
A BILL FOR AN ACT

RELATING TO INDUSTRIAL HEMP.

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

1 SECTION 1. The legislature finds that hemp has been
2 cultivated as a source of food and fiber for thousands of years.
3 Modern production methods have utilized hemp's oilseed to make
4 high-grade food and beauty products. The stalks produce fiber
5 and cellulose for everything from automotive parts and fine
6 clothing to building materials and fuel.

7 According to estimates by the Hemp Industries Association,
8 retail sales of industrial hemp products in the United States
9 have grown steadily since 1990 to more than \$580,000,000
10 annually in 2015. California manufacturers of hemp products
11 currently import tens of thousands of acres' worth of hemp seed,
12 oil, and fiber products that, instead, could be produced by
13 American farmers at a more competitive price. Additionally, the
14 intermediate processing of hemp seed, oil, food ingredients, and
15 fiber could create jobs in close proximity to the fields of
16 cultivation.



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1 The legislature further finds that support for industrial
2 hemp farming is occurring at the national level. California,
3 Colorado, Delaware, Hawaii, Illinois, Indiana, Kentucky, Maine,
4 Montana, Nebraska, North Dakota, Oregon, South Carolina,
5 Tennessee, Utah, Vermont, Washington, and West Virginia have
6 defined industrial hemp as a distinct agricultural crop and
7 removed barriers to its production. President Obama signed the
8 2014 Farm Bill into law (Agricultural Act of 2014), section 7606
9 of which authorizes industrial hemp research and pilot programs
10 in states that regulate hemp farming under the authority of the
11 state department of agriculture. Farmers and universities in
12 Colorado, Kentucky, and Vermont have already planted hemp crops
13 to conduct pilot programs after registering with their state
14 department of agriculture.

15 This Act will ease the transition of Hawaiian Commercial &
16 Sugar Company's thirty-six thousand acres of sugarcane land on
17 the island of Maui to diversified agriculture and allow Hawaii
18 to be a national leader in hemp production.

19 The purpose of this Act is to authorize growth of
20 industrial hemp as part of research conducted under an



1 agricultural pilot program or other agricultural research to
2 study the growth, cultivation, or marketing of industrial hemp
3 under specific agreement with and under the authority of the
4 department of agriculture, pursuant to a memorandum of
5 understanding. It is the intent of the legislature that the
6 transition from the industrial hemp pilot program authorized
7 under Act 228, Session Laws of Hawaii 2016, to the regulated
8 cultivation of industrial hemp pursuant to this Act be seamless
9 to the greatest extent possible.

10 SECTION 2. Chapter 141, Hawaii Revised Statutes, is
11 amended by adding a new part to be appropriately designated and
12 to read as follows:

13 "PART . INDUSTRIAL HEMP

14 §141- Definitions. As used in this part:

15 "Board" means the board of agriculture.

16 "Chairperson" means the chairperson of the board of
17 agriculture.

18 "Harvested industrial hemp" shall not include industrial
19 hemp that has been processed or manufactured into a hemp
20 product.



1 "Industrial hemp" means the plant *Cannabis sativa* L. and
2 any part of the plant, whether growing or not, with a delta-9
3 tetrahydrocannabinol concentration of not more than 0.3 per cent
4 on a dry weight basis, that is cultivated in connection with an
5 institution of higher education, the department of agriculture,
6 or a registered seed breeder, or an approved seed cultivar as
7 authorized by this part.

8 "Institution of higher education" means a public or private
9 institution of higher learning as defined in section 101 of the
10 Higher Education Act of 1965 (20 U.S.C. §1001).

11 "Registered seed breeder" means an individual or public or
12 private institution or organization that is registered with the
13 chairperson to develop seed cultivars intended for sale or
14 research.

15 "Seed cultivar" means a variety of industrial hemp.

16 "Variety" means a group or individual plants that exhibit
17 the same observable physical characteristics or have the same
18 genetic composition.

19 **§141- Growing of industrial hemp; registration. (a)**

20 Except when grown by an institution of higher education or by a



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1 registered seed breeder for development of a new Hawaii variety
2 of seed cultivar, industrial hemp shall be grown only if it is
3 on the list of approved seed cultivars. The board may from time
4 to time add or remove any seed cultivar from the list.

5 (b) The list of approved seed cultivars shall include the
6 following:

7 (1) Industrial hemp seed cultivars that have been
8 certified by the Organisation for Economic Co-
9 operation and Development; and

10 (2) Hawaii varieties of industrial hemp seed cultivars
11 that have been certified by the board.

12 (c) Before cultivation, a grower of industrial hemp shall
13 register with the board to engage in industrial hemp cultivation
14 and request that the board certify the site where the hemp will
15 be grown. The application for registration shall include the
16 following information:

17 (1) The name, business address, and mailing address of the
18 applicant;

19 (2) The legal description, global positioning system
20 coordinates, and map of the land area on which the



1 applicant plans to engage in industrial hemp
2 cultivation or storage; and

3 (3) The approved seed cultivar to be grown and a
4 description of the proposed research to be conducted.

5 The application shall be accompanied by a registration fee,
6 to be established by rule, which shall be used to cover the
7 costs of implementing, administering, and enforcing this part.
8 The registration shall be valid for two years, after which the
9 registered grower may renew the registration and pay the renewal
10 fee, as established by rule.

11 (d) If the chairperson determines that the requirements
12 for registration pursuant to this section are satisfied, the
13 chairperson shall enter into a memorandum of understanding with
14 the applicant and issue a registration to the applicant.

15 (e) A registered grower that wishes to alter the land area
16 on which the registered grower conducts industrial hemp
17 cultivation or storage, before altering the area, shall submit
18 to the chairperson an updated legal description, global
19 positioning system coordinates, and map specifying the proposed
20 alteration. If the chairperson receives and approves the



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1 updated information, the chairperson shall notify the registered
2 grower in writing that the registered grower may cultivate
3 industrial hemp on the altered land area.

4 (f) A registered grower that wishes to change the seed
5 cultivar grown shall submit to the chairperson the name of the
6 new, approved seed cultivar to be grown. If the chairperson
7 receives and approves the change to the seed cultivar, the
8 chairperson shall notify the registered grower in writing that
9 the registered grower may cultivate the new seed cultivar.

10 §141- Registered grower status. Each registered grower
11 shall operate under the authority of the department of
12 agriculture for the limited purposes of this part pursuant to a
13 memorandum of understanding or contract. No registered grower
14 shall be considered an employee of the State or be entitled to
15 retention points, service credit, vacation and sick leave
16 credits, and other rights, benefits, and privileges, in
17 accordance with state personnel laws solely because of that
18 registered grower's operations conducted pursuant to this part.

19 §141- Selling industrial hemp; requirements. (a) A
20 registered grower may sell harvested industrial hemp to any



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1 person engaged in agribusiness or other manufacturing for the
2 purpose of processing or manufacturing the industrial hemp into
3 hemp products.

4 (b) A registered grower who sells any harvested industrial
5 hemp shall:

6 (1) Retain all industrial hemp production records for at
7 least three years;

8 (2) Allow industrial hemp crops, throughout sowing,
9 growing, and harvesting, to be inspected by and at the
10 discretion of the board or its designees and law
11 enforcement officers;

12 (3) File with the board documentation indicating that the
13 industrial hemp seeds planted were of a type and
14 variety certified to have no more tetrahydrocannabinol
15 concentration than that allowed by federal law;

16 (4) Maintain records of the sale of any harvested
17 industrial hemp grown under the registration and the
18 names and addresses of the persons to whom the
19 harvested industrial hemp was sold, the weight of the



1 harvested industrial hemp sold, and the price per
2 pound paid for the harvested industrial hemp; and
3 (5) Maintain records of any contracts between the
4 registered grower and any person to whom the harvested
5 industrial hemp was sold, to be inspected by and at
6 the discretion of the board, designees of the board,
7 and law enforcement officers.

8 **§141- Prohibited activities.** The possession outside of
9 a field of lawful cultivation of resin, flowering tops, or
10 leaves that have been removed from the industrial hemp plant
11 shall be prohibited; provided that the presence of a de minimis
12 amount, or insignificant number, of hemp leaves or flowering
13 tops in hemp bales that result from the normal and appropriate
14 processing of industrial hemp shall not constitute possession in
15 violation of this section.

16 **§141- Authorized activity not a criminal offense.** (a)
17 The possession, cultivation, sale, receipt, or transfer of
18 industrial hemp as authorized under this part shall not
19 constitute an offense under chapter 712, part IV.



1 (b) The transportation, processing, sale, or use of
2 industrial hemp that is grown or cultivated in accordance with
3 section 7606 of the Agricultural Act of 2014, within or outside
4 the State, shall not constitute an offense under chapter 712,
5 part IV.

6 §141- Rulemaking and board authority. (a) The board
7 may adopt rules pursuant to chapter 91 necessary for the
8 purposes of this part.

9 (b) The board may apply for a registration with the United
10 States Drug Enforcement Administration to import certified hemp
11 seed for distribution to registered growers who have entered
12 into a memorandum of understanding with the board."

13 SECTION 3. Chapter 141, part II, Hawaii Revised Statutes,
14 is repealed.

15 SECTION 4. Act 228, Session Laws of Hawaii 2016, is
16 amended by amending section 8 to read as follows:

17 "SECTION 8. This Act shall take effect on July 1, 2016[
18 ~~and shall be repealed on June 30, 2021.~~]; provided that sections
19 1 and 2 shall be repealed on January 1, 2018."



1 SECTION 5. Any person who holds a valid license for
2 production of industrial hemp under the industrial hemp pilot
3 program established pursuant to Act 228, Session Laws of Hawaii
4 2016, on December 31, 2017, shall be deemed a registered grower
5 under section 2 of this Act; provided that the registered grower
6 shall have until January 1, 2019, to bring into compliance with
7 section 2 of this Act any non-conforming aspects of the
8 registered grower's operations that may exist on the effective
9 date of this Act.

10 SECTION 6. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so much
12 thereof as may be necessary for fiscal year 2017-2018 and the
13 same sum or so much thereof as may be necessary for fiscal year
14 2018-2019 for \$ for the establishment of one full-time
15 equivalent (1.00 FTE) position in the department of agriculture
16 to effectuate this Act.

17 The sums appropriated shall be expended by the department
18 of agriculture for the purposes of this Act.

19 SECTION 7. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 8. This Act shall take effect upon its approval;
 2 provided that sections 2 and 3 shall take effect on January 1,
 3 2018; provided further that section 6 shall take effect on July
 4 1, 2017.

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INTRODUCED BY:

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JAN 18 2017



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Report Title:

Industrial Hemp; Private Growers; Authorization; Appropriation

Description:

Authorizes the Board of Agriculture to regulate industrial hemp growers and the growing of industrial hemp for research purposes. Makes an appropriation. Repeals the industrial hemp pilot program.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

