

STAND. COM. REP. NO.

1887

Honolulu, Hawaii

, 2023

APR 03

RE: S.B. No. 637

S.D. 1

H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 637, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEMP,"

begs leave to report as follows:

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

- (1) Does not include heat or volatile compounds or gases under pressure, such as cold-water extraction; and
- (2) 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.

Your Committee received testimony in support of this measure from the Hawai'i Farmers Union United, Hawai'i Farm Bureau, Hawai'i Sustainable Farms, 'Ai Pohaku-The Stone Eaters, Hawai'i Hemp Farmers Association, and nine individuals. Your Committee received comments on this measure from the Department of Agriculture and Department of Health.

2023-3105 SB637 HD2 HSCR HMSO



Your Committee finds that hemp is a versatile agricultural product with medicinal and industrial purposes. Your Committee further finds that before 2021, hemp producers processed small batches of hemp on their farms in structures that were exempt from certain building permit and building code requirements with no adverse consequences. However, with the enactment of Act 14, Session Laws of Hawaii 2022, hemp and hemp products must be processed within an enclosed indoor facility secured to prevent unauthorized entry. This measure allows hemp processors to provide clarification as to their operations on an application for registration.

Your Committee has amended this measure by:

- (1) Clarifying that, for persons applying to register as hemp processors, the documentation required in the application may be:
 - (A) Documentation that the processing does not include heat or volatile compounds or gases under pressure, such as cold water extraction and is in an enclosed indoor facility that is exempt from building permit and building code requirements pursuant to section 46-88, Hawaii Revised Statutes; or
 - (B) Documentation that the planned hemp processing operation is in an enclosed indoor facility in a food hub as described in section 205-2, Hawaii Revised Statutes, or an agricultural park; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 637, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 637, S.D. 1, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



MARK M. NAKASHIMA, Chair



