
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



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

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



1 less than twenty-five feet. These types of buildings and
2 structures are regularly used to store and process other crops
3 with no restrictions. Additionally, the legislature notes that
4 hemp farmers should be allowed to process in food hubs and
5 agricultural parks. Hemp processing rules must be amended to
6 allow farmers to process in agricultural buildings and
7 structures, food hubs, and agricultural parks, like most other
8 crops, and survive in a competitive national hemp market.

9 The purpose of this Act is to require persons applying to
10 register as hemp processors to include with their application
11 form documentation that the indoor facility and planned hemp
12 processing operation:

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

15 (2) Is exempt from building permit and building code
16 requirements pursuant to section 46-88, Hawaii Revised
17 Statutes, or is in a food hub or agricultural park.

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

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



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

21 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on June 30, 3000.



Report Title:

Commercial Hemp Processing; Structures and Buildings

Description:

Requires persons applying to register as hemp processors to include with their application form documentation that the indoor facility and planned hemp processing operation does not include heat or volatile compounds or gases under pressure, such as cold-water extraction, and is exempt from building permit and building code requirements pursuant to section 46-88, Hawaii Revised Statutes, or is in a food hub or agricultural park. Effective 6/30/3000. (HD1)

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