
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.
18 As a fuel crop, industrial hemp seeds can be processed into



1 biodiesel energy, and stalks can be pelletized or flaked for
2 burning or processed for cellulosic ethanol.

3 The purpose of this Act is to:

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

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

11 "CHAPTER

12 INDUSTRIAL HEMP

13 § -1 Purpose. The purpose of this chapter is to
14 establish appropriate policies and procedures related to the
15 production of industrial hemp in the State.

16 § -2 Definitions. As used in this chapter:

17 "Department" means the department of agriculture.

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

20 "Hemp products" means all products made from industrial
21 hemp, including but not limited to cloth, cordage, fiber, food,



1 fuel, paint, paper, particle board, plastics, seed, seed meal,
2 seed oil, and certified seed for cultivation, if the seeds
3 originate from industrial hemp varieties.

4 "Industrial hemp" shall have the same meaning as in section
5 329-1.

6 § -3 Industrial hemp; agricultural production.

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

10 § -4 Licensing; application. (a) Any person or
11 business entity that engages in the production of industrial
12 hemp shall be licensed as an industrial hemp grower by the
13 department. A license from the department authorizes industrial
14 hemp production only at a site or sites specified by the
15 license.

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



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

5 (1) A set of classifiable fingerprints and written
6 authorization allowing the department to conduct a
7 criminal records check;

8 (2) Documentation that certifies that the seeds obtained
9 for planting are of a type and variety compliant with
10 the maximum concentration of tetrahydrocannabinol as
11 prescribed by this chapter;

12 (3) The location and acreage of all parcels sown and other
13 field reference information as may be required by the
14 department; and

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

16 (d) To qualify for a license under this chapter, an
17 applicant shall demonstrate to the satisfaction of the
18 department that the applicant has adopted methods to ensure the
19 legal production of industrial hemp and that the methods:

20 (1) Ensure all parts of the industrial hemp plant that do
21 not enter the stream of commerce as hemp products are



1 destroyed, incorporated into the soil, or otherwise
2 properly disposed;

3 (2) Ensure the maintenance of records that reflect
4 compliance with this chapter and with all other state
5 laws related to the regulation of industrial hemp; and

6 (3) Satisfy any other requirements established by the
7 department.

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

10 (f) Every grower shall allow industrial hemp crops
11 throughout the sowing, growing, harvesting, storage, and
12 processing of the industrial hemp to be inspected by the
13 department.

14 § -5 Revocation and suspension of license; enforcement.

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

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

20 (2) Fails to comply with or violates this chapter or any
21 rule adopted pursuant to this chapter.



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

4 § -6 **Research and development.** The department shall
5 promote research and development of markets for industrial hemp
6 to the extent that any particular research and development
7 activity is not in violation of federal laws.

8 § -7 **Rulemaking authority.** The department shall adopt
9 rules pursuant to chapter 91 to implement this chapter,
10 including rules to require industrial hemp to be tested during
11 growth for tetrahydrocannabinol concentration levels and to
12 require adequate supervision of employees during the sowing,
13 growing, harvesting, storage, and processing of industrial
14 hemp."

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

18 "§712- Industrial hemp research activities. The
19 possession, use, sale, or transfer of industrial hemp for
20 purposes of research and development as authorized under
21 chapter shall not constitute an offense under this part."



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

3 1. By adding a new definition to be appropriately inserted
4 and to read:

5 "Industrial hemp" means fiber and seed products derived
6 from varieties of the cannabis plant that contain no more than
7 0.3 per cent tetrahydrocannabinol, the mature stalks of the
8 cannabis plant, fiber produced from the stalks of the cannabis
9 plant, oil or cake derived from the seeds of the plant, and any
10 other compound, manufacture, salt, derivative, mixture, or
11 preparation of the mature stalks (except the resin extracted
12 therefrom), fiber, oil, or cake, or the sterilized seed of the
13 cannabis plant that is incapable of germination."

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

15 "Marijuana" means all parts of the plant (genus) Cannabis
16 whether growing or not; the seeds thereof, the resin extracted
17 from any part of the plant; and every compound, manufacture,
18 salt, derivative, mixture, or preparation of the plant, its
19 seeds, or resin. It does not include the mature stalks of the
20 plant, fiber produced from the stalks, oil, or cake made from
21 the seeds of the plant, industrial hemp, any other compound,



1 manufacture, salt, derivative, mixture, or preparation of the
2 mature stalks (except the resin extracted therefrom), fiber,
3 oil, or cake, or the sterilized seed of the plant which is
4 incapable of germination."

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

8 "Marijuana" means any part of the plant (genus) cannabis,
9 whether growing or not, including the seeds and the resin, and
10 every alkaloid, salt, derivative, preparation, compound, or
11 mixture of the plant, its seeds or resin, except that, as used
12 herein, "marijuana" does not include hashish, industrial hemp as
13 defined in section 329-1, tetrahydrocannabinol, and any
14 alkaloid, salt, derivative, preparation, compound, or mixture,
15 whether natural or synthesized, of tetrahydrocannabinol."

16 SECTION 6. New statutory material is underscored.

17 SECTION 7. This Act shall take effect on July 1, 2050.



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. Exempts the possession, use, sale, or transfer of industrial hemp for research and development purposes from certain criminal offenses relating to drugs and intoxicating compounds. Effective 7/1/2050. (SD2)

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