
A BILL FOR AN ACT

RELATED TO CONTROLLED SUBSTANCES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 328G, Hawaii Revised Statutes, is
2 amended by adding four new sections to be appropriately
3 designated and to read as follows:
4 **"§328G-A Registry Application; renewals; suspension or**
5 **revocation of certificates; exceptions.** (a) The department
6 shall establish and maintain a registry of all manufactured hemp
7 product distributors and manufacture hemp product retailers
8 doing business in the State.
9 (b) Beginning January 1, 2026, no manufactured hemp
10 product distributor or manufactured hemp product retailer shall
11 sell or offer for sale manufactured hemp products without a
12 certificate of registration issued by the department pursuant to
13 this section. It shall be the responsibility of the
14 manufactured hemp product distributor or manufactured hemp
15 product retailer to confirm that a valid certificate of



1 registration has been obtained and is in compliance with any and
2 all laws and regulations.

3 (c) A manufactured hemp product distributor or
4 manufactured hemp product retailer that sells or offers for sale
5 or intends to sell or offer for sale manufactured hemp products
6 shall apply to the department to be registered and receive a
7 certificate of registration on an application form prescribed by
8 the department and pay an application fee of \$50.

9 (d) Any incomplete application shall be denied. An
10 application that fails to contain all the information as
11 required by the department shall be deemed incomplete.

12 (e) After receipt of a complete and accurate application
13 form and payment of the application fee, the department shall
14 list the manufactured hemp product distributor or manufactured
15 hemp product retailer as a registrant on the registry and issue
16 a certificate of registration. Whenever a certification of
17 registration is defaced, destroyed, or lost, the department may
18 issue a duplicate certificate of registration to the registrant
19 for a fee of \$10 per copy.

20 (f) The department shall post on its website a current
21 list of registrants on the registry.



1 (g) The certificate of registration shall be valid for one
2 year and shall be renewed by filing a completed renewal
3 application with and paying a renewal fee of \$50 to the
4 department.

5 (h) All fees required under this section are
6 non-transferable and non-refundable and shall be fully paid
7 prior to the issuance of a new or renewed certificate of
8 registration.

9 (i) A certificate of registration issued under this
10 section shall be displayed at all times in a conspicuous place
11 at the place of business where the sale of manufactured hemp
12 products is conducted and a digital reproduction of the
13 certificate conspicuously shall be displayed on the website of a
14 registrant conducting sales online.

15 (j) The department may suspend or revoke a registrant's
16 certificate of registration for failure to comply with this
17 chapter and rules adopted under this chapter pursuant to the
18 procedures set forth in section 328G-6.

19 (k) Carriers or entities that ship goods shall not be
20 subject to this section by reason of their receipt, carriage,
21 holding, shipping, or delivery of manufactured hemp products in



1 the usual course of business as carriers or entities that ship
2 goods unless the carrier or the entity sells or offers for sale
3 manufactured hemp products.

4 **§328G-B Unlawful hemp retailing or distribution.** (a) A
5 person or entity required to be registered as a manufactured
6 hemp product retailer or manufactured hemp product distributor
7 under this chapter commits the offense of unlawful hemp
8 retailing or distribution if the person or entity recklessly
9 fails to register as a manufactured hemp product retailer or
10 manufactured hemp product distributor as required under section
11 328G-A and, for the purposes of retail sale or distribution,
12 recklessly sells, possesses, stores, acquires, or distributes
13 any product containing or derived from hemp, or marketed as
14 containing or being derived from hemp.

15 (b) Unlawful hemp retailing or distribution shall be a
16 misdemeanor, except that any offense under subsection (a) that
17 occurs within five years of a conviction for unlawful hemp
18 retailing or distribution is a class C felony.

19 **§328G-C Inspection authority.** The department and the
20 attorney general may inspect the operations, premises, and
21 storage areas of any entity engaged in the distribution or sale



1 of any product containing or derived from hemp, or marketed as
2 containing or being derived from hemp, during regular business
3 hours, to verify compliance with this chapter. The inspection
4 shall include examination of all statements, books, papers, and
5 records in whatever format, including electronic format,
6 pertaining to the cultivation, processing, acquisition,
7 possession, transportation, sale, or use any product containing
8 or derived from hemp, or marketed as containing or being derived
9 from hemp. The inspection may also include taking reasonable
10 samples and conducting tests to verify compliance with this
11 chapter. Every entity in possession of any books, papers, and
12 records, and the entity's agents and employees, are directed and
13 required to give the department and attorney general the means,
14 facilities, and opportunities for the examinations.

15 **§328G-D Forfeiture; confiscation and seizure; disposition.**

16 (a) The department, attorney general, department of law
17 enforcement, and the police department of each county may seize
18 and confiscate any product containing or derived from hemp, or
19 marketed as containing or being derived from hemp, that is
20 possessed, kept, stored, retained, held, owned, received,
21 acquired, distributed, sold, or offered for sale in violation of



1 this chapter. The agency seizing products as evidence shall not
2 be responsible for the care and maintenance of the products.

3 (b) Any product seized or confiscated under this section
4 may be subject to forfeiture for destruction pursuant to chapter
5 712A or section 328G-6."

6 SECTION 2. Section 328G-1, Hawaii Revised Statutes, is
7 amended as follows:

8 1. By adding seven new definitions to be appropriately
9 inserted and to read:

10 "Certificate of registration" means the certificate issued
11 by the department authorizing the sale of manufactured hemp
12 products by the registrant.

13 "Consumer" means a person who is a member of the public, is
14 not functioning in the capacity of an operator of a hemp
15 processing facility, and does not process hemp biomass, produce
16 manufactured hemp products, or offer manufactured hemp products
17 for resale.

18 "Manufactured hemp product distributor" means a person
19 selling manufactured hemp products to manufactured hemp product
20 retailer and includes the person's agents and employees.



1 "Manufactured hemp product retailer" means a person selling
2 manufactured hemp products to consumers and includes the
3 person's agents and employees.

4 "Registrant" means the holder of the certificate of
5 registration.

6 "Registry" means a database of registered hemp product
7 retailers and manufactured hemp product distributors maintained
8 by the department.

9 "Sale," "sell," or "selling", means offering any
10 transactions, whether cash is actually paid therefor or not, of
11 hemp, hemp biomass, crude extract or manufactured hemp products
12 and includes resale and every act of selling that originates
13 from any order that is placed or submitted in-person or by means
14 of telephonic or other synchronous online communication methods,
15 the mail, catalog, or digital application, the internet or other
16 online service."

17 2. By amending the definition of "permit" to read:

18 "Permit" means the [certificate] document issued by the
19 department attesting that the applicant is permitted to operate
20 as a hemp processor."



1 SECTION 3. Section 328G-6, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§328G-6 Enforcement; penalty.** (a) Any person who
4 violates this chapter or any rule adopted by the department
5 pursuant to this chapter shall be fined not more than \$10,000
6 for each separate offense. Any action taken to collect the
7 penalty provided for in this subsection shall be considered a
8 civil action. In addition to any other administrative or
9 judicial remedy provided by this chapter, or by rules adopted
10 pursuant to this chapter, the director may impose by order
11 ~~[the]~~:

12 (1) The administrative penalty specified in this section
13 [~~or revoke~~];

14 (2) Forfeiture of products kept, stored, retained, held,
15 owned, received, acquired, distributed, sold, or
16 offered for sale in violation of this chapter;

17 (3) Revocation of a permit or suspension or revocation of
18 a certificate of registration pursuant to this
19 chapter[.]; or

20 (4) Any combination of the above.



1 (b) Any order issued under this chapter shall become
2 final, unless not later than twenty days after the notice of
3 order is served, the person or persons named therein request in
4 writing a hearing before the director. Any penalty imposed,
5 including the revocation of a permit[7] or suspension or
6 revocation of a certificate of registration, shall become final,
7 and any monetary penalty shall become due and payable twenty
8 days after the order is served unless the person or persons
9 named therein request in writing a hearing before the director.
10 Whenever a hearing is requested, the penalty imposed, including
11 permit revocation, or suspension or revocation of a certificate
12 of registration, shall become final, and any monetary penalty
13 shall become due and payable only upon completion of all review
14 proceedings and the issuance of a final order confirming the
15 penalty in whole or in part. Any hearing shall be conducted in
16 accordance with chapter 91.

17 (c) In any judicial proceeding to enforce an order issued
18 by the department pursuant to this section, including but not
19 limited to the recovery of administrative penalties imposed by
20 order against a hemp processor[7] or registrant, the director



1 may petition any court of appropriate jurisdiction for relief
2 and need only show that:

3 (1) Notice was given;

4 (2) A hearing was held or the time granted for requesting
5 a hearing has expired without such a request;

6 (3) The administrative penalty was imposed [~~or~~], the hemp
7 processor's permit was revoked[+], or the registrant's
8 certificate of registration was suspended or revoked;

9 and

10 (4) The penalty remains unpaid or the hemp processor or
11 the registrant continues to operate.

12 (d) The director, in the event there is deemed a potential
13 health hazard, may take precautionary measures to protect the
14 public through imposition of an embargo, the detention and
15 removal of hemp, hemp biomass, crude extract, or manufactured
16 hemp products from the market, and the sequestration of hemp,
17 hemp biomass, crude extract, or manufactured hemp products
18 suspected to be contaminated or otherwise harmful to human
19 health. In the event of any embargo or detention of hemp, hemp
20 biomass, crude extract, or manufactured hemp products, the
21 person or persons so named in the order imposing the embargo or



1 detention shall be afforded an opportunity to contest the
2 findings of the department in a hearing pursuant to chapter 91.

3 (e) Nothing in this chapter shall limit any other legal
4 remedy, or limit any civil or criminal action, available under
5 any other statute, rule, or ordinance.

6 (f) In addition to any penalties provided by law, a
7 violation of section 328G-B shall be subject to nuisance
8 abatement proceedings provided in part V of chapter 712.

9 (g) In addition to any penalties provided by law, any
10 product containing or derived from hemp, or marketed as
11 containing or being derived from hemp sold or distributed in
12 violation of section 328G-B shall be subject to forfeiture under
13 chapter 712A.

14 (h) In addition to any penalties provided by law, a
15 violation of this chapter shall constitute an unfair or
16 deceptive act or practice and unfair method of competition
17 pursuant to section 480-2 and shall be subject to a civil
18 penalty as provided in section 480-3.1."

19 SECTION 4. Section 328G-7, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:



1 "(b) Moneys in the Hawaii hemp processing special fund
2 shall be used by the department for the following purposes:

3 (1) To establish and regulate a system of permitting hemp
4 processors and the sale, holding, offering, or
5 distributing for sale of crude extract and
6 manufactured hemp products;

7 (2) To establish and regulate a system for registering
8 manufactured hemp product distributors and
9 manufactured hemp product retailers to sell
10 manufactured hemp products;

11 ~~[-2-]~~ (3) To fund positions and operating costs authorized
12 by the legislature; and

13 ~~[-3-]~~ (4) For any other expenditure necessary, consistent
14 with this chapter, to implement the Hawaii hemp
15 processing program."

16 SECTION 5. Section 329D-2.5, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "~~[+]§329D-2.5[+]~~ **Office of medical cannabis control and**
19 **regulation; established; duties.** (a) There is established
20 within the department the office of medical cannabis control and



1 regulation, which shall report to the deputy director of health
2 resources administration.

3 (b) The office of medical cannabis control and regulation
4 shall administer medical cannabis dispensary licensure and
5 regulation, pursuant to this chapter~~[, and]~~; the registration of
6 qualifying patients and primary caregivers, pursuant to part IX
7 of chapter 329~~[,]~~, and the hemp processors program, pursuant to
8 chapter 328G."

9 SECTION 6. Section 712-1270, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§712-1270 Places used to commit offenses against public**
12 **health and morals or other offenses, a nuisance.** Every
13 building, premises, or place used for the purpose of violating:

14 (1) Those laws pertaining to offenses against public
15 health and morals contained in this chapter, except
16 offenses under part IV that do not involve the
17 manufacture or distribution of drugs and activities
18 under part III that involve only social gambling as
19 defined in section 712-1231(a);

20 (2) Section 132D-14(a)(1) or (3); [~~or~~]



1 (3) Any offense under part II of chapter 708 that involves
2 a person unlawfully residing on or otherwise occupying
3 real property to which the person has no title, lease,
4 or other legal claim~~[r]~~; or

5 (4) Section 328G-B,
6 and every building, premises, or place in or upon which
7 violations of any of the laws set forth in paragraph (1), (2),
8 ~~[or]~~ (3), or (4) are held or occur, is a nuisance that shall be
9 enjoined, abated, and prevented, regardless of whether it is a
10 public or private nuisance."

11 SECTION 7. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so
13 much thereof as may be necessary for fiscal year 2025-2026 and
14 the same sum or so much thereof as may be necessary for fiscal
15 year 2026-2027 to increase drug nuisance abatement actions
16 regarding illegal cannabis and hemp products.

17 The sums appropriated shall be expended by the department
18 of the attorney general for the purposes of this Act.

19 SECTION 8. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so
21 much thereof as may be necessary for fiscal year 2025-2026 and



1 the same sum or so much thereof as may be necessary for fiscal
2 year 2026-2027 for start up costs to enforce this Act, including
3 the establishment of one full-time equivalent (1.0 FTE)
4 criminalist position.

5 The sums appropriated shall be expended by the department
6 of law enforcement for the purposes of this Act.

7 SECTION 9. This Act does not affect rights and duties that
8 matured, penalties that were incurred, and proceedings that were
9 begun before its effective date.

10 SECTION 10. If any provision of this Act, or the
11 application thereof to any person or circumstance, is held
12 invalid, the invalidity does not affect other provisions or
13 applications of the Act that can be given effect without the
14 invalid provision or application, and to this end the provisions
15 of this Act are severable.

16 SECTION 11. In codifying the new sections added by
17 section 7 and referenced in section 3 and 6 of this Act, the
18 revisor of statutes shall substitute appropriate section numbers
19 for the letters used in designating the new sections in this
20 Act.



1 SECTION 12. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 13. This Act shall take effect on July 1, 2025.



Report Title:

DOH; OMCCR; DLE; ATG; Manufactured Hemp Product Distributors; Manufactured Hemp Product Retailers; Registration; Certificate; Inspection; Forfeiture; Nuisance Abatement; Civil Penalty; Violation; Hawaii Hemp Processing Special Fund; Appropriations

Description:

Requires the Department of Health to establish and maintain a registry of all manufactured hemp product distributors and manufactured hemp product retailers doing business in the State. Beginning 1/1/2026, prohibits the sale of manufactured hemp products without a certificate of registration. Establishes the offense of unlawful hemp retailing or distribution for recklessly failing to register as required. Authorizes DOH and the Attorney General to inspect any entity engaged in the distribution or sale of any product containing or derived from hemp to verify compliance with chapter 328G, HRS. Authorizes DOH, Attorney General, Department of Law Enforcement, and county police departments to seize and confiscate any product containing or derived from hemp that is possessed, kept, stored, retained, held, owned, received, acquired, distributed, sold, or offered for sale in violation of chapter 328G, HRS. Establishes that the offense of unlawful hemp retailing or distribution shall be subject to nuisance abatement proceedings. Establishes that a violation of chapter 328G, HRS, constitutes an unfair or deceptive act or practice and unfair method of competition subject to a civil penalty. Allows moneys in the Hawaii Hemp Processing Special Fund to be used by DOH for the registry. Authorizes the Office of Medical Cannabis Control and Regulation to administer the hemp processors program. Establishes that every building, premises, or placed used for the purpose of violating chapter 328G, HRS, is a nuisance subject to abatement. Appropriates funds. (SD1)

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