

# H.B. NO. 2278

---

## A BILL FOR AN ACT

RELATING TO HEMP.

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

1           SECTION 1. The purpose of this Act is to establish a  
2 program for the production of hemp in the State.

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

6                           **"PART . HAWAII HEMP PRODUCTION PROGRAM**

7           **§141-A Definitions.** As used in this part:

8           "Cannabis" means the genus of flowering plants in the  
9 family Cannabaceae. For the purposes of this part, cannabis  
10 refers to any form of the plant where the delta-9  
11 tetrahydrocannabinol concentration on a dry weight basis has  
12 not yet been determined.

13           "Chairperson" means the chairperson of the board of  
14 agriculture or their designee.

15           "Corrective action plan" means a plan established by the  
16 department of agriculture for a licensed hemp producer to  
17 correct a negligent violation or non-compliance with a hemp  
18 production plan and this part.

1 "Daycare" means a place of daytime training, supervision,  
2 recreation, and or medical services for children of preschool  
3 age, for the disabled, or for the elderly.

4 "Decarboxylated" means the completion of the chemical  
5 reaction that converts delta-9 tetrahydrocannabinol's acids  
6 (THCA) into delta-9 tetrahydrocannabinol. The decarboxylated  
7 value may be calculated using a conversion formula that sums  
8 delta-9 tetrahydrocannabinol and eighty-seven and seven tenths  
9 (87.7) per cent of THCA.

10 "Delta-9 tetrahydrocannabinol" or "THC" is the primary  
11 psychoactive component of cannabis.

12 "Department" means the department of agriculture.

13 "Dry weight basis" refers to a method of determining the  
14 percentage of a chemical in a substance after removing the  
15 moisture from the substance.

16 "Entity" means a corporation, joint stock company,  
17 association, limited partnership, limited liability partnership,  
18 limited liability company, irrevocable trust, estate, charitable  
19 organization, or other similar organization, including any such  
20 organization participating in the hemp production as a partner  
21 in a general partnership, a participant in a joint venture, or a  
22 participant in a similar organization.

1 "Executive officer" means a president, chairperson of an  
2 executive committee, senior officer responsible for the  
3 applicant or licensee's business, chief financial officer, chief  
4 operating officer, or any other person who performs similar  
5 functions related to the licensee or applicant.

6 "GPS coordinates" means a location designated through a  
7 global system of navigational satellites used to determine  
8 the precise ground position of a place or object.

9 "Handle" refers to the actions of cultivating or storing  
10 hemp plants or hemp plant parts prior to the delivery of such  
11 plant or plant part for further processing. In cases where  
12 cannabis plants exceed the acceptable hemp THC level, handle may  
13 also refer to the disposal of those plants.

14 "Hemp" means cannabis sativa L. and any part of that plant,  
15 including the seeds thereof and all derivatives, extracts,  
16 cannabinoids, isomers, acids, salts, and salts of isomers,  
17 whether growing or not, with a delta-9-tetrahydrocannabinol  
18 concentration of not more than 0.3 per cent on a dry weight  
19 basis, as measured post-decarboxylation or by other similarly  
20 reliable method. "Hemp" as used in this part does not include  
21 hemp products.

22 "Hemp product" means a product containing hemp, or any  
23 product derived from, or made by, processing hemp, including but

1 not limited to consumables, cosmetics, personal care products,  
2 food intended for animal or human consumption, supplements,  
3 cloth, cordage, fiber, fuel, paint, paper, particleboard,  
4 plastics, and any product containing one or more hemp-derived  
5 cannabinoids such as cannabidiol that:

6 (1) Does not include any living hemp plants, viable seeds,  
7 leaf materials, or floral materials; and

8 (2) Has a delta-9-tetrahydrocannabinol concentration of  
9 not more than 0.3 per cent on a dry weight basis, as  
10 measured post-decarboxylation or by other similarly  
11 reliable method.

12 "Key participants" means a person or group of persons  
13 acting in concert who exercises control over or has a twenty-  
14 five per cent ownership interest or more in an applicant or  
15 licensee under this chapter, such as an owner or partner in a  
16 partnership. A key participant also includes persons in a  
17 corporate entity at executive levels including managers and  
18 executive officers. This does not include management such as  
19 farm, field, or shift managers.

20 "Lot" refers to a contiguous area in a field, greenhouse,  
21 or indoor growing structure containing the same variety or  
22 strain of cannabis throughout.

1 "Licensed land area" means a contiguous parcel or tract of  
2 land authorized by the department for the production of hemp.

3 "Negligence" means failure to exercise the level of care  
4 that a reasonably prudent person would exercise in complying  
5 with the regulations set forth under this part.

6 "Licensee" means a person or entity authorized to grow  
7 hemp under the terms established in this part.

8 "Playground" means any public outdoor facility, including  
9 any parking lot appurtenant thereto, that is intended for  
10 recreation, with any portion thereof containing three or more  
11 separate apparatus intended for the recreation of children,  
12 including but not limited to sliding boards, swing sets, and  
13 teeterboards.

14 "Post-decarboxylation" means testing methodologies for THC  
15 concentration levels in hemp, where the total potential delta-9-  
16 tetrahydrocannabinol content, derived from the sum of the THC  
17 and THCA content, is determined and reported on a dry weight  
18 basis.

19 "Processor" means an individual or entity authorized by the  
20 State of Hawaii if in the State or another receiving state if  
21 applicable to receive harvested hemp from a licensed producer  
22 for the purpose of transformation of the harvested hemp into a  
23 hemp product.

H.B. NO. 2278

1 "Produce" refers to the propagation or cultivation of  
2 hemp.

3 "Producer" means a person or entity with a share in a hemp  
4 crop and shares in the risk or production of hemp under the  
5 program.

6 "Program" means the Hawaii hemp production program.

7 "School" means any public or private preschool,  
8 kindergarten, elementary, intermediate, middle, secondary, or  
9 high school.

10 "State" means the State of Hawaii unless specified  
11 otherwise.

12 "Store" is part of the term "handle" under this part and  
13 means to deposit harvested hemp in a storehouse, warehouse, or  
14 other identified location within the producer's licensed land  
15 area prior to delivery to a recipient for further processing.

16 "USDA" means the United States Department of Agriculture.

17 "Varietal" means a group of plants or an individual plant  
18 that exhibits distinctive observable physical characteristics or  
19 has a distinct genetic composition and includes viable seeds and  
20 a plant or plant part that can be utilized to grow a new plant.

21 **§141-B Hawaii hemp production program.** (a) There is  
22 established within the department the Hawaii hemp production  
23 program.

1 (b) The department shall administer hemp production  
2 licensure and regulation, pursuant to this part.

3 (c) No person or entity shall produce hemp in the State  
4 unless the person or entity has a valid license issued by the  
5 department pursuant to this part.

6 **§141-C License applicants.** (a) If the applicant is an  
7 individual, the application shall include supporting  
8 documentation to establish that the individual:

9 (1) Is not less than twenty-one years of age;

10 (2) Has been a legal resident of the State of Hawaii for  
11 not less than three years preceding the date of  
12 application;

13 (3) Has no felony convictions related to a controlled  
14 substance under state or federal law in the ten years  
15 immediately preceding the date of submission of the  
16 application;

17 (4) Has a Hawaii tax identification number; and

18 (5) Has a federal employer identification number.

19 (b) If the applicant is an entity, the application shall  
20 include supporting documentation to establish that the entity:

21 (1) Is organized under the laws of the State of Hawaii;

22 (2) Has a Hawaii tax identification number;

H.B. NO. 2278

1           (3) Is registered with the business registration division  
2                   of the Hawaii department of commerce and consumer  
3                   affairs to do business in this State;

4           (4) Has a federal employer identification number;

5           (5) Is not less than fifty-one per cent held by Hawaii  
6                   legal residents or entities wholly controlled by  
7                   Hawaii legal residents who have been Hawaii legal  
8                   residents for not less than three years immediately  
9                   preceding the date the application was submitted; and

10          (6) Is composed of key participants each of whom has had  
11                   no felony convictions related to a controlled  
12                   substance under state or federal law in the ten years  
13                   immediately preceding the date of submission of the  
14                   application.

15          (c) Each applicant, including an individual applicant and  
16 all key participants of an entity applicant, shall be subject to  
17 background checks conducted by the department or its designee,  
18 including but not limited to criminal history records checks in  
19 accordance with section 846-2.7. The person undergoing the  
20 background check shall provide written consent and all  
21 applicable processing fees to the department or its designee to  
22 conduct the criminal history record checks.



1 (d) Pursuant to, and in accordance with, section 846-2.7,  
2 the department or its designee is authorized to conduct state  
3 and national criminal history record checks on all license  
4 applicants, including an individual applicant and all key  
5 participants of an entity applicant, and participate in the rap  
6 back program, for the purpose of determining suitability or  
7 fitness for a license under this part.

8 (e) If an individual or one or more of an applying  
9 entities' key participants had a hemp production license revoked  
10 or non-renewed due to a violation, whether as an individual or  
11 as a key participant of an entity, the individual or applying  
12 entity is ineligible for a license under the program for a  
13 period of five years from the date of the revocation or  
14 nonrenewal.

15 (f) Any person convicted of a felony related to a  
16 controlled substance under state or federal law is prohibited  
17 from producing hemp for ten years following the date of  
18 conviction.

19 **§141-D License applications.** (a) An individual or entity  
20 that intends to produce hemp in the State shall apply to the  
21 department for a license on an application form prescribed by  
22 the department.

1 (b) The application form shall request information  
2 necessary to verify that applicants meet the required  
3 qualifications pursuant to section 141-C. Applicants shall  
4 provide, at a minimum, the following information:

5 (1) The exact name of the applicant, any fictitious or  
6 trade name used by the applicant in the conduct of its  
7 business, and the location of the applicant's business  
8 records;

9 (2) If the applicant is an individual, the applicant's  
10 mailing address, phone number, and email address;

11 (3) If the applicant is a business entity, the address of  
12 the principal business location, full name and title  
13 of key participants, phone number, an email address,  
14 and federal employer identification number of the  
15 business entity;

16 (4) Disclosure of any pending or final suspension,  
17 revocation, or other enforcement action by any state  
18 or governmental authority for the five-year period  
19 prior to the date of the application;

20 (5) The legal description of the proposed licensed land  
21 area on which the hemp will be produced and stored  
22 incident to production as applicable;

H.B. NO. 2278

- 1           (6) The GPS coordinates in decimal degrees from the  
2                    central most point of the proposed licensed land area  
3                    on which the hemp will be produced and stored incident  
4                    to production as applicable;
- 5           (7) Certification that the proposed licensed land area is  
6                    under the legal control of the applicant and that the  
7                    applicant has the authority to produce and store hemp  
8                    incident to production as applicable on the proposed  
9                    licensed land area;
- 10          (8) Certification that applicable zoning or land use  
11                    restrictions allow for the production of hemp and  
12                    storage incident to the production of hemp on the  
13                    proposed licensed land area;
- 14          (9) Certification that the licensee shall indemnify, hold  
15                    harmless, and release forever the State and its  
16                    departments, agencies, officers, employees, and agents  
17                    of any kind from all liability claims arising out of  
18                    the licensees' actions involving the production of  
19                    hemp;
- 20          (10) Certification that the applicant and key participants  
21                    of the applicant have not personally nor as a key  
22                    participants of an entity previously had a license or  
23                    equivalent authorization to produce hemp revoked, or

1 non-renewed under any state, tribal, or USDA hemp  
2 production program or hemp pilot program; and

3 (11) Any other information required by the department.

4 (c) In addition to the application form, the applicant  
5 shall submit a non-refundable application fee set by the  
6 department by certified or cashier's check. If, for any reason,  
7 the application fee is not submitted with the application, or  
8 not available for deposit, the application for a license shall  
9 be deemed void and the department shall inform the applicant in  
10 writing that its application has been rejected.

11 (d) If an applicant submits an application form in which  
12 all required information is not complete and valid, the  
13 application shall not be granted.

14 (e) Any person found to have made any fraudulent or false  
15 statement or misrepresentation in the information submitted in  
16 the person's application or in violation of this chapter will be  
17 ineligible to participate in the program, shall be subject to  
18 denial of an application or immediate revocation of a license,  
19 and may be referred to law enforcement.

20 **§141-E Licensing.** (a) If the department determines that  
21 all requirements for a license are satisfied, the department may  
22 offer a license agreement to the applicant. The license  
23 agreement shall set forth the terms and conditions for

1 participation in the program. Failure to comply with any of the  
2 terms and conditions of the license agreement and this part  
3 shall constitute grounds for the department to impose the  
4 penalties and sanctions set forth in section 141-M.

5 (b) Within seven days of being offered a license  
6 agreement, a nonrefundable license fee shall be submitted to the  
7 department by certified or cashier's check or the department  
8 shall revoke its offer of the license agreement unless the  
9 department, in its sole discretion and for good cause shown,  
10 decides otherwise.

11 (c) Upon the receipt of a properly executed license  
12 agreement and the license fee, the department shall issue a  
13 license authorizing the applicant to produce hemp in accordance  
14 with the terms and conditions of the license agreement.

15 (d) A license shall be valid for three years from the date  
16 of issuance subject to the payment of an annual license fee  
17 prior to the beginning of each license year. Prior to the  
18 expiration of a license, within a time set by the department, a  
19 licensee may apply to renew the license, subject to any renewal  
20 requirements and renewal fees set by the department.

21 (e) Licenses shall not be transferrable.

22 (f) If a licensed entity's key participants change or the  
23 licensed entity is sold or otherwise transferred to new key

1 participants, the licensed entity shall submit a request to the  
2 department for approval at least thirty days prior to any  
3 change, sale, or transfer. Any request shall include  
4 information sufficient to establish the new key participants  
5 meet all the requirements under this part and shall have had no  
6 felony controlled substance convictions within the last ten year  
7 preceding the date of transfer. The department may deny a  
8 request if it deems any key participant has failed to meet all  
9 the requirements under this part.

10 **§141-F Tracking.** (a) The department shall establish,  
11 maintain, and control a computer software tracking system that  
12 shall have real time, twenty-four-hour access to the data of all  
13 licensees.

14 (b) The computer software tracking system shall collect  
15 data relating to, at a minimum:

16 (1) The total amount of cannabis or hemp in possession of  
17 a licensee from either seed or immature plant state,  
18 including all plants that are derived from cuttings or  
19 cloning, until the cannabis or hemp is harvested or  
20 destroyed;

21 (2) The amount of waste produced by each harvest or  
22 disposal process; and

1           (3) The transport of hemp between a licensee and an  
2           authorized processor, including the identity of the  
3           person transporting the hemp, and the make, model, and  
4           license number of the vehicle being used for the  
5           transport.

6           (c) The procurement of the computer software tracking  
7           system established pursuant to this section shall be exempt from  
8           chapter 103D; provided that:

9           (1) The department shall publicly solicit at least three  
10           proposals for the computer software tracking system;  
11           and

12           (2) The selection of the computer software tracking system  
13           shall be approved by the chairperson of the  
14           department.

15           (d) The department may establish fees necessary to  
16           implement, operate, and maintain the computer software tracking  
17           system.

18           (e) A licensee shall purchase, operate, and maintain a  
19           computer software tracking system that shall interface with the  
20           department's computer software tracking system.

21           §141-G Confidential information. (a) The following  
22           information relating to a licensee or applicant for a license  
23           that is in the department's possession for the purposes of this

1 part shall be considered confidential and shall not be made  
2 available to the public unless authorized by the licensee or  
3 applicant; provided that the information shall be made available  
4 to any law enforcement agency or officer, third party authorized  
5 by the state to test and sample cannabis for the purposes of  
6 this program, the USDA, and another Hawaii state agency:

7 (1) Information identifying the legal address and GPS  
8 coordinates of the locations of licensed land areas;

9 (2) Information obtained about an individual as a result  
10 of a criminal history record check;

11 (4) Any financial data received from an applicant or  
12 licensee; and

13 (3) Data collected by the department's computer software  
14 tracking system.

15 **§141-H Information sharing and collection.**

16 Notwithstanding section 141-G, licensees shall be required to  
17 report the following information to the department to be shared  
18 with the USDA:

19 (a) Hemp crop acreage;

20 (b) Total acreage of hemp planted, harvested, and  
21 disposed;

22 (c) License or authorization number;

23 (d) Street address of the licensed land area;



H.B. NO. 2278

1 (e) GPS coordinates of each lot or greenhouse where hemp  
2 will be produced;

3 (f) Acreage of greenhouse or indoor square footage  
4 dedicated to the production of hemp; and

5 (g) Any other information required by the department or  
6 USDA.

7 **§141-I Licensed land areas.** (a) Licensees shall be  
8 authorized to produce hemp only within the licensed land area  
9 approved by the department in the licensees' license. The  
10 licensed land area approved by the department may be less than  
11 the acreage proposed in the licensees' application.

12 (b) A licensee shall not store or produce hemp outside of  
13 its licensed land area.

14 (c) A licensee shall not handle or possess hemp outside of  
15 its licensed land area except for the purpose of transportation  
16 to an authorized processor or to another licensee's licensed  
17 land area as authorized by the department.

18 (d) A licensed land area, as described in a license, shall  
19 not be modified in any way without the prior written approval of  
20 the department.

21 (e) The production of hemp in accordance with this part  
22 shall be limited to lands situated within the state agricultural  
23 land district.

1 (f) No land area shall be licensed for hemp production  
2 within 1,000 feet of the real property comprising a playground,  
3 school, state park, state recreation area, residential  
4 neighborhood, hospital, or daycare.

5 (g) A licensed land area shall not exceed forty acres;  
6 however, the chairperson may authorize a licensed land area  
7 greater than forty acres if hemp in the licensed land area is to  
8 be produced solely for one or more of the following purposes:

- 9 (1) Hemp fiber;  
10 (2) Hemp hurd;  
11 (3) Hemp grain; or  
12 (4) Phytoremediation.

13 **§141-J Transport.** (a) A licensee shall not transport  
14 hemp outside of the licensed land area; provided that a licensee  
15 may transport hemp to an authorized processor or to another  
16 licensee's licensed land area as authorized by the department.

17 (b) The department and law enforcement may require  
18 movement reports, inspections, sampling, or testing, and may  
19 impose other conditions or restrictions on the transport of  
20 hemp.

21 **§141-K Inspection, sampling, testing.** (a) All licensees  
22 shall allow federal, state, and county law enforcement  
23 authorities to inspect the records, licensed land area,

1 equipment, facilities, and areas incident to the production or  
2 storage of hemp to verify compliance with the requirements of  
3 this part, and to sample and test cannabis plants, plant  
4 materials, and seeds possessed under the license.

5 (b) The department, law enforcement, and third party  
6 agents authorized by the department may enter during business  
7 hours upon any licensed land area or place of business  
8 associated with the license to inspect the records, licensed  
9 land area, equipment, facilities, and areas incident to the  
10 production or storage of hemp to verify compliance with the  
11 requirements of this part, and to sample and test any cannabis  
12 plants, plant materials, or seeds.

13 (c) An authorized representative of the licensee or the  
14 licensee shall be present at the growing site during sample  
15 collection.

16 (d) Licensees shall pay the department or third-parties  
17 authorized by the department for the performance of inspections  
18 of a licensee's licensed land area and records to ensure  
19 compliance with the license, and for sample collection and  
20 testing of cannabis plants, plant materials, or seeds for the  
21 purposes of this part.

22 (e) The department shall establish sample collection  
23 protocols that shall be used for the purpose of collecting

1 representative amounts of cannabis from licensed land areas for  
2 testing to measure delta-9-tetrahydrocannabinol concentration.  
3 The protocols must adhere to USDA's sampling guidelines for hemp  
4 growing.

5 (f) The department shall establish laboratory standards  
6 and testing protocols that shall be used to determine delta-9-  
7 tetrahydrocannabinol concentration measured post decarboxylation  
8 or by other similarly reliable methods. The protocols must  
9 adhere to USDA standards of performance for detecting THC  
10 concentration including measurement of uncertainty.

11 **§141-L Disposal of non-compliant plants.** (a) If a  
12 producer has produced cannabis exceeding the acceptable hemp THC  
13 level, the material must be disposed of in accordance with the  
14 law. The material must be collected by or destroyed under the  
15 supervision of a person authorized under the law to handle  
16 marijuana, such as a Drug Enforcement Agency registered reverse  
17 distributor, or a duly authorized federal, state, or local law  
18 enforcement officer. The licensee shall be responsible for the  
19 cost of disposal.

20 (b) USDA shall be notified of non-compliant plants and  
21 subsequent disposals as necessary.

22 **§141-M Revocation and suspension of licenses; other**  
23 **penalties.** (a) In addition to any other actions authorized by

1 law, the department may deny, revoke, or suspend any license  
2 applied for or issued by the department in accordance with this  
3 part, and to fine or otherwise discipline a licensee for any  
4 cause authorized by law, including but not limited to the  
5 following:

- 6 (1) Procuring a license through fraud, misrepresentation,  
7 or deceit;
- 8 (2) Violation of any of the provisions of this chapter or  
9 the rules adopted thereto;
- 10 (3) Failure to comply with a department order;
- 11 (4) Making a false statement on any document submitted or  
12 required to be filed by this chapter, including  
13 furnishing false or fraudulent material information in  
14 any application;
- 15 (5) Refusal or failure to fully cooperate and assist the  
16 department or authorized third party with any  
17 inspection, sampling, or testing process;
- 18 (6) Failure to provide any information required by the  
19 department pursuant to this part;
- 20 (7) Providing false, misleading, or incorrect information  
21 to the department by any means, including in any  
22 application, report, record, or inspection;

H.B. NO. 2278

- 1 (8) Cultivating hemp that when tested is shown to have a  
2 delta-9 tetrahydrocannabinol concentration greater  
3 than 0.3 per cent on a dry weight basis;
- 4 (9) Harvesting cannabis prior to sample collection and  
5 testing;
- 6 (10) Handling, processing, or putting into the stream of  
7 commerce any cannabis from a lot where the acceptable  
8 THC level is noncompliant with the threshold for hemp;
- 9 (11) Commingling the hemp or cannabis plant material from  
10 one lot with the hemp plant material from other lots.
- 11 (12) Failure to pay any fee assessed by the department or  
12 third-party inspector or laboratory authorized by the  
13 department; or
- 14 (13) Failure to comply with any other applicable federal,  
15 state, or county law, ordinance, rule, or regulation.

16 (b) For any violation of this part, including any rule  
17 adopted pursuant thereto, the department may impose civil  
18 penalties up to \$1,000 for each separate offense. Each day or  
19 instance of a violation shall constitute a separate offense.

20 (c) The department may issue immediate temporary cease and  
21 desist orders as necessary to prevent immediate harm to the  
22 public.

1 (d) If the department revokes or suspends a license under  
2 this section, the licensee shall not sell, transfer, or  
3 otherwise dispose of any hemp owned by or in the possession of  
4 the licensee.

5 (e) A licensee whose license has been revoked in  
6 accordance with this part shall be ineligible for a new license  
7 under the program for a period of five years from the date of  
8 revocation.

9 (f) All proceedings for denial, suspension, fine, or  
10 revocation of a license on any ground specified in subsection  
11 (a) shall be conducted pursuant to chapter 91, including the  
12 right to judicial review.

13 **§141-N Corrective action plans.** (a) Notwithstanding  
14 section 141-M, if the department, in its sole discretion,  
15 determines that a licensee has negligently violated this part,  
16 or any rules adopted pursuant thereto, the department shall  
17 require the licensee to comply with a corrective action plan  
18 established by the department to correct the violation, which  
19 may include disposal of a hemp crop, plant, plant material, or  
20 seed, whether growing or not, and the products derived from  
21 those plants; provided that failure to fully comply with a  
22 corrective action plan established by the department shall  
23 constitute a violation.

1           (b) Hemp producers do not commit a negligent violation if  
2 they use reasonable efforts to grow hemp and the plant produced  
3 has a THC concentration less than 0.5 per cent on a dry weight  
4 basis.

5           (c) A producer who negligently violates this part, or any  
6 rules adopted pursuant thereto, three times in a five-year  
7 period will be ineligible to produce hemp for a period of five  
8 years from the date of the third violation.

9           (d) If it is determined by the department, in its sole  
10 discretion, that a violation was committed with a culpable  
11 mental state greater than negligence, the department shall  
12 immediately report the license applicant, licensee, or  
13 producer to the United States Attorney General, USDA, and the  
14 state attorney general, and the department may take any other  
15 action it deems necessary including summary suspension or  
16 revocation of a license.

17           **§141-0 Affirmative defense.** (a) A licensee or an  
18 employee of a licensee that is licensed under this part may  
19 assert the cultivation and possession of hemp as an affirmative  
20 defense to any prosecution involving marijuana under section  
21 712-1247, 712-1248, 712-1249, 712-1249.4, or 712-1249.5. A  
22 defendant may assert the affirmative defense that the defendant  
23 or defendant's employer:



1           (1) Possessed and was in compliance with a valid hemp  
2                   production license issued by the department pursuant  
3                   to this part;

4           (2) Planted hemp varieties of cannabis that are allowed by  
5                   the department within a licensed land area pursuant to  
6                   this part; and

7           (3) The produced cannabis developed into plants with a  
8                   delta-9 tetrahydrocannabinol concentration of more  
9                   than 0.3 percent, but less than 3 per cent, on a dry  
10                  weight basis.

11           (b) This affirmative defense applies only to the  
12                  production and possession of marijuana within a licensed land  
13                  area, but it does not extend to the sale or distribution of  
14                  marijuana.

15           **§141-P Rulemaking.** (a) The department shall adopt rules  
16                  pursuant to chapter 91 to effectuate the purposes of this part,  
17                  which shall include but not be limited to:

18           (1) Procedures for inspection by the department or its  
19                   agents of licensee records and licensed land areas  
20                   licensed pursuant to this part;

21           (2) Laboratory standards related to the sampling and  
22                  testing of hemp and hemp products;

H.B. NO. 2278

- 1           (3) Certification requirements for labs conducting testing
- 2                   of hemp and hemp products;
- 3           (4) Limitations on the number of licenses issued per year;
- 4           (5) Criteria and standards for the consideration and
- 5                   selection of qualified licensees;
- 6           (6) Rules related to licensed land areas, including
- 7                   acreage limits, modifications of licensed land areas,
- 8                   divisions between breeding and nursery activities, and
- 9                   indoor cultivation;
- 10          (7) Rules related to the transportation of hemp;
- 11          (8) Specific requirements regarding reports and records
- 12                   required from each licensee licensed pursuant to this
- 13                   part;
- 14          (9) Rules related to the purchase and sale of varieties by
- 15                   licensees and varietal usage in the program, including
- 16                   prohibiting the usage of certain varieties,
- 17                   conditionally allowing the usage of certain varieties,
- 18                   or approving varieties for usage;
- 19          (10) Rules related to the number of licenses that an entity
- 20                   may hold in the program, with entities limited to a
- 21                   maximum of one license on each island;
- 22          (11) A fee structure for the submission of applications,
- 23                   initial licenses, and renewal of licenses;

- 1           (12) A fee structure for licensed land area modification
- 2                   fees;
- 3           (13) A fee structure for the inspection of licensees and
- 4                   for the sampling, and testing of hemp and hemp
- 5                   products;
- 6           (14) A fee structure for criminal history record checks;
- 7           (15) A fee structure as necessary to implement, operate,
- 8                   and maintain the computer software tracking system;
- 9           (16) The disposal or destruction of unwanted or unused hemp
- 10                   crops, plants, plant materials, seeds whether growing
- 11                   or not, and hemp products derived from those plants,
- 12                   including a fee structure;
- 13           (17) The disposal of hemp crops, plants, plant materials,
- 14                   or seeds, whether growing or not, found to be in
- 15                   violation of this part, and products derived from
- 16                   those plants including a fee structure;
- 17           (18) The establishment of a range of penalties for
- 18                   violations of this part or rules adopted pursuant to
- 19                   this part;
- 20           (19) Requirements regarding transportation requests and
- 21                   conditions related to the transportation of hemp and
- 22                   products derived from hemp; and
- 23           (20) Any other rules necessary to carry out this part.

1           (b) The department shall adopt interim rules, which shall  
2 be exempt from chapters 91 and 201M, to effectuate the purposes  
3 of this part; provided that the interim rules shall remain in  
4 effect until July 1, 2025, or until rules are adopted pursuant  
5 to subsection (a), whichever occurs sooner.

6           (c) The department may amend the interim rules, and the  
7 amendments shall be exempt from chapters 91 and 201M, to  
8 effectuate the purposes of this chapter; provided that any  
9 amended interim rules shall remain in effect until July 1, 2025,  
10 or until rules are adopted pursuant to subsection (a), whichever  
11 occurs sooner.

12           **§141-Q Hawaii hemp production program special fund;**  
13 **established.** (a) There is established within the state treasury  
14 the Hawaii hemp production program special fund, into which  
15 shall be deposited:

- 16           (1) Appropriations made by the legislature to the special  
17           fund;
- 18           (2) Other grants and gifts made to the fund;
- 19           (3) Any income and capital gains earned by the fund; and
- 20           (4) Any fees or fines collected by the department pursuant  
21           to this part.

22           (b) Moneys in the Hawaii hemp production program special  
23 fund shall be used by the department for the following purposes:

H.B. NO. 2278

- 1           (1) To establish and regulate a system of licensed hemp  
2                   cultivators in the State;
- 3           (2) To fund positions and operating costs authorized by  
4                   the legislature; and
- 5           (3) For any other expenditure necessary, consistent with  
6                   this part, to implement the program.

7           **§141-R Resource certification.** The department has the  
8 authority to take reasonable actions to ensure it can certify  
9 and maintain a certification that it has the resources and  
10 personnel necessary to carry out procedures for hemp production  
11 as required by this part."

12           SECTION 3. Chapter 328, Hawaii Revised Statutes, is amended  
13 by adding a new part to be appropriately designated and to read  
14 as follows:

15                                   **"PART . HAWAII HEMP PROCESSORS**

16           **§328-A Definitions.** As used in this part:

17           "Applicant" means the person applying to register as a  
18 hemp processor under this chapter.

19           "Cannabinoids" means a group of twenty-one carbon compounds  
20 present in the genus cannabis. Cannabinoids includes their  
21 analogs and transformation products.

1 "Cannabis" means the genus of the flowering plant in the  
2 family Cannabaceae. For the purpose of this part, cannabis  
3 refers to any form of the plant where the delta-9  
4 tetrahydrocannabinol concentration on a dry weight basis has  
5 not yet been determined.

6 "Delta-9 tetrahydrocannabinol" or "THC" means the primary  
7 psychoactive component of cannabis.

8 "Decarboxylated" means the completion of the chemical  
9 reaction that converts tetrahydrocannabinol-acid into delta-9-  
10 tetrahydrocannabinol. The decarboxylated value may also be  
11 calculated using a conversion formula that sums delta-9-  
12 tetrahydrocannabinol and eighty-seven and seven tenths (87.7)  
13 percent of tetrahydrocannabinol-acid.

14 "Department" means the department of health.

15 "Director" means the director health.

16 "Enclosed indoor facility" means a permanent, stationary  
17 structure with a solid floor, rigid exterior walls that  
18 encircle the entire structure on all sides, and a roof that  
19 protects the entire interior area from the elements of weather.  
20 Nothing in this definition shall be construed to relieve the  
21 registered applicant from the applicant's duty to comply with  
22 all applicable building codes and regulations.

1 "Hemp" means Cannabis sativa L. and any part of that  
2 plant, including the seeds thereof and all derivatives,  
3 extracts, cannabinoids, isomers, acids, salts, and salts of  
4 isomers, whether growing or not, with a delta-9-  
5 tetrahydrocannabinol concentration of not more than 0.3 per  
6 cent on a dry weight basis, as measured post-decarboxylation or  
7 by other similarly reliable methods.

8 "Hemp product" means a product containing hemp, or any  
9 product derived from, or made by, processing hemp, including  
10 but not limited to consumables, cosmetics, personal care  
11 products, food intended for animal or human consumption,  
12 supplements, cloth, cordage, fiber, fuel, paint, paper,  
13 particleboard, plastics, and any product containing one or  
14 more hemp-derived cannabinoids such as cannabidiol, that:

- 15 (1) Does not include any living Hemp plants, viable  
16 seeds, leaf materials, or floral materials; and  
17 (2) Has a delta-9-tetrahydrocannabinol concentration  
18 of not more than 0.3 per cent on a dry weight  
19 basis, as measured post-decarboxylation or other  
20 similarly reliable methods.

21 "Hemp processor" means a person processing hemp to  
22 manufacture a hemp product.

1 "Key participants" means a person or group of persons  
2 acting in concert who exercises control over or has a twenty-  
3 five per cent ownership interest or more in a firm,  
4 corporation, partnership, association, or any form of business  
5 or legal entity, such as an owner or partner in a partnership.  
6 A key participant also includes persons in a corporate entity  
7 at executive levels including managers and executive officers.  
8 This does not include management such as facility managers,  
9 shift managers, or employees.

10 "Person" means an individual, firm, corporation,  
11 partnership, association, or any form of business or legal  
12 entity.

13 "Processing" means making a transformative change to the  
14 hemp plant following harvest by converting an agricultural  
15 commodity into a hemp product.

16 "Synthetic cannabinoid" means a cannabinoid that is (1)  
17 produced in a laboratory, whether from chemicals or from  
18 biological agents including but not limited to yeast and algae;  
19 and (2) not derived from the genus cannabis. This includes  
20 biosynthetic cannabinoids.

21 "State" means the State of Hawaii.



1           §328-B Hemp processing; sale; labelling. (a) No  
2 person shall process hemp without being registered by the  
3 department as a hemp processor pursuant to this part and any  
4 rules adopted pursuant thereto.

5           (b) Hemp shall only be processed, and all hemp for  
6 processing shall be stored, within an enclosed indoor  
7 facility that has been secured to prevent unauthorized  
8 entry.

9           (c) Hemp shall not be processed within 1,000 feet of an  
10 existing playground, school, state park, state recreation area,  
11 residential neighborhood, hospital, or daycare.

12           (d) Hemp shall not be processed using butane or any  
13 other method the department determines poses a risk to  
14 health and safety.

15           (e) Any person, including all key participants of an  
16 entity, convicted of a felony related to a controlled substance  
17 under state or federal law is prohibited from processing hemp  
18 for 10-years following the date of conviction.

19           (f) Any person, including all key participants of an  
20 entity, may be subject to background checks conducted by the  
21 department or its designee, including but not limited to  
22 criminal history records checks in accordance with section 846-

1 2.7. The person undergoing the background check shall provide  
2 written consent and all applicable processing fees to the  
3 department or its designee to conduct the criminal history  
4 record checks.

5 (g) Pursuant to, and in accordance with, section 846-2.7,  
6 the department or its designee is authorized to conduct state  
7 and national criminal history record checks on any person,  
8 including all key participants of an entity, and participate in  
9 the rap back program, for the purpose of determining  
10 suitability or fitness for registration under this part.

11 (h) No person shall sell, hold, offer or distribute for  
12 sale, hemp products without a label prescribed by the  
13 department identifying the hemp product has been tested and  
14 satisfies the criteria for quality control established by  
15 the department pursuant to this part.

16 (i) No person shall sell, hold, offer, or distribute  
17 for sale, any food into which a cannabinoid, synthetic  
18 cannabinoid, or other hemp product has been added.

19 **§328-C Hemp processor registry.** (a) The department  
20 shall create a registry for hemp processors.

21 (b) No person shall process hemp in the State unless the  
22 person is registered by the department pursuant to this part.

1           (c) A person who intends to process hemp in the State  
2 shall apply to the department for registration on an  
3 application form created by the department.

4           (d) The applicant shall provide, at a minimum, the  
5 following information:

- 6           (1) The applicant's name, mailing address, and phone  
7               number in Hawaii;
- 8           (2) The legal description of the land on which the hemp  
9               is to be processed or stored;
- 10          (3) A description of the enclosed indoor facility where  
11               hemp processing will occur;
- 12          (4) Documentation that the indoor facility and planned  
13               hemp processing operation, comply with all zoning  
14               ordinances, building codes, and fire codes;
- 15          (5) Certification that the applicant, including all key  
16               participants of an entity, has had no felony  
17               convictions related to a controlled substance under  
18               state or federal law in the ten years immediately  
19               preceding the date of submission of the application;
- 20          (6) A copy of a certificate of registration from the  
21               department of public safety narcotics enforcement  
22               division for the manufacture of delta-9  
23               tetrahydrocannabinol as a byproduct of any hemp

1 processing. A certificate from the narcotics  
2 enforcement division shall not issue until the  
3 department has certified that the processor  
4 otherwise meets the requirements of registration  
5 under this part; and

6 (7) Any other information required by the department.

7 (e) In addition to the application form, each  
8 applicant shall submit a non-refundable application fee  
9 established by the department. If the fee does not  
10 accompany the application, the application for registration  
11 shall be deemed incomplete.

12 (f) Any incomplete application shall be denied.

13 (g) Upon the department receiving a complete and  
14 accurate application, and remittal of the application fee,  
15 the applicant shall be sent a notice that it is registered  
16 to process hemp in the State.

17 (h) No person shall process hemp without receiving a  
18 notice that it is registered to process hemp in the State.

19 (i) All hemp processors shall allow federal, state,  
20 or local authorities to inspect, sample and test the hemp  
21 processing area, plants, plant materials, seeds, equipment,  
22 or facilities incident to the processing or storage of  
23 hemp.

1           (j) Any member of the department, or any agent or  
2 third party authorized by the department, may enter at  
3 reasonable times upon any private property in order to  
4 inspect, sample, and test the hemp processing area, hemp  
5 products, plants, plant materials, seeds, equipment,  
6 facilities incident to the processing or storage of hemp,  
7 or records.

8           (k) The department may remove any person from the  
9 registry for failure to comply with any law or regulation.  
10 It is the responsibility of the hemp processor to make sure  
11 it is registered and legally allowed to process hemp and in  
12 compliance with any and all laws and regulations. The  
13 removal of a hemp processor from the registry shall be  
14 accompanied by a cease and desist order, any violation of  
15 which constitutes a violation of this part that may be  
16 enforced pursuant to section 328-F.

17           **§328-D Rulemaking.** (a) The department shall adopt rules  
18 pursuant to chapter 91 that include but are not limited to:

- 19           (1) Inspection and sampling requirements of any hemp or  
20 hemp products;  
21           (2) Testing protocols, including certification by  
22 independent third-party laboratories, to determine

- 1           delta-9-tetrahydrocannabinol concentration of hemp or  
2           hemp products and screen for contaminants;
- 3           (3) Reporting and record-keeping requirements;
- 4           (4) Assessment of fees for application, inspecting,  
5           sampling, and testing hemp processing;
- 6           (5) A procedure for the disposal of hemp or hemp products,  
7           found to be in violation of this chapter;
- 8           (6) Penalties for any violation; and
- 9           (7) Any other rules and procedures necessary to carry out  
10          this chapter.

11          (b) The department may adopt and amend interim rules,  
12          which shall be exempt from chapter 91 and chapter 201M, to  
13          effectuate the purposes of this part; provided that any interim  
14          rules shall only remain in effect until July 1, 2025, or until  
15          rules are adopted pursuant to subsection (a), whichever occurs  
16          sooner.

17          **§328-E Laboratory standards and testing; certification.**

18          (a) The department shall establish and enforce standards for  
19          laboratory-based testing of the hemp products for content,  
20          contamination, and consistency; provided that in establishing  
21          these standards, the department shall:

- 22               (1) Review and consider the testing programs and standards  
23               utilized in other jurisdictions;

H.B. NO. 2278

- 1           (2) Consider the impact of the standards on the retail  
2           cost of the product;
- 3           (3) Review and consider the testing programs and standards  
4           for pesticides under the regulations of the United  
5           States Environmental Protection Agency; and
- 6           (4) For the testing for microbiological impurities,  
7           consider the benefits of organically grown hemp  
8           that features the use of bacteria in lieu of  
9           pesticides.
- 10          (b) The department may certify laboratories that are  
11       qualified to test hemp products for quality control prior to  
12       sale.
- 13          (c) If a hemp processor obtains a laboratory result  
14       indicating that a sample of a batch of its hemp product does not  
15       meet the department's standards, the hemp processor, at its own  
16       expense, may have the same sample or a different sample from the  
17       same batch retested by the same laboratory or a different  
18       laboratory, both of which must be certified or otherwise  
19       approved by the department. If a retest at a different  
20       laboratory yields a different result, the department shall  
21       determine which result controls whether the batch may be  
22       approved for sale or whether further testing shall be required.

1 (d) Any hemp product that fails to meet the standard for  
2 testing and re-testing established by the department pursuant to  
3 this chapter shall be destroyed in a manner prescribed by the  
4 department in accordance with rules adopted pursuant to this  
5 chapter.

6 **§328-F Enforcement; penalty.** (a) Any person who  
7 violates this part or any rule adopted by the department  
8 pursuant to this part shall be fined not more than \$10,000  
9 for each separate offense. Any action taken to collect the  
10 penalty provided for in this subsection shall be considered a  
11 civil action. In addition to any other administrative or  
12 judicial remedy provided by this part, or by rules adopted  
13 pursuant to this part, the director may impose by order the  
14 administrative penalty specified in this section. Factors to  
15 be considered in imposing the administrative penalty include  
16 the nature and history of the violation and of any prior  
17 violation, and the opportunity, difficulty, and history of  
18 the violation and of any prior violation, and the  
19 opportunity, difficulty, and history of corrective action.

20 (b) For any judicial proceeding to recover an  
21 administrative penalty imposed by order or to enforce a cease  
22 and desist order against a hemp processor removed from the  
23 registry, the director may petition any court of appropriate



1 jurisdiction and need only show that notice was given, a  
2 hearing was held or the time granted for requesting a hearing  
3 has expired without such a request, the administrative  
4 penalty was imposed or the hemp processor was removed from  
5 the registry, and that the penalty remains unpaid or the hemp  
6 processor continues to process hemp.

7 (c) Nothing in this part shall limit any other legal  
8 remedy, or limit any civil or criminal action, available  
9 under any other statute, rule, or ordinance.

10 **§328-G Hawaii hemp processing special fund; established.**

11 (a) There is established within the state treasury the Hawaii  
12 hemp processing special fund into which shall be deposited:

13 (1) Appropriations made by the legislature to the special  
14 fund;

15 (2) Any income and capital gains earned by the fund; and

16 (3) Any fees or fines collected by the department pursuant  
17 to this part.

18 (b) Moneys in the Hawaii hemp processing special fund  
19 shall be used by the department for the following purposes:

20 (1) To establish and regulate a system of registering hemp  
21 processors in the State;

22 (2) To fund positions and operating costs authorized by  
23 the legislature;

H.B. NO. 2278

1           (3) For any other expenditure necessary, consistent with  
2           this part, to implement the Hawaii hemp processing  
3           program."

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

6           (1) By adding a new definition to be appropriately  
7 inserted and to read:

8           "Hemp" means all parts of the plant cannabis sativa L.,  
9 whether growing or not, including the seeds thereof and all  
10 derivatives, extracts, cannabinoids, isomers, acids, salts,  
11 and salts of isomers, whether growing or not with a delta-9-  
12 tetrahydrocannabinol concentration of not more than 0.3 per  
13 cent on a dry weight basis, as measured post-decarboxylation  
14 or other similarly reliable methods."

15           (2) By amending the definition of "marijuana" to read:

16           "Marijuana" means all parts of the plant (genus)  
17 Cannabis whether growing or not; the seeds thereof, the  
18 resin extracted from any part of the plant; and every  
19 compound, manufacture, salt, derivative, mixture, or  
20 preparation of the plant, its seeds, or resin. [~~It~~]

21 "Marijuana" does not include [~~the~~]:

22           (1) The mature stalks of the plant, fiber produced from  
23           the stalks, oil, or cake made from the seeds of the

H.B. NO. 2278

1 plant, any other compound, manufacture, salt,  
2 derivative, mixture, or preparation of the mature  
3 stalks (except the resin extracted therefrom),  
4 fiber, oil, or cake, or the sterilized seed of the  
5 plant [~~which~~] that is incapable of germination[-];

6 (2) Hemp that is in the possession, custody, or  
7 control of a person or entity that holds a license  
8 issued by the Hawaii department of agriculture  
9 permitting that person or entity to produce hemp;

10 (3) Hemp that is in the possession, custody, or  
11 control of a person or entity that is authorized  
12 under state law to process hemp; or

13 (4) A product containing or derived from hemp,  
14 including but not limited to consumables,  
15 cosmetics, personal care products, food intended  
16 for animal or human consumption, supplements,  
17 cloth, cordage, fiber, fuel, paint, paper,  
18 particleboard, plastics, and any product  
19 containing one or more hemp-derived cannabinoids  
20 such as cannabidiol, that:

21 (A) Does not include any living hemp plants,  
22 viable seeds, leaf materials, or floral  
23 materials; and

H.B. NO. 2278

1           (B) Has a delta-9-tetrahydrocannabinol  
2           concentration of not more than 0.3 per cent  
3           on a dry weight basis, as measured post-  
4           decarboxylation or other similarly reliable  
5           methods.

6           SECTION 5. Section 712-1240, Hawaii Revised Statutes, is  
7 amended as follows:

8           (1) By adding a new definition to be appropriately  
9 inserted and to read:

10           "Hemp" means all parts of the plant (genus) cannabis,  
11 whether growing or not, including the seeds thereof and all  
12 derivatives, extracts, cannabinoids, isomers, acids, salts,  
13 and salts of isomers, with a delta-9-tetrahydrocannabinol  
14 concentration of not more than 0.3 per cent on a dry weight  
15 basis, as measured post-decarboxylation or other similarly  
16 reliable methods."

17           (2) By amending the definition of "marijuana" to read:

18           "Marijuana" means all parts of the plant (genus)  
19 cannabis, whether growing or not, including the seeds and  
20 the resin, and every alkaloid, salt, derivative,  
21 preparation, compound, or mixture of the plant, its seeds  
22 or resin, except that, as used herein, "marijuana" does  
23 not include:

H.B. NO. 2278

- 1        (1) Hashish, tetrahydrocannabinol, and any alkaloid,  
2                    salt, derivative, preparation, compound, or  
3                    mixture, whether natural or synthesized, of  
4                    tetrahydrocannabinol[-];
- 5        (2) Hemp that is in the possession, custody, or  
6                    control of a person or entity that holds a license  
7                    issued by the Hawaii department of agriculture  
8                    permitting that person or entity to produce hemp;
- 9        (3) Hemp that is in the possession, custody, or  
10                    control of a person or entity that is authorized  
11                    under state law to process hemp; or
- 12        (4) A product containing or derived from hemp,  
13                    including any product containing one or more hemp-  
14                    derived cannabinoids such as cannabidiol, that:
- 15                    (A) Does not include any leaf materials, or  
16                    floral materials; and
- 17                    (B) Has a delta-9-tetrahydrocannabinol  
18                    concentration of not more than 0.3 per cent  
19                    on a dry weight basis, as measured post-  
20                    decarboxylation or other similarly reliable  
21                    methods.
- 22        (3) By amending the definition of "marijuana  
23 concentrate" to read:

H.B. NO. 2278

1 "Marijuana concentrate" means hashish,  
2 tetrahydrocannabinol, or any alkaloid, salt, derivative,  
3 preparation, compound, or mixture, whether natural or  
4 synthesized, of tetrahydrocannabinol[-] except that, as used  
5 herein, "marijuana concentrate" does not include:

- 6 (1) Hemp that is in the possession, custody, or  
7 control of a person or entity that is authorized  
8 under state law to process hemp; or  
9 (2) A product containing or derived from hemp,  
10 including any product containing one or more hemp-  
11 derived cannabinoids such as cannabidiol, that:  
12 (A) Does not include any leaf materials, or  
13 floral materials; and  
14 (B) Has a delta-9-tetrahydrocannabinol  
15 concentration of not more than 0.3 per cent  
16 on a dry weight basis, as measured post-  
17 decarboxylation or other similarly reliable  
18 methods.

19 SECTION 6. Chapter 141, part II, Hawaii Revised Statutes,  
20 is repealed on October 31, 2020. All licenses issued under  
21 chapter 141, part II, Hawaii Revised Statutes shall be valid  
22 until October 31, 2020, at which time all licenses issued under  
23 part II of chapter 141 shall expire.

1           SECTION 7. There is appropriated out of the general fund  
2 the sum of \$1,195,144 or so much thereof as may be necessary for  
3 fiscal year 2020-2021, and the same sum or so much as may be  
4 necessary for fiscal year 2021-2022 to be allocated as follows:

- 5           (1) \$92,000 for the establishment of one full-time  
6           equivalent (1.0 FTE) program manager position;
- 7           (2) \$147,000 for the establishment of three full-time  
8           equivalent (3.0 FTE) general professional positions;
- 9           (3) \$33,000 for the establishment of one full-time  
10          equivalent (1.0 FTE) office assistant position;
- 11          (4) \$385,000 for the establishment of four full time  
12          equivalent (4.0 FTE) investigator positions and  
13          operating expenses to be expended by the department of  
14          public safety for the purposes of this act;
- 15          (5) \$288,144 for the establishment of three (3 FTE) Food  
16          Safety Specialist positions; one (1 FTE) office  
17          assistant position; and one (1 FTE) accountant  
18          position to be expended by the department of health;
- 19          (6) \$100,000 for the procurement and establishment of a  
20          data tracking system for the hemp production program;  
21          and
- 22          (7) \$150,000 for the administrative costs of the program.

H. B. NO. 2278

1 Unless otherwise specified, the sums appropriated shall be  
2 expended by the department of agriculture for the purposes of  
3 this Act.

4 SECTION 8. If any provision of this part is declared  
5 invalid or the applicability thereof to any person or  
6 circumstances is held invalid, the validity of the remainder of  
7 this part or the applicability thereof to other persons or  
8 circumstances shall not be affected thereby.

9 SECTION 9. In codifying the new sections added to chapters  
10 141 and 328, Hawaii Revised Statutes, by this Act, the revisor  
11 of statutes shall substitute appropriate section numbers for the  
12 letters used in designating and referring to the new sections in  
13 this Act.

14 SECTION 10. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 11. This Act shall take effect upon its approval.

17

18

19

INTRODUCED BY: \_\_\_\_\_

*Alan*

20

BY REQUEST

21

JAN 21 2020



**Report Title:**

Hemp Program

**Description:**

Establishes programs for the production and processing of hemp in Hawaii.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Agriculture

TITLE: A BILL FOR AN ACT RELATING TO HEMP.

PURPOSE: To create programs for the production and processing of hemp in the State of Hawaii.

MEANS: Add a new part to chapter 141 Hawaii Revised Statutes (HRS), add a new part to chapter 328 HRS. Amend section 329-1 HRS, and amend section 712-1240 HRS. Repeal Part II of chapter 141 HRS.

JUSTIFICATION: Changes to federal regulations relating to hemp allow for the legal production of hemp outside of pilot research programs. State law must accordingly be created and adjusted to allow hemp to be produced as permitted by federal law.

Impact on the public: Removes hemp from the definition of marijuana, allowing production, processing and sale of hemp in the State.

Impact on the department and other agencies: The Department of Agriculture will be required to prepare, submit, and implement a federally approved plan for the regulation of hemp production in the State. Law enforcement will be required to oversee destruction of non-compliant cannabis crops. The State is given the personnel and resources adequate for the implementation of any approved plan for the regulation of hemp production. The Department of Health will address processing of hemp and the quality of hemp-derived food, drug, and cosmetic products.

GENERAL FUND: \$1,195,144

OTHER FUNDS:

PPBS PROGRAM

DESIGNATION: AGR 151.

OTHER AFFECTED

AGENCIES: Department of Health, Department of Public  
Safety, Department of the Attorney General.

EFFECTIVE DATE: Upon approval.