

JAN 27 2016

A BILL FOR AN ACT

RELATING TO INDUSTRIAL HEMP.

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

1 SECTION 1. The legislature finds that industrial hemp is a
2 suitable crop for Hawaii that will contribute to the future
3 viability of the State's agricultural industry. According to
4 estimates by the Hemp Industries Association, retail sales of
5 industrial hemp products in the United States have grown
6 steadily since 1990 to more than \$620,000,000 annually in 2014.
7 California manufacturers of hemp products currently import tens
8 of thousands of acres' worth of hemp seed, oil, and fiber
9 products from around the world that could be produced by
10 American farmers at a more competitive price. Additionally, the
11 intermediate processing of hemp seed, oil, food ingredients, and
12 fiber could create jobs in close proximity to the fields of
13 cultivation.

14 As a food crop, industrial hemp seeds and oil have high
15 nutritional value, including healthy fats and protein. As a
16 fiber crop, industrial hemp can be used in the manufacture of
17 clothing, building supplies, animal bedding, and other products.



1 As a fuel crop, industrial hemp seeds can be processed into
2 biodiesel energy, and stalks can be pelletized or flaked for
3 burning or processed for cellulosic ethanol.

4 The purpose of this Act is to:

- 5 (1) Legalize industrial hemp as an agricultural product;
- 6 and
- 7 (2) Promote research and development of markets for
- 8 industrial hemp.

9 SECTION 2. The Hawaii Revised Statutes is amended by
10 adding a new chapter to be appropriately designated and to read
11 as follows:

12 "CHAPTER

13 INDUSTRIAL HEMP

14 § -1 Purpose. The purpose of this Act is to establish
15 appropriate policies and procedures related to the production of
16 industrial hemp in the State.

17 § -2 Definitions. As used in this chapter:

18 "Department" means the department of agriculture.

19 "Grower" means any person or business entity licensed under
20 this chapter as an industrial hemp grower.



1 "Hemp products" means all products made from industrial
2 hemp, including but not limited to cloth, cordage, fiber, food,
3 fuel, paint, paper, particle board, plastics, seed, seed meal,
4 seed oil, and certified seed for cultivation, if the seeds
5 originate from industrial hemp varieties.

6 "Industrial hemp" shall have the same meaning as in section
7 329-1.

8 § -3 Industrial hemp; agricultural production.

9 Industrial hemp is an agricultural product that may be grown,
10 produced, possessed, and commercially traded in the State to
11 produce hemp products pursuant to this chapter.

12 § -4 Licensing; application. (a) Any person or
13 business entity that engages in the production of industrial
14 hemp shall be licensed as an industrial hemp grower by the
15 department. A license from the department authorizes industrial
16 hemp production only at a site or sites specified by the
17 license.

18 (b) A license from the department shall be valid for
19 twenty-four months from the date of issuance. The license may
20 be renewed and is not transferable. A person who has been
21 convicted of a felony offense or a comparable offense in another



1 jurisdiction shall not be eligible for a license under this
2 chapter.

3 (c) When applying for a license, an applicant shall
4 provide the following information to demonstrate that the
5 applicant intends to grow and is capable of growing industrial
6 hemp in accordance with this chapter:

7 (1) Filing with the department a set of classifiable
8 fingerprints and written authorization allowing the
9 department to conduct a criminal records check;

10 (2) Filing documentation with the department that
11 certifies that the seeds obtained for planting are of
12 a type and variety compliant with the maximum
13 concentration of tetrahydrocannabinol as prescribed by
14 this chapter;

15 (3) Filing with the department the location and acreage of
16 all parcels sown and other field reference information
17 as may be required by the department; and

18 (4) Any other information required by the department.

19 (d) To qualify for a license under this chapter, an
20 applicant shall demonstrate the following to the satisfaction of



1 the department that the applicant has adopted methods to ensure
2 the legal production of industrial hemp:

3 (1) Ensuring that all parts of the industrial hemp plant
4 that do not enter the stream of commerce as hemp
5 products are destroyed, incorporated into the soil, or
6 otherwise properly disposed;

7 (2) Maintaining records that reflect compliance with this
8 chapter and with all other state laws related to the
9 regulation of industrial hemp; and

10 (3) Satisfying any other requirements established by the
11 department.

12 (e) Every grower shall maintain all production and sales
13 records for at least three years.

14 (f) Every grower shall allow industrial hemp crops
15 throughout the sowing, growing, harvesting, storage, and
16 processing of the industrial hemp to be inspected by the
17 department.

18 § -5 Revocation and suspension of license; enforcement.

19 (a) The department may deny, suspend, revoke, or refuse to
20 renew the license of any grower who:



1 (1) Makes a false statement or misrepresentation on an
2 application for a license or renewal of a license
3 under this chapter; or

4 (2) Fails to comply with or violates any provision of this
5 chapter or any rule adopted thereof.

6 (b) Revocation or suspension of a license may be in
7 addition to any civil or criminal penalties imposed on a grower
8 for a violation of any other state law or county ordinance.

9 § -6 Research and development. The department shall
10 promote research and development of markets for industrial hemp
11 to the extent that any particular research and development
12 activity is not in violation of federal laws.

13 § -7 Rulemaking authority. The department shall adopt
14 rules pursuant to chapter 91 to implement this chapter,
15 including rules to require industrial hemp to be tested during
16 growth for tetrahydrocannabinol concentration levels and to
17 require adequate supervision of employees during the sowing,
18 growing, harvesting, storage, and processing of industrial
19 hemp."



1 SECTION 3. Chapter 712, Hawaii Revised Statutes, is
2 amended by adding a new section to part IV to be appropriately
3 designated and to read as follows:

4 "§712- Industrial hemp research activities. The
5 possession, use, sale, or transfer of industrial hemp for
6 purposes of research and development as provided by law shall
7 not constitute an offense involving a detrimental drug under
8 section 712-1247, 712-1248, 712-1249, 712-1251, or 712-1255."

9 SECTION 4. Section 329-1, Hawaii Revised Statutes, is
10 amended as follows:

11 1. By adding a new definition to be appropriately inserted
12 and to read:

13 "Industrial hemp" means fiber and seed products derived
14 from varieties of the cannabis plant that contains no more than
15 0.3 per cent tetrahydrocannabinol, the mature stalks of the
16 cannabis plant, fiber produced from the stalks of the cannabis
17 plant, oil or cake derived from the seeds of the plant, and any
18 other compound, manufacture, salt, derivative, mixture, or
19 preparation of the mature stalks (except the resin extracted
20 therefrom), fiber, oil, or cake, or the sterilized seed of the
21 cannabis plant that is incapable of germination."



1 2. By amending the definition of "marijuana" to read:

2 "\"Marijuana\" means all parts of the plant (genus) Cannabis
3 whether growing or not; the seeds thereof, the resin extracted
4 from any part of the plant; and every compound, manufacture,
5 salt, derivative, mixture, or preparation of the plant, its
6 seeds, or resin. It does not include the mature stalks of the
7 plant, fiber produced from the stalks, oil, or cake made from
8 the seeds of the plant, industrial hemp, any other compound,
9 manufacture, salt, derivative, mixture, or preparation of the
10 mature stalks (except the resin extracted therefrom), fiber,
11 oil, or cake, or the sterilized seed of the plant which is
12 incapable of germination."

13 SECTION 5. Section 712-1240, Hawaii Revised Statutes, is
14 amended by amending the definition of "marijuana" to read as
15 follows:

16 "\"Marijuana\" means any part of the plant (genus) cannabis,
17 whether growing or not, including the seeds and the resin, and
18 every alkaloid, salt, derivative, preparation, compound, or
19 mixture of the plant, its seeds or resin, except that, as used
20 herein, "marijuana" does not include hashish, industrial hemp as
21 defined in section 329-1, tetrahydrocannabinol, and any



1 alkaloid, salt, derivative, preparation, compound, or mixture,
2 whether natural or synthesized, of tetrahydrocannabinol."

3 SECTION 6. New statutory material is underscored.

4 SECTION 7. This Act shall take effect upon its approval.

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INTRODUCED BY:

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S.B. NO. 2787

Report Title:

Industrial Hemp; Marijuana

Description:

Provides the authority, procedures, and licensing requirements related to the production of industrial hemp as an agricultural product. Requires the department of agriculture to promote industrial hemp research and development of markets for industrial hemp. Requires the possession, use, sale, or transfer of industrial hemp for research and development purposes to not constitute certain offenses involving a detrimental drug.

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