

STAND. COM. REP. NO.

2143

Honolulu, Hawaii

APR 05 , 2019

RE: S.B. No. 1353
S.D. 3
H.D. 3

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1353, S.D. 3, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INDUSTRIAL HEMP,"

begs leave to report as follows:

The purpose of this measure is to facilitate the regulation and production of industrial hemp in Hawaii by:

- (1) Requiring the Department of Agriculture (DOA) to establish a permanent industrial hemp program to license individuals to cultivate industrial hemp in Hawaii;
- (2) Imposing a monetary penalty on any person who produces hemp without authorization from a state or federal program;
- (3) Establishing an affirmative defense to criminal marijuana offenses for the approved cultivation of industrial hemp;
- (4) Authorizing licensees to utilize hemp genetics that meet federal definitions of hemp and originate from any state having a federally approved industrial hemp program;



- (5) Authorizing DOA to use temporary inspectors to perform industrial hemp inspections;
- (6) Authorizing approved transportation of hemp for purposes of processing;
- (7) Amending the definitions of "marijuana" in state law to clarify that hemp is not marijuana;
- (8) Requiring the chairperson of the Board of Agriculture to:
 - (A) Prepare and submit a proposed state plan to monitor and regulate hemp production to the federal Secretary of Agriculture pursuant to section 297B of the Agricultural Marketing Act of 1946, as amended; and
 - (B) Report to the Governor, Speaker of the House of Representatives, and President of the Senate on the status of the federal Secretary of Agriculture's pending approval of the state plan and, if approved, the subsequent implementation of the plan; and
- (9) Establishing an Industrial Hemp Special Fund for the purposes of the permanent industrial hemp program, appropriating \$250,000 from State general funds into that fund, and appropriating \$250,000 from that fund for the establishment of positions relating to the regulation of industrial hemp.

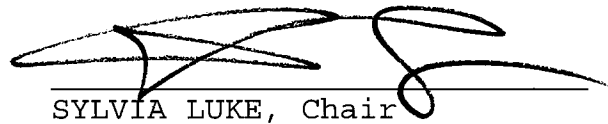
The Department of Public Safety, Drug Policy Forum of Hawaii, International Longshore and Warehouse Union Local 142, and Hawaii Farm Bureau testified in support of this measure. The Department of the Attorney General, DOA, Department of Budget and Finance, and Vespucci Collective Inc. provided comments.

Your Committee has amended this measure by changing the appropriation for the Industrial Hemp Special Fund, and the appropriation out of that fund for the establishment of positions relating to the regulation of industrial hemp to an unspecified amount.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1353, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1353, S.D. 3, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



