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A BILL FOR AN ACT

RELATING TO HEMP.

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

1 The legislature recognizes that the Agriculture SECTION 1. Improvement Act of 2018, informally known as the 2018 "Farm 2 3 Bill", legalized hemp by removing hemp from the definition of "marihuana" contained in the federal Controlled Substances Act. 4 5 Therefore, hemp is no longer classified as an illegal drug under federal law. Further, in October 2019, the United States 6 7 Department of Agriculture established new regulations through 8 which states may monitor and regulate hemp production. The 9 federal Food and Drug Administration also continues to regulate The legislature believes that, in light of these 10 its use. federal reforms, state laws regarding hemp should also be 11 12 reformed to allow the production of help as an agricultural 13 commodity in the State.

14 Accordingly, the purpose of this Act is to:

15 (1) Require the chairperson of the board of agriculture to16 seek approval from the United States Department of

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| 1 | | Agriculture for a state plan to monitor and regulate |
|----|-----------|--|
| 2 | | hemp; |
| 3 | (2) | Establish a statutory framework for the department of |
| 4 | | agriculture to monitor and regulate hemp; |
| 5 | (3) | Establish and provide legislative funding for a hemp |
| 6 | | regulatory special fund, which will be funded through |
| 7 | | inspection fees in the longer term; |
| 8 | (4) | Legalize licensed hemp production and hemp products in |
| 9 | | the State; |
| 10 | (5) | Expedite the repeal of the existing industrial hemp |
| 11 | | pilot program and repeals the industrial hemp special |
| 12 | | fund on October 31, 2020; and |
| 13 | (6) | Appropriate funds to the department of agriculture for |
| 14 | | the monitoring and regulation of hemp production. |
| 15 | SECT | ION 2. Chapter 141, Hawaii Revised Statutes, is |
| 16 | amended b | y adding a new part to be appropriately designated and |
| 17 | to read a | s follows: |
| 18 | | "PART . HEMP PRODUCTION |
| 19 | §141 | -A Definitions. As used in this part: |
| 20 | "Can | nabis" means a genus of flowering plants in the family |
| 21 | Cannabace | ae, of which Cannabis sativa is a species and Cannabis |



indica and Cannabis ruderalis are subspecies thereof. 1 2 "Cannabis" refers to any form of the plant in which the delta-9 tetrahydrocannabinol concentration on a dry weight basis has not 3 4 vet been determined. 5 "Corrective action plan" means a plan established by the 6 department for a producer to correct a negligent violation. 7 "Culpable mental state greater than negligence" means to act intentionally, knowingly, wilfully, or recklessly. 8 9 "Department" means the department of agriculture. 10 "Entity" means a nonnatural person. 11 "Hemp" means the plant species Cannabis sativa L. and any 12 part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and 13 salts of isomers, whether growing or not, with a delta-9 14 15 tetrahydrocannabinol concentration of not more than 0.3 per cent 16 on a dry weight basis. "Key participant" means: 17 (1) A sole proprietor; 18 19 (2) A partner in a partnership; 20 (3) A chief executive officer or chief operating officer; 21 or





1 (4) Any other person with executive managerial control in 2 an entity. "Key participant" does not include farm managers, field 3 4 managers, shift managers, or other non-executive managers. 5 "Negligent" means to fail to exercise the level of care 6 that a reasonably prudent person would exercise in complying 7 with this part, the state plan, or applicable federal hemp law. "Produce" means to grow hemp plants for market, or for 8 9 cultivation for market, in the State. "Producer" means a producer, as defined under title 7 Code 10 11 of Federal Regulations section 718.2, that is licensed by the 12 department to produce hemp in the State. 13 "State plan" means a plan under which the department 14 monitors and regulates the production of hemp. 15 §141-B Hemp production; monitoring and regulation; state plan. (a) The department shall monitor and regulate hemp 16 production in the State, pursuant to a state plan approved by 17 the Secretary of the United States Department of Agriculture. 18 19 No person or entity shall produce hemp in the State (b) unless the person or entity has a valid license issued by the 20 21 department pursuant to this part.

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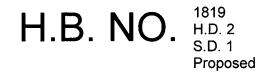
\$141-C Applications for producer licenses. Each person,
 whether an individual or entity, that intends to produce hemp in
 the State shall apply to the department for a license on a form
 prescribed by the department and pay an application fee.

§141-D Application approval; expiration; limits on
out-of-state control. (a) Subject to this part and any rules
adopted pursuant to this part, the department shall approve the
issuance of a hemp production license to any applicant that
meets all applicable federal and state requirements.

10 (b) Each license shall be valid for three years from the
11 date of issuance, after which time the licensee shall be
12 required to renew the license and pay a renewal fee for each
13 license renewal.

(c) Notwithstanding the repeal of Act 228, Session Laws of Hawaii 2016, any license issued under the industrial hemp pilot program established under Act 228, Session Laws of Hawaii 2016, shall have continued validity under the original terms and conditions of that license until it expires. Upon expiration, the licensee may renew that license, under new terms and conditions that are compliant with this part, by paying a

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renewal fee and applying for license renewal pursuant to a
 process established by the department.

3 (d) In issuing new, nonrenewal licenses for the production
4 of hemp, the department shall ensure that at least fifty per
5 cent of new, nonrenewal licenses issued within each fiscal year
6 are issued to:

7 (1) Individuals who are legal residents of the State; or
8 (2) Entities whose key participants are legal residents of
9 the State.

10 (e) Any person convicted of a felony related to a
11 controlled substance under state or federal law is prohibited
12 from producing hemp, or being a key participant in an entity
13 producing hemp, for a period of ten years following the date of
14 conviction.

(f) Each applicant, including an individual applicant and
all key participants of an entity applicant, shall be subject to
background checks conducted by the department or its designee,
including but not limited to criminal history records checks in
accordance with section 846-2.7. The person undergoing the
background check shall provide written consent and all

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applicable processing fees to the department or its designee to
 conduct the criminal history record checks.

3 (g) Pursuant to, and in accordance with, section 846-2.7,
4 the department or its designee is authorized to conduct state
5 and national criminal history record checks on all license
6 applicants, including an individual applicant and all key
7 participants of an entity applicant, and participate in the rap
8 back program, for the purpose of determining suitability or
9 fitness for a license under this part.

10 (h) Any person or entity who materially falsifies any
11 information in their application shall be ineligible to
12 participate in the program.

13 §141-E Producer requirements; seed acquisition;
14 residential structures. (a) Each producer shall conform to all
15 requirements of this part, the state plan, and applicable
16 federal and state laws, rules, and regulations.

17 (b) Each producer shall acquire or import hemp seed in
18 accordance with applicable federal and state laws, rules, and
19 regulations.

20 (c) No producer shall grow hemp in any house, dwelling21 unit, residential apartment, or other residential structure.

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(d) Harvested hemp material shall not be commingled with
 other hemp material or any other material without written
 permission from the department.

§141-F Inspection, sampling, and testing; destruction;
fees. (a) The department and producers shall adhere to this
section with respect to the inspection, sampling, and testing of
hemp or cannabis produced under this part.

8 Each producer shall provide the department, a third (b) 9 party authorized by the department, and any law enforcement agency or officer with complete and unrestricted access during 10 11 business hours to all hemp and other cannabis plants, whether 12 growing or harvested, and all land, buildings, and other structures used for the cultivation, handling, and storage of 13 14 all hemp and other cannabis plants, and all locations listed in 15 the producer license.

(c) The department shall collect representative samples of
cannabis grown from the lots of producers and conduct tests of
those representative samples to determine compliance with the
delta-9 tetrahydrocannabinol concentration limit for hemp.

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(d) A producer shall not harvest a hemp or cannabis crop
 before the department collects representative samples and tests
 necessary representative samples from that crop.

4 (e) The department may collect fees from producers for the
5 inspection, representative sample collection, and testing of
6 hemp and cannabis crops.

7 (f) A producer may not handle, process or put into the 8 stream of commerce any lot of cannabis that is non-compliant 9 with the delta-9 tetrahydrocannabinol concentration limit for 10 hemp except to the extent necessary to ensure the disposal of 11 that lot pursuant to this part.

12 (g) The department shall ensure the disposal of any lot of 13 cannabis crop if any representative sample from that lot fails 14 to meet the delta-9 tetrahydrocannabinol concentration limit for 15 hemp.

(h) The department may authorize third parties to collect
cannabis representative samples and conduct testing of those
representative samples on the department's behalf for the
purposes of this part or rules adopted for the purposes of this
part.

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(i) The producer or an authorized representative of the
 producer must be present at the grow site during sample
 collection.

4 §141-G Transportation. A licensee may transport to
5 another site, for lawful processing and in a department-approved
6 manner, any part of a hemp crop that passed department-ordered
7 compliance testing.

8 §141-H Labeling. In addition to all other labeling 9 requirements, the identity statement used for labeling or 10 advertising any product in a way which reasonably describes hemp 11 as having been grown, produced, being from, or otherwise being a 12 product of Hawaii or any geography thereof shall only be 13 permissible for hemp products which contain one hundred per cent 14 Hawaii-grown hemp.

15 §141-I Tracking. (a) The department shall establish, 16 maintain, and control a computer software tracking system that 17 shall have real time, twenty-four-hour access to the data of all 18 producers.

19 (b) The computer software tracking system shall collect20 data relating to, at a minimum:

21 (1) Plantings, harvests, and disposal;

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| 1 | (2) | Land areas licensed for hemp growth; and |
|----|-----------|---|
| 2 | (3) | The transport of hemp. |
| 3 | (c) | The procurement of the computer software tracking |
| 4 | system es | tablished pursuant to this section shall be exempt from |
| 5 | chapter 1 | .03D; provided that: |
| 6 | (1) | The department shall publicly solicit at least three |
| 7 | | proposals for the computer software tracking system; |
| 8 | | and |
| 9 | (2) | The selection of the computer software tracking system |
| 10 | | shall be approved by the chairperson of the |
| 11 | | department. |
| 12 | (d) | The department may establish fees necessary to |
| 13 | implement | , operate, and maintain the computer software tracking |
| 14 | system. | |
| 15 | §141 | -J Negligent violations. (a) A producer that |
| 16 | violates | this part or the state plan in a negligent manner shall |
| 17 | follow a | corrective action plan to correct the violation. |
| 18 | (b) | A producer who negligently violates this part or the |
| 19 | state pla | n three times in a five-year period will be ineligible |
| 20 | to produc | e hemp for a period of five years from the date of the |
| 21 | third vic | plation. |

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§141-K Culpable violations. If the department determines 1 2 that a producer has violated this part or the state plan with a culpable mental state greater than negligence, the department 3 shall immediately report the producer to law enforcement, and 4 may take any action it deems immediately necessary, including 5 6 summary suspension or revocation of a license. **§141-L License suspension.** (a) The department may issue 7 a notice of suspension to a producer if the department or its 8 representative receives some credible evidence establishing that 9 10 a producer has: Engaged in conduct violating a provision of this part; 11 (1)12 or 13 (2) Failed to comply with a written order from the 14 department related to negligence as defined in this 15 part. 16 Any producer whose license has been suspended shall (b) 17 not handle or remove hemp or cannabis from the location where hemp or cannabis was located at the time when the department 18 19 issued its notice of suspension, without prior written 20 authorization from the department.

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Any person whose license has been suspended shall not 1 (C) produce hemp or cannabis during the period of suspension. 2 A producer whose license has been suspended and not 3 (d) 4 restored on appeal may have their license restored after a waiting period of one year from the date of the suspension. 5 A producer whose license has been suspended may be 6 (e) required to complete a corrective action plan to fully restore 7 8 the license. 9 **§141-M Revocation.** The department shall immediately revoke the license of a producer if such producer: 10 11 (a) Pleads guilty to, or is convicted of, any felony 12 related to a controlled substance; (b) Made any materially false statement with regard to 13 14 this part to the department or its representatives with a 15 culpable mental state greater than negligence; or Is found to be growing cannabis exceeding the 16 (C) 17 acceptable hemp delta-9 tetrahydrocannabinol concentration limit 18 with a culpable mental state greater than negligence or 19 negligently violated this part three times in five years. 20 **§141-N Affirmative defense.** (a) A producer or an

21 employee of a producer that is licensed under this part may





| 1 | assert the | e cultivation and possession of hemp as an affirmative |
|----|------------|--|
| 2 | defense to | o any prosecution involving the production or |
| 3 | possessio | n of marijuana under section 712-1247, 712-1248, |
| 4 | 712-1249, | 712-1249.4, or 712-1249.5. A defendant may assert the |
| 5 | affirmati | ve defense that the defendant or defendant's employer: |
| 6 | (1) | Possessed and was in compliance with a valid hemp |
| 7 | | production license issued by the department pursuant |
| 8 | | to this part; |
| 9 | (2) | Planted hemp varieties of cannabis within a licensed |
| 10 | | land area pursuant to this part; and |
| 11 | (3) | The produced cannabis developed into plants with a |
| 12 | | delta-9 tetrahydrocannabinol concentration of more |
| 13 | | than 0.3 percent, but less than 3 per cent, on a dry |
| 14 | | weight basis. |
| 15 | (b) | This affirmative defense applies only to the |
| 16 | production | n and possession of marijuana within a licensed land |
| 17 | area, but | it does not extend to the sale or distribution of |
| 18 | marijuana | |
| 19 | §141 | -O Hemp regulatory special fund; established. (a) |
| 20 | There is o | created in the state treasury a special fund to be |

21 designated as the hemp regulatory special fund to be

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administered by the department. Moneys deposited in the special 1 fund shall include: 2 Any moneys appropriated by the legislature to the 3 (1) 4 special fund; Any fees collected by the department pursuant to this 5 (2) 6 part; and 7 The interest or return on investments earned from (3) 8 moneys in the special fund. 9 The department may use the moneys in the special fund (b) 10 to carry out the purposes of this part, including hiring employees, specialists, and consultants necessary for the 11 12 purposes of this part. **§141-P Rulemaking.** (a) The department shall adopt rules 13 14 pursuant to chapter 91 that are necessary for the purposes of 15 this part, which shall include, but not be limited to: Application and licensing requirements; 16 (1) Procedures for inspection by the department or its 17 (2) agents of a producer's records and all areas under a 18 19 license pursuant to this part; Standards related to the sampling and testing of hemp 20 (3) and the entities authorized to do so; 21





| 1 | (4) | Rules related to licensed land areas, including |
|----|------|--|
| 2 | | acreage limits, and modifications of licensed land |
| 3 | | areas; |
| 4 | (5) | Rules related to the transportation of hemp; |
| 5 | (6) | Rules related to harvest; |
| 6 | (7) | Requirements for the reporting of planting, harvest, |
| 7 | | disposal, and other records required by state or |
| 8 | | federal law from each producer licensed pursuant to |
| 9 | | this part; |
| 10 | (8) | Procedures for the voluntary disposal of unwanted or |
| 11 | | unused hemp crops, plants, plant materials, seeds |
| 12 | | whether growing or not, and hemp products derived from |
| 13 | | those plants; |
| 14 | (9) | Procedures for the mandatory disposal of hemp or |
| 15 | | cannabis crops, plants, plant materials, or seeds, |
| 16 | | whether growing or not, found to be in violation of |
| 17 | | this part, and products derived from them; |
| 18 | (10) | A fee structure for the submission of applications, |
| 19 | | initial licenses, and renewal of licenses; |
| 20 | (11) | A fee structure for licensed land area modification |
| 21 | | fees; |





| 1 | (12) A fee structure for the inspection of producers and |
|----|---|
| 2 | for the sampling, and testing of hemp; |
| 3 | (13) A fee structure for criminal history record checks; |
| 4 | (14) A fee structure crop disposal; and |
| 5 | (15) Any other rules necessary to carry out this part. |
| 6 | (b) The department shall adopt interim rules, which shall |
| 7 | be exempt from chapters 91 and 201M, to effectuate the purposes |
| 8 | of this part; provided that the interim rules shall remain in |
| 9 | effect until July 1, 2025, or until rules are adopted pursuant |
| 10 | to subsection (a), whichever occurs sooner. |
| 11 | (c) The department may amend interim rules, which shall be |
| 12 | exempt from chapters 91 and 201M, to effectuate the purposes of |
| 13 | this part; provided that the interim rules shall remain in |
| 14 | effect until July 1, 2025, or until rules are adopted pursuant |
| 15 | to subsection (a), whichever occurs sooner." |
| 16 | SECTION 3. Section 329-1, Hawaii Revised Statutes, is |
| 17 | amended as follows: |
| 18 | 1. By adding a new definition to be appropriately inserted |
| 19 | and to read: |
| 20 | ""Hemp" means all parts of the plant cannabis satvia L., |
| 21 | whether growing or not, including the seeds thereof and all |
| | |

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| 1 | derivatives, extracts, cannabinoids, isomers, acids, salts, and |
|----|--|
| 2 | salts of isomers, with a delta-9-tetrahydrocannabinol |
| 3 | concentration of not more than 0.3 per cent on a dry weight |
| 4 | basis, as measured post-decarboxylation or other similarly |
| 5 | reliable_methods." |
| 6 | 2. By amending the definition of "marijuana" to read: |
| 7 | ""Marijuana" means all parts of the plant (genus) Cannabis |
| 8 | whether growing or not; the seeds thereof, the resin extracted |
| 9 | from any part of the plant; and every compound, manufacture, |
| 10 | salt, derivative, mixture, or preparation of the plant, its |
| 11 | seeds, or resin. [It] |
| 12 | <u>"Marijuana"</u> does not include [the]: |
| 13 | (1) The mature stalks of the plant $[-7]$ (genus) Cannabis, |
| 14 | fiber produced from the stalks, oil, or cake made from |
| 15 | the seeds of the plant, any other compound, |
| 16 | manufacture, salt, derivative, mixture, or preparation |
| 17 | of the mature stalks (except the resin extracted |
| 18 | therefrom), fiber, oil, or cake, or the sterilized |
| 19 | seed of the plant [which] <u>that</u> is incapable of |
| 20 | germination; |

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| 1 | (2) | Hemp that is in the possession, custody, or control of |
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| 2 | | a person or entity that holds a license issued by the |
| 3 | | department of agriculture permitting that person or |
| 4 | | entity to produce hemp; |
| 5 | (3) | Hemp that is in the possession, custody, or control of |
| 6 | | a person or entity that is authorized under state law |
| 7 | | to process hemp; or |
| 8 | (4) | A product containing or derived from hemp, including |
| 9 | | any product containing one or more hemp-derived |
| 10 | | cannabinoids such as cannabidiol, that; |
| 11 | | (A) Does not include any living hemp plants, viable |
| 12 | | seeds, leaf materials, or floral materials; and |
| 13 | | (B) Has a delta-9-tetrahydrocannabinol concentration |
| 14 | | of not more than 0.3 per cent, as measured post- |
| 15 | | decarboxylation or other similarly reliable |
| 16 | | methods." |
| 17 | SECT | ION 4. Section 329-14, Hawaii Revised Statutes, is |
| 18 | amended b | y amending subsection (g) to read as follows: |
| 19 | " (g) | Any of the following cannabinoids, their salts, |
| 20 | isomers, | and salts of isomers, unless specifically excepted, |

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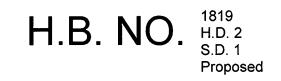
whenever the existence of these salts, isomers, and salts of 1 isomers is possible within the specific chemical designation: 2 Tetrahydrocannabinols; meaning tetrahydrocannabinols 3 (1) naturally contained in a plant of the genus Cannabis 4 5 (cannabis plant), as well as synthetic equivalents of the substances contained in the plant, or in the 6 resinous extractives of Cannabis, sp. or synthetic 7 substances, derivatives, and their isomers with 8 9 similar chemical structure and pharmacological activity to those substances contained in the plant, 10 such as the following: Delta 1 cis or trans 11 tetrahydrocannabinol, and their optical isomers; Delta 12 6 cis or trans tetrahydrocannabinol, and their optical 13 isomers; and Delta 3,4 cis or trans-14 tetrahydrocannabinol, and its optical isomers (since 15 16 nomenclature of these substances is not internationally standardized, compounds of these 17 structures, regardless of numerical designation of 18 atomic positions, are covered); provided that 19 20 tetrahydrocannabinols under this subsection shall 21 exclude tetrahydrocannabinols in:



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| 1 | | (A) | Hemp | that is in the possession, custody, or |
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| 2 | | | <u>cont</u> | rol of a person or entity that holds a |
| 3 | | | lice | nse issued by the Hawaii department of |
| 4 | | | agri | culture permitting that person or entity to |
| 5 | | | prod | uce hemp; |
| 6 | | <u>(B)</u> | Hemp | that is in the possession, custody, or |
| 7 | | | <u>cont</u> | rol of a person or entity that is authorized |
| 8 | | | unde | r state law to process hemp; or |
| 9 | | (C) | <u>A</u> pr | oduct containing or derived from hemp, |
| 10 | | | incl | uding any product containing one or more |
| 11 | | | hemp | -derived cannabinoids such as cannabidiol, |
| 12 | | | that | <u>;</u> |
| 13 | | | <u>(i)</u> | Does not include any living hemp plants, |
| 14 | | | | viable seeds, leaf materials, or floral |
| 15 | | | | materials; and |
| 16 | | | <u>(ii)</u> | Has a delta-9-tetrahydrocannabinol |
| 17 | | | | concentration of not more than 0.3 per cent, |
| 18 | | | | as measured post-decarboxylation or other |
| 19 | | | | similarly reliable methods." |
| 20 | (2) | Napht | choyl | indoles; meaning any compound containing a |
| 21 | | 3-(1· | -naph | thoyl)indole structure with substitution at |





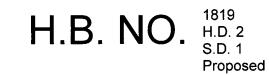
| | the nitrogen atom of the indole ring by a alkyl, |
|-----|--|
| | haloalkyl, alkenyl, cycloalkylmethyl,cycloalkylethyl, |
| | 1-(N-methyl-2-piperidinyl)methyl or 2-(4- |
| | morpholinyl)ethyl group, whether or not further |
| | substituted in the indole ring to any extent and |
| | whether or not substituted in the naphthyl ring to any |
| | extent; |
| (3) | Naphthylmethylindoles; meaning any compound containing |
| | a 1H-indol-3-yl-(1-naphthyl) methane structure with |
| | substitution at the nitrogen atom of the indole ring |
| | by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, |
| | cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or |
| | 2-(4-morpholinyl) ethyl group whether or not further |
| | substituted in the indole ring to any extent and |
| | whether or not substituted in the naphthyl ring to any |
| | extent; |
| (4) | Naphthoylpyrroles; meaning any compound containing a |
| | 3-(1-naphthoyl)pyrrole structure with substitution at |
| | the nitrogen atom of the pyrrole ring by a alkyl, |
| | haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, |
| | 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl) |
| | |

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| 1 | | ethyl group whether or not further substituted in the |
|----|-----|--|
| 2 | | pyrrole ring to any extent $[-7]$ and whether or not |
| 3 | | substituted in the naphthyl ring to any extent; |
| 4 | (5) | Naphthylmethylindenes; meaning any compound containing |
| 5 | | a naphthylideneindene structure with substitution at |
| 6 | | the 3-position of the indene ring by a alkyl, |
| 7 | | haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, |
| 8 | | 1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl) |
| 9 | | ethyl group whether or not further substituted in the |
| 10 | | indene ring to any extent $[\tau]$ and whether or not |
| 11 | | substituted in the naphthyl ring to any extent; |
| 12 | (6) | Phenylacetylindoles; meaning any compound containing a |
| 13 | | 3-phenylacetylindole structure with substitution at |
| 14 | | the nitrogen atom of the indole ring by a alkyl, |
| 15 | | haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, |
| 16 | | 1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl) |
| 17 | | ethyl group whether or not further substituted in the |
| 18 | | indole ring to any extent $[-7]$ and whether or not |
| 19 | | substituted in the phenyl ring to any extent; |
| 20 | (7) | Cyclohexylphenols; meaning any compound containing a |
| 21 | | 2-(3-hydroxycyclohexyl) phenol structure with |

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| 1 | | substitution at the 5-position of the phenolic ring by |
|----|------|--|
| 2 | | a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, |
| 3 | | cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or |
| 4 | | 2-(4-morpholinyl) ethyl group whether or not |
| 5 | | substituted in the cyclohexyl ring to any extent; |
| 6 | (8) | Benzoylindoles; meaning any compound containing a |
| 7 | | 3-(benzoyl) indole structure with substitution at the |
| 8 | | nitrogen atom of the indole ring by a alkyl, |
| 9 | | haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, |
| 10 | | 1-(N-methyl-2-piperidinyl) methyl, or 2-(4- |
| 11 | | morpholinyl) ethyl group whether or not further |
| 12 | | substituted in the indole ring to any extent and |
| 13 | | whether or not substituted in the phenyl ring to any |
| 14 | | extent; |
| 15 | (9) | 2,3-Dihydro-5-methyl-3-(4-morpholinylmethyl) |
| 16 | | pyrrolo[1,2,3-de]-1, 4-benzoxazin-6-yl]-1- |
| 17 | | napthalenylmethanone (another trade name is WIN |
| 18 | | 55,212-2); |
| 19 | (10) | (6a,10a)-9-(hydroxymethyl)-6, 6-dimethyl-3-(2- |
| 20 | | methyloctan-2-yl)-6a,7,10,10a- |

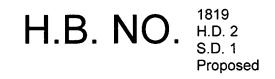
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| 1 | | tetrahydrobenzo[c]chdromen-1-ol (Other trade names |
|----|------|---|
| 2 | | are: HU-210/HU-211); |
| 3 | (11) | Tetramethylcyclopropanoylindoles; meaning any compound |
| 4 | | containing a 3-tetramethylcyclopropanoylindole |
| 5 | | structure with substitution at the nitrogen atom of |
| 6 | | the indole ring by an alkyl, haloalkyl, cyanoalkyl, |
| 7 | | alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N- |
| 8 | | <pre>methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl,</pre> |
| 9 | | 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3- |
| 10 | | morpholinyl)methyl, or tetrahydropyranylmethyl group, |
| 11 | | whether or not further substituted in the indole ring |
| 12 | | to any extent and whether or not substituted in the |
| 13 | | tetramethylcyclopropyl ring to any extent; |
| 14 | (12) | N-(1-adamantyl)-1-pentyl-1H-indazole-3-carboxamide, |
| 15 | | its optical, positional, and geometric isomers, salts, |
| 16 | | and salts of isomers (Other names: APINACA, AKB48); |
| 17 | (13) | Quinolin-8-yl 1-pentyl-1H-indole-3-carboxylate, its |
| 18 | | optical, positional, and geometric isomers, salts, and |
| 19 | | salts of isomers (Other names: PB-22; QUPIC); |
| 20 | (14) | Quinolin-8-yl 1-(5fluoropentyl)-1H-indole-3- |
| 21 | | carboxylate, its optical, positional, and geometric |



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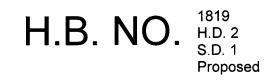
| 1 | | isomers, salts, and salts of isomers (Other names: 5- |
|----|------|--|
| 2 | | fluoro-PB-22; 5F-PB-22); |
| 3 | (15) | N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(4- |
| 4 | | fluorobenzyl)-1H-indazole-3-carboxamide, its optical, |
| 5 | | positional, and geometric isomers, salts, and salts of |
| 6 | | isomers (Other names: AB-FUBINACA); |
| 7 | (16) | N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-pentyl-1H- |
| 8 | | indazole-3-carboxamide, its optical, positional, and |
| 9 | | geometric isomers, salts, and salts of isomers (Other |
| 10 | | names: ADB-PINACA); |
| 11 | (17) | N-(1-amino-3-methyl-1-oxobutan-2-yl)-1- |
| 12 | | (cyclohexylmethyl)-1H-indazole-3-carboxamide, its |
| 13 | | optical, positional, and geometric isomers, salts, and |
| 14 | | salts of isomers (Other names: AB-CHMINACA); |
| 15 | (18) | N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-pentyl-1H- |
| 16 | | indazole-3-carboxamide, and geometric isomers, salts, |
| 17 | | and salts of isomers (Other names: AB-PINACA); |
| 18 | (19) | [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1- |
| 19 | | yl)methanone, and geometric isomers, salts, and salts |
| 20 | | of isomers (Other names: THJ-2201); |



| 1 | (20) | Methyl (1-(4-fluorobenzyl)-1 H-indazole-3-carbonyl)-L- |
|----|------|--|
| 2 | | valinate, and geometric isomers, salts, and salts of |
| 3 | | isomers (Other names: FUB-AMB); |
| 4 | (21) | (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3- |
| 5 | | carboxamido)-3-methylbutanoate, and geometric isomers, |
| .6 | | salts, and salts of isomers (Other names: 5-fluoro- |
| 7 | | AMB, 5-fluoro-AMP); |
| 8 | (22) | N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H- |
| 9 | | indazole-3-carboxamide, and geometric isomers, salts, |
| 10 | | and salts of isomers (Other names: AKB48 N-(5- |
| 11 | | fluoropentyl) analog, 5F-AKB48, APINACA 5-fluoropentyl |
| 12 | | analog, 5F-APINACA); |
| 13 | (23) | N-adamantyl-1-fluoropentylindole-3-Carboxamide, and |
| 14 | | geometric isomers, salts, and salts of isomers (Other |
| 15 | | names: STS-135, 5F-APICA; 5-fluoro-APICA); |
| 16 | (24) | Naphthalen-1-yl 1-(5-fluoropentyl)-1H-indole-3- |
| 17 | | carboxylate, and geometric isomers, salts, and salts |
| 18 | | of isomers (Other names: NM2201); |
| 19 | (25) | N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1- |
| 20 | | (cyclohexylmethyl)-1H-indazole-3-carboxamide, and |



| 1 | | geometric isomers, salts, and salts of isomers (Other |
|----|------------------|---|
| 2 | | names: MAB-CHMINACA and ADB-CHMINACA); |
| 3 | (26) | Methyl 2-[1-(5-fluoropentyl)-1H-indazole-3- |
| 4 | | carboxamido]-3,3-dimethylbutanoate (Other names: 5F- |
| 5 | | ADB, 5-flouro-ADB, and 5F-MDMB-PINACA), its optical, |
| 6 | | positional, and geometric isomers, salts, and salts of |
| 7 | | isomers; and |
| 8 | (27) | l-(4-cyanobutyl)-N-(2-phenylpropan-2-yl)indazole-3- |
| 9 | | carboxamide (CUMYL-4CN-BINACA), its optical, |
| 10 | | positional, and geometric isomers, salts, and salts of |
| 11 | | isomers; also known as SGT-78, 4-CN-CUMYL-BINACA; |
| 12 | | CUMYL-CB-PINACA; CUMYL-CYBINACA; 4-cyano CUMYL- |
| 13 | | BUTINACA." |
| 14 | SECT | ION 5. Section 712-1240, Hawaii Revised Statutes, is |
| 15 | amended a | s follows: |
| 16 | 1. | By adding a new definition to be appropriately inserted |
| 17 | and to re | ad: |
| 18 | " <u>"</u> He | mp" means all parts of the plant (genus) cannabis, |
| 19 | whether g | rowing or not, including the seeds thereof and all |
| 20 | <u>derivativ</u> | es, extracts, cannabinoids, isomers, acids, salts, and |
| 21 | salts of | isomers, with a delta-9-tetrahydrocannabinol |



| 1 | concentration of not more than 0.3 per cent on a dry weight | | |
|----|--|------------|--|
| 2 | basis, as measured post-decarboxylation or other similarly | | |
| 3 | reliable methods." | | |
| 4 | 2. By amending the definition of "marijuana" to | read: | |
| 5 | ""Marijuana" means any part of the plant (genus) | cannabis, | |
| 6 | whether growing or not, including the seeds and the re | sin, and | |
| 7 | every alkaloid, salt, derivative, preparation, compoun | ld, or | |
| 8 | mixture of the plant, its seeds or resin, except that, | as used | |
| 9 | herein, "marijuana" does not include <u>:</u> | | |
| 10 | (1) [hashish,] <u>Hashish,</u> tetrahydrocannabinol, an | ld any | |
| 11 | alkaloid, salt, derivative, preparation, com | pound, or | |
| 12 | mixture, whether natural or synthesized, of | | |
| 13 | tetrahydrocannabinol [-]; | | |
| 14 | (2) Hemp that is in the possession, custody, or | control of | |
| 15 | a person or entity that holds a license issu | led by the | |
| 16 | Hawaii department of agriculture permitting | that | |
| 17 | person or entity to produce hemp; | | |
| 18 | (3) Hemp that is in the possession, custody, or | control of | |
| 19 | a person or entity that is authorized under | state law | |
| 20 | to process hemp; or | | |

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| 1 | (4) A product containing or derived from hemp, including |
|----|---|
| 2 | any product containing one or more hemp-derived |
| 3 | cannabinoids such as cannabidiol, that; |
| 4 | (A) Does not include any living hemp plants, viable |
| 5 | seeds, leaf materials, or floral materials; and |
| 6 | (B) Has a delta-9-tetrahydrocannabinol concentration |
| 7 | of not more than 0.3 per cent, as measured post- |
| 8 | decarboxylation or other similarly reliable |
| 9 | methods." |
| 10 | 3. By amending the definition of "marijuana concentrate" |
| 11 | co read: |
| 12 | ""Marijuana concentrate" means hashish, |
| 13 | etrahydrocannabinol, or any alkaloid, salt, derivative, |
| 14 | preparation, compound, or mixture, whether natural or |
| 15 | synthesized, of tetrahydrocannabinol[-], except that, as used |
| 16 | nerein, "marijuana concentrate" does not include: |
| 17 | (1) Hemp that is in the possession, custody, or control of |
| 18 | a person or entity that is authorized under state law |
| 19 | to process hemp; or |



| 1 | <u>(2)</u> A pr | oduct containing or derived from hemp, including |
|----|---------------------------|--|
| 2 | any | product containing one or more hemp-derived |
| 3 | cann | abinoids such as cannabidiol, that; |
| 4 | <u>(A)</u> | Does not include any living hemp plants, viable |
| 5 | | seeds, leaf materials, or floral materials; and |
| 6 | <u>(B)</u> | Has a delta-9-tetrahydrocannabinol concentration |
| 7 | | of not more than 0.3 per cent, as measured post- |
| 8 | | decarboxylation or other similarly reliable |
| 9 | | methods." |
| 10 | SECTION 6 | . Section 141-41, Hawaii Revised Statutes, is |
| 11 | repealed. | |
| 12 | [" [§141-4 | 1] Industrial hemp special fund; established. |
| 13 | (a) There is | created in the state treasury a special fund to be |
| 14 | designated as | the industrial hemp special fund to be |
| 15 | administered k | y the department of agriculture. Moneys deposited |
| 16 | in this specia | l fund shall be used to fulfill the purposes of |
| 17 | this part and | shall include: |
| 18 | (1) Any | moneys appropriated by the legislature to the |
| 19 | apec | tial fund; |
| 20 | (2) Any | fees collected by the department of agriculture in |
| 21 | rela | tion to the industrial hemp pilot program; and |

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| 1 | (3) The interest or return on investments earned from |
|----|---|
| 2 | moneys in the special fund. |
| 3 | (b) The department of agriculture may use the moneys in |
| 4 | the special fund to carry out the purposes of this part, |
| 5 | including hiring employees, specialists, and consultants |
| 6 | necessary to complete projects related to the purposes of this |
| 7 | <pre>part."]</pre> |
| 8 | SECTION 7. Act 228, Session Laws of Hawaii 2016, is |
| 9 | amended by amending section 8 to read as follows: |
| 10 | "SECTION 8. This Act shall take effect on July 1, 2016, |
| 11 | and shall be repealed on [June 30, 2021.] October 31, 2020." |
| 12 | SECTION 8. (a) The chairperson of the board of |
| 13 | agriculture, in consultation with the governor and attorney |
| 14 | general, shall prepare and submit a proposed state plan to |
| 15 | monitor and regulate hemp production in the State pursuant to |
| 16 | section 297B of the Agricultural Marketing Act of 1946, as |
| 17 | amended, and title 7 Code of Federal Regulations part 990, |
| 18 | subpart B, to the Secretary of the United States Department of |
| 19 | Agriculture within thirty days after the effective date of this |
| 20 | Act. The chairperson shall also submit a copy of the proposed |

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state plan to the president of the senate and speaker of the
 house of representatives.

3 (b) The chairperson of the board of agriculture shall
4 submit reports on a monthly basis to the governor, president of
5 the senate, and speaker of the house of representatives
6 concerning the status of the pending approval of the state plan
7 by the Secretary of the United States Department of Agriculture
8 until the state plan is approved.

9 (c) If the Secretary of the United States Department of
10 Agriculture approves the state plan, the department shall take
11 steps to implement the state plan.

(d) The chairperson of the board of agriculture shall submit a report on the implementation of the state plan to the legislature no later than twenty days prior to the convening of the regular session of 2021. The report shall include any proposed legislation to facilitate the monitoring and regulation of hemp production in the State.

18 SECTION 9. There is appropriated out of the general 19 revenues of the State of Hawaii the sum of \$522,000 or so much 20 thereof as may be necessary for fiscal year 2020-2021, and the

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| 1 | same sum | or so much as may be necessary for the following fiscal |
|----|--|---|
| 2 | year to b | e allocated as follows: |
| 3 | (1) | \$92,000 for the establishment of one full-time |
| 4 | | equivalent (1.0 FTE) program manager position; |
| 5 | (2) | \$147,000 for the establishment of three full-time |
| 6 | | equivalent (3.0 FTE) general professional positions; |
| 7 | (3) | \$33,000 for the establishment of one full-time |
| 8 | | equivalent (1.0 FTE) office assistant position; |
| 9 | (4) | \$100,000 for the procurement and establishment of a |
| 10 | | data tracking system for the hemp production program; |
| 11 | | and |
| 12 | (5) | \$150,000 for the administrative costs of the program. |
| 13 | Unless ot | herwise specified, the sum appropriated shall be |
| 14 | expended | by the department of agriculture for the purposes of |
| 15 | this Act. | |
| 16 | SECT | ION 10. Upon the repeal of the industrial hemp pilot |
| 17 | program pursuant to Act 228, Session Laws of Hawaii 2016, all | |
| 18 | unencumbered funds remaining in the industrial hemp special fund | |
| 19 | established pursuant to section 141-41, Hawaii Revised Statutes, | |

20 shall be deposited into the hemp regulatory special fund.

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SECTION 11. In codifying the new sections added by section 1 2 2 of this Act, the revisor of statutes shall substitute 3 appropriate section numbers for the letters used in designating the new sections in this Act. 4 5 SECTION 12. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that 6 were begun before its effective date. 7 SECTION 13. Statutory material to be repealed is bracketed 8 9 and stricken. New statutory material is underscored. SECTION 14. This Act shall take effect on July 1, 2020; 10 11 provided that section 6 shall take effect on October 31, 2020.





Report Title:

Hemp; Agriculture; State Plan; Research; Appropriations

Description:

Requires the State to seek approval from the federal Department of Agriculture of a state plan to monitor and regulate hemp. Establishes a statutory framework to monitor and regulate hemp. Establishes and appropriates funds for the hemp regulatory special fund. Legalizes the production of hemp and hemp products with a license. Appropriates funds to DOA for monitoring and regulating hemp production. Takes effect on 7/1/2020. (Proposed SD1)

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

