

STAND. COM. REP. NO.

817

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 637
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 637 entitled:

"A BILL FOR AN ACT RELATING TO HEMP,"

begs leave to report as follows:

The purpose and intent of this measure is to amend hemp processing rules to allow licensed hemp farmers to process hemp in agricultural structures and buildings that are permit-exempt under section 46-88, Hawaii Revised Statutes, as well as food hubs and agricultural parks, as was allowed prior to 2021.

Your Committee received testimony in support of this measure from Hawaii Farmers Union United; Hawai'i Hemp Farmers Association; Maui Farmers Union; Hydroponics Alternatives, LLC; Hawai'i Farm Bureau; and seventeen individuals. Your Committee received testimony in opposition to this measure from the Department of Health and one individual. Your Committee received comments on this measure from the Department of Agriculture and one individual.

Your Committee finds that prior to 2021, Hawaii licensed hemp producers processed small batches of hemp on their farms in agricultural buildings and structures while also regularly using them to store and process other crops without restrictions. However, in 2021, new hemp processing rules were adopted that unintentionally eliminated a farmer's ability to process hemp on



their farm and in state-defined agricultural buildings. Your Committee further finds that due to the current rules adopted in 2021, hemp farmers now rely on off-site hemp processing that creates unnecessary processing and shipping costs and also diminishes the overall quality of transported hemp crops. Thus, this measure allows licensed hemp farmers to process hemp on their farms in agricultural structures and in food hubs and agricultural parks.

Your Committee has amended this measure by:

- (1) Inserting language to specify that permissible hemp processing in an enclosed indoor agricultural facility does not include heat or volatile compounds or gases under pressure, such as cold water extraction; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 637, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 637, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,

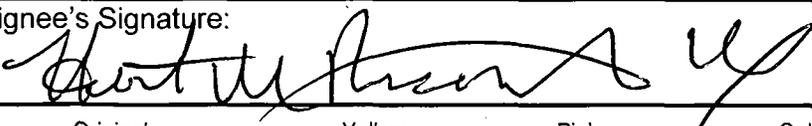


MIKE GABBARD, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* <i>SB 637</i>	Committee Referral: <i>AEN</i>	Date: <i>3/2/23</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	<i>X</i>			
RICHARDS, III, Herbert M. "Tim" (VC)	<i>X</i>			
DECOITE, Lynn				<i>X</i>
RHOADS, Karl	<i>X</i>			
AWA, Brenton	<i>X</i>			
TOTAL	<i>4</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes