

STAND. COM. REP. NO.

1288

Honolulu, Hawaii

MAR 21 2025

RE: H.B. No. 1482
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Health and Human Services and Commerce and Consumer Protection, to which was referred H.B. No. 1482, H.D. 1, entitled:

"A BILL FOR AN ACT RELATED TO CONTROLLED SUBSTANCES,"

beg leave to report as follows:

The purpose and intent of this measure is to, for purposes of the hemp processors law, amend the definitions of "artificially derived cannabis" and "cannabis" to include, and the definition of "manufactured hemp product" to specifically exclude, all forms of cannabinoids classified as Schedule I under the Uniform Controlled Substances Act.

Your Committees received testimony in support of this measure from the Department of Health, Department of Law Enforcement, Honolulu Police Department, Cure Oahu, Ohana Unity Party, and two individuals.

Your Committees received testimony in opposition to this measure from the Drug Policy Forum of Hawaii.

Your Committees received comments on this measure from the Department of the Attorney General.



Your Committees find that in recent years, a growing variety of cannabis products, including those containing delta-8-tetrahydrocannabinol (delta-8 THC), have gained significant prevalence in Hawaii, leading to increased public use and commercial availability of these products. Your Committees further find that delta-8 THC has been marketed as a legal alternative to traditional cannabis, despite similar psychoactive properties between the two. Your Committees note that the widespread availability and use of delta-8 THC and similar cannabinoids have raised concerns about consumer safety, labeling accuracy, potential health risks, and the need for appropriate regulatory oversight. Accordingly, this measure strengthens the legal framework governing hemp-derived cannabinoids by amending existing definitions to be either inclusive or exclusive of all forms of cannabinoids classified as Schedule I under the Uniform Controlled Substances Act.

Your Committees find, however, that this measure in its current form lacks elements to ensure a strong regulatory and enforcement framework and therefore amendments to this measure are necessary to address these concerns.

Your Committees have amended this measure by deleting its contents and inserting language that:

- (1) Amends chapter 328G, Hawaii Revised Statutes, relating to hemp processors, by:
 - (A) Requiring the Department of Health to establish and maintain a registry of all manufactured hemp product distributors and manufactured hemp product retailers doing business in the State, and beginning January 1, 2026, prohibiting manufactured hemp product distributors and manufactured hemp product retailers from selling manufactured hemp products without a certificate of registration issued by the Department of Health;
 - (B) Establishing that a person or entity required to be registered as a manufactured hemp product distributor or manufactured hemp product retailer commits the offense of unlawful hemp retailing or distribution if the person or entity recklessly



fails to register as required and recklessly sells any product containing or derived from hemp;

- (C) Authorizing the Department of Health and the Attorney General to inspect the operations, premises, and storage areas of any entity engaged in the distribution or sale of any product containing or derived from hemp to verify compliance with applicable law;
- (D) Authorizing the Department of Health, Attorney General, Department of Law Enforcement, and the county police departments to seize and confiscate any product containing or derived from hemp that is possessed, kept, stored, retained, held, owned, received, acquired, distributed, sold, or offered for sale in violation of applicable law;
- (E) Inserting the definitions of "certificate of registration"; "consumer"; "manufactured hemp product distributor"; "manufactured hemp product retailer"; "registrant"; "registry"; and "sale", "sell", or "selling";
- (F) Amending the definition of "permit" to mean the document, rather than the certificate, issued by the Department of Health attesting that the applicant is permitted to operate as a hemp processor;
- (G) Authorizing the Director of Health to impose by order the forfeiture of products kept, stored, retained, held, owned, received, acquired, distributed, sold, or offered for sale in violation of applicable law; and
- (H) Establishing that, in addition to any penalties provided by law:
 - (i) The offense of unlawful hemp retailing or distribution shall be subject to nuisance abatement proceedings;



- (ii) Any product containing or derived from hemp, or marketed as containing or being derived from hemp sold or distributed while committing the offense of unlawful hemp retailing or distribution shall be subject to forfeiture; and
 - (iii) A violation of chapter 328G, Hawaii Revised Statutes, constitutes an unfair or deceptive act or practice and unfair method of competition subject to a civil penalty; and
- (I) Allowing moneys in the Hawaii Hemp Processing Special Fund to be used by the Department of Health for the registry;
- (2) Amending section 329D-2.5, Hawaii Revised Statutes, by inserting language that authorizes the Office of Medical Cannabis Control and Regulation to administer the hemp processors program;
 - (3) Amending section 712-1270, Hawaii Revised Statutes, by inserting language establishing that every building, premises, or place used for the purpose of violating chapter 328G, Hawaii Revised Statutes, is a nuisance that shall be enjoined, abated, and prevented, regardless of whether it is a public or private nuisance;
 - (4) Inserting a blank appropriation for both years of the fiscal biennium for the Department of the Attorney General to increase drug nuisance abatement actions regarding illegal cannabis and hemp products;
 - (5) Inserting a blank appropriation for both years of the fiscal biennium for the Department of Law Enforcement for start-up costs to enforce this measure, including the establishment of one full-time equivalent (1.0 FTE) criminalist position;
 - (6) Making it effective on July 1, 2025; and



- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that this measure, as amended, contains unspecified appropriation amounts. Should subsequent Committees to which this measure is referred choose to deliberate on this measure, your Committees respectfully request that they consider inserting an appropriation amount of \$750,000 for the Department of the Attorney General to increase drug nuisance abatement actions regarding illegal cannabis and hemp products.

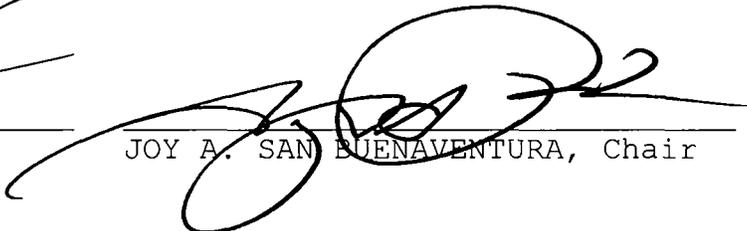
Your Committees acknowledge the concerns raised in testimony by the Department of Law Enforcement that the enforcement of this measure will require the development of an advanced laboratory testing establishment. Your Committees request the Department of Law Enforcement to work within its existing funding with regard to the laboratory and to collaborate with the Department of Transportation on the potential consolidation of state land to use for the testing of illegal hemp products under this measure.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1482, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1482, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services and Commerce and
Consumer Protection,



JARRETT KEOHOKALOLE, Chair



JOY A. SAN BUENAVENTURA, Chair



