manufacturing, or retail purposes.

14 SECTION 7. Section 235-2.4, Hawaii Revised Statutes, is amended by amending
15 subsection (r) to read as follows:

16 (r) Section 280E (with respect to expenditures in connection with the illegal sale of
17 drugs) of the Internal Revenue Code shall be operative for the purposes of this
18 chapter, except that section 280E shall not be operative with respect to the
19 production and sale of [~~medical~~]:

20 (1) Medical cannabis and manufactured cannabis products by dispensaries licensed
21 under chapter 329D and their subcontractors, as defined in section 329D-1[=]; and

22 (2) Retail Cannabis and retail cannabis products by retail cannabis establishments
23 licensed under chapter _____.”

24 SECTION 8. Section 237-24.3, Hawaii Revised Statutes, is amended to read as follows:

1 "§237-24.3 Additional amounts not taxable. In addition to the amounts not taxable
2 under section 237-24, this chapter shall not apply to:

3 (1) Amounts received from the loading, transportation, and unloading of agricultural
4 commodities shipped for a producer or produce dealer on one island of this State to a person,
5 firm, or organization on another island of this State. The terms "agricultural commodity",
6 "producer", and "produce dealer" shall be defined in the same manner as they are defined in
7 section 147-1; provided that agricultural commodities need not have been produced in the State;

8 (2) Amounts received by the manager, submanager, or board of directors of:

9 (A) An association of owners of a condominium property regime established
10 in accordance with chapter 514A or 514B; or

11 (B) A nonprofit homeowners or community association incorporated in
12 accordance with chapter 414D or any predecessor thereto and existing
13 pursuant to covenants running with the land, in reimbursement of sums
14 paid for common expenses;

15 (3) Amounts received or accrued from:

16 (A) The loading or unloading of cargo from ships, barges, vessels, or aircraft,
17 whether or not the ships, barges, vessels, or aircraft travel between the
18 State and other states or countries or between the islands of the State;

19 (B) Tugboat services including pilotage fees performed within the State, and
20 the towage of ships, barges, or vessels in and out of state harbors, or from
21 one pier to another; and

22 (C) The transportation of pilots or governmental officials to ships, barges, or
23 vessels offshore; rigging gear; checking freight and similar services; standby
24 charges; and use of moorings and running mooring lines;

- 1 (4) Amounts received by an employee benefit plan by way of contributions,
2 dividends, interest, and other income; and amounts received by a nonprofit
3 organization or office, as payments for costs and expenses incurred for the
4 administration of an employee benefit plan; provided that this exemption shall
5 not apply to any gross rental income or gross rental proceeds received after June
6 30, 1994, as income from investments in real property in this State; and provided
7 further that gross rental income or gross rental proceeds from investments in real
8 property received by an employee benefit plan after June 30, 1994, under written
9 contracts executed prior to July 1, 1994, shall not be taxed until the contracts are
10 renegotiated, renewed, or extended, or until after December 31, 1998, whichever is
11 earlier. For the purposes of this paragraph, “employee benefit plan” means any
12 plan as defined in section 1002(3) of title 29 of the United States Code, as
13 amended;
- 14 (5) Amounts received for purchases made with United States Department of
15 Agriculture food coupons under the federal food stamp program, and amounts
16 received for purchases made with United States Department of Agriculture food
17 vouchers under the Special Supplemental Foods Program for Women, Infants and
18 Children;
- 19 (6) Amounts received by a hospital, infirmary, medical clinic, health care facility,
20 pharmacy, or a practitioner licensed to administer the drug to an individual for
21 selling prescription drugs or prosthetic devices to an individual; provided that
22 this paragraph shall not apply to any amounts received for services provided in
23 selling prescription drugs or prosthetic devices. As used in this paragraph:

1 “Prescription drugs” are those drugs defined under section 328-1 and
2 dispensed by filling or refilling a written or oral prescription by a practitioner
3 licensed under law to administer the drug and sold by a licensed pharmacist
4 under section 328-16 or practitioners licensed to administer drugs; provided that
5 “prescription drugs” shall not include retail cannabis, retail cannabis products, or
6 manufactured retail cannabis products authorized pursuant to chapters 329
7 [~~and~~], 329D, and [{}]; and [{}]

8 “Prosthetic device” means any artificial device or appliance, instrument,
9 apparatus, or contrivance, including their components, parts, accessories, and
10 replacements thereof, used to replace a missing or surgically removed part of the
11 human body, which is prescribed by a licensed practitioner of medicine,
12 osteopathy, or podiatry and that is sold by the practitioner or that is dispensed
13 and sold by a dealer of prosthetic devices; provided that "prosthetic device" shall
14 not mean any auditory, ophthalmic, dental, or ocular device or appliance,
15 instrument, apparatus, or contrivance;

- 16 (7) Taxes on transient accommodations imposed by chapter 237D and passed on and
17 collected by operators holding certificates of registration under that chapter;
- 18 (8) Amounts received as dues by an unincorporated merchants association from its
19 membership for advertising media, promotional, and advertising costs for the
20 promotion of the association for the benefit of its members as a whole and not for
21 the benefit of an individual member or group of members less than the entire
22 membership;
- 23 (9) Amounts received by a labor organization for real property leased to:
24 (A) A labor organization; or

1 (B) A trust fund established by a labor organization for the benefit of its
2 members, families, and dependents for medical or hospital care, pensions
3 on retirement or death of employees, apprenticeship and training, and
4 other membership service programs.

5 As used in this paragraph, "labor organization" means a labor
6 organization exempt from federal income tax under section 501(c) (5) of
7 the Internal Revenue Code, as amended;

8 (10) Amounts received from foreign diplomats and consular officials who are holding
9 cards issued or authorized by the United States Department of State granting
10 them an exemption from state taxes; and

11 (11) Amounts received as rent for the rental or leasing of aircraft or aircraft engines
12 used by the lessees or renters for interstate air transportation of passengers and
13 goods. For purposes of this paragraph, payments made pursuant to a lease shall
14 be considered rent regardless of whether the lease is an operating lease or a
15 financing lease. The definition of "interstate air transportation" is the same as in
16 title 49 [U.S.C.] United States Code section 40102."

17 SECTION 9. Section 321-30.1, Hawaii Revised Statutes, is amended by amending its title
18 and subsections (a) and (b) to read as follows:

19 "S321-30.1 [~~Medical Cannabis~~] Retail Cannabis registry and regulation special fund;
20 established. (a) There is established within the state Department of Taxation the [~~medical~~]
21 retail cannabis registry and regulation of the State Public Preschool Education Fund. The fund
22 shall be expended at the discretion of the Director of Taxation:

23 (1) To establish and regulate a system of ~~medical~~ cannabis dispensaries in the State;

24 (2) To offset the cost of the processing and issuance of patient registry identification
25 certificates and primary caregiver registration certificates;

26 (3) To fund positions and operating costs authorized by the legislature;

27 (4) To establish and manage a secure and confidential database;

28 (5) To fund public education as required by section 329D-26;

29 (6) To fund substance abuse prevention and education programs; [~~and~~]

30 (7) To regulate retail cannabis establishments in the State pursuant to chapter _____;

31 and

1 (8) For any other expenditure necessary, consistent with this chapter [-], - chapter
2 329D, and chapter _____, to implement medical cannabis registry and
3 regulation program[-] and retail cannabis establishment regulation programs.

4 (b) The fund shall consist of all moneys derived from fees collected pursuant to
5 subsection (c) [~~and~~] section 329D-4 [-] and chapter _____. There is established within the
6 [~~medical~~] retail cannabis registry and [~~regulation special~~] State Public Preschool Education
7 fund:

8 (1) A medical cannabis registry program sub-account, into which shall be deposited
9 all fees collected pursuant to subsection (c); [~~and~~]

10 (2) A medical cannabis dispensary program sub-account, into which shall be
11 deposited all fees collected pursuant to section 329D-[-]; and

12 (3) A retail cannabis establishment program sub-account, into which shall be
13 deposited all fees collected pursuant to chapter _____.”

14 SECTION 10. Section 329-43.5, Hawaii Revised Statutes, is amended by amending
15 subsection (e) to read as follows:

16 (e) Subsections (a) and (b) shall not apply to a person who is authorized to:

17 (1) Acquire, possess, cultivate, use, distribute, or transport cannabis pursuant to the
18 definition of “medical use” under section 329-121, while the person is facilitating the medical use
19 of cannabis by a qualifying patient; [~~or~~]

20 (2) Dispense, manufacture, or produce cannabis or manufactured cannabis products
21 pursuant to and in compliance with chapter 329D, while the person is facilitating the medical
22 use of cannabis by a qualifying patient pursuant to part IX of chapter 329[-]; or

23 (3) Grow, process, possess, transfer, display, transport, or use retail cannabis or retail
24 cannabis products pursuant to and in compliance with chapter _____.”

25 SECTION 11. TAXATION AND FINANCE FOR STATE PUBLIC PRESCHOOL
26 EDUCATION

27 Section 1. The State shall provide for the establishment, support and control of a
28 statewide system of public preschool education free from sectarian control, a state university,
29 public libraries and such other public preschool educational institutions as may be deemed
30 desirable, including physical facilities therefor. There shall be no discrimination in public
31 preschool educational institutions because of race, religion, sex or ancestry; nor shall public
32 funds be appropriated for the support or benefit of any sectarian or nonsectarian private

1 educational institution, except that proceeds of special purpose revenue bonds authorized or
2 issued under section 12 of Article VII may be appropriated to finance or assist Not-for-profit
3 corporations that provide early childhood education and child care facilities serving the general
4 public.

5 The Legislature shall establish a cannabis excise tax on retail cannabis sales to fund state
6 public preschool education for Hawaii's children. Proceeds from the cannabis excise tax shall be
7 used for state public preschool education such as for the recruitment and retention of teachers,
8 public preschools, reduction in class sizes. special education programming, career and technical
9 education, art, music, Hawaiian studies, Hawaiian language instruction, afterschool programs,
10 and such programs and projects as the legislature may authorize by law and for any lawful
11 purpose as described in Section 14.

12 **SECTION 12. Retail Cannabis Excise Tax - Administration – Enforcement**

13 The tax imposed pursuant to this Section 11 shall be administered and enforced in
14 accordance with the provisions of Section ___ of this title and part 1 of Section ___ of this title,
15 including, without limitation, any penalties for failure to make any return or to collect or pay
16 any tax; except that, in the event of a conflict between the provisions of this Section 11 and the
17 provisions of Section ___ of this title or part 1 of Section ___ of this title, the provisions of this
18 Section 11 shall control.

19 **SECTION 13. Retail Cannabis Excise Tax**

20 (a) Beginning January 1, 2020, and through June 30, 2023, there is imposed upon all sales
21 of retail cannabis and retail cannabis products by a retailer a tax at the rate of ten
22 percent (10%) of the amount of the sale. Beginning July 1, 2023, there is imposed
23 upon all sales of retail cannabis and retail cannabis products by a retailer a tax at the
24 rate of fifteen percent (15%) of the amount of the sale. The tax imposed by this
25 section is computed in accordance with schedules or forms prescribed by the
26 Director of the Department of Taxation; except that a retail cannabis store is not
27 allowed to retain any portion of the retail cannabis tax collected pursuant to this
28 Section 12 to cover the expenses of collecting and remitting the tax except that the
29 Department of Taxation may require a retailer to make returns and remit the tax
30 described in this Section 12 by electronic fund transfers. The Director may
31 promulgate rules to implement this section.

1 (b) The maximum tax rate that may be imposed pursuant to this section is fifteen
2 percent.

3 (c) Nothing in this section shall be construed to impose a tax on the sale of cannabis or
4 cannabis products to any person by a medical cannabis center.

5 (d) The department may require retail cannabis stores to file tax returns electronically
6 and to remit payments due pursuant to this Section 12 by electronic funds transfers.
7 The department may promulgate rules governing electronic payment in filing.

8 **SECTION 14. Disposition of Collections**

9 (a) The proceeds of all money collected from the gross retail cannabis excise tax revenue
10 collected by the department shall be appropriated or distributed from the general
11 fund monthly, no later than the fifteenth day of the second successive month after the
12 month for which retail cannabis excise tax collection is made to the cannabis tax
13 cash fund.

14 (b) The state director shall transfer from the cannabis tax cash fund an amount equal to
15 ninety percent (90%) of the gross retail cannabis excise tax revenue shall be
16 distributed to the State Public Preschool Education Fund (SPPEF) created in Section
17 ____.

18 (c) Of the ten percent (10%) of the gross retail cannabis excise tax revenue remaining
19 after the allocation to the State Public Preschool Education Fund (SPPEF) of this
20 section is made, the state director shall retain in the general fund for use for the
21 expense of the administration of this section and for the use of any lawful purpose as
22 described and prioritized in Section 14.

23 (d) The Legislature shall make appropriations from the cannabis tax cash fund for the
24 expenses of the administration of this section.

25 **SECTION 15. Cannabis Tax Cash Fund, Creation, Distribution, Legislative** 26 **Declaration**

27 (A)(I) The Legislature hereby finds and declares that the retail cannabis excise tax
28 created a new revenue stream for the state, and the basis of these taxes is the
29 legalization of cannabis, which presents unique issues and challenges for the
30 state and local governments. Thus, there is a need to use some of the excise tax
31 revenue for cannabis-related purposes. But, as this is revenue from a tax, the
32 Legislature may appropriate this money for any purpose.

- 1 (II) The Legislature further declares that the new retail cannabis excise tax revenue
2 presents an opportunity to invest in services, support, intervention, and
3 treatment related to cannabis and other drugs.
- 4 (III) Therefore, the purposes identified in this subsection (2) prioritize appropriations
5 related to legalized cannabis, such as drug use prevention and treatment,
6 protecting the state's youth, and ensuring the public peace, health, and safety.
- 7 (IV) Subject to the limitation in Section 13 of this section, the Legislature may
8 annually appropriate any money in the retail cannabis cash fund for any fiscal
9 year following the fiscal year in which it was received by the state for the
10 following purposes:
- 11 (A) To educate people about cannabis to prevent its illegal use or legal abuse;
12 (B) To provide services for adolescents and school-aged children in school
13 settings or through community-based organizations;
- 14 (C) To treat and provide related services to people with any type of substance
15 use or mental health disorder, including those with co-occurring
16 disorders, or to evaluate the effectiveness and sufficiency of behavioral
17 health services;
- 18 (D) For jail-based and other behavioral health services for persons involved in
19 or diverted from the criminal justice system;
- 20 (E) For state regulatory enforcement, policy coordination, or litigation
21 defense costs related to retail or medical cannabis;
- 22 (F) For law enforcement and law enforcement training, including any
23 expenses for the police officers standards and training board training or
24 certification;
- 25 (G) For the promotion of public health, including poison control, prescription
26 drug take-back programs, the creation of a retail cannabis laboratory
27 testing reference library, and other public health services related to
28 controlled substances;
- 29 (H) To study the use of retail cannabis and other drugs, their health effects,
30 and other social impacts related to them;
- 31 (I) To research, regulate, study, and test industrial hemp or hemp seeds;

1 (M) For the expenses of the department of education and the department of
2 public health and environment in developing and maintaining the
3 resource bank for educational materials on cannabis and providing
4 technical assistance; and

5 (N) For housing, rental assistance, and supportive services, including reentry
6 services.

7 SECTION 15. This Act does not affect rights and duties that matured, penalties that were
8 incurred, and proceedings that were begun before its effective date.

9 SECTION 16. If any provision of this Act, or the application thereof to any person or
10 circumstance, is held invalid, the invalidity does not affect other provisions or applications of
11 the Act that can be given effect without the invalid provision or application, and to this end the
12 provisions of this Act are severable.

13 SECTION 17. Statutory material to be repealed is bracketed and stricken. New statutory
14 material is underscored.

15 SECTION 18. This Act shall take effect on July 1, 2019.

16

17 INTRODUCED BY: _____