

COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

Cannabis info Briefing

- Overview of key provisions in HB 1246 to regulate and enforce cannabis and hemp in Hawaii.
 - Focus on funding for enforcement, educational programs, and improved compliance.
-
- ❖ The information presented in this session is for educational and informational purposes only. It does not constitute legal advice, nor does it represent the official opinion or endorsement of the Hawaii Attorney General's Office regarding cannabis legalization or any related policy. The views expressed herein reflect the presenter's personal perspectives and are not intended to reflect or promote any official stance of the Attorney General's Office or any government entity.

Regulatory enforcement

Inspection

Seizure

Administrative
hold

Cease and
Desist orders

Fines

Civil law enforcement

Nuisance abatement

- Enables the enforcement of criminal laws related to the manufacture and sale of drugs, including cannabis, through civil lawsuits.
- Court can enjoin illegal activity and suspend/revoke any business license.
- Fines and liens on the property can be imposed and the premises can be ordered closed for up to one year.
- Bill provides resources to the Attorney General Nuisance Abatement Unit from cannabis tax revenue.

Consumer protection

- Selling cannabis or restricted hemp products without authorization is expressly a violation of Hawaii's consumer protection act, and subject to civil penalties as provided in HRS §480-3.1

Cannabis DUI and Impairment Detection

- Provides violations for **open container** and **consuming cannabis** while driving or as a passenger.
- Provides grants for impairment detection
 - Cannabis tax revenue will fund grant programs to provide resources to law enforcement.
 - Grants can be given for **Drug Recognition Expert (DRE)** training to improve the detection of driving while impaired and driving under the influence of cannabis.
- Includes public education initiatives
 - Bill includes funding for educational programs on the dangers of driving under the influence of cannabis.
 - Aims to reduce impaired driving incidents and educate the public on the new cannabis laws.

Serious Law Enforcement Concerns

Money Laundering and Organized Crime:

- Even without legalization there is a risk of money laundering and organized crime involvement.
- Expanded Medical Cannabis Programs, such as the program in Maine, have seen serious criminal issues.

HB1246 includes:

- Ownership Restrictions for Licensees:
 - Bill includes restrictions on ownership to ensure cannabis businesses operate with clean money.
 - Helps prevent the industry from being exploited for laundering illicit funds.
- Attorney General Resources for Financial Investigations:
 - Bill provides funding through cannabis tax revenue to support financial investigations into illicit operations.
 - Includes positions and resources for the Attorney General's office for tackling financial crimes tied to cannabis.

Encourages participation of illicit operators

- The bill provides for small craft cannabis licenses given to small farms with a focus on indigenous crops and farming practices.
- Technical assistance, such as compliance training, bookkeeping, and tax advice, can be provided to Social Equity applicants through the Social Equity Grant Program.
- Licenses can be reserved for Social Equity applicants.
- Social Equity grants can also be provided to community groups within disproportionately impacted areas for essential services such as child-care, youth programs, or school lunch programs.

HEMP AND HEMP-DERIVED CANNABINOIDS

Overview of proposed hemp regulatory and enforcement program

INDUSTRIAL HEMP



HEMP-DERIVED CANNABINOIDS



INTOXICATING CANNABINOID



Hemp Regulatory Enforcement

CURRENT ENFORCEMENT

- Administrative enforcement is fragmented across several agencies, including USDA, DOA, OMCCR, DOH, the Office of Consumer Protection, and the Department of Attorney General.
- Laws are also fragmented across several HRS chapters, making enforcement difficult.
- Multiple jurisdictions for enforcement creates gaps and leads to confusion over which department should be involved.
- No dedicated funding for regulator enforcement.
- Questions over whether a product is criminally illegal requires law enforcement involvement.

PROPOSED HEMP REGULATORY FRAMEWORK

- Consistent enforcement from a single agency **FUNDED** by adult-use cannabis sales tax
- Uniform regulations consistent with medical cannabis and adult-use cannabis regulations
- Clear enforcement authority for **RESTRICTED CANNABINOID PRODUCTS**
- **INDUSTRIAL HEMP is NOT regulated as a cannabinoid product**

CLEAR ENFORCEMENT FOR RESTRICTED CANNABINOID PRODUCTS

- Bill provides clear authority to restrict certain cannabinoid products
- Products such as **DELTA-8 THC** vapes and gummies can be prohibited
- Other intoxicating cannabinoid products can be sold with a permit
- Allows for age restrictions and other restrictions for intoxicating products
- Clear authority to **INSPECT** businesses selling restricted cannabinoid products
- Clear authority to **ENFORCE**, including confiscation of products

INDUSTRIAL HEMP

- **INDUSTRIAL HEMP** includes hemp used for fiber (textiles, hempcrete, etc.), and grain, and foods approved by the FDA (hemp seed oil, etc.)
- **INDUSTRIAL HEMP** is **NOT** regulated as a cannabinoid product
- **No permits needed to process or sell industrial hemp**



For further questions
or additional
resources, feel free to
reach out!

- Andrew Goff
Deputy Attorney General
- Andrew.d.goff@hawaii.gov