#### 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 recognizes that the recently-
- 2 enacted Agriculture Improvement Act of 2018, informally known as
- 3 the "Farm Bill", among other matters, legalized hemp by removing
- 4 hemp from the definition of "marihuana" contained in the federal
- 5 Controlled Substances Act. Therefore, hemp is no longer
- 6 classified as an illegal drug under federal law. The
- 7 Agriculture Improvement Act also makes amendments to the
- 8 Agricultural Marketing Act of 1946. These amendments authorize
- 9 the department of agriculture of each state to submit to the
- 10 federal Secretary of Agriculture a proposed plan for the state's
- 11 department of agriculture to monitor and regulate hemp
- 12 production within the state. After the federal Secretary of
- 13 Agriculture approves a state plan, authorized entities within
- 14 the respective state may engage in the production of hemp,
- 15 including at the commercial level.
- 16 The legislature finds that the university of Hawaii's
- 17 research on hemp shows that there is significant potential for a



- 1 successful hemp agricultural industry in Hawaii. In addition to
- 2 creating new agricultural commerce, hemp is also beneficial in
- 3 removing toxins from the soil (phytoremediation), which is
- 4 important because past agricultural operations in the State have
- 5 deposited toxins in vast tracts of land. Hemp grows quickly and
- 6 is a superior phytoremediation crop. The legislature also finds
- 7 that hemp is an environmentally-friendly and efficient feedstock
- 8 for biofuel. Hemp can be made into clothing and used in other
- 9 products to promote the growth of small businesses.
- 10 The legislature also finds that although the State has
- 11 authorized the limited production of hemp through its industrial
- 12 hemp pilot program, progress in that program has been stalled by
- 13 the rules, policies, and practices of the state department of
- 14 agriculture, which have been far more onerous than even the
- 15 requirements established under previous federal law.
- 16 The purpose of this Act is to facilitate the regulation and
- 17 production of industrial hemp in the State by:
- 18 (1) Requiring the department of agriculture to establish a
- 19 permanent industrial hemp program to license
- 20 individuals to cultivate industrial hemp in the State;

1	(2)	Imposing a monetary penalty on any person who produces
2		hemp without authorization from a state or federal
3		program;
4	(3)	Establishing an affirmative defense to criminal
5		penalties for the cultivation of industrial hemp;
6	(4)	Authorizing licensees to utilize hemp genetics, from
7		any state, that meet federal definitions of hemp and
8		originate from any state having a federally approved
9		industrial hemp program;
10	(5)	Authorizing the department of agriculture to use
11		temporary inspectors to perform industrial hemp
12		inspections;
13	(6)	Exempting certain persons who transport and move
14		certain hemp plant materials from penalties and
15		reporting requirements relating to the transportation
16		and movement of those materials;
17	(7)	Amending definitions of "marijuana" in state law to
18		clarify that hemp is not marijuana;
19	(8)	Requiring the chairperson of the board of agriculture
20		to.

# S.B. NO. 53.D. 3 H.D. 2

1		(A)	Prepare and submit a proposed state plan to
2			monitor and regulate hemp production, including
3			commercial production and research, to the
4			federal Secretary of Agriculture pursuant to
5			section 297B of the Agricultural Marketing Act of
6			1946, as amended; and
7		(B)	Report to the governor, speaker of the house of
8			representatives, and president of the senate on
9			the status of the federal Secretary of
10			Agriculture's pending approval of the state plan
11			and, if approved, the subsequent implementation
12			of the plan; and
13	(9)	Esta:	blishing an industrial hemp special fund for the
14		purp	oses of the permanent industrial hemp program,
15		appr	opriating moneys into that fund, and appropriating
16		mone	ys from that fund for the establishment of
17		posi	tions relating to the regulation of industrial
18		hemp	
19	SECT	ION 2	. Chapter 141, Hawaii Revised Statutes, is
20	amended by	y add	ing a new part to be appropriately designated and
21	to read as	s fol	lows:

1	"PART . INDUSTRIAL HEMP PROGRAM
2	§141-A Definitions. As used in this part:
3	"Chairperson" means the chairperson of the board of
4	agriculture or the chairperson's designee.
5	"Cultivar" means a variety of industrial hemp.
6	"Department" means the department of agriculture.
7	"Industrial hemp" means the plant Cannabis sativa L. and
8	any part of that plant, including the seeds thereof and all
9	derivatives, extracts, cannabinoids, isomers, acids, salts, and
10	salts of isomers, 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	"Retail" means the sale of goods to the public in
14	relatively small quantities for use or consumption and not for
15	the purpose of processing into other products for eventual
16	resale.
17	"Variety" means a group of individual plants that exhibit
18	the same observable physical characteristics or have the same
19	genetic composition.

§141-B Industrial hemp program; established. The

department shall establish an industrial hemp program to

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- 1 authorize licensed individuals to cultivate industrial hemp in
- 2 the State.
- 3 §141-C Licensing. (a) A person who intends to grow
- 4 industrial hemp in the State shall apply to the department for a
- 5 license on a form prescribed by the department and pay an
- 6 application fee.
- 7 (b) If the chairperson determines that the requirements
- 8 for a license pursuant to this part, and any other requirements
- 9 established by rule, are satisfied, the chairperson shall issue
- 10 a license to the applicant upon payment of the fee established
- 11 in this section.
- 12 (c) Each license shall be valid for two years from the
- 13 date of issuance, after which the licensee shall be required to
- 14 renew the license and pay a renewal fee.
- 15 (d) The department may prescribe sampling, inspection, and
- 16 reporting requirements for licensees.
- 17 (e) Any license issued under the industrial hemp pilot
- 18 program shall have continued validity under the original terms
- 19 and conditions of that license until it expires. Upon
- 20 expiration, the licensee may renew that license under new terms
- 21 and conditions that are compliant with this part, by paying a

- 1 renewal fee and applying for license renewal pursuant to a
- process established by the chairperson.
- 3 §141-D Approved seed cultivars; hemp genetics. (a) Only
- 4 industrial hemp on the list of seed cultivars approved by the
- 5 board shall be grown. The board may add or remove any seed
- 6 cultivar from the list if the cultivar is found to be
- 7 noncompliant with this part.
- **8** (b) The list of approved seed cultivars shall include the
- 9 following:
- 10 (1) Industrial hemp seed cultivars that have been
- 11 certified by the Organisation for Economic Co-
- operation and Development;
- 13 (2) Hawaii varieties of industrial hemp seed cultivars
- that have been certified by the board; and
- 15 (3) Hemp genetics that are shown to meet federal
- 16 definitions of hemp and originate from any state with
- a federally approved industrial hemp program.
- 18 §141-E Inspections; fees. (a) A licensee shall permit
- 19 the annual inspection and sampling of the licensee's hemp plants
- 20 pursuant to section 297B of the Agriculture Improvement Act of
- 21 2018.

(b)

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### S.B. NO. 5.D. 3

2	party authorized by the department, may enter at a reasonable
3	time upon any private property utilized for the cultivation of
4	industrial hemp pursuant to this part in order to conduct an
5	annual inspection and sampling pursuant to subsection (a).
6	(c) The department may set reasonable inspection and
7	sampling fees.
8	(d) The department may employ temporary inspectors to
9	assist in certification, audit, and inspection services under
10	this part.
11	§141-F Violations. (a) Unprocessed hemp material,
12	including dried flowers and resin, shall not be sold at retail

Any member of the department, or any agent or third

17 (1) Refusal or failure by a licensee or authorized

18 representative to fully cooperate and assist the

19 department with the inspection or sampling process;

following acts and omissions by any licensee or authorized

In addition to any other violations of this part, the

unless authorized by a state hemp dispensing program.

representative thereof constitute violations:

#### S.B. NO. 5353 S.D. 3 H.D. 2

I	(2)	railure to provide any information required or
2		requested by the department for purposes pursuant to
3		this part;
4	(3)	Providing materially false information pertaining to
5		the licensee's cultivation of industrial hemp to the
6		department by any means, including information
7		provided in any application form, report, record, or
8		inspection required or maintained pursuant to this
9		part;
10	(4)	Failure to pay fees assessed by the department for
11		inspection or laboratory analysis costs; or
12	(5)	Any violation of any other state or federal law or
13		regulation regarding industrial hemp.
14	(c)	For any violation of this part, the department may
15	impose ci	vil penalties up to \$100 and disciplinary sanctions,
16	including	denial or revocation of a license.
17	§141	-G Rules. (a) The department shall adopt rules
18	pursuant	to chapter 91 for the purposes of this part, which, at
19	a minimum	shall include:

#### S.B. NO. 5.D. 3 H.D. 2

1	(1)	Inspection and sampling requirements of any industrial
2		hemp during growth or after harvest to determine
3		tetrahydrocannabinol levels;
4	(2)	Licensure requirements;
5	(3)	Reporting requirements; provided that pre-planting and
6		movement reporting shall not be required;
7	(4)	A process to create standards for selecting licensees;
8	(5)	Assessment and collection of fees for applications,
9		licenses, license renewals, inspections, and the
10		sampling and testing of industrial hemp;
11	(6)	A procedure for the disposal of industrial hemp crop,
12		plant, plant material, or seed, whether growing or
13		not, found to be in violation of this part, and
14		products derived from those plants;
15	(7)	Penalties for any violation of this part; and
16	(8)	Any other rules and procedures necessary to carry out
17		this part.
18	(b)	The department may adopt and amend interim rules that
19	shall be	exempt from chapters 91 and 201M to effectuate the
20	purposes	of this part; provided that any interim rules shall
21	only rema	ain in effect until July 1, 2025, or until rules are

- 1 adopted pursuant to subsection (a) to replace the respective
- 2 interim rule, whichever occurs sooner.
- 3 §141-H Authority to cease operations. Notwithstanding any
- 4 other provision of this part to the contrary, the chairperson
- 5 shall have the authority to cease operations and issuance or
- 6 renewal of any license, and terminate the industrial hemp
- 7 program, in order to effectuate any other federal or state
- 8 industrial hemp regulatory program; provided that any license
- 9 that has been issued as of that time shall remain in effect
- 10 until its expiration.
- 11 §141-I Industrial hemp special fund; established. (a)
- 12 There is created in the state treasury a special fund to be
- 13 designated as the industrial hemp special fund to be
- 14 administered by the department of agriculture. Moneys deposited
- 15 in the special fund shall be used to fulfill the purposes of
- 16 this part and shall include:
- 17 (1) Any moneys appropriated by the legislature to the
- 18 special fund;
- 19 (2) Any fees collected by the department in relation to
- 20 the industrial hemp pilot program or industrial hemp
- 21 program, except for fees collected for the services

#### S.B. NO. 5.D. 3 H.D. 2

1	provided by temporary inspectors, as specified in
2	section 141-37; and
3	(3) The interest or return on investments earned from
4	moneys in the special fund.
5	(b) The department of agriculture may use the moneys in
6	the special fund to carry out the purposes of this part,
7	including hiring employees, specialists, and consultants
8	necessary to complete projects related to the purposes of this
9	part."
10	SECTION 3. Chapter 712, Hawaii Revised Statutes, is
11	amended by adding two new sections to part IV to be
12	appropriately designated and to read as follows:
13	"§712- Unauthorized production of hemp. (a) A person
14	shall not produce hemp unless authorized pursuant to a state or
15	federal program.
16	(b) A person who violates this section shall be subject to
17	a monetary penalty of \$ .
18	§712- Cultivation of industrial hemp as an affirmative
19	defense. (a) In any prosecution for an offense described in
20	sections 712-1247, 712-1248, 712-1249, 712-1249.4, or 712-

1	1249.5, a	defendant may assert the affirmative defense that the
2	defendant	<u>:</u>
3	(1)	Possessed a valid hemp cultivation license issued by
4		the department of agriculture pursuant to chapter 141;
5	(2)	Planted hemp varieties that are on a list of approved
6		cultivars pursuant to chapter 141; and
7	(3)	The cultivated hemp developed into plants with a
8		delta-9 tetrahydrocannabinol concentration of more
9		than 0.3 per cent on a dry weight basis.
10	(b)	This affirmative defense applies to the cultivation
11	and posse	ssion of marijuana, but it does not extend to the
12	distribut	ion of any marijuana."
13	SECT	ION 4. Section 141-1, Hawaii Revised Statutes, is
14	amended t	o read as follows:
15	"§14	1-1 Duties in general. The department of agriculture
16	shall:	
17	(1)	Gather, compile, and tabulate, from time to time,
18		information and statistics concerning:
19		(A) Entomology and plant pathology: Insects, scales,
20		blights, and diseases injurious or liable to
21		become injurious to trees plants or other

1		vegetation, and the ways and means of
2		exterminating pests and diseases already in the
3		State and preventing the introduction of pests
4		and diseases not yet here; and
5		(B) General agriculture: Fruits, fibres, and useful
6		or ornamental plants and their introduction,
7		development, care, and manufacture or
8		exportation, with a view to introducing,
9		establishing, and fostering new and valuable
10		plants and industries;
11	(2)	Encourage and cooperate with the agricultural
12		extension service and agricultural experiment station
13		of the [University] university of Hawaii and all
14		private persons and organizations doing work of an
15		experimental or educational character coming within
16		the scope of the subject matter of chapters 141, 142,
17		and 144 to 150A, and avoid, as far as practicable,
18		duplicating the work of those persons and
19		organizations;
20	(3)	Enter into contracts, cooperative agreements, or other
21		transactions with any person, agency, or organization

#### S.B. NO. 5.D. 3 H.D. 2

public or private, as may be necessary in the conduct
of the department's business and on such terms as the
department may deem appropriate; provided that the
department shall not obligate any funds of the State,
except the funds that have been appropriated to the
department. Pursuant to cooperative agreement with
any authorized federal agency, employees of the
cooperative agency may be designated to carry out, on
behalf of the State the same as department personnel,
specific duties and responsibilities under chapters
141, 142, 150A, and rules adopted pursuant to those
chapters, for the effective prosecution of pest
control and animal disease control and the regulation
of import into the State and intrastate movement of
regulated articles;

(4) Secure copies of the laws of other states,
territories, and countries, and other publications
germane to the subject matters of chapters 141, 142,
and 144 to 150A, and make laws and publications
available for public information and consultation;

#### S.B. NO. 53.0.3 H.D. 2

1	(5)	Provide buildings, grounds, apparatus, and
2		appurtenances necessary for the examination,
3		quarantine, inspection, and fumigation provided for by
4		chapters 141, 142, and 144 to 150A; for the obtaining,
5		propagation, study, and distribution of beneficial
6		insects, growths, and antidotes for the eradication of
7		insects, blights, scales, or diseases injurious to
8		vegetation of value and for the destruction of
9		injurious vegetation; and for carrying out any other
10		purposes of chapters 141, 142, and 144 to 150A;
11	(6)	Formulate and recommend to the governor and
12		legislature additional legislation necessary or
13		desirable for carrying out the purposes of chapters
14		141, 142, and 144 to 150A;
15	(7)	Publish at the end of each year a report of the
16		expenditures and proceedings of the department and of
17		the results achieved by the department, together with
18		other matters germane to chapters 141, 142, and 144 to
19		150A and that the department may deem proper;
20	(8)	Administer a program of agricultural planning and
21		development, including the formulation and

#### S.B. NO. \$1353 S.D. 3 H.D. 2

1		implementation of general and special plans, including
2		but not limited to the functional plan for
3		agriculture; administer the planning, development, and
4		management of the agricultural park program; plan,
5		construct, operate, and maintain the state irrigation
6		water systems; review, interpret, and make
7		recommendations with respect to public policies and
8		actions relating to agricultural land and water use;
9		assist in research, evaluation, development,
10		enhancement, and expansion of local agricultural
11		industries; and serve as liaison with other public
12		agencies and private organizations for the above
13		purposes. In the foregoing, the department shall act
14		to conserve and protect agricultural lands and
15		irrigation water systems, promote diversified
16		agriculture, increase agricultural self-sufficiency,
17		and ensure the availability of agriculturally suitable
18		lands; [and]
19	(9)	Manage, administer, and exercise control over any
20		public lands, as defined under section 171-2, that are
21		designated important agricultural lands pursuant to

1		section 205-44.5, including but not limited to		
2	establishing priorities for the leasing of these			
3	public lands within the department's jurisdiction $[\div]$			
4		and		
5	(10)	Have the authority to monitor and regulate hemp		
6		production, including commercial production and		
7		research, pursuant to section 297B of the Agricultural		
8		Marketing Act of 1946, as amended, and part ."		
9	SECT	ION 5. Section 141-35, Hawaii Revised Statutes, is		
10	amended to read as follows:			
11	"[+]	§141-35[+] Approved seed cultivars[+]; hemp genetics.		
12	(a) [ <del>Ind</del>	ustrial] Only industrial hemp [shall be grown only if		
13	it is] on	the list of [approved] seed cultivars[-] approved by		
14	the board	shall be grown. The board may [from time to time] add		
15	or remove	any seed cultivar from the list if the cultivar is		
16	found to	be noncompliant with this part.		
17	(b)	The list of approved seed cultivars shall include the		
18	following	ı:		
19	(1)	Industrial hemp seed cultivars that have been		
20		certified by the Organisation for Economic Co-		
21		operation and Development; [and]		

1	(2) Hawaii varieties of industrial hemp seed cultivars
2	that have been certified by the board [-]; and
3	(3) Hemp genetics that are shown to meet federal
4	definitions of hemp and originate from any state with
5	a federally approved industrial hemp program."
6	SECTION 6. Section 141-37, Hawaii Revised Statutes, is
7	amended by amending subsections (b) to (d) to read as follows:
8	"(b) During the inspection, the licensee or the licensee's
9	authorized representative shall be present at the growing area.
10	The licensee or authorized representative shall provide the
11	[board's] inspector with complete and unrestricted access to all
12	industrial hemp plants and seeds whether growing or harvested;
13	all land, buildings, and other structures used for the
14	cultivation and storage of industrial hemp; and all documents
15	and records pertaining to the licensee's industrial hemp
16	business.
17	(c) Sampling of industrial hemp plants shall occur
18	according to sampling protocol for industrial hemp set or
19	adopted by the department of agriculture or in the following
20	manner:

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#### S.B. NO. 5.D. 3 H.D. 2

		-
2		sampled from the growing areas at the [board's]
3		discretion[+] of the chairperson or the chairperson's
4		designee;
5	(2)	Quantitative laboratory determination of the delta-9
6		tetrahydrocannabinol concentration on a dry weight
7		basis shall be performed according to protocols
8		approved by the chairperson;
9	(3)	A sample test result greater than 0.3 per cent of
10		delta-9 tetrahydrocannabinol concentration or a
11		tetrahydrocannabinol concentration allowed by federal
12		law, whichever is greater, shall be considered
13		conclusive evidence that at least one cannabis plant
14		or part of a plant in the growing area contains a
15		delta-9 tetrahydrocannabinol concentration over the
16		limit allowed for industrial hemp and that the
17		licensee of that growing area is therefore not in
18		compliance with this part. Upon receipt of such a

test result, the chairperson may summarily suspend and

revoke the license of an industrial hemp licensee.

The chairperson shall furnish to the licensee a

(1) Samples of each variety of industrial hemp may be

# **S.B. NO.** 5.D. 3 S.D. 3 H.D. 2

1	portion of the violative sample if the licensee
2	requests it within thirty days of notification; and
3	(4) Test results from an institution of higher education
4	may, at the chairperson's discretion, be accepted in
5	lieu of board sampling.
6	(d) Licensees shall pay a charge of [\$35] \$40 per hour per
7	inspector, or fees established pursuant to section 147-102 when
8	the services are performed by temporary inspectors, for actual
9	drive time, mileage, inspection, and sampling time[-], and
10	charges for traveling expenses and extraordinary services when
11	the performance of the services involves unusual costs."
12	SECTION 7. Section 141-38, Hawaii Revised Statutes, is
13	amended to read as follows:
14	"[+] §141-38[+] Violations. In addition to any other
15	violations of this part, the following acts and omissions by any
16	licensee or authorized representative thereof constitute
17	violations for which civil penalties up to \$500 and disciplinary
18	sanctions, including revocation of a license, may be imposed by
19	the chairperson[+] or the chairperson's designee:

#### S.B. NO. 5.D. 3 H.D. 2

1	(1)	Refusal or failure by a licensee or authorized
2		representative to fully cooperate and assist the board
3		with the inspection process;
4	(2)	Failure to provide any information required or
5		requested by the board for purposes pursuant to this
6		part;
7	(3)	Providing false, misleading, or incorrect information
8		pertaining to the licensee's cultivation of industrial
9		hemp to the chairperson or the chairperson's designee
10		by any means, including but not limited to information
11		provided in any application form, report, record, or
12		inspection required or maintained pursuant to this
13		part;
14	(4)	Growing industrial hemp that when tested is shown to
15		have a delta-9 tetrahydrocannabinol concentration
16		greater than 0.3 per cent on a dry weight basis or a
17		tetrahydrocannabinol concentration allowed by federal
18		law, whichever is greater;
19	(5)	Failure to pay fees assessed by the chairperson or the
20		chairperson's designee for inspection or laboratory
- 21		analysis costs; or

# S.B. NO. 53.D. 3 H.D. 2

1	(6) Poss	essing, outside of a field of lawful cultivation,
2	resi	n, flowering tops, or leaves that have been
3	remo	oved from the hemp plant; provided that [the]:
4	(A)	The presence of a de minimis amount, or
5		insignificant number, of hemp leaves or flowering
6		tops in hemp bales [that result from the normal
7		and appropriate processing of industrial hemp];
8		and
9	<u>(B)</u>	Transportation in a department-approved manner of
10	•	the resin, flowering tops, and leaves of a
11		licensee's crop that passed department-ordered
12		compliance testing to another site for
13		processing,
14	shal	ll not apply to this paragraph."
15	SECTION 8	3. Section 141-39, Hawaii Revised Statutes, is
16	amended to rea	ad as follows:
17	"[ <del>[</del> ]§141-	-39[] Profits. The board shall forego any income
18	or profit that	licensees lawfully obtain through the disposition
19	of the license	ees' industrial hemp crop; provided that the
20	licensee repo	rts to the board, as required by this part:

#### S.B. NO. 5.D. 3 H.D. 2

1	[ <del>(1)</del>	Any movement of the licensee's industrial hemp plants,
2		plant materials, or seeds outside the licensed growing
3		area;
4	<del>(2)</del> ]	(1) Any sale of or benefit received in exchange for
5		the licensee's industrial hemp plants, plant
6		materials, or seeds; and
7	[ <del>-(3)</del> ]	(2) Any commercial details of [such movement,] the
8		sale[ $_{7}$ ] or exchange for use by the board to research
9		the marketability and logistical production of
10		industrial hemp in the State."
11	SECT	ION 9. Section 141-41, Hawaii Revised Statutes, is
12	amended b	y amending subsection (a) to read as follows:
13	"(a)	There is created in the state treasury a special fund
14	to be des	ignated as the industrial hemp special fund to be
15	administe	red by the department of agriculture. Moneys deposited
16	in this s	pecial fund shall be used to fulfill the purposes of
17	this part	and shall include:
18	(1)	Any moneys appropriated by the legislature to the
19		special fund;
20	(2)	Any fees collected by the department of agriculture in
21		relation to the industrial hemp pilot $program[_{7}]_{\underline{\prime}}$

## S.B. NO. 53.0.3 S.D.3

1	except for fees collected for the services provided by
2	temporary inspectors, as specified in section 141-37;
3	and
4	(3) The interest or return on investments earned from
5	moneys in the special fund."
6	SECTION 10. Section 147-101, Hawaii Revised Statutes, is
7	amended to read as follows:
8	"§147-101 Certification services revolving fund. There is
9	established a certification services revolving fund for use by
10	the department of agriculture to support certification [or],
11	audit, or inspection services established under parts I, III,
12	IV, VIII, and IX[-], and section 141-37. Moneys in the fund may
13	be expended for materials, salaries, equipment, training,
14	travel, and other costs related to providing certification $[\Theta r]_{\underline{r}}$
15	audit, or inspection services. Notwithstanding sections 147-10,
16	147-34, 147-64, 147-114 [and], 147-126, and 141-37, moneys
17	derived from the certification $[\Theta r]$ , audit, or inspection
18	services provided by temporary inspectors employed under this
19	part or from charges for traveling expenses or extraordinary
20	gorging ghall be deposited into the fund "

1 SECTION 11. Section 147-102, Hawaii Revised Statutes, is amended to read as follows: 2 "[+] §147-102[+] Certification [and], audit, and inspection 3 services. The department of agriculture shall fix, assess, and 4 collect fees for certification [or], audit, or inspection 5 services provided by temporary inspectors employed under this 6 The fees shall be in amounts necessary to cover all costs 7 of the administration and provision of the certification [or], 8 audit, or inspection services provided under this part; provided 9 that the department of agriculture shall establish charges for 10 traveling expenses and extraordinary services when the 11 performance of the services involves unusual cost. The fees and 12 charges established by the department of agriculture shall not 13 be subject to chapter 91. The department of agriculture may 14 employ temporary inspectors to assist in providing certification 15 **16** [er], audit, or inspection services under parts I, III, IV, VIII, and IX, and section 141-37, and those temporary inspectors 17 18 shall be exempt from chapter 76." 19 SECTION 12. Section 328-15, Hawaii Revised Statutes, is 20 amended to read as follows:

#### S.B. NO. 5.D. 3 H.D. 2

1	"§32	8-15	Drugs or devices deemed misbranded when;
2	prescript	ions	excepted, when. A drug or device shall be deemed
3	to be mis	brand	ed:
4	(1)	If i	ts labeling is false or misleading in any
5		part	icular, or if its labeling or packaging fails to
6		conf	orm with the requirements of section 328-19.1.
7	(2)	If i	n package form, unless it bears a label
8		cont	aining:
9		(A)	The name and place of business of the
10			manufacturer, packer, or distributor; and
11		(B)	An accurate statement of the quantity of the
12			contents in terms of weight, measure, or
13			numerical count, which statement shall be
14			separately and accurately stated in a uniform
15			location upon the principal display panel of the
16			label, provided that under this subparagraph
17			reasonable variations shall be permitted, and
18			exemptions as to small packages shall be allowed
19			in accordance with rules adopted by the director
20			An accurate statement of the quantity of the

contents in terms of weight, measure, or

21

1	numerical count shall not be required for any
2	commodity subject to packaging and labeling
3	requirements imposed by the Secretary of
4	Agriculture pursuant to the Federal Insecticide,
5	Fungicide, and Rodenticide Act or the provisions
6	of the eighth paragraph under the heading "Bureau
7	of Animal Industry" of the Act of March 4, 1913
8	(37 Stat. 832-833; 21 U.S.C. §§151-158), commonly
9	known as the Virus-Serum-Toxin Act.

- (3) If any word, statement, or other information required by or under authority of this part to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or devices, in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.
- of the narcotic or hypnotic substance alpha-eucaine,
  barbituric acid, beta-eucaine, bromal, cannabis[7]

  (except hemp as defined in section 329-1), cabromal,

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	chloral, coca, cocaine, codeine, heroin, marijuana,
	morphine, opium, paraldehyde, peyote, or
	sulphomethane, or any chemical derivative of [such]
•	the substance, which derivative, after investigation,
	has been found to be and designated as habit forming,
	by rules adopted by the director under this part, or
	by regulations issued pursuant to section 502(d) of
	the Federal Act, unless its label bears the name and
	quantity or proportion of the substance or derivative
	and in juxtaposition therewith the statement "Warning-
	-May be habit forming."

- (5) (A) If it is a drug unless:
- Its label bears, to the exclusion of any other nonproprietary name (except the applicable systematic chemical name or the 16 chemical formula), the established name, as 17 defined in subparagraph (B), of the drug, if [such there be;] any; and in case it is 18 19 fabricated from two or more ingredients, the established name and quantity of each active 20 21 ingredient, including the kind and quantity

1	or proportion of any alcohol, and also
2	including, whether active or not, the
3	established name and quantity or proportion
4	of any bromides, ether, chloroform,
5	acetanilid, acetophenetidin, amidopyrine,
6	antipyrine, atropine, hyoscine, hyoscyamine,
7	arsenic, digitalis, glucosides, mercury,
8	ouabain, strophanthin, strychnine, thyroid,
9	or any derivative or preparation of any
10	[such] of those substances, contained
11	therein; provided that the requirement for
12	stating the quantity of the active
13	ingredients, other than the quantity of
14	these specifically named in this paragraph,
15	shall apply only to prescription drugs; and
<b>16</b> (ii	For any prescription drug the established
17	name of [such] the drug or ingredient, as
18	the case may be, on [such] the label (and on
19	any labeling on which a name for [such] the
20	drug or ingredient is used) is printed
21	prominently and in type at least half as

1	large as that used thereon for any
2	proprietary name or designation for [such]
3	the drug or ingredient; provided further
4	that to the extent that compliance with the
5	requirements of this subparagraph is
6	impracticable, exemptions shall be allowed
7	under rules adopted by the director.
8	(B) As used in this paragraph, the term "established
9	name", with respect to a drug or ingredient
10	thereof, means:
11	(i) The applicable official name designated
12	pursuant to section 508 of the Federal Act;
13	(ii) If there is no [such] applicable name and
14	the drug, or the ingredient, is an article
15	recognized in an official compendium, then
16	the official title thereof in the
17	compendium; or
18	(iii) If neither clause (i) nor clause (ii) of
19	this subparagraph applies, then the common
20	or usual name, if any, of [such] the drug or
21	of the ingredient;

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provided further that where clause (ii) of this subparagraph applies to an article recognized in the United States Pharmacopoeia, in the United States Pharmacopoeia Dispensing Information, and in the Homeopathic Pharmacopoeia under different official titles, the official title used in the United States Pharmacopoeia shall apply unless it is labeled and offered for sale as a homeopathic drug, in which case the official title used in the Homeopathic Pharmacopoeia shall apply.

- (6) Unless its labeling bears[+] adequate:
  - (A) [Adequate directions] Directions for use; and
  - (B) [Such adequate warnings] Warnings against use in those pathological conditions or by children where its use may be dangerous to health, or against unsafe dosage or methods or duration of administration or application, in [such] a manner and form[7] as [are] necessary for the protection of users; provided that where any requirement of subparagraph (A), as applied to any drug or device, is not necessary for the protection of

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(7)

the public health, the director shall adopt rules exempting the drug or device from [such] the requirements; provided further that articles exempted under regulations issued under section 502(f) of the Federal Act may also be exempt.

If it purports to be a drug the name of which is recognized in an official compendium, unless it is packaged and labeled as prescribed therein; provided that the method of packaging may be modified with the consent of the director, or if consent is obtained under the Federal Act. Whenever a drug is recognized in both the United States Pharmacopoeia and the Homeopathic Pharmacopoeia of the United States, it shall be subject to the requirements of the United States Pharmacopoeia with respect to the packaging and labeling unless it is labeled and offered for sale as a homeopathic drug, in which case it shall be subject to the Homeopathic Pharmacopoeia of the United States and not to the United States Pharmacopoeia; provided that in the event of inconsistency between the requirements of this paragraph and those of paragraph

1	(5) as to the name by which the drug or its
2	ingredients shall be designated, the requirements of
3	paragraph (5) shall prevail.

- liable to deterioration, unless it is packaged in

  [such] any form and manner, and its label bears a

  statement of [such] any precautions, as the rules

  adopted by the director or regulations issued under

  the Federal Act require as necessary for the

  protection of public health. No [such] applicable

  rule shall be established for any drug recognized in

  an official compendium until the director shall have

  informed the appropriate body charged with the

  revision of the compendium of the need for [such] the

  packaging or labeling requirements and [such] the body

  shall have failed within a reasonable time to
- (9) (A) If it is a drug and its container is so made, formed, or filled as to be misleading;
  - (B) If it is an imitation of another drug; or

1		(C) If it is offered for sale under the name of
2		another drug.
3	(10)	If it is dangerous to health when used in the dosage,
4		or with the frequency or duration prescribed,
5		recommended, or suggested in the labeling thereof.
6	(11)	If it is, purports to be, or is represented as a drug
7		composed wholly or partly of insulin, unless:
8		(A) It is from a batch with respect to which a
9		certificate or release has been issued pursuant
10		to section 506 of the Federal Act; and
11		(B) The certificate or release is in effect with
12		respect to the drug.
13	(12)	If it is, purports to be, or is represented as a drug
14		composed wholly or partly of any kind of penicillin,
15		streptomycin, chlortetracycline, chloramphenicol,
16		bacitracin, or any other antibiotic drug, or any
17		derivative thereof, unless:
18		(A) It is from a batch with respect to which a
19		certificate or release has been issued pursuant
20		to section 507 of the Federal Act: and

1		(B) The certificate or release is in effect with
2		respect to the drug; provided that this paragraph
3		shall not apply to any drug or class of drugs
4		exempted by regulations promulgated under section
5		507(c) or (d) of the Federal Act.
6		For the purpose of this paragraph, the term
7		"antibiotic drug" means any drug intended for use by a
8		person containing any quantity of any chemical
9		substance [which] that is produced by a microorganism
10		and which has the capacity to inhibit or destroy
11		microorganisms in dilute solution (including the
12		chemically synthesized equivalent of [any such] the
13		substance).
14	(13)	If it is a color additive, the intended use of which
15		in or on drugs is for the purpose of coloring only,
16		unless its packaging and labeling are in conformity
17		with the packaging and labeling requirements
18		applicable to [such] a color additive prescribed under
19		section 328-13(b).
20	(14)	In the case of any prescription drug distributed or
21		offered for sale in this State, unless the

1		manu.	racturer, packer, or distributor thereof includes
2		in a	ll advertisements and other descriptive printed
3		matt	er issued or caused to be issued by the
4		manu	facturer, packer, or distributor with respect to
5		that	drug a true statement of:
6		(A)	The established name, as defined in paragraph
7			(5)(B), printed prominently and in type at least
8			half as large as that used for any trade or brand
9			name thereof;
10		(B)	The formula showing quantitatively each
11			ingredient of the drug to the extent required for
12			labels under section 502(e) of the Federal Act;
13			and
14		(C)	[Such] Any other information in brief summary
15			relating to side effects, contra-indications, and
16			effectiveness as shall be required in rules
17			adopted by the director.
18	(15)	If a	trademark, trade name, or other identifying mark,
19		impr	int, or device of another or any likeness of the
20		fore	going has been placed thereon or upon its
21		cont	ainer with intent to defraud.

1	(16)	Drugs and devices [which] that are, in accordance with
2		the practice of the trade, to be processed, labeled,
3		or repacked in substantial quantities at
4		establishments other than those where originally
5		processed or packed shall be exempt from any labeling
6		or packaging requirements of this part; provided that
7		[such] those drugs and devices are being delivered,
8		manufactured, processed, labeled, repacked, or
9		otherwise held in compliance with rules adopted by the
10		director.
11	(17)	If it has met or exceeded the expiration date
12		established by the manufacturer or principal labeler.
13	SECT	TION 13. Section 329-1, Hawaii Revised Statutes, is
14	amended a	s follows:
15	1.	By adding a new definition to be appropriately inserted
16	and to re	ead:
17	" <u>"</u> He	emp" means the plant Cannabis sativa L. and any part of
18	that plan	nt, including the seeds thereof and all derivatives,
19	extracts,	cannabinoids, isomers, acids, salts, and salts of
20	isomers,	whether growing or not, with a delta-9

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    tetrahydrocannabinol concentration of not more than 0.3 per cent
2
    on a dry weight basis."
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         2. By amending the definition of "marijuana" to read:
4
         ""Marijuana" means all parts of the plant (genus) Cannabis
5
    whether growing or not; the seeds thereof, the resin extracted
    from any part of the plant; and every compound, manufacture,
6
7
    salt, derivative, mixture, or preparation of the plant, its
8
    seeds, or resin.
                       [<del>It</del>]
9
         "Marijuana" does not include [the]:
10
         (1)
              Hemp; or
11
              The mature stalks of the plant [\tau] (genus) Cannabis,
         (2)
12
              fiber produced from the stalks, oil, or cake made from
13
              the seeds of the plant, any other compound,
14
              manufacture, salt, derivative, mixture, or preparation
15
              of the mature stalks (except the resin extracted
16
              therefrom), fiber, oil, or cake, or the sterilized
17
              seed of the plant [which] that is incapable of
18
              germination."
         SECTION 14. Section 329-14, Hawaii Revised Statutes, is
19
20
    amended by amending subsection (g) to read as follows:
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1	"(g) Any of the following cannabinoids, their salts,
2	isomers, and salts of isomers, unless specifically excepted,
3	whenever the existence of these salts, isomers, and salts of
4	isomers is possible within the specific chemical designation:
5	(1) Tetrahydrocannabinols; meaning tetrahydrocannabinols
6	naturally contained in a plant of the genus Cannabis
7	(cannabis plant), as well as synthetic equivalents of
8	the substances contained in the plant, or in the
9	resinous extractives of Cannabis, sp. or synthetic
10	substances, derivatives, and their isomers with
11	similar chemical structure and pharmacological
12	activity to those substances contained in the plant,
13	such as the following: Delta 1 cis or trans
14	tetrahydrocannabinol, and their optical isomers; Delta
15	6 cis or trans tetrahydrocannabinol, and their optical
16	isomers; and Delta 3,4 cis or trans-
17	tetrahydrocannabinol, and its optical isomers (since
18	nomenclature of these substances is not
19	internationally standardized, compounds of these
20	structures, regardless of numerical designation of
21	atomic positions, are covered); provided that

1		tetrahydrocannabinols under this subsection shall
2		exclude tetrahydrocannabinols in hemp;
3	(2)	Naphthoylindoles; meaning any compound containing a 3-
4		(1-naphthoyl)indole structure with substitution at the
5		nitrogen atom of the indole ring by a alkyl,
6		haloalkyl, alkenyl, cycloalkylmethyl,cycloalkylethyl,
7		1-(N-methyl-2-piperidinyl)methyl or 2-(4-
8		morpholinyl)ethyl group, whether or not further
9		substituted in the indole ring to any extent and
10		whether or not substituted in the naphthyl ring to any
11		extent;
12	(3)	Naphthylmethylindoles; meaning any compound containing
13		a 1H-indol-3-yl-(1-naphthyl) methane structure with
14		substitution at the nitrogen atom of the indole ring
15		by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl,
16		cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or
17		2-(4-morpholinyl) ethyl group whether or not further
18		substituted in the indole ring to any extent and
19		whether or not substituted in the naphthyl ring to any
20		extent;

### S.B. NO. 5.D. 3 H.D. 2

1	(4)	Naphthoylpyrroles; meaning any compound containing a
2		3-(1-naphthoyl)pyrrole structure with substitution at
3		the nitrogen atom of the pyrrole ring by a alkyl,
4		haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
5		1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)
6		ethyl group whether or not further substituted in the
7		pyrrole ring to any extent, whether or not substituted
8		in the naphthyl ring to any extent;
9	(5)	Naphthylmethylindenes; meaning any compound containing
10		a naphthylideneindene structure with substitution at
11		the 3-position of the indene ring by a alkyl,
12		haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
13		1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl)
14		ethyl group whether or not further substituted in the
15		indene ring to any extent, whether or not substituted
16		in the naphthyl ring to any extent;
17	(6)	Phenylacetylindoles; meaning any compound containing a
18		3-phenylacetylindole structure with substitution at
19		the nitrogen atom of the indole ring by a alkyl,
20		haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
21		1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl)

1	,	ethyl group whether or not further substituted in the
2		indole ring to any extent, whether or not substituted
3		in the phenyl ring to any extent;
4	(7)	Cyclohexylphenols; meaning any compound containing a
5		2-(3-hydroxycyclohexyl) phenol structure with
6		substitution at the 5-position of the phenolic ring by
7		a alkyl, haloalkyl, alkenyl, cycloalkylmethyl,
8		cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or
9		2-(4-morpholinyl) ethyl group whether or not
10		substituted in the cyclohexyl ring to any extent;
11	(8)	Benzoylindoles; meaning any compound containing a 3-
12		(benzoyl) indole structure with substitution at the
13		nitrogen atom of the indole ring by a alkyl,
14		haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
15		1-(N-methyl-2-piperidinyl) methyl, or 2-(4-
16		morpholinyl) ethyl group whether or not further
17		substituted in the indole ring to any extent and
18		whether or not substituted in the phenyl ring to any
19		extent;
20	(9)	2,3-Dihydro-5-methyl-3-(4-morpholinylmethyl)
21		pyrrolo[1,2,3-de]-1, 4-benzoxazin-6-yl]-1-

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1
              napthalenylmethanone (another trade name is WIN
2
              55,212-2);
3
        (10)
              (6a, 10a) -9-(hydroxymethyl) -6, 6-dimethyl-3-(2-
4
              methyloctan-2-yl)-6a,7,10,10a-
5
              tetrahydrobenzo[c]chromen-1-ol (Other trade names are:
6
              HU-210/HU-211);
7
              Tetramethylcyclopropanoylindoles; meaning any compound
        (11)
8
              containing a 3-tetramethylcyclopropanoylindole
9
              structure with substitution at the nitrogen atom of
10
              the indole ring by an alkyl, haloalkyl, cyanoalkyl,
              alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-
11
              methyl-2-piperidinyl) methyl, 2-(4-morpholinyl) ethyl,
12
13
              1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-
14
              morpholinyl) methyl, or tetrahydropyranyl methyl group,
              whether or not further substituted in the indole ring
15
16
              to any extent and whether or not substituted in the
17
              tetramethylcyclopropyl ring to any extent;
18
              N-(1-adamantyl)-1-pentyl-1H-indazole-3-carboxamide,
        (12)
19
              its optical, positional, and geometric isomers, salts,
20
              and salts of isomers (Other names: APINACA, AKB48);
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### S.B. NO. 5353 S.D. 3

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1
              Quinolin-8-yl 1-pentyl-1H-indole-3-carboxylate, its
        (13)
2
              optical, positional, and geometric isomers, salts, and
3
              salts of isomers (Other names: PB-22; QUPIC);
4
              Quinolin-8-yl 1-(5fluoropentyl)-1H-indole-3-
        (14)
5
              carboxylate, its optical, positional, and geometric
6
              isomers, salts, and salts of isomers (Other names: 5-
7
              fluoro-PB-22; 5F-PB-22);
              N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(4-
8
        (15)
9
              fluorobenzyl)-1H-indazole-3-carboxamide, its optical,
10
              positional, and geometric isomers, salts, and salts of
11
              isomers (Other names: AB-FUBINACA);
              N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-pentyl-1H-
12
        (16)
13
              indazole-3-carboxamide, its optical, positional, and
14
              geometric isomers, salts, and salts of isomers (Other
15
              names: ADB-PINACA);
16
              N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-
        (17)
17
              (cyclohexylmethyl) -1H-indazole-3-carboxamide, its
              optical, positional, and geometric isomers, salts, and
18
19
              salts of isomers (Other names: AB-CHMINACA);
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1
              N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-pentyl-1H-
        (18)
2
              indazole-3-carboxamide, and geometric isomers, salts,
3
              and salts of isomers (Other names: AB-PINACA);
4
              [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-
        (19)
5
              yl) methanone, and geometric isomers, salts, and salts
6
              of isomers (Other names: THJ-2201);
7
              Methyl (1-(4-fluorobenzyl)-1 H-indazole-3-carbonyl)-L-
        (20)
8
              valinate, and geometric isomers, salts, and salts of
9
              isomers (Other names: FUB-AMB);
10
        (21)
              (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-
              carboxamido) - 3-methylbutanoate, and geometric isomers,
11
12
              salts, and salts of isomers (Other names: 5-fluoro-
13
              AMB, 5-fluoro-AMP);
14
              N-((3s,5s,7s)-adamantan-1-y1)-1-(5-fluoropenty1)-1H-
        (22)
              indazole-3-carboxamide, and geometric isomers, salts,
15
16
              and salts of isomers (Other names: AKB48 N-(5-
              fluoropentyl) analog, 5F-AKB48, APINACA 5-fluoropentyl
17
18
              analog, 5F-APINACA);
19
        (23)
              N-adamantyl-1-fluoropentylindole-3-Carboxamide, and
20
              geometric isomers, salts, and salts of isomers (Other
21
              names: STS-135, 5F-APICA; 5-fluoro-APICA);
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Naphthalen-1-yl 1-(5-fluoropentyl)-1H-indole-3-
1
        (24)
2
              carboxylate, and geometric isomers, salts, and salts
3
              of isomers (Other names: NM2201);
4
        (25)
              N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-
5
               (cyclohexylmethyl) -1H-indazole-3-carboxamide, and
              geometric isomers, salts, and salts of isomers (Other
6
7
              names: MAB-CHMINACA and ADB-CHMINACA);
8
        (26)
              Methyl 2-[1-(5-fluoropentyl)-1H-indazole-3-
9
              carboxamido] -3,3-dimethylbutanoate (Other names: 5F-
10
              ADB, 5-flouro-ADB, and 5F-MDMB-PINACA), its optical,
11
              positional, and geometric isomers, salts, and salts of
12
              isomers; and
              1-(4-cyanobutyl)-N-(2-phenylpropan-2-yl)indazole-3-
13
        (27)
14
              carboxamide (CUMYL-4CN-BINACA), its optical,
15
              positional, and geometric isomers, salts, and salts of
16
              isomers; also known as SGT-78, 4-CN-CUMYL-BINACA;
17
              CUMYL-CB-PINACA; CUMYL-CYBINACA; 4-cyano CUMYL-
18
              BUTINACA."
19
         SECTION 15. Section 712-1240, Hawaii Revised Statutes, is
20
    amended as follows:
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- 1. By adding two new definitions to be appropriately
- 2 inserted and to read:
- 3 ""Hemp" shall have the same meaning as in section 329-1.
- 4 "Tetrahydrocannabinol" means tetrahydrocannabinol naturally
- 5 contained in a plant of the genus Cannabis (cannabis plant), as
- 6 well as synthetic equivalents of the substances contained in the
- 7 plant, or in the resinous extractives of Cannabis, sp. or
- 8 synthetic substances, derivatives, and their isomers with
- 9 similar chemical structure and pharmacological activity to those
- 10 substances contained in the plant, such as the following: Delta
- 11 1 cis or trans tetrahydrocannabinol, and their optical isomers;
- 12 Delta 6 cis or trans tetrahydrocannabinol, and their optical
- 13 isomers; and Delta 3,4 cis or trans-tetrahydrocannabinol, and
- 14 its optical isomers (since nomenclature of these substances is
- 15 not internationally standardized, compounds of these structures,
- 16 regardless of numerical designation of atomic positions, are
- 17 covered); provided that tetrahydrocannabinol shall exclude
- 18 tetrahydrocannabinol in hemp."
- 19 2. By amending the definition of "marijuana" to read:
- 20 ""Marijuana" means any part of the plant (genus) cannabis,
- 21 whether growing or not, including the seeds and the resin, and

- 1 every alkaloid, salt, derivative, preparation, compound, or
- 2 mixture of the plant, its seeds or resin[, except that, as used
- 3 herein, "marijuana"]. "Marijuana" does not include hemp,
- 4 hashish, tetrahydrocannabinol, and any alkaloid, salt,
- 5 derivative, preparation, compound, or mixture, whether natural
- 6 or synthesized, of tetrahydrocannabinol."
- 7 SECTION 16. (a) The chairperson of the board of
- 8 agriculture shall prepare and submit a proposed state plan to
- 9 monitor and regulate hemp production in the State pursuant to
- 10 section 297B of the Agricultural Marketing Act of 1946, as
- 11 amended, to the federal Secretary of Agriculture within thirty
- 12 days after the federal Secretary of Agriculture announces
- 13 guidelines for state plans. The chairperson shall also submit a
- 14 copy of the proposed state plan to the governor, the president
- 15 of the senate, and the speaker of the house of representatives.
- 16 (b) The chairperson of the board of agriculture shall
- 17 submit reports on a basis to the governor, the president of
- 18 the senate, and the speaker of the house of representatives
- 19 concerning the status of the federal Secretary of Agriculture's
- 20 pending approval of the state plan until the state plan is
- 21 approved.



1 The chairperson of the board of agriculture shall 2 submit a report on the implementation of the state plan to the 3 legislature no later than twenty days prior to the convening of 4 the regular session of 2020. The report shall include any 5 proposed legislation to facilitate the cultivation, monitoring, 6 and regulation of hemp production in the State. 7 SECTION 17. There is appropriated out of the general 8 revenues of the State of Hawaii the sum of \$250,000 or so much 9 thereof as may be necessary for fiscal year 2019-2020 and the 10 same sum or so much thereof as may be necessary for fiscal year 11 2020-2021 to be deposited into the industrial hemp special fund 12 established pursuant to section 141-I, Hawaii Revised Statutes. 13 SECTION 18. There is appropriated out of the industrial 14 hemp special fund established pursuant to section 141-I, Hawaii 15 Revised Statutes, the sum of \$250,000 or so much thereof as may **16** be necessary for fiscal year 2019-2020 and the same sum or so 17 much thereof as may be necessary for fiscal year 2020-2021 to be 18 allocated as follows: 19 (1) for the establishment of one full-time 20 equivalent (1.0 FTE) program coordinator position;

1 (2) for the establishment of two full-time 2 equivalent (2.0 FTE) specialist positions; and 3 (3) for administrative costs of the industrial 4 hemp program. The sums appropriated shall be expended by the department 5 6 of agriculture for the purposes of this Act. 7 SECTION 19. Upon the repeal of the industrial hemp pilot 8 program pursuant to Act 228, Session Laws of Hawaii 2016, all 9 unencumbered funds remaining in the industrial hemp special fund established pursuant to 141-41, Hawaii Revised Statutes, shall **10** 11 be deposited into the industrial hemp special fund established 12 pursuant to 141-I, Hawaii Revised Statutes. 13 SECTION 20. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute 14 appropriate section numbers for the letters used in designating 15 16 the new sections in this Act. 17 SECTION 21. This Act does not affect rights and duties 18 that matured, penalties that were incurred, and proceedings that 19 were begun before its effective date.

- 1 SECTION 22. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 23. This Act shall take effect on September 22,
- 4 2050.

### Report Title:

Industrial Hemp; Permanent Program; Controlled Substances; Legalization; Hemp Genetics; State Plan; Appropriations

#### Description:

Requires the Department of Agriculture to establish a permanent industrial hemp program. Imposes a monetary penalty on any person who produces hemp without authorization from a state or federal program. Establishes an affirmative defense to criminal penalties for the cultivation of industrial hemp. Authorizes licensees to utilize hemp genetics from other states if certain requirements are met. Authorizes the use of temporary inspectors to perform industrial hemp inspections. Exempts certain persons who transport and move certain hemp plant materials from certain penalties and reporting requirements. Amends definitions of "marijuana" in state law to clarify that hemp is not marijuana. Requires the Chairperson of the Board of Agriculture to prepare and submit a proposed state plan to monitor and regulate hemp production, including commercial production and research, to the federal Secretary of Agriculture pursuant to section 297B of the Agricultural Marketing Act of 1946, as amended. Requires reports to the Governor and Legislature. Establishes a new industrial hemp special fund. Appropriates funds. (SB1353 HD2)

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