

JAN 27 2021

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**A BILL FOR AN ACT**

RELATING TO HEMP.

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

1           SECTION 1. The purpose of this Act is to amend section  
2 141-14, Hawaii Revised Statutes, to allow the industrial hemp  
3 special fund to be utilized for the department of agriculture's  
4 responsibilities regarding hemp created by Act 14, Session Laws  
5 of Hawaii 2020.

6           Act 14 established a registry for hemp processors within  
7 the department of health, created a hemp processor special fund  
8 within the department of health, and authorized the department  
9 of health to collect fees and fines for the program. Act 14  
10 also tasked the department of agriculture with monitoring the  
11 transportation of hemp within the state and enforcing certain  
12 state restrictions regarding the growth of hemp within the state  
13 but did not establish a special fund within the department of  
14 agriculture to perform these duties. Amending the industrial  
15 hemp special fund will allow the department of agriculture to  
16 use the existing special fund to perform the new regulatory  
17 duties relating to hemp.

1 SECTION 2. Section 141-14, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[+]§141-14[+] ~~Industrial hemp~~ Hemp special fund;  
4 **established.** (a) There is created in the state treasury a  
5 special fund to be designated as the [~~industrial~~] hemp special  
6 fund to be administered by the department of agriculture.  
7 Moneys deposited in this special fund shall be used to fulfill  
8 the purposes of [~~this~~] part III and shall include:

- 9 (1) Any moneys appropriated by the legislature to the  
10 special fund;
- 11 (2) [~~Any fees collected by the department of agriculture~~  
12 ~~in relation to the industrial hemp pilot program; and~~  
13 All revenues from the operations of part III including  
14 all fees and fines;
- 15 (3) The interest or return on investments earned from  
16 moneys in the special fund[~~-~~]; and
- 17 (4) Grants and gifts made to the special fund.

18 (b) The department of agriculture may use the moneys in  
19 the special fund to carry out the purposes of [~~this~~] part III,  
20 including hiring employees, specialists, and consultants  
21 necessary to complete projects related to the purposes of that  
22 part."

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1 SECTION 3. There is appropriated out of the hemp special  
 2 fund the sum of \$\_\_\_\_\_ or so much thereof as may be  
 3 necessary for fiscal year 2021-2022 to be used for the purposes  
 4 of this Act. The sum appropriated shall be expended by the  
 5 department of agriculture.

6 SECTION 4. Statutory material to be repealed is bracketed  
 7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act, upon its approval, shall take effect  
 9 on July 1, 2021.

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INTRODUCED BY: *Paul D. ...*  
 BY REQUEST

**Report Title:**

Hemp Special Fund

**Description:**

Amends section 141-14 to allow the industrial hemp special fund to be utilized for the department of agriculture's responsibilities regarding hemp.

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

JUSTIFICATION SHEET

DEPARTMENT: Agriculture

TITLE: A BILL FOR AN ACT RELATING TO HEMP.

PURPOSE: To amend the industrial hemp special fund to be used for the department of agriculture's responsibilities regarding hemp.

MEANS: Amend section 141-14, Hawaii Revised Statutes.

JUSTIFICATION: Act 14, Session Laws of Hawaii 2020 repealed the Department of Agriculture's industrial hemp pilot program and replaced it with distinct duties for both the Department of Health and the Department of Agriculture to regulate hemp in the state.

A registry for hemp processors was created within the Department of Health, and the Hawaii hemp processing special fund was established to fund the administration of the registry.

The Department of Agriculture was tasked with monitoring the transportation of hemp within the State and enforcing restrictions regarding the growth of hemp within the State. However, there is currently no special fund the department of agriculture can use for those purposes. Amending the industrial hemp special fund will allow the Department of Agriculture to use the existing special fund to perform its new regulatory duties relating to hemp.

Impact on the public: None.

Impact on the department and other agencies:  
Allows the department to utilize hemp pilot program funds for hemp regulation; and allows fines and fees collected by hemp

enforcement to fund the department's hemp regulatory duties.

GENERAL FUND: None.

OTHER FUNDS: Industrial hemp special fund.

PPBS PROGRAM  
DESIGNATION: AGR 151.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: July 1, 2021.