
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, which includes use as a fuel; a food, including the seeds,
5 oil, juice from leaves, and herbal tinctures; and fiber used in
6 supercapacitors, cloth, building materials, and bioplastic.
7 Many Hawaii farms subsidize food production with non-farming
8 income or jobs. Hemp could provide farm-based income for
9 farmers to expand or stabilize their food production.

10 The legislature further finds that Hawaii's hemp industry
11 remains in a nascent stage largely due to overregulation, which
12 has stifled the State's hemp industry. The Hawaii hemp
13 cannabinoid and cannabidiol market is estimated to be
14 \$32,000,000 to \$54,000,000 annually, but most of that revenue
15 flows to hemp farmers and businesses outside the State due to
16 Hawaii residents not being able to differentiate between Hawaii-
17 branded products made with imported hemp and products made with
18 Hawaii-grown hemp as well as prohibitions banning Hawaii farmers



1 from making and selling these products in the State. Moreover,
2 overregulation of production and processing has driven many hemp
3 farmers in the State out of business, which further decreases
4 Hawaii farmers' comparative advantage in the national hemp
5 market.

6 The legislature also finds that most Hawaii hemp producers
7 cannot afford the tolling fees for processing that often total
8 fifty per cent or more of the crop. Prior to 2021, when hemp
9 processing rules were adopted, Hawaii-licensed hemp producers
10 processed small batches of hemp on their farms in agricultural
11 buildings and structures that met the State's definition of
12 agricultural buildings and structures pursuant to section 46-88,
13 Hawaii Revised Statutes, with no adverse consequences. Hemp
14 processing rules adopted in 2021 unintentionally eliminated
15 farmers' right to process hemp on their farms in state-defined
16 agricultural buildings that are exempt from building permit and
17 code requirements where the buildings and structures are not
18 more than one thousand square feet in floor area, such as
19 properly anchored shipping containers, one-story masonry or
20 wood-framed buildings, or structures with a structural span of
21 less than twenty-five feet. These types of buildings and



1 structures are regularly used to store and process other crops
2 with no restrictions. Additionally, the legislature notes that
3 hemp farmers should be allowed to process in food hubs and
4 agricultural parks.

5 The purpose of this Act is to require persons applying to
6 register as hemp processors to include with their application
7 form documentation that the indoor facility and planned hemp
8 processing operation:

9 (1) Does not include heat or volatile compounds or gases
10 under pressure, such as cold-water extraction; and

11 (2) Is exempt from certain building permit and building
12 code requirements or is in a food hub or agricultural
13 park.

14 SECTION 2. Section 328G-2, Hawaii Revised Statutes, is
15 amended by amending subsection (d) to read as follows:

16 "(d) The applicant shall provide, at a minimum, the
17 following information:

18 (1) The applicant's name, mailing address, and phone
19 number in [~~Hawaii,~~] the State;

20 (2) The legal description of the land on which the hemp is
21 to be processed or stored;



- 1 (3) A description of the enclosed indoor facility where
2 hemp processing will occur;
- 3 (4) Documentation that the indoor facility and planned
4 hemp processing operation complies with all zoning
5 ordinances, building codes, and fire codes; or
6 documentation that the processing does not include
7 heat or volatile compounds or gases under pressure,
8 such as cold water extraction and is in an enclosed
9 indoor facility that is exempt from building permit
10 and building code requirements pursuant to section 46-
11 88; or documentation that the planned hemp processing
12 operation is in an enclosed indoor facility in a food
13 hub as described in section 205-2 or an agricultural
14 park;
- 15 (5) Documentation showing that the applicant has obtained
16 a license to produce hemp, issued by the United States
17 Secretary of [~~the United States Department of~~]
18 Agriculture pursuant to title 7 United States Code
19 section 1639q; and
- 20 (6) Any other information required by the department."



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

3 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Commercial Hemp Processing; Structures and Buildings;
Registration Applications

Description:

Requires persons applying to register as hemp processors to include with their application form documentation that the processing does not include heat or volatile compounds or gases under pressure, such as cold-water extraction and is exempt from certain building permit and building code requirements, or documentation that the planned hemp processing operation is in a food hub or agricultural park. (CD1)

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

