

JAN 23 2025

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# A BILL FOR AN ACT

RELATING TO HEMP.

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

1 PART I

2 SECTION 1. Chapter 235, Hawaii Revised Statutes, is  
3 amended by adding a new section to be appropriately designated  
4 and to read as follows:

5 "§235- Green building tax credit. (a) Each individual  
6 or corporate taxpayer that files an individual or corporate net  
7 income tax return for a taxable year may claim a green building  
8 tax credit under this section against the Hawaii state  
9 individual or corporate net income tax.

10 (b) The green building tax credit shall be equal to thirty  
11 per cent of the taxpayer's actual costs incurred in connection  
12 with the construction of any primary structure made with at  
13 least thirty per cent Hawaii-grown hemp material.

14 (c) The director of taxation:

15 (1) Shall prepare any forms that may be necessary to claim  
16 a tax credit under this section;



1       (2) May require the taxpayer to furnish reasonable  
2           information to ascertain the validity of the claim for  
3           the tax credit made under this section; and  
4       (3) May adopt rules under chapter 91 necessary to  
5           effectuate the purposes of this section.  
6       (d) If the tax credit claimed by the taxpayer under this  
7       section exceeds the amount of the income tax payments due from  
8       the taxpayer, the excess of credit over payments due shall be  
9       refunded to the taxpayer; provided that the tax credit properly  
10       claimed by a taxpayer who has no income tax liability shall be  
11       paid to the taxpayer; provided further that no refunds or  
12       payments on account of the tax credit allowed by this section  
13       shall be made for amounts less than \$1. All claims for the tax  
14       credit under this section, including amended claims, shall be  
15       filed on or before the end of the twelfth month following the  
16       close of the taxable year for which the credit may be claimed.  
17       Failure to comply with the foregoing provision shall constitute  
18       a waiver of the right to claim the credit."

19       SECTION 2. Chapter 328G, Hawaii Revised Statutes, is  
20       amended by adding two new sections to be appropriately  
21       designated and to read as follows:



1           "§328G-A Edible cannabinoid products; tetrahydrocannabinol  
2 limits; packaging. (a) Notwithstanding section 328G-3(e), any  
3 hemp processor with a permit pursuant to section 328G-2 may  
4 sell, hold, offer, or distribute for sale an edible or beverage  
5 cannabinoid product that contains a tetrahydrocannabinol  
6 concentration of not more than 2.5mg per serving and not more  
7 than twenty-five servings per package.

8           (b) No person shall sell, hold, offer, or distribute for  
9 sale an edible or beverage cannabinoid product:

10           (1) To any person less than twenty-one years of age; or

11           (2) In packaging that is:

12                   (A) Not child-proof or child-resistant;

13                   (B) Marketed towards or attractive to children; and

14                   (C) Not clearly labeled with a warning stating that

15                           the product is not intended for consumption or

16                           sale to any person less than twenty-one years of

17                           age.

18           §328G-B Tetrahydrocannabinol limits in legacy cannabinoid  
19 products. Notwithstanding any other law to the contrary, a  
20 non-edible legacy cannabinoid product or manufactured hemp  
21 product shall not be subject to any restrictions except for the



1 federal definition of hemp and the corresponding 0.3 per cent  
2 tetrahydrocannabinol concentration limit, as defined by the  
3 United States Food and Drug Administration pursuant to title 7  
4 United States Code section 1639o."

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

7 1. By adding three new definitions to be appropriately  
8 inserted and to read:

9 "Beverage" has the same meaning as defined in  
10 section 339-1.

11 "Edible" has the same meaning as "food" as defined in  
12 section 328-1.

13 "Foliage material" means the aggregate of leaves, stems,  
14 and residual floral material of the hemp plant."

15 2. By amending the definition of "hemp biomass" to read:

16 "Hemp biomass" means the [~~leaf and floral parts~~] stalks  
17 and foliage material of the hemp plant [~~material~~]."

18 SECTION 4. Section 328G-3, Hawaii Revised Statutes, is  
19 amended by amending subsection (e) to read as follows:

20 "(e) [~~No~~] Except as provided for in section 328G-A, no  
21 person shall sell, hold, offer, or distribute for sale any food,



1 as that term is defined in section 328-1, into which a  
2 cannabinoid, artificially derived cannabinoid, synthetic  
3 cannabinoid, hemp, hemp biomass, or manufactured hemp product  
4 that has been added as an ingredient or component unless  
5 otherwise prescribed by rules adopted by the department pursuant  
6 to this chapter. This section shall not apply to hemp that is  
7 generally recognized as safe (GRAS) by FDA for use in foods, as  
8 intended, in a public GRAS notification."

9 PART II

10 SECTION 5. The department of health shall establish a  
11 dedicated hemp program to regulate the processing and  
12 manufacturing of hemp for cannabinoids that is separate from the  
13 regulatory process for cannabinoid products with a high  
14 concentration of tetrahydrocannabinol. This regulatory program  
15 shall ensure hemp farmers and processors do not lose insurance  
16 coverage or the ability to utilize banking institutions and  
17 shall include a process to regulate recreational cannabis in the  
18 event it is legalized in the State.

19 PART III

20 SECTION 6. In codifying the new sections added by  
21 section 2 of this Act, the revisor of statutes shall substitute



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

3 SECTION 7. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 8. This Act shall take effect upon its approval;  
6 provided that section 1 shall apply to taxable years beginning  
7 after December 31, 2025.

8

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Mike Gilliland", is written over a horizontal line. The signature is cursive and stylized.

# S.B. NO. 1633

**Report Title:**

DOH; Green Building Tax Credit; Edible Cannabinoid Products; Tetrahydrocannabinol Concentration Limit; Hemp Biomass; Hemp Program; High THC Products

**Description:**

Establishes a green building tax credit for costs related to the construction of a primary structure made with at least thirty per cent Hawaii-grown hemp material. Allows any hemp processor with a permit from the Department of Health to sell an edible or beverage cannabinoid product that contains a tetrahydrocannabinol concentration of not more than 2.5mg per serving and not more than twenty-five servings per package. Prohibits the sale of an edible or beverage cannabinoid product to any person less than twenty-one years of age. Establishes child-resistant packaging requirements for edible cannabinoid products. Clarifies the tetrahydrocannabinol concentration limit for a non-edible legacy cannabinoid product or manufactured hemp product shall be subject only to federal restrictions. Amends the definition of "hemp biomass" to include stalks and foliage material. Requires the Department of Health to establish a dedicated hemp program to regulate hemp that is separate from the regulatory process for cannabinoid products with a high concentration of tetrahydrocannabinol.

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

