
A BILL FOR AN ACT

RELATING TO HEMP.

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

1 SECTION 1. The legislature finds that hemp is a high-value
2 crop that has the potential to bring significant and diverse
3 revenues to Hawaii. Hemp has over fifty thousand recognized
4 uses including as a fuel; a food, including the seeds, oil,
5 juice from leaves, and herbal tinctures; and fiber used in
6 supercapacitors, cloth, building materials, and bioplastic.
7 Hemp has significant potential to be a lucrative crop for Hawaii
8 farmers and support food security for the State. Many Hawaii
9 farms subsidize food production with non-farming income or jobs.
10 Hemp could provide farm-based income for farmers to expand or
11 stabilize their food production.

12 The legislature further finds, however, that Hawaii's hemp
13 industry remains in a nascent stage largely due to
14 overregulation, which has stifled the State's hemp industry.
15 The Hawaii hemp cannabinoid and cannabidiol market is
16 approximated to be \$32,000,000 to \$54,000,000 annually, but most
17 of that money goes to hemp producers outside the State due to



1 prohibitions banning Hawaii farmers from making and selling
2 these products in the State. Moreover, overregulation of
3 production and processing has driven many hemp farmers out of
4 business in the State, which makes Hawaii farmers non-
5 competitive in the hemp market.

6 The legislature also finds that most Hawaii hemp producers
7 cannot afford the tolling fees that often total fifty per cent
8 or more of the crop. Prior to 2021, when hemp processing rules
9 were adopted, licensed hemp producers processed small batches of
10 hemp on their farms with no adverse consequences. Allowances
11 for licensed Hawaii hemp producers to process and manufacture
12 hemp products on their farms are needed for those producers to
13 survive in a competitive hemp market.

14 The legislature further finds that transparency in hemp
15 product labeling is also needed. Given the number of "Buy
16 Local", "Buy Aloha", and "Eat Local" campaigns that have been
17 launched, Hawaii residents, when given the opportunity and
18 transparent data, will often choose Hawaii grown products.

19 The legislature further finds that the Agriculture
20 Improvement Act of 2018, informally known as the 2018 Farm Bill,
21 legalized hemp by removing hemp from the definition of



1 "marihuana" contained in the federal Controlled Substances Act.
2 Therefore, hemp is no longer classified as an illegal drug under
3 federal law. In October 2019, the United States Department of
4 Agriculture established new regulations through which states may
5 monitor and regulate hemp production. In light of these federal
6 reforms, state laws regarding hemp should also be reformed.

7 Accordingly, the purpose of this Act is to:

- 8 (1) Relax certain regulations of commercial hemp
9 cultivation and exportation;
10 (2) Allow licensed hemp producers to sell hemp biomass
11 directly to consumers via online platforms;
12 (3) Require the identity statement used for labeling or
13 advertising any hemp product to identify the
14 percentage of Hawaii grown or processed hemp products
15 in all hemp products and, if those products are not
16 from Hawaii, the origin of any hemp product; and
17 (4) Extend the sunset date of Act 14, Session Laws of
18 Hawaii 2020, which establishes the state hemp
19 processors and commercial hemp production laws.

20 SECTION 2. Section 141-42, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "[~~f~~]~~\$141-42~~[~~f~~] **Commercial hemp production.** (a) It shall
2 be legal for an individual or entity to produce hemp, as defined
3 in title 7 United States Code section 1639o, if that individual
4 or entity has a license to produce hemp, issued by the Secretary
5 of the United States Department of Agriculture pursuant to title
6 7 United States Code section 1639q; provided that:

7 (1) Any person convicted of a felony related to a
8 controlled substance under state or federal law is
9 prohibited from producing hemp, or being a key
10 participant in an entity producing hemp, for a period
11 of ten years following the date of conviction;

12 (2) Hemp shall not be grown outside of a state
13 agricultural district;

14 (3) Hemp shall not be grown within [~~500~~] five hundred feet
15 of pre-existing real property comprising a playground,
16 childcare facility, or school; provided that this
17 restriction shall not apply to an individual or entity
18 licensed to grow hemp in those areas under the [~~State~~]
19 state industrial hemp pilot program [~~prior to~~] before
20 August 27, 2020;



1 (4) Hemp shall not be grown within [500] one hundred feet
2 of any pre-existing house, dwelling unit, residential
3 apartment, or other residential structure that is not
4 owned or controlled by the license holder; provided
5 that this restriction shall not apply to an individual
6 or entity licensed to grow hemp in those areas under
7 the [State] state industrial hemp pilot program [~~prior~~
8 ~~to~~] before August 27, 2020; and

9 (5) Hemp shall not be grown in any house, dwelling unit,
10 residential apartment, or other residential
11 structure[~~-~~], unless that structure is part of a
12 United States Department of Agriculture area.

13 (b) An individual or entity licensed to produce hemp
14 pursuant to [~~paragraph~~] subsection (a) may transport hemp within
15 the State to a facility authorized by law to process hemp or to
16 another licensed producer's grow area[~~-~~]; provided that:

17 (1) The hemp to be transported has passed all compliance
18 testing required by the United States Department of
19 Agriculture; and

20 (2) The transportation has been authorized by the
21 department[~~-~~] of agriculture. The department of



1 agriculture may require movement reports, inspections,
2 sampling, and testing of the hemp to be transported
3 and may deny authorization if the hemp is found to not
4 comply with any law or regulation. A copy of the
5 Hawaii United States Department of Agriculture hemp
6 license and lab report shall accompany the shipment.

7 ~~[(c) An individual or entity licensed to produce hemp~~
8 ~~pursuant to paragraph (a) may export hemp; provided that:~~

9 ~~(1) The hemp to be exported has passed all compliance~~
10 ~~testing required by the United States Department of~~
11 ~~Agriculture; and~~

12 ~~(2) The licensed producer complies with all laws relating~~
13 ~~to the exportation of hemp, including state and~~
14 ~~federal laws and the laws of the state or country of~~
15 ~~import.~~

16 ~~(d)]~~ (c) Any individual or entity who violates this
17 section or any rule adopted pursuant to this section shall be
18 fined ~~[not]~~ no more than \$10,000 for each separate offense. Any
19 notice of violation of this section may be accompanied by a
20 cease and desist order, the violation of which ~~[constitutes]~~
21 shall constitute a further violation of this section. Any



1 action taken to collect the penalty provided for in this
2 subsection shall be considered a civil action.

3 ~~[(e)]~~ (d) For any judicial proceeding to recover an
4 administrative penalty imposed by order or to enforce a cease
5 and desist order against [a] an unlicensed hemp producer, the
6 department may petition any court of appropriate jurisdiction
7 and need only show that:

8 (1) Notice was given;

9 (2) A hearing was held or the time granted for requesting
10 a hearing has expired without such a request;

11 (3) The administrative penalty was imposed on the
12 individual or entity producing hemp; and

13 (4) The penalty remains unpaid or the individual or entity
14 continues to produce hemp.

15 (e) An individual or entity licensed to produce hemp in
16 Hawaii by the United States Department of Agriculture may sell
17 hemp biomass directly to consumers via online platforms.

18 (f) In addition to all other labeling requirements, the
19 identity statement used for labeling or advertising any hemp
20 product shall identify the percentage of Hawaii grown or
21 processed hemp product in all hemp products; provided that any



1 hemp product not grown or processed in Hawaii shall identify the
2 origin of the hemp product.

3 (g) Hemp producers licensed by the United States
4 Department of Agriculture to grow hemp shall follow all
5 inspection and sampling rules and protocols established by the
6 United States Department of Agriculture."

7 SECTION 3. Act 14, Session Laws of Hawaii 2020, is amended
8 by amending section 9 to read as follows:

9 "SECTION 9. This Act shall take effect upon its approval,
10 and shall be repealed on [~~June 30, 2022;~~] July 1, 2027; provided
11 that the definition of "marijuana" in section 329-1, Hawaii
12 Revised Statutes, and the definitions of "marijuana" and
13 "marijuana [~~Concentrate~~]" concentrate in section 712-1240,
14 Hawaii Revised Statutes, shall be reenacted in the form in which
15 they read on the day prior to the effective date of this Act."

16 SECTION 4. This Act does not affect rights and duties that
17 matured, penalties that were incurred, and proceedings that were
18 begun before its effective date.

19 SECTION 5. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 6. This Act shall take effect on January 1, 2050;
2 provided that section 141-42, Hawaii Revised Statutes, shall be
3 repealed on July 1, 2027, pursuant to Act 14, Session Laws of
4 Hawaii 2020, as amended by section 3 of this Act.



Report Title:

Hemp Producers; Commercial Hemp Production; Cultivation;
Exportation; Licensing; Labeling

Description:

Relaxes certain regulations of commercial hemp cultivation and exportation. Allows licensed hemp producers to sell hemp biomass directly to consumers via online platforms. Requires the identity statement used for labeling or advertising any hemp product to identify the percentage of Hawaii grown or processed hemp products in all hemp products and, if those products are not from Hawaii, the origin of any hemp product. Extends the sunset date of Act 14, Session Laws of Hawaii 2020, which establishes the state hemp processors and commercial hemp production laws. Effective 1/1/2050. (HD2)

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

