

JAN 23 2015

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 mankind has
2 cultivated hemp as a source of food and fiber for thousands of
3 years. Modern production methods have utilized hemp's oilseed
4 to make high-grade food and beauty products. The stalks produce
5 fiber and cellulose for everything from automotive parts and
6 fine clothing to building materials and fuel.

7 The legislature further finds that according to estimates
8 by the Hemp Industries Association, retail sales of industrial
9 hemp products in the United States have grown steadily since
10 1990 to more than \$580,000,000 annually in 2013. California
11 manufacturers of hemp products currently import tens of
12 thousands of acres' worth of hemp seed, oil, and fiber products
13 from around the world that could be produced by American farmers
14 at a more competitive price. Additionally, the intermediate
15 processing of hemp seed, oil, food ingredients, and fiber could
16 create jobs in close proximity to the fields of cultivation.



S.B. NO. 375

1 The legislature further finds that support for industrial
2 hemp farming is occurring at the national level. California,
3 Colorado, Delaware, Hawaii, Illinois, Indiana, Kentucky, Maine,
4 Montana, Nebraska, North Dakota, Oregon, South Carolina,
5 Tennessee, Utah, Vermont, Washington, and West Virginia have
6 defined industrial hemp as a distinct agricultural crop and
7 removed barriers to its production. Furthermore, President
8 Obama signed the 2014 Farm Bill into law, which authorizes
9 industrial hemp research and pilot programs in states that
10 regulate hemp farming under the authority of the state
11 department of agriculture. Farmers and universities in
12 Colorado, Kentucky, and Vermont have already planted hemp crops
13 to conduct pilot programs after registering with their state
14 department of agriculture.

15 The purpose of this Act is to authorize industrial hemp to
16 be grown for purposes of research conducted under an
17 agricultural pilot program or other agricultural or academic
18 research by an institution of higher education or by others
19 acting under specific agreement with and under the authority of
20 the Hawaii department of agriculture.



1 SECTION 2. Chapter 141, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 **"PART . INDUSTRIAL HEMP**

5 **§141- Definitions.** As used in this part:

6 "Board" means the board of agriculture.

7 "Chairperson" means the chairperson of the board of
8 agriculture.

9 "Industrial hemp" means the plant *Cannabis sativa* L. and
10 any part of such plant, whether growing or not, with a delta-9
11 tetrahydrocannabinol concentration of not more than 0.3 per cent
12 on a dry weight basis.

13 "Institution of higher education" means a public or private
14 institution of higher learning as defined in section 101 of the
15 Higher Education Act of 1965 (20 U.S.C. 1001).

16 "Registered seed breeder" means an individual or public or
17 private institution or organization that is registered with the
18 chairperson to develop seed cultivars intended for sale or
19 research.

20 "Seed cultivar" means a variety of industrial hemp.



1 "Seed development plan" means a strategy devised by a
2 registered seed breeder, or applicant seed breeder, detailing
3 the breeder's planned approach to growing and developing a new
4 seed cultivar for industrial hemp.

5 **§141- Growing of industrial hemp for research purposes;**

6 **registration.** (a) Except when grown by an institution of
7 higher education or by a registered seed breeder developing a
8 new Hawaii seed cultivar, industrial hemp shall be grown only if
9 it is on the list of approved seed cultivars. The board may
10 from time to time add or remove any seed cultivar from the list.

11 (b) The list of approved seed cultivars shall include the
12 following:

13 (1) Industrial hemp seed cultivars that have been
14 certified by the Organization of Economic Cooperation
15 and Development; and

16 (2) Hawaii varieties of industrial hemp seed cultivars
17 that have been certified by the board.

18 (c) Before cultivation, a grower of industrial hemp shall
19 register with the board to engage in industrial hemp cultivation
20 and request that it certify the site where the hemp will be



1 grown. The application for registration shall include the
2 following information:

3 (1) The name, business address, and mailing address of the
4 applicant;

5 (2) The legal description, global positioning system
6 coordinates, and map of the land area on which the
7 applicant plans to engage in industrial hemp
8 cultivation or storage; and

9 (3) The approved seed cultivar to be grown and whether the
10 seed cultivar will be grown for its grain or fiber, or
11 as a dual purpose crop.

12 The application shall be accompanied by a registration fee,
13 to be established by rules of the board, which shall be used to
14 cover the costs of implementing, administering, and enforcing
15 this part. The registration shall be valid for two years, after
16 which the registrant shall renew the registration and pay the
17 renewal fee, to be established by rules of the board.

18 (d) If the chairperson determines that the requirements
19 for registration pursuant to this section are satisfied, the
20 chairperson shall issue a registration to the applicant.



1 (e) A registrant that wishes to alter the land area on
2 which the registrant conducts industrial hemp cultivation or
3 storage shall, before altering the area, submit to the
4 chairperson an updated legal description, global positioning
5 system coordinates, and map specifying the proposed alteration.
6 When the chairperson receives and approves the updated
7 information, the chairperson shall notify the registrant in
8 writing that the registrant may cultivate industrial hemp on the
9 altered land area.

10 (f) A registrant that wishes to change the seed cultivar
11 grown shall submit to the chairperson the name of the new,
12 approved seed cultivar to be grown. When the chairperson
13 receives and approves the change to the registration, the
14 chairperson shall notify the registrant in writing that the
15 registrant may cultivate the new seed cultivar.

16 **§141- Cultivation by established agricultural research**
17 **institutions.** Institutions of higher education shall be
18 permitted to cultivate or possess industrial hemp with a
19 laboratory test report that indicates a percentage content of
20 tetrahydrocannabinol that is greater than 0.3 per cent if that
21 cultivation or possession contributes to the development of



1 types of industrial hemp that is not more than a
2 tetrahydrocannabinol limit of 0.3 per cent.

3 **§141- Prohibited activities.** The possession outside of
4 a field of lawful cultivation of resin, flowering tops, or
5 leaves that have been removed from the hemp plant is prohibited;
6 provided that the presence of a de minimis amount, or
7 insignificant number, of hemp leaves or flowering tops in hemp
8 bales that result from the normal and appropriate processing of
9 industrial hemp shall not constitute possession of marijuana.

10 **§141- Rulemaking.** The board shall adopt rules pursuant
11 to chapter 91 necessary for the purposes of this part. The
12 board is authorized to contract with private growers to conduct
13 research and pilot programs as allowed under section 7606 of the
14 Farm Bill of 2014. The board is authorized to apply for a
15 registration with the United States Drug Enforcement
16 Administration to import certified hemp seed and to distribute
17 that to registered growers who have a written agreement with the
18 board outlining the research they will be conducting."

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



1 "§712- Industrial hemp. The possession, cultivation,
 2 sale, receipt, or transfer of industrial hemp as authorized
 3 under part of chapter 141 shall not constitute an offense
 4 under this part."

5 SECTION 4. There is appropriated out of the general
 6 revenues of the State of Hawaii the sum of \$550,000 or so much
 7 thereof as may be necessary for fiscal year 2015-2016 and the
 8 same sum or so much thereof as may be necessary for fiscal year
 9 2016-2017 for the establishment of one full-time equivalent
 10 (1.00 FTE) position in the department of agriculture to
 11 effectuate this Act.

12 The sums appropriated shall be expended by the department
 13 of agriculture for the purposes of this Act.

14 SECTION 5. New statutory material is underscored.

15 SECTION 6. This Act shall take effect on July 1, 2015.

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S.B. NO. 375

Report Title:

Industrial Hemp; Agriculture; Pilot Program; Appropriation

Description:

Authorizes the growing of industrial hemp for certain purposes under specified conditions. Appropriates funds for department of agriculture staff to assist in registration of industrial hemp growers and seed testing.

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