STAND. COM. REP. NO. 0529

Honolulu, Hawaii

MAR 0 3 2016

RE: S.B. No. 2787 S.D. 2

Honorable Ronald D. Kouchi President of the Senate Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred S.B. No. 2787, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INDUSTRIAL HEMP,"

begs leave to report as follows:

2016-1435 SSCR SMA.doc

The purpose and intent of this measure is to:

- Provide the authority, procedures, and licensing requirements related to the production of industrial hemp as an agricultural product;
- (2) Require the Department of Agriculture to promote industrial hemp research and development of markets for industrial hemp; and
- (3) Exempt the possession, use, sale, or transfer of industrial hemp for research and development purposes from certain criminal offenses involving a detrimental drug.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Farm Bureau; International Longshore and Warehouse Union, Local 142; and four individuals.

Your Committee finds that industrial hemp is well suited to Hawaii's climate and soil and can grow to over ten feet in a short period of time with little water and no pesticides. According to

STAND. COM. REP. NO. Page 2 2539

estimates by the Hemp Industries Association, retail sales of industrial hemp products grew to over \$620,000,000 annually in 2014. Industrial hemp has over 25,000 uses, including food, fiber, and fuel products. This measure contributes to the future potential viability of the State's agricultural industry.

Your Committee has amended this measure by: -

- (1) Clarifying that the possession, use, sale, or transfer of industrial hemp for research and development does not constitute an offense under part IV of chapter 712, Hawaii Revised Statutes, rather than specifying certain offenses, to conform to the language in S.B. No. 2659, S.D. 1 (Regular Session of 2016); and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2787, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2787, S.D. 2.

2016-1435 SSCR SMA.doc

Respectfully submitted on behalf of the members of the Committee on Judiciary and Labor,

and s.C. Ruch

GILBERT S.C. KEITH-AGARAN, Chair

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Judiciary and Labor JDL

Bill / Resolution No.:*	Committee Referral: Date: / /				
SB 2787 5D1 WLA/CPH, JDL 2/25/16					
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)					
SHIMABUKURO, Maile S.L. (VC)					
GABBARD, Mike					/
KAHELE, Kaiali'i		/			
KIM, Donna Mercado					
THIELEN, Laura H.					
SLOM, Sam		/			
					·
TOTAL		4			3
Recommendation:					
Chair's or Designee's Signature:					
Mahl					
Distribution: Original File with Committee Re	Yellow eport Clerk's Office		Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes