

Honolulu, Hawaii

FEB 07 , 2020

RE: H.B. No. 2689
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred H.B. No. 2689 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 the State by:

- (1) Requiring the Department of Agriculture (DOA) to establish a permanent Industrial Hemp Program to license individuals to cultivate industrial hemp in the State;
- (2) Authorizing licensees to utilize hemp genetics that meet federal definitions of hemp and other requirements;
- (3) Authorizing DOA to use temporary inspectors to perform industrial hemp inspections;
- (4) Exempting the transportation of certain hemp plant materials from penalties relating to the possession of those materials outside of a field of lawful cultivation;



- (5) Requiring the Department of Health to adopt rules for the licensing, inspection, and regulation of industrial hemp processing facilities;
- (6) Establishing an Industrial Hemp Special Fund for the purposes of the permanent Industrial Hemp Program, and appropriating monies from that fund for:
 - (A) Establishment of positions relating to the regulation of industrial hemp; and
 - (B) Licensing, inspection, and regulation of industrial hemp processing facilities by the Department of Health;
- (7) Establishing an affirmative defense to certain criminal drug promotion offenses;
- (8) Reducing or repealing certain regulatory requirements under the existing Industrial Hemp Pilot Program;
- (9) Amending definitions of "marijuana" in state law to clarify that hemp grown by a licensee is not marijuana and amending references to tetrahydrocannabinols in the state law to exclude tetrahydrocannabinols in hemp; and
- (10) Requiring the Chairperson of the Board of Agriculture to:
 - (A) Prepare and submit a proposed state plan to monitor and regulate hemp production, including commercial production and research, to the federal Secretary of Agriculture; 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.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau, Hawaii Hemp Farmers Association, and one individual. Your Committee received comments on this measure



from the Department of Health, Department of Public Safety, Department of the Attorney General, and one individual.

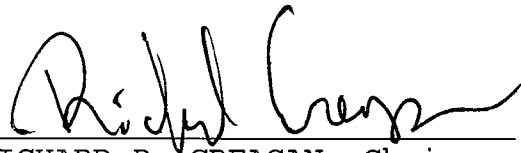
Your Committee finds that the University of Hawaii's research on hemp shows that there is significant potential for a successful hemp agricultural industry in Hawaii. In addition to creating new agricultural commerce, hemp is also beneficial in removing toxins from the soil (phytoremediation), which is important because past agricultural operations in the State have deposited toxins in vast tracts of land. Hemp grows quickly and is a superior phytoremediation crop. Your Committee also finds that hemp is an environmentally-friendly and efficient feedstock for biofuel. Hemp can be made into clothing and used in other products to promote the growth of small businesses.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2150, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2689, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2689, H.D. 1, and be referred to your Committee on Judiciary.

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



RICHARD P. CREAGAN, Chair



