

Honolulu, Hawaii

APR 06 2023

RE: H.B. No. 1359  
H.D. 2  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committees on Ways and Means and Judiciary, to which was referred H.B. No. 1359, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEMP,"

beg leave to report as follows:

The purpose and intent of this measure is to facilitate the production of hemp in the State.

Specifically, this measure:

- (1) Streamlines certain state laws regarding hemp production, which would reduce costs for Hawaii farmers and the State;
- (2) Authorizes licensed hemp producers to sell hemp biomass;
- (3) Imposes labeling requirements to identify the percentage of Hawaii-grown hemp or hemp product in all hemp products;
- (4) Requires and appropriates moneys for the Department of Health to hire or consult with a toxicologist or consultant familiar with hemp industry standards;



- (5) Establishes a Hawaii hemp task force to be jointly convened by the Department of Agriculture and the Department of Health to gather data and information to better understand hemp industry needs;
- (6) Requires and appropriates moneys for the Department of Agriculture to hire a hemp consultant; and
- (7) Extends the State's hemp processor law through July 1, 2027.

For your Committees' initial hearing on this measure, your Committees received written comments as follows:

Your Committees received written comments in support of this measure from Ai Pohaku - The Stone Eaters, Hoola Veteran Services, and fourteen individuals.

Your Committees received written comments in opposition to this measure from the Department of the Attorney General and one individual.

Your Committees received written comments on this measure from the Department of Agriculture, Hemptuary Hawaii, Hawaii Sustainable Farms, Hawaii Hemp Farmers Association, Hawaii Farmers Union United, Kauai Hemp Co., and Kuwale Ridge Farms.

Your Committees subsequently reconsidered this measure. At the reconsideration hearing, your Committees received written comments as follows:

Your Committees received written comments in support of this measure from Tropical Sunset Farms.

Your Committees received written comments on this measure from the Department of Health, Hawaii Sustainable Farms, and one individual.

Your Committees recognize that the State's hemp industry currently faces unduly burdensome regulations, which inhibit the industry's growth. Accordingly, your Committees find that reducing this regulatory burden will allow the industry to thrive and lead to increased production of hemp for fuel, food, clothing



and building material, natural plastic alternatives, and numerous other products.

Your Committees have amended this measure by:

- (1) Replacing the current hemp registration process with a permitting process;
- (2) Inserting new definitions, revising existing definitions, and repealing unnecessary definitions to effectuate the intent of the measure;
- (3) Clarifying the applicability of Chapter 328G, Hawaii Revised Statutes;
- (4) Replacing a requirement for licensure through the United States Department of Agriculture with a background check requirement;
- (5) Clarifying that a requirement for processing to occur within an enclosed indoor facility is to prevent unauthorized entry and contamination;
- (6) Authorizing the processing of hemp biomass into and sale of crude extract, subject to certain requirements and restrictions;
- (7) Integrating hemp manufacturers into the new hemp processor permitting system;
- (8) Limiting the application of five hundred-foot buffer zones to only the processors of hemp biomass;
- (9) Authorizing the Department of Health to adopt rules to expand allowable tetrahydrocannabinol concentrations and forms on manufactured hemp products;
- (10) Repealing current prohibitions on certain retail sales of hemp flowers and leaves;
- (11) Changing the appropriation for the hiring of a third-party consultant from \$50,000 to an unspecified



amount to facilitate further discussion on the measure;  
and

- (12) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1359, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1359, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committees on Ways and Means  
and Judiciary,



KARL RHOADS, Chair

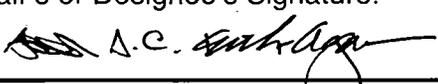


DONOVAN M. DELA CRUZ, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1359 HD2 SD1	AEN/CPN, WAM/JDC	4/6/23
<input checked="" type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: <u>PASS WITH AMENDMENTS</u>		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
DELA CRUZ, Donovan M. (C)	x	
KEITH-AGARAN, Gilbert S.C. (VC)	x	
AQUINO, Henry J.C.	x	
DECOITE, Lynn	x	
INOUYE, Lorraine R.	x	
KANUHA, Dru Mamo	x	
KIDANI, Michelle N.	x	
KIM, Donna Mercado	x	
LEE, Chris	x	
MORIWAKI, Sharon Y.	x	
SHIMABUKURO, Maile S.L.	x	
WAKAI, Glenn		x
FEVELLA, Kurt		x
<b>TOTAL</b>	11	2
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
Goldenrod Committee File Copy		

\*Only one measure per Record of Votes

The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Judiciary**  
**JDC**

Bill / Resolution No.:* <b>HB 1359 HD2 SD1</b>	Committee Referral: <b>AEN / CPN, WAM / JDC</b>	Date: <b>4 / 6 / 23</b>		
<input checked="" type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: <u><b>PASS WITH AMENDMENTS</b></u>				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
RHOADS, Karl (C)	✓			
GABBARD, Mike (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
SAN BUENAVENTURA, Joy A.	✓			
AWA, Brenton				✓
<b>TOTAL</b>	<b>4</b>	<b>—</b>	<b>—</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

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The Senate  
Thirty-Second Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB 1359 HD2 SD1</b>	Committee Referral: <b>AEN/CPN, WAM/JDC</b>	Date: <b>4/4/23</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.				X
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>11</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

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