
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
18 Aloha", and "Eat Local" campaigns that have been launched,



1 Hawaii residents, when given the opportunity and transparent
2 data, will often choose Hawaii-grown products. The legislature
3 recognizes that Hawaii residents and consumers deserve
4 transparency in hemp product labeling.

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

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

19 (1) The percentage of Hawaii-grown and Hawaii-processed
20 hemp in the hemp 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 "[~~f~~]§141-42[~~f~~] 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 United
9 States Secretary of [~~the United States Department of~~]
10 Agriculture pursuant to title 7 United States Code section
11 1639q; provided that:

12 (1) Any person convicted of a felony related to a
13 controlled substance under [~~state or~~] federal or state
14 law is 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~~] an
18 agricultural district[~~7~~] classified pursuant to
19 chapter 205;

20 (3) Hemp shall not be grown within [~~500~~] five hundred feet
21 of pre-existing real property comprising a playground,



1 ~~[childcare]~~ child care facility, or school; provided
2 that this restriction shall not apply to an individual
3 or entity licensed to grow hemp in those areas under
4 the State industrial hemp pilot program ~~[prior to]~~
5 before August 27, 2020;

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

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

16 (b) An individual or entity licensed to produce hemp
17 pursuant to ~~[paragraph]~~ subsection (a) may transport hemp within
18 the State to a facility authorized by law to process hemp or to
19 another licensed producer's grow area~~[7]~~; provided that:



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

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

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

13 (1) The hemp to be exported has passed all compliance
14 testing required by the United States Department of
15 Agriculture; and

16 (2) The licensed producer complies with all laws relating
17 to the exportation of hemp, including [~~state and~~]
18 federal and state laws and the laws of the [~~state or~~]
19 country or state of import.

20 (d) In addition to all other labeling requirements, the
21 identity statement used for labeling or advertising hemp



1 products shall identify the percentage of Hawaii-grown and
2 Hawaii-processed hemp in hemp products; provided that any hemp
3 product containing hemp not grown and processed in the State
4 shall identify the country or state of origin and percentage of
5 the hemp grown or processed outside of the State in the hemp
6 product; provided further that if the hemp product contains hemp
7 from multiple origins, the hemp product shall identify the
8 percentage of hemp originating from the United States with an
9 origin of "United States" or the percentage of hemp originating
10 from outside the United States with an origin of "Foreign". For
11 a hemp product in which one hundred per cent of the hemp is
12 grown and processed in the State, the identity statement for
13 labeling or advertising may contain the term "All Hawaiian".

14 ~~(d)~~ (e) Any individual or entity who violates this
15 section or any rule adopted pursuant to this section shall be
16 fined ~~not~~ no more than \$10,000 for each separate offense. Any
17 notice of violation of this section may be accompanied by a
18 cease and desist order, the violation of which constitutes a
19 further violation of this section. Any action taken to collect
20 the penalty provided for in this subsection shall be considered
21 a civil action.



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

- 6 (1) Notice was given;
- 7 (2) A hearing was held or the time granted for requesting
8 a hearing has expired without [~~sueh~~] a request;
- 9 (3) The administrative penalty was imposed on the
10 individual or entity producing hemp; and
- 11 (4) The penalty remains unpaid or the individual or entity
12 continues to produce hemp."

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

15 "(j) No person shall sell, hold, offer, or distribute for
16 sale, hemp products without a label, in a form prescribed by the
17 department, affixed to the packaging that identifies the hemp
18 product as having been tested pursuant to department rules[-]
19 and clearly identifies the percentage of Hawaii-grown and
20 Hawaii-processed hemp in hemp products in a font size large
21 enough for consumers to easily read on the label on the physical



1 product; provided that any hemp product not grown and processed
2 in the State shall identify the country or state of origin and
3 percentage of the hemp grown or processed from outside of the
4 State in the hemp product; provided further that if the hemp
5 product contains hemp from multiple origins, the hemp product
6 shall identify the percentage of hemp originating in the United
7 States with an origin of "United States" or the percentage of
8 hemp originating outside the United States with an origin of
9 "Foreign". For a hemp product in which one hundred per cent of
10 the hemp is grown and processed in the State, the label may
11 contain the term "All Hawaiian"."

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

14 SECTION 5. This Act shall take effect upon its approval.



Report Title:

Hemp Producers; Commercial Hemp Production; Labeling;
Advertising; Hawaii-Grown Hemp; Hawaii-Processed Hemp

Description:

Requires that the identity statement used for labeling or advertising hemp products identify the percentage of Hawaii-grown and Hawaii-processed hemp and hemp of other origins contained in hemp products. Allows the use of the term "All Hawaiian" for hemp products in which one hundred per cent of the hemp is grown and processed in the State. (CD1)

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