

---

---

# 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 manufactured 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 before 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 (1) This section shall not apply to:

5 (1) A hemp processor, hemp product distributor, or hemp  
6 product retailer with a valid permit under this  
7 chapter; or

8 (2) A retailer or distributor selling any cannabidiol  
9 tincture or cannabidiol topical.

10 **§328G-B Unlawful hemp retailing or distribution.** (a) A  
11 person or entity required to be registered as a manufactured  
12 hemp product retailer or manufactured hemp product distributor  
13 under this chapter commits the offense of unlawful hemp  
14 retailing or distribution if the person or entity recklessly  
15 fails to register as a manufactured hemp product retailer or  
16 manufactured hemp product distributor as required under section  
17 328G-A and, for the purposes of retail sale or distribution,  
18 recklessly sells, possesses, stores, acquires, or distributes  
19 any product containing or derived from hemp, or marketed as  
20 containing or being derived from hemp.



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

5        **§328G-C** **Inspection authority.** The department and the  
6 attorney general may inspect the operations, premises, and  
7 storage areas of any entity engaged in the distribution or sale  
8 of any product containing or derived from hemp, or marketed as  
9 containing or being derived from hemp, during regular business  
10 hours, to verify compliance with this chapter. The inspection  
11 shall include examination of all statements, books, papers, and  
12 records in whatever format, including electronic format,  
13 pertaining to the cultivation, processing, acquisition,  
14 possession, transportation, sale, or use any product containing  
15 or derived from hemp, or marketed as containing or being derived  
16 from hemp. The inspection may also include taking reasonable  
17 samples and conducting tests to verify compliance with this  
18 chapter. Every entity in possession of any books, papers, and  
19 records, and the entity's agents and employees, are directed and  
20 required to give the department and attorney general the means,  
21 facilities, and opportunities for the examinations.



1           §328G-D Forfeiture; confiscation and seizure; disposition.

2    (a) The department, attorney general, department of law  
3    enforcement, and the police department of each county may seize  
4    and confiscate any product containing or derived from hemp, or  
5    marketed as containing or being derived from hemp, that is  
6    possessed, kept, stored, retained, held, owned, received,  
7    acquired, distributed, sold, or offered for sale in violation of  
8    this chapter. The agency seizing products as evidence shall not  
9    be responsible for the care and maintenance of the products.

10           (b) Any product seized or confiscated under this section  
11    may be subject to forfeiture for destruction pursuant to chapter  
12    712A or section 328G-6."

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

15           1. By adding eight new definitions to be appropriately  
16    inserted and to read:

17           "Certificate of registration" means the certificate issued  
18    by the department authorizing the sale of manufactured hemp  
19    products by the registrant.

20           "Consumer" means a person who is a member of the public, is  
21    not functioning in the capacity of an operator of a hemp



1 processing facility, and does not process hemp biomass, produce  
2 manufactured hemp products, or offer manufactured hemp products  
3 for resale.

4 "Manufactured hemp product distributor" means a person  
5 selling manufactured hemp products to a manufactured hemp  
6 product retailer and includes the person's agents and employees.

7 "Manufactured hemp product retailer" means a person selling  
8 manufactured hemp products to consumers and includes the  
9 person's agents and employees.

10 "Registrant" means the holder of the certificate of  
11 registration.

12 "Registry" means a database of registered hemp product  
13 retailers and manufactured hemp product distributors maintained  
14 by the department.

15 "Sale", "sell", or "selling", means offering any  
16 transactions, whether cash is actually paid therefor or not, of  
17 hemp, hemp biomass, crude extract or manufactured hemp products  
18 and includes resale and every act of selling that originates  
19 from any order that is placed or submitted in-person or by means  
20 of telephonic or other synchronous online communication methods,



1 the mail, catalog, or digital application, the internet or other  
2 online service.

3 "Tincture" means any oil-based, unflavored product that  
4 contains no more than:

5 (1) Two ounces per container; and

6 (2) 0.3 per cent tetrahydrocannabinol."

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

8 ""Permit" means the [~~certificate~~] document issued by the  
9 department attesting that the applicant is permitted to operate  
10 as a hemp processor."

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

13 **"§328G-6 Enforcement; penalty.** (a) Any person who  
14 violates this chapter or any rule adopted by the department  
15 pursuant to this chapter shall be fined not more than \$10,000  
16 for each separate offense. Any action taken to collect the  
17 penalty provided for in this subsection shall be considered a  
18 civil action. In addition to any other administrative or  
19 judicial remedy provided by this chapter, or by rules adopted  
20 pursuant to this chapter, the director may impose by order  
21 [~~the~~]:



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

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

6        (3) Revocation of a permit or suspension or revocation of  
7            a certificate of registration pursuant to this  
8            chapter[]; or

9        (4) Any combination of the above.

10        (b) Any order issued under this chapter shall become  
11 final, unless not later than twenty days after the notice of  
12 order is served, the person or persons named therein request in  
13 writing a hearing before the director. Any penalty imposed,  
14 including the revocation of a permit[] or suspension or  
15 revocation of a certificate of registration, shall become final,  
16 and any monetary penalty shall become due and payable twenty  
17 days after the order is served unless the person or persons  
18 named therein request in writing a hearing before the director.  
19 Whenever a hearing is requested, the penalty imposed, including  
20 permit revocation, or suspension or revocation of a certificate  
21 of registration, shall become final, and any monetary penalty



1 shall become due and payable only upon completion of all review  
2 proceedings and the issuance of a final order confirming the  
3 penalty in whole or in part. Any hearing shall be conducted in  
4 accordance with chapter 91.

5 (c) In any judicial proceeding to enforce an order issued  
6 by the department pursuant to this section, including but not  
7 limited to the recovery of administrative penalties imposed by  
8 order against a hemp processor~~[7]~~ or registrant, the director  
9 may petition any court of appropriate jurisdiction for relief  
10 and need only show that:

- 11 (1) Notice was given;
- 12 (2) A hearing was held or the time granted for requesting  
13 a hearing has expired without such a request;
- 14 (3) The administrative penalty was imposed ~~[0x]~~, the hemp  
15 processor's permit was revoked[7], or the registrant's  
16 certificate of registration was suspended or revoked;  
17 and
- 18 (4) The penalty remains unpaid or the hemp processor or  
19 the registrant continues to operate.

20 (d) The director, in the event there is deemed a potential  
21 health hazard, may take precautionary measures to protect the



1 public through imposition of an embargo, the detention and  
2 removal of hemp, hemp biomass, crude extract, or manufactured  
3 hemp products from the market, and the sequestration of hemp,  
4 hemp biomass, crude extract, or manufactured hemp products  
5 suspected to be contaminated or otherwise harmful to human  
6 health. In the event of any embargo or detention of hemp, hemp  
7 biomass, crude extract, or manufactured hemp products, the  
8 person or persons so named in the order imposing the embargo or  
9 detention shall be afforded an opportunity to contest the  
10 findings of the department in a hearing pursuant to chapter 91.

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

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

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



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

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

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

10        (1) To establish and regulate a system of permitting hemp  
11        processors and the sale, holding, offering, or  
12        distributing for sale of crude extract and  
13        manufactured hemp products;

14        (2) To establish and regulate a system for registering  
15        manufactured hemp product distributors and  
16        manufactured hemp product retailers to sell  
17        manufactured hemp products;

18        [~~2~~] (3) To fund positions and operating costs authorized  
19        by the legislature; and



1        [~~3~~] (4) For any other expenditure necessary, consistent  
2                    with this chapter, to implement the Hawaii hemp  
3                    processing program."

4        SECTION 5. Section 329D-2.5, Hawaii Revised Statutes, is  
5 amended by amending subsection (b) to read as follows:

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

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

14            "**§712-1270 Places used to commit offenses against public**  
15 **health and morals or other offenses, a nuisance.** Every  
16 building, premises, or place used for the purpose of violating:

17            (1) Those laws pertaining to offenses against public  
18                    health and morals contained in this chapter, except  
19                    offenses under part IV that do not involve the  
20                    manufacture or distribution of drugs and activities



1 under part III that involve only social gambling as  
2 defined in section 712-1231(a);

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

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

8 (4) Section 328G-B,

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

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

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



1 SECTION 8. There is appropriated out of the general  
 2 revenues of the State of Hawaii the sum of \$ or so  
 3 much thereof as may be necessary for fiscal year 2025-2026 and  
 4 the same sum or so much thereof as may be necessary for fiscal  
 5 year 2026-2027 for start up costs to enforce this Act, including  
 6 the establishment of one full-time equivalent (1.0 FTE)  
 7 criminalist position.

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

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

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

19 SECTION 11. In codifying the new sections added by  
 20 section 1 and referenced in section 3, 5, and 6 of this Act, the  
 21 revisor of statutes shall substitute appropriate section numbers



1 for the letters used in designating the new sections in this  
2 Act.

3 SECTION 12. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 13. This Act shall take effect on April 23, 2057.



**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. Exempts hemp processors, hemp product distributors, or hemp product retailers with a valid permit under chapter 328G, HRS, and retailers or distributors selling CBD tinctures or CBD topicals from the registry. 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 place used for the purpose of violating chapter 328G, HRS, is a nuisance subject to abatement. Appropriates funds. Effective 4/23/2025. (SD2)

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

