
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, be a lucrative crop for Hawaii farmers, and
4 support food security for the State. Hemp has over fifty
5 thousand recognized uses including as fuel; food, including the
6 seeds, oil, juice from leaves, and herbal tinctures; and fiber
7 used in supercapacitors, cloth, building materials, and
8 bioplastic. Many Hawaii farms subsidize food production with
9 non-farming income or jobs. Hemp could provide farm-based
10 income for farmers to expand or stabilize their food production.

11 The legislature further finds that the Hawaii hemp
12 cannabinoid and cannabidiol market is approximated to be
13 \$32,000,000 to \$54,000,000 annually, but most of that money
14 flows to out-of-state hemp farmers and businesses due in part to
15 Hawaii residents not being able to differentiate between Hawaii-
16 branded products made with imported hemp and products made with
17 Hawaii-grown hemp. Given the number of "Buy Local", "Buy



1 Aloha", and "Eat Local" campaigns that have been launched,
2 Hawaii residents, when given the opportunity and transparent
3 data, will often choose Hawaii-grown products. The legislature
4 recognizes that Hawaii residents and consumers deserve
5 transparency in hemp product labeling.

6 Furthermore, the legislature finds that Hawaii hemp farmers
7 have the highest costs of production among United States hemp
8 farmers. Hawaii-branded products often garner more in the
9 marketplace, and labeling hemp as Hawaii-grown is one of the few
10 ways for Hawaii hemp farmers to remain competitive in addition
11 to creating a more circular economy that benefits Hawaii
12 residents. Origin labeling helps protect the quality and
13 authenticity of Hawaii's hemp industry, supports the recognition
14 of Hawaii farmers' hard work, and ensures that Hawaii-grown hemp
15 is accurately represented in the marketplace while supporting a
16 consumer's right to transparency.

17 Accordingly, the purpose of this Act is to require a
18 producer of any hemp product to include in the identity
19 statement used for labeling or advertising any hemp product:

- 20 (1) The percentage of Hawaii-grown hemp in the hemp
21 product; and



1 (2) For any hemp product not from Hawaii, the origin of
2 the hemp and percentage of the hemp from the origin.

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

5 "[+]§141-42[+] **Commercial hemp production.** (a) It shall
6 be legal for an individual or entity to produce hemp, as defined
7 in title 7 United States Code section 1639o, if that individual
8 or entity has a license to produce hemp[7] issued by the
9 Secretary of the United States Department of Agriculture
10 pursuant to title 7 United States Code section 1639q; provided
11 that:

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

17 (2) Hemp shall not be grown outside of a state
18 agricultural district;

19 (3) Hemp shall not be grown within [~~500~~] five hundred feet
20 of pre-existing real property comprising a playground,
21 childcare facility, or school; provided that this



1 restriction shall not apply to an individual or entity
2 licensed to grow hemp in those areas under the State
3 industrial hemp pilot program prior to August 27,
4 2020;

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

13 (5) Hemp shall not be grown in any house, dwelling unit,
14 residential apartment, or other residential structure.

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

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



1 (2) The transportation has been authorized by the
2 department. The department may require movement
3 reports, inspections, sampling, and testing of the
4 hemp to be transported and may deny authorization if
5 the hemp is found to not comply with any law or
6 regulation.

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

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

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

17 (d) In addition to all other labeling requirements, the
18 identity statement used for labeling or advertising hemp
19 products shall identify the percentage of Hawaii-grown hemp in
20 hemp products; provided that any hemp product containing hemp
21 not grown or processed in Hawaii shall identify the origin and



1 percentage of the hemp from outside Hawaii in the hemp product;
2 provided further that if the hemp product contains hemp from
3 multiple origins, the hemp product shall identify the percentage
4 of hemp originating from the United States with an origin of
5 "United States" or the percentage of hemp originating from
6 outside the United States with an origin of "Foreign".

7 ~~[(d)]~~ (e) Any individual or entity who violates this
8 section or any rule adopted pursuant to this section shall be
9 fined not more than \$10,000 for each separate offense. Any
10 notice of violation of this section may be accompanied by a
11 cease and desist order, the violation of which constitutes a
12 further violation of this section. Any action taken to collect
13 the penalty provided for in this subsection shall be considered
14 a civil action.

15 ~~[(e)]~~ (f) For any judicial proceeding to recover an
16 administrative penalty imposed by order or to enforce a cease
17 and desist order against a hemp producer, the department may
18 petition any court of appropriate jurisdiction and need only
19 show that:

20 (1) Notice was given;



1 (2) A hearing was held or the time granted for requesting
2 a hearing has expired without [~~such~~] a request;

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

5 (4) The penalty remains unpaid or the individual or entity
6 continues to produce hemp."

7 SECTION 3. Section 328G-3, Hawaii Revised Statutes, is
8 amended by amending subsection (j) to read as follows:

9 "(j) No person shall sell, hold, offer or distribute for
10 sale, hemp products without a label, in a form prescribed by the
11 department, affixed to the packaging that identifies the hemp
12 product as having been tested pursuant to department rules[~~-~~]
13 and clearly identifies the percentage of Hawaii-grown hemp in
14 hemp products in a font size large enough for consumers to
15 easily read on the label on the physical product; provided that
16 any hemp product not grown in Hawaii shall identify the origin
17 and percentage of the hemp from outside Hawaii in the hemp
18 product; provided further that if the hemp product contains hemp
19 from multiple origins, the hemp product shall identify the
20 percentage of hemp originating in the United States with an



1 origin of "United States" or the percentage of hemp originating
2 outside the United States with an origin of "Foreign"."

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

5 SECTION 5. This Act shall take effect on June 30, 3000.

6



Report Title:

Hemp Producers; Commercial Hemp Production; Labeling

Description:

Requires that the identity statement used for labeling or advertising hemp products identify the percentage of Hawaii-grown hemp and hemp of other origins contained in hemp products. Effective 6/30/3000. (HD1)

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