

STAND. COM. REP. NO. 2645

Honolulu, Hawaii

FEB 20 2026

RE: S.B. No. 2712
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 2712 entitled:

"A BILL FOR AN ACT RELATING TO HEMP,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Hemp Fiber Special Fund;
- (2) Establish the Hemp Paper Packaging Pilot Program;
- (3) Establish the Industrial Hemp License Surcharge;
- (4) Require reports to the Legislature; and
- (5) Appropriate funds.

Your Committee received testimony in support of this measure from the Department of Agriculture and Biosecurity, Hawai'i Farm Bureau, Hawai'i Sustainable Farms, and four individuals.

Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that industrial hemp is an essential agricultural product and has the potential to create local jobs,



support local manufacturing, reduce dependence on importation of goods, and overall strengthen the State's economy. However, there is currently a lack of targeted incentives and support programs to encourage sustainable private investment. Your Committee believes that industrial hemp fiber represents a potential opportunity within a diversified agricultural portfolio, particularly in processing, manufacturing, and downstream product development within the State. By expanding the authority, responsibilities, and resources of the Department of Agriculture and Biosecurity, this measure will support value-added agriculture, strengthen local manufacturing capacity, and reduce the State's reliance on imported materials.

Your Committee acknowledges the concerns raised in testimony by the Department of the Attorney General that pursuant to the Hawaii State Constitution, this measure requires language establishing appropriate standards for state agencies to issue grants. Your Committee further acknowledges the concerns raised in testimony by Hawaii Sustainable Farms regarding the limitations on the ability to grow hemp due to additional and unnecessary regulatory burdens proposed in this measure in its current form and the need to expand industrial hemp production in the State. Therefore, amendments to this measure are necessary to address these concerns.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the definition of "fiber materials";
- (2) Renaming the Hawaii Hemp Fiber Special Fund to the Hawaii Hemp Special Fund;
- (3) Specifying that all eligible industrial hemp production and all industrial uses shall be eligible for grants from the Hawaii Hemp Special Fund;
- (4) Inserting language establishing appropriate standards for the Department of Agriculture and Biosecurity to issue grants for industrial hemp production;
- (5) Inserting language to clarify that to qualify for grant moneys under the Hawaii Hemp Special Fund, an applicant shall demonstrate successful cultivation of at least one



industrial hemp crop under a United States Department of Agriculture approved hemp program before January 1, 2025;

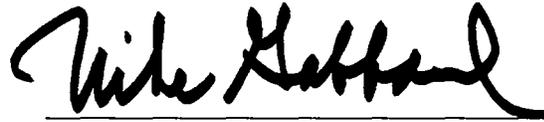
- (6) Deleting language that would have established the industrial hemp license surcharge;
- (7) Inserting language that clarifies that no additional state license fees, taxes, surcharges, or regulatory requirements shall be imposed on industrial hemp producers or processors beyond those required pursuant to federal law or existing state licensing requirements;
- (8) Inserting a blank appropriation amount;
- (9) Amending section 1 to reflect its amended purpose;
- (10) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, contains an unspecified appropriation amount. Should your Committees on Ways and Means and Judiciary choose to deliberate on this measure, your Committee respectfully requests that they consider inserting an appropriation amount of \$25,000,000 for the Hawaii Hemp Special Fund.

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. 2712, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2712, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.



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

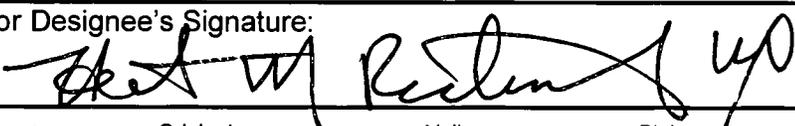


MIKE GABBARD, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2712	AEN, WAM/JDC	2-18-26		
<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)	X			
RICHARDS, III, Herbert M. "Tim" (VC)	X			
DECOITE, Lynn	X			
RHOADS, Karl	X			
AWA, Brenton				X
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes