ON THE FOLLOWING MEASURE:

H.B. NO. 1819, H.D. 2, S.D. 1, RELATING TO HEMP.

BEFORE THE:

SENATE COMMITTEES ON JUDICIARY AND ON WAYS AND MEANS

DATE: Thursday, July 2, 2020 **TIME:** 10:00 a.m.

LOCATION: State Capitol, Auditorium

TESTIFIER(S): WRITTEN TESTIMONY ONLY.

(For more information, contact Lance Goto, Deputy Attorney General, at 586-1160)

Chairs Rhoads and Dela Cruz and Members of the Committees:

The Department of the Attorney General (the Department) appreciates the intent of the bill, but has concerns.

The purpose of this bill is to legalize the growth of hemp in the State through the United States Department of Agriculture (USDA) hemp production program, and to allow the processing and sale of hemp products in the State through State registration.

The bill proposes to adopt the USDA direct hemp program, thereby placing the licensing and regulatory authority with the USDA. But the USDA direct program is new, untested, and only recently adopted by only one other state, New Hampshire. The USDA does not appear to have a significant presence in the State; and it should also be noted that according to the USDA program rules, the USDA will audit USDA licensees no more than every three years, based on available resources. The USDA will address negligent violations only through civil enforcement action, not criminal enforcement, but civil enforcement and fines would not be much of a deterrent to unlawful conduct.

For these reasons, the Department has concerns from a law enforcement perspective that the proposed hemp production and processing will be subject only to limited civil enforcement of the proposed regulations. Without strongly enforced regulations, the following may occur:

- (1) The hemp program will become a source of marijuana and/or THC products on the black market;
- (2) The black market products may contain dangerous contaminants and unknown THC levels, and may compete with products from licensed and regulated medical marijuana dispensaries;
- (3) The hemp program will make it more difficult for law enforcement to enforce marijuana and marijuana concentrate laws; and
- (4) The hemp program will require law enforcement to expend valuable enforcement resources in an area that is not well regulated and therefore difficult to enforce;

The Department is also concerned that the proposed bill does not address the disposal of hazardous by-products, including THC. Unlike the medical marijuana program, there is no seed-to-sale tracking, or accountability for the crops, the processed products, or the hazardous by-products.

The Department appreciates the opportunity to share its concerns.

DAVID Y. IGE Governor

JOSH GREEN Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture
MORRIS ATTA

Deputy to the Chairperson

State of Hawaii **DEPARTMENT OF AGRICULTURE**

1428 South King Street Honolulu, Hawaii 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF PHYLLIS SHIMABUKURO- GEISER CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON JUDICIARY AND THE SENATE COMMITTEE ON WAYS AND MEANS

July 2, 2020 10:00 A.M. Auditorium

HOUSE BILL NO. 1819 SD1 RELATING TO HEMP

Chairpersons Rhoads and Dela Cruz and Members of the Committee:

Thank you for the opportunity to testify on House Bill 1819 SD1. This bill: allows growers to produce hemp under the United State Domestic Hemp Production Program within the state agricultural district; allows licensed growers to transport hemp for processing or exportation; creates oversight of hemp processors and products by the department of health; and amends the definition of marijuana to allow licensed hemp production and certain hemp products in the state. The department supports this measure as a vehicle for implementing a federally compliant hemp production program in the state, allowing further expansion, growth, and investment in the state's hemp industry, and offers the following comments:

The department notes that the buffer zone of 500 feet from residential structures in section 141(a)(4) creates issues for both current and future growth, as many of the department's current hemp licensees in the state agricultural district are currently within



500 feet of residential structures. The residential structure buffer zone requirement makes the already difficult task of finding land suitable for hemp production and producing hemp generally even more difficult, even in rural communities in the state agricultural district. Consequently, the department strongly suggests:

- (a) Removal of the blanket state-wide buffer zone around residential structures since growth is already limited to the state agricultural district by this measure, leaving specific residential dwelling buffers regarding hemp growth to the discretion of each county; or
- (b) a reduction of the residential structure buffer zone component to 100 feet while exempting areas licensed for the growth of hemp under the Hawaii Industrial Hemp Pilot Program prior to 7/1/2020 from the residential structure buffer zone requirement, so the department's existing licensees are able to continue seamlessly operating, and sorely needed investment and growth is invited rather than curtailed for the state and its hemp industry.

Thank you for the opportunity to testify on this measure.



doh.testimony@doh.hawaii.gov

Testimony in SUPPORT of HB 1819 HD2 SD1

SENATOR KARL RHOADS, CHAIR SENATE COMMITTEE ON JUDICIARY

RELATING TO HEMP

SENATOR DONOVAN M. DELA CRUZ, CHAIR SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: 7/2/2020 Room Number: Auditorium

- 1 Fiscal Implications: This measure does not impact the general fund since the requested special
- 2 fund is capitalized by fees collected by Department of Health's (Department) proposed hemp
- 3 processor registry.
- 4 **Department Testimony:** The Department supports Bill Section 2 only and does not take a
- 5 position on other sections of HB1819 HD2 SD1. The intent of the proposal is to require hemp
- 6 processors in the State to register with the Department before they can extract or otherwise
- 7 process legally grown hemp plant into a hemp product. Under this new regulatory pathway,
- 8 hemp products would include hemp topicals for application to skin or hair and hemp
- 9 supplements intended to be ingested orally.
- 10 The Department is seeking to establish a regulatory framework for hemp products by requesting
- interim rule making authority that will address labeling requirements and independent lab testing
- for THC and contaminants to inform and protect the consumers. Hemp products in the State
- would only be allowed to be sold once a label prescribed by the Department identifies that the
- hemp product has complied with the established laboratory testing requirements.
- 15 The Department has concerns with allowing hemp derivatives, which include cannabinoids like
- 16 cannabidiol (CBD), to be sold as a food or used as a food ingredient without it being evaluated

- by the U.S. Food and Drug Administration (FDA) for safe use in the food supply. FDA has the
- 2 primary legal responsibility for determining the safe use of a food additive. To market a new
- 3 food additive, a manufacturer must first petition FDA for its approval. These petitions must
- 4 provide evidence that the substance is safe for its intended use as determined by experts qualified
- 5 by scientific training and experience to evaluate its safety through scientific procedures. To date,
- 6 FDA has not approved hemp derivatives, like CBD or other cannabinoids, for safe use in foods.
- 7 FDA notes there is no definitive scientific study that proves low dosages of CBD over an
- 8 extended period is safe. The Department echoes FDA's concerns regarding unanswered
- 9 questions about the effects on children (and adults) with the possible consumption of a myriad of
- 10 foods with unknown dosages of CBD over an extended period of time. Allowing hemp to be
- used in foods without evaluating safety data to determine safe use limits is not good public health
- policy. Currently, only hulled hemp seeds, hemp seed oil and hemp seed protein powder
- maintain FDA status as Generally Recognized as Safe (GRAS) for use, as intended, in our food
- supply. FDA's GRAS allowance makes sense as hulled hemp seeds contain only fat, protein and
- carbohydrate and have yet to develop into a cannabis plant containing THC, CBD and other
- 16 cannabinoids.
- 17 The Department is asking for patience to allow FDA to make a safety determination based on the
- evidence to adequately determine if hemp derivatives, like CBD and other cannabinoids, should
- 19 be allowed as a food additive.
- 20 Until such FDA approval for use in foods, this proposal seeks to prohibit the sale, holding,
- offering or distributing for sale, any food into which a cannabinoid, synthetic cannabinoid, or
- other hemp product has been added.
- 23 Department is looking forward to working with all stakeholders on developing an efficient
- 24 regulatory framework that addresses processing of hemp plants into hemp products for sale in
- 25 Hawaii.
- Thank you for the opportunity to testify on this measure.

EMPLOYEES' RETIREMENT SYSTEM
HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER

OF #13

STATE OF HAWAI'I
DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150 HONOLULU. HAWAI'I 96810-0150 CRAIG K. HIRAI

ROBERT YU DEPUTY DIRECTOR

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON JUDICIARY AND WAYS AND MEANS
ON
HOUSE BILL NO. 1819, H.D. 2, S.D. 1

July 2, 2020 10:00 a.m. Auditorium

RELATING TO HEMP

The Department of Budget and Finance offers comments on House Bill (H.B.)
No. 1819, H.D. 2, S.D. 1.

H.B. No. 1819, H.D. 2, S.D. 1, among other things, establishes a statutory framework to monitor and regulate hemp and hemp products in the State through the United States Department of Agriculture Hemp Production Program and establishes the Hawai'i Hemp Processing Special Fund (HHPSF) within the Department of Health (DOH).

As a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS.

Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the

program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 1819, H.D. 2, S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

Further, it should be noted that H.B. No. 1819 does not contain an appropriation for the HHPSF.

Thank you for your consideration of our comments.

<u>HB-1819-SD-1</u> Submitted on: 6/30/2020 4:14:02 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|---|-----------------------|-----------------------|
| Gina Flammer | Testifying for Shane Sinenci Maui Councilmember | Support | No |

Comments:

TESTIMONY ON BEHALF OF THE LIBERTARIAN PARTY OF HAWAII

c/o 1658 Liholiho St #205 Honolulu, HI 96822

June 30, 2020

RE: HB1819 to be heard Thursday July 2, in the Capitol Auditorium at 10:00 AM

To the members of the Senate Committees on Housing and on Judiciary and on Ways and Means

Support

Dear Senators:

The Libertarian Party supports the hemp industry in Hawaii. We do suggest that expensive licensing requirements that exclude many people from participating in this area, not become part of the process. The freer the industry if from unnecessary interference the better things will be for Hawaii.

Aloha

Tracy Ryan

For the Libertarian Party of Hawaii



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

July 2, 2020

HEARING BEFORE THE SENATE COMMITTEE ON JUDICIARY SENATE COMMITTEE ON WAYS AND MEANS

TESTIMONY ON HB 1819, HD1, SD1 RELATING TO HEMP

Auditorium 10:00 AM

Aloha Chairs Rhoads and Dela Cruz, Vice Chairs Keohokalole and Keith-Agaran, and Members of the Committees:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports with comments HB 1819, HD1, SD1, which creates a new chapter to legalize the growth of industrial hemp in the State through the United States Department of Agriculture hemp production program as authorized in the 2018 Farm Bill. However, HB1819SD1 goes beyond the provision of the Federal statute by imposing a buffer provision opposed by Farm Bureau.

Farm Bureau policy supports clarification of law to allow for the cultivation and use of industrial hemp. FB supports HB1819 provisions including improved testing rules but opposes the proposed buffer provision as written.

Growing of crops and raising of livestock involve nuisance activities not understood or tolerated by those not involved in the industry. In acknowledgement of this disparity, policymakers passed the Right to Farm Act, to recognize that certain nuisances are an unavoidable part of agriculture.

Farm Bureau strongly believes that the buffer provision as proposed addresses a nuisance and is in conflict with Hawaii's Right to Farm Law, HRS 165.

Hawaii's land use laws were created to recognize the needs of various land uses and to minimize conflict. The law delegated zoning responsibilities to the Counties in HRS 46-4

to further manage land use. The rural district, specifically was added as a land use category to serve as the interface between urban and agriculture, recognize such a transition area was needed in the interest of the two land use categories. Farm Bureau urges the legislature to encourage counties to utilize zoning provisions to address these cases, rather than to impose restrictions on agriculture.

As empty store shelves appeared due to Covid-19, the people and policy makers are looking to agriculture as a necessary part of Hawaii's economic diversification. Now is not the time to impose a precedence challenging Hawaii's Right to Farm law that can affect Hawaii's agricultural future.

Farm Bureau respectfully urges your support of agriculture by **deleting the buffer provisions and support the remaining HB 1819, HD1, SD1.** As we support the future of industrial hemp in Hawaii, unintended consequences to the rest of agriculture must not occur.

Thank you for this opportunity to provide our opinion on this important matter.



1050 Bishop St. PMB 235 | Honolulu, HI 96813 P: 808-533-1292 | e: info@hawaiifood.com

Executive Officers

Joe Carter, Coca-Cola Bottling of Hawaii, Chair Charlie Gustafson, Tamura Super Market, Vice Chair Eddie Asato, The Pint Size Corp., Secretary/Treas. Lauren Zirbel, HFIA, Executive Director John Schlif, Rainbow Sales and Marketing, Advisor Stan Brown, Acosta Sales & Marketing, Advisor Paul Kosasa, ABC Stores, Advisor Derek Kurisu, KTA Superstores, Advisor Beau Oshiro, C&S Wholesale Grocers, Advisor Toby Taniguchi, KTA Superstores, Advisor

TO:

Committee on Judiciary and Committee on Ways and Means Senator Karl Rhoads and Senator Donavan M. Dela Cruz, Chairs Senator Jarrett Keohokalole and Senator Gilbert S.C. Keith-Agaran, Vice Chairs

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: July 2, 2020

TIME: 10am PLACE: Auditorium

RE: HB1819 HD2 SD1

Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure. Hemp is a high value crop with a great deal of potential to help us grow our state's agriculture sector and manufacturing sector. We believe the legislature should support this growth by updating state especially in light of the change in the federal status of hemp. Thank you for the opportunity to testify.

Submitted on: 6/29/2020 1:27:05 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|---|-----------------------|-----------------------|
| Richard | Testifying for Kokoiki Brands, Hawi Nice Day Hemp Co, CBD.CENTER | Oppose | No |

Comments:

This bill indicates that Hawaii has no interest in allowing Hawaiians to develop a hemp and CBD industry.

I invested in helping build a hemp industry here and provide a market for local farmers.

It was difficult enough before COVID-19.

What's left of my CBD and hemp businesses will not survive unless the State quits messing this up.

Only a free and unrestricted hemp market will help the State of Hawai'i to meet its obligations to its farmers, processors, retailers and citizens who want access to affordable products.

Stop over regulating what should be one of the most helpful, useful, sustainable and financially rewarding crops in Hawaii.

This bill is akin to throwing out the baby with the bathwater.

Opposing,

Richard Bodien

Submitted on: 6/30/2020 1:36:11 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|-----------------------------------|-----------------------|-----------------------|
| JARED DALGAMOUNI | Testifying for Hawaiian Choice | Support | No |

Comments:

Thank you for the opportunity to testify in SUPPORT of HB1819.

We are a local Oahu manufacturer of CBD products made from Hawaiian grown hemp. We are not farmers, and do not extract the initial biomass, instead we work with farmers who process it into a concentrate which we then purchase and blend into final retail products.

With respect to: §328H-C Hemp processing; hemp product sale and prohibitions; labeling., specifically (c) Hemp shall not be processed within 500 feet of a preexisting playground, school, state park, state recreation area, residential neighborhood, hospital, or daycare facility.

We would like to respectfully highlight that there is confusion with the 500' buffer zone stated for PROCESSING as it relates to MANUFACTURING since manufacturing is defined separately already in the bill but there's no statement of restriction but could be potentially interpreted as the same.

Manufacturing is the process of final blending to combine CBD into carrier oils or cosmetic formulas and the bottling/labelling. It is not the extraction of the hemp. It involves minimal heat (165-200 F - less than boiling water), no solvents or chemicals, no loud eqiupment or smells, no handling or extraction of THC or other cannabinoids, and poses no greater fire risk than any other low-heat food manufacturing. It has no impact on neighbors and should be legal to manufacture in any DOH food prep facility.

We ask that this ambiguity is cleared up by either:

- 1. **If the intention is not to restrict manufacturing** that the bill explicitly exempts manufacturing from a buffer zone with the line added: "Manufacturing is distinct from Processing and will be permited in any Department of Health approved food production facility without the aforementioned buffer zones."
- 2. **If the intention is to restrict manufacturing** we would like to respectfully bring to your attention that on Oahu there is very little or no light industrial space that is 500' from a residential neighborhood. The only existing DOH approved copacker to

subcontract bottling to is 300' from a residential structure. Without correction, there will be no facility in Hawaii capable to bottling. In such case we ask that the buffer zone for processing and manufacturing is reduced to 250' or less.

Thank you,

Jared Dalgamouni

www.hawaiihempfarmersassocation.org



June 28, 2020

RE: HB 1819 buffers put Hawaii farmers out of business

Dear Honorable Members of the Senate Judiciary and Ways and Means Committee:

Mahalo for your interest and efforts in regard to HB 1819 and keeping the possibility that Hawaii might one day have a working Hemp Program alive. We realize that these are extraordinary times, and that well intentioned efforts in the Legislature have brought us to this point in history. As you may be aware, late amendments to HB 1819 adding buffers between residences and state facilities will severely impact existing farming operations that have been operating without complaint for the last year and a half. Apparently, one isolated incident triggered a response with the insertion of language that was not studied for its economic impact, nor put through review for planning and changing the criteria of the ag district, nor established that this legal crop required special consideration beyond what is already required. The neighbors pig farm next door is a similar situation in which statute and ordinance language is well established in Hawaii.

HHFA conducted a survey of 48 hemp farmer licensees. The data show that with a 250 ft buffer, 17 farmers are immediately out of business and will suffer a loss of \$27.1 million. With a 500 ft buffer, 21 farmers are out of business with losses of \$35.3 million. At 100 ft buffers, 8 farmers are out of business with \$16.8 million lost and with buffers less than 100 ft, 6 farmers are immediately out of business, with losses of \$8.2 million. Those are losses that would happen today with those buffers. Expected job losses are 214 Ag employees. Simply being told to move your farm operations is untenable for most farmers, and still results in loss of their investment and income potentials. Imagine what the loss in tax revenue would be.

I'll bet the State didn't realize what an economic driver this industry already is in Hawaii.

To summarize our position in regard to buffers,

1) <u>All</u> licensed hemp farmers have complied with all State prescribed process and rules and all local ordinances. Existing licensees who are farming without neighbor complaints should suffer no restriction to the already approved HDOA buffer distance between house and field. Applying a defacto rezoning across the state in the agricultural district for one specific

commodity crop, in response to one isolated incident is not fair or prudent. Complaints should be dealt with under established State and county planning and rules and ordinances. If that is not a remedy, the Legislature can define new rules in a future session, hopefully, in close collaboration with the impacted farmers.

- 2) With regard to processing, there are two tracks. The first involves extraction. Again, State and County ordinances already exist for Planning, Building, and Fire codes that define safe distances for these types of activities based on planning, materials used and stored, and noise.
- 3) With regard to bottling and assembling the final product, because it doesn't involve flammability concerns, that process should be allowed in any Health Department approved facility, including a certified kitchen.

We feel that a late buffer amendment is very short sighted, unstudied, and will destroy our hemp industry on the day the Governor signs it into law. Hawaii's 20-year delay to implement a working Hemp Program has already cost millions of dollars in lost income and lost tax revenue. Further limiting the places that this Federally legal and compliant crop can be grown will further limit investment and remove the possibility of any participation by smaller family farms. Moving operations and obtaining long-term farm leases is not an option for most farmers. Even if a lease is secured somewhere else, commuting to a farm undermines security requirements for hemp as well as responsiveness to changing crop conditions, which negatively impact crop success and preventing agricultural theft and diversion. Study after study has shown that "access to land" is the number one limiting factor for farming in Hawaii.

If incidents of concern beyond this one incident prove to be a problem in the future, we suggest that the Legislature can pick it up in the future session in January after an adequate study of all of the concerns.

Aloha and Mahalo,

Ray Maki

Ray Maki

President- Hawaii Hemp Farmers Association

Submitted on: 6/30/2020 8:05:29 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|------------------------------------|-----------------------|--------------------|
| Tai Cheng | Testifying for Intellectual AG LLC | Support | No |

Comments:

Testimony in Support of HB1819 with amendments:

As for all the noise complaints by private citizens, any restrictions and setbacks should refer to cultivators only. There is a difference between the operations of a cultivator, processor and manufacturer.

Cultivation requires fans and supplementary lighting.

Processing is likely with ethanol and sometimes CO2. And requires safe and fire inspected facilities with proper safe guards.

Manufacturing occurs in a clean laboratory production environment with chemicals and mixing equipment.

The State should not throw out the baby with the bath water and look to different regulations for each level of cultivation, processing and manufacturing. Establishing setbacks for processing and manufacturing don't make sense as these activities should occur in a commercially zoned area and not on agricultural land.

Finally, if oils, edibles and drinks cannot be manufactured in Hawaii, then the Hawaii market will be flooded with untested black market and grey market goods imported from the mainland. These products will proliferate through online sales and grey market retail. These types of product restrictions only encourage grey market sales of CBD and Hemp products smuggled into Hawaii from the mainland. Hawaiian hemp businesses will be handicapped and at a major disadvantage. Mahalo for your time.

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD1 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

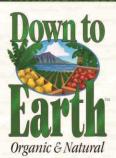
Place: Auditorium State Capital

I am spokesman for the Omaopio/Piliwale Ohana based in Kula, Maui which includes 11 properties, 15 residences, and 40+ individuals. Our group has suffered immensely since a hemp farm was started right in the middle of our neighborhood with their greenhouses 35-75 feet away from some of our houses. For the past four months we have suffered from excessive noise from commercial fans running non-stop all day and night, from the vibrations caused by those fans that make it feel like you are in a jet plane while sitting in your house all day and all night, gigantic grow lights that light up the sky all night long, and the dense smell of cannabis all day and all night. All of these problems that are destroying the lives and health of or group's members could easily be solved by regulating how close to homes a hemp operation may grow and process hemp. The current HB1819 HD2 SD1 includes buffer zones to do just that and I SUPPORT the bill as it was approved by the Senate Agriculture and Environment Committee and the Senate Consumer **Protection, Commerce and Health Committee.** I am specifically supporting the language that would create 500 foot buffer zones between Hemp Growing and Processing operations from "existing playground, child care facility, school, state park, state recreation area, residential neighborhood, hospital, daycare, any existing house, (most important), dwelling unit, residential apartment, or other residential structure that is not owned or controlled by the license holder." Leaving these completely reasonable buffer zones of 500' (or even more) in the bill would also help protect hundreds of thousands of Hawaii's citizens who live on or near Ag zoned properties from the possibility of going through the disaster our neighborhood is suffering through.

Please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill that would allow current hemp producers operating under the Hemp Pilot Program law to continue to operate in violation of the buffer zones. If current hemp farms and processors are allowed to back door their way around these protective buffer zones, it defeats the whole purpose of buffer zones that protect Hawaii's citizens from the devastating effects our group is suffering.

Mahalo,

Peter Fay Omaopio/Piliwale Ohana 312 Piliwale Rd. Kula, HI 96790 808-283-3072



Corporate Office P.O. Box 1166 Kailua, HI 96734 Phone: (808) 484-5890 Fax: (808) 484-5896 corporate@downtoearth.org

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Pearlridge 98-211 Pali Momi Street Suite 950 Aiea, Hawaii 96701 Phone: (808) 488-1375 Fax: (808) 488-4549 pearlridge@downtoearth.org

Kapolei 4460 Kapolei Parkway Kapolei, Hawaii 96707 Phone: (808) 675-2300 Fax: (808) 675-2323 kapolei@downtoearth.org

Kakaako 500 Keawe St. Honolulu, HI 96813 Phone: (808) 465-2512 Fax: (808) 465-2305 kakaako@downtoearth.org

Maui Location

Kahului 305 Dairy Road Kahului, HI 96732 Phone: (808) 877-2661 Fax: (808) 877-7548 kahului@downtoearth.org HB 1819, HD2, SD1 RELATING TO HEMP
Joint Senate Committee on Judiciary
And Ways and Means
July 2, 2020, 10:00am Hawaii State Capitol

Aloha Sen. Karl Rhoads, JDC Chair, Sen. Jarrett Keohokalole, JDC Vice Chair, Sen. Donovan M. Dela Cruz, WAM Chair, Sen. Gilbert S.C. Keith-Agaran, WAM Vice Chair, and Committee Members,

Down to Earth Organic and Natural testifies in support of HB 1819, HD2, SD1.

Down to Earth Organic and Natural has six locations on Oahu and Maui. Since we opened in 1977, we have supported healthy lifestyles and preservation of the environment by selling local, fresh, organic and natural products, and by promoting a healthy, plant-based and vegetarian lifestyle.

We are in support of HB 1819, HD2, SD1. We have experienced a great demand for CBD and other hemp-derived products because of the improvement in quality of life that these products may offer due to the reduction of anxiety, depression, pain, inflammation, and general calming properties. Finding a natural substance with these benefits can be life-renewing for people who suffer from a wide range of mental and physical health challenges. We are in support of establishing a uniform, safe regulatory framework for the testing and sale of CBD products while ensuring their proper labeling. Being able to legally produce and sell CBD and other hemp products in Hawaii will be beneficial for our local businesses and provide a needed boost for our economy.

Thank you for the opportunity to comment on this bill.

Alison Riggs
Public Policy & Government Relations Manager
Down to Earth
2525 S. King St., Suite 309
Honolulu, HI 96826
Phone (808) 824-3240
Fax (808) 951-8283
E-mail: alison.riggs@downtoearth.org

www.downtoearth.org

Submitted on: 7/1/2020 8:09:57 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--|-----------------------|-----------------------|
| Megan Talley | Testifying for Omao Lands/Omao Labs | Support | No |

Comments:

Aloha,

Thank you for taking the time to read this testimony-I'll be brief. My name is Megan Talley Womble and I am the operations manager for Omao Lands and Omao Labs. We are a vertically integrated hemp farm located on Kauai, complete with a 6 acre farm and a state of the art hemp extraction facility. Many of you have had the opportunity to tour our farm and processing facility. We are invested in creating an industry for the state to expand Hawaii's agricultural portfolio and help relieve the dependence on the tourist dollar. We are in alignment with 1819, with the exception of the buffer zones.

We believe it is important to maintain the integrity of agricultural zones for small farmers in Hawaii, not just for hemp, but for other crops and livestock as well. We all know how expensive and hard to come by ag land is, without the addition of further restrictions. Access to land is often sighted as the number one barrier to entry within Hawaii's agricultural industry. When someone moves into a designated agricultural zone there should be a certain level of understanding of agricultural activities that include smells, noise, dust, lights and other farming activities. *These activities are not exclusive to hemp*, and allowing the buffer zone in 1819 sets a precedence for future legislation that could affect other crops. Problems that arise, disagreements between neighbors, should be taken care of at an association level or county level. It should not be put into wide-sweeping legislation that affects farmers with plants currently in the ground. To allow an isolated incident to affect 48 license holders seems unfair. There must be a better, case-by-case solution to this. Omao Lands farms on ag zoned land near residences, with no complaint. It is possible to be a good steward of the land with respect to neighbors.

These buffer zones pose significant risk for hemp pilot program farmers who have already invested *significant* time and money to get their projects off the ground. Many of them consider this their life's work, a contribution to agriculture that is bigger than themselves. They took the risk, in the face of uncertainty, and should not be penalized for pioneering this industry. The economic impact on the buffer zones would be tremendous and devastating for the hemp farmers currently farming.

HHFA has gathered data in regards to the current license holders. The current investment amounts that would be affected by the buffer zones are as follows:

- 500 ft buffer, 21 farmers out of business with losses of \$35.3M;
- 250 ft buffer, 17 farmers out of business w/\$27.1 M losses;
- 100 ft buffer, 8 farmers out of business w/\$16.8 M losses; and,
- Less than 100 ft, 6 farmers out of business w/\$8.2 M losses
- There are 214 jobs that have been created and are associated with these farm investatures

Under the USDA guidance, the Hawaii hemp industry will probably receive outside investment, investments that will stimulate the economy, but we can't forget the farmers that have already been investing, stimulating and paving the way. My farm/processing facility has over \$3 million dollars invested and could be affected by a buffer zone.

If there continues to be incidents, similar to the problem in Omaopio, it is reasonable then for the Legislature to revisit a solution in January. Myself and my team are available to collaborate or help provide insight on a reasonable and feasible solution. As always, I am available for questions or comments 808-639-0775.

Please help keep Hawaii hemp farmers in business and their employees employed.

Thank you for taking the time to read this. We appreciate the support.

Submitted on: 7/1/2020 8:23:50 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|----------------------|--|-----------------------|-----------------------|--|
| Hawaii Cannabis Care | Testifying for Hawaii Cannabis Care | Support | No | |

Comments:

We support the bill as its a start but manufacturing and processing are 2 different things. Please specify in the bill. Manufacturers mix already processed materials to make CBD products and its not dangerous at all but Processors should need to be 500 ft from schools, houses etc because they extract the CBD from hemp with solvents. Please make this distinction. Mahalo

U.S. Hemp Roundtable

502.319.2358 | 100 M Street, S.E., Suite 600, Washington, DC 20003 | info@hempsupporter.com

Chair Rhoads, Chair Dela Cruz, and members of the Senate Committee on Judiciary and Senate Committee on Ways and Means. Thank you for the opportunity to provide testimony in support of HB 1819, HD2 SD1 – RELATING TO HEMP. The measure would Legalize the growth of hemp in the State through the United States Department of Agriculture hemp production program; allow the processing and sale of hemp products in the State through State licensing; and expedite the substitution of the USDA hemp production program for the existing industrial hemp pilot program as required by federal law. Takes effect on 7/1/2020

The U.S. Hemp Roundtable is a coalition of leading companies and organizations committed to safe hemp and CBD products. We proudly represent the industry's major national grassroots organizations, and are leading the way forward for hemp and CBD products through education and action. We believe that the most effective way to realize the potential of the hemp industry and allow for safe and regulated CBD products in the market is to establish the right conditions for the market and its products to flourish. HB 1819 HD2 Proposed SD1 is a positive step in that direction.

We respectfully request the committees consider the proposed amendments for clarification purposes;

Page 5 Line 3-7 (5) Is in the form of a tablet, capsule, powder, softgel, gelcap, or liquid form (e.g. hemp oil) to be used by the consumer to infuse edible items at home for personal use or for topical application to the skin or hair.

Page 10 Line 1-7 (e) No person shall sell, hold, offer, or distribute for sale any food, as that term is defined in section 328-1, into which a cannabinoid, synthetic cannabinoid, hemp extract, hemp derivatives or other hemp product that has been added as an ingredient or component. This section shall not apply to hemp-derived ingredient that is generally recognized as safe (GRAS) by FDA for use in foods, as intended, in a public GRAS notification.

As we have shared with members of the committee, we respectfully oppose the provision that prohibits the sale of CBD as a food or beverage ingredient. As more and more states throughout the U.S. explicitly authorize the sale of these products, we respectfully request that the committee consider expanding legal protection to those products as well in the near future. Thank you for the opportunity to testify.

Submitted on: 7/1/2020 8:31:24 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------------|---|-----------------------|--------------------|
| spectra analytical lab | Testifying for Steep Hill Hawaii State certified laboratory | Support | No |

Comments:

We support this bill but it needs a few tweaks. Their is a distinction between manufacturing and processing. Maunfactures are not using any chemicals to make the produtes and should not have zoning restrictions. Manufacturers are mixing pre made broad spectrum oil with creams and met oil etc. processing Hemp is a solvent based extraction and should have zoning restrictions. Please make these tweaks

July 1, 2020

HAWAII STATE SENATE COMMITTEE ON JUDICIARY Senator Karl Rhoads, Chair Senator Jarrett Keohokalole, Vice Chair Members of the Committee

COMMITTEE ON WAYS AND MEANS Senator Donovan M. Dela Cruz, Chair Senator Gilbert S.C. Keith-Agaran, Vice Chair Members of the Committee

10 a.m. Thursday, July 2, 2020 State Capitol Auditorium

Re: HB 1819, HD2 SD1, relating to hemp

LATE

My name is Matt Plavan and I serve as the chief executive officer of Arcadia Biosciences, an agricultural technology company that develops and commercializes high-value food ingredients, nutritional oils and other products and is actively engaged in the Hawai'i and global hemp industry. We employ 28 people today in our hemp operation, many added during the COVID-19 pandemic period.

I write to you regarding the buffer language included in HB 1819, HD2 SD1. For our company, along with all other licensed participants in the 2014 Industrial Hemp Pilot Program, the amended language adding buffers from residences and state facilities will severely impact existing farming operations that have been operating without buffer restrictions for the last year and a half. The added language was not studied for its economic impact, nor reviewed for planning and changing the criteria of the ag district.

In the case of our company, significant effort and costs were invested to comply with the rules of the Hemp Pilot program and to establish agricultural operations. We estimate \$1.2 million was spent to install security fencing, level fields, and initiate our agriculture operations. Buffer zones as proposed reduce our farmable area to less than 20% of the original footprint, making our hemp operation uneconomical. With regard to processing, State and County ordinances already exist for Planning, Building, and Fire codes that define safe distances for these types of activities based on planning, materials used and stored, and noise. Under the buffer language currently within the proposed bill, we will be forced to reconsider our commitment to the Hawaiian hemp industry.

We respectfully suggest the committee grandfather existing operations who have complied with the Pilot rules and invested in Hawaii's agriculture future in good faith, enabling continued compliant operations. If there can be no exception for Pilot operations, we respectfully suggest the Legislature withdraw this bill and revisit in the future session after an adequate study of all of the concerns.

Thank you for the opportunity to testify on HB 1819, HD2 SD1.

Submitted on: 7/1/2020 11:53:38 AM Testimony for JDC on 7/2/2020 10:00:00 AM



| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|---|---------------------------|-----------------------|
| Gail Byrne Baber | Testifying for Hawaii Royal Hemp Inc | Comments | No |

Comments:

Aloha,

Delete buffer requirements or grandfather in existing permittees. For *new* permittees a distance of 100 ft would be reasonable. It is very common, even in 20 acre parcels, for a dwelling/house to be on a boundary. These parcels are zoned agriculture. Restricting agriculture at this point is not economically wise for Hawaii

Buffers will put farmers out of business. Please see the below data collected from our industry this week:

- 500 ft buffer, 21 farmers out of business with losses of \$35.3M;
- 250 ft buffer, 17 farmers out of business w/\$27.1 M losses;
- 100 ft buffer, 8 farmers out of business w/\$16.8 M losses; and,
- Less than 100 ft, 6 farmers out of business w/\$8.2 M losses.





Senate Committee on Judiciary & Senate Committee on Ways and Means

Hawaii Alliance for Progressive Action SUPPORTS HB 1819 with Amendments

Board of Directors:

Thursday, July 2nd, 2020 at 10AM, Auditorium

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Aloha Chair Rhoads, Chair Dela Cruz, Vice Chair Keohokalole, Vice Chair Keith-Agaran and Members of the Committees,

The Hawaii Alliance for Progressive Action (HAPA) supports HB1819 with amendments. HB1819 defines the rules and rule making authority that will govern the field production of hemp and production and sale of hemp products in Hawaii, with the potential to accelerate the process that will allow farmers in Hawaii to grow and market hemp products, and help Hawaii diversify its economy.

HAPA is a statewide environmental, social and economic justice organization. HAPA engages over 10,000 local residents annually through our work.

The passage of the 2018 Farm Bill presents Hawaii with a monumental opportunity to usher in a successful new hemp agricultural industry. While other states had the requisite agriculture plans prepared and ready to submit to the federal government prior to the passage of the Farm Bill, our state has dragged its heels. Especially in light of the toll that the COVID-19 crisis has taken on our economy, we cannot afford to delay any longer. We should pass the requisite legislation to allow the state to move forward on the opportunity to generate millions of dollars in profits, create new jobs and enable entrepreneurial opportunities.

New cottage industries around hemp are cropping up left and right. Hemp is now being used for clothing, paper, building materials, foods, health supplements and a variety of other value-added products. The potential for the growth of small business is exponential. In fact, current industry estimates report U.S. hemp product sales at nearly \$1.1 billion in 2018.[1]

In addition to its potential for agricultural commerce, hemp has the potential to remediate our contaminated soils. The toxic legacy of sugar, pineapple and more recently the pesticide dependent biotech industry has left large acreages of our agriculture land contaminated. Through phytoremediation hemp can undo some of this damage.

Remove the buffer zone provision from HB 1819

While HAPA strongly supports the expansion of a hemp industry in Hawaii to grow our economy and our agricultural sector, the recent amendments to this bill put the Hawaii hemp farmer at continued disadvantage. For example the creation of 500 foot buffers from adjacent homes or properties will literally put some of our existing hemp farmers in the pilot program out of business, or make it not viable to grow.

A recent survey that Hawaii Hemp Farmers Association (HHFA) conducted, shows the economic and logistical hardships created by these unnecessary and "industry killing" buffers. We encourage your committees to remove the buffer zone provision from the bill.

HAPA has long advocated for restricted use pesticide (RUP) buffer zones around schools to protect children from the scientifically proven health impacts associated with pesticide drift. Although impacted communities had hoped for Hawaii to follow California's ¼ mile pesticide buffer zone regulation, after over a decade of community led advocacy the legislature passed modest 100' RUP school buffers during school hours in 2018. Given the level of scrutiny the legislature has given to the creation of buffer zones for RUP's, it is unfathomable that lawmakers would implement these distances for a specific crop, which poses no risk to adjacent neighbors or properties.

Furthermore, data collected by the HHFA suggests that the 500 ft buffer zone provision in this bill would put 21 farmers out of business with losses that could exceed \$35.5 million. Even a 250ft buffer would cause 17 farmers to go out of business and over \$27 million in losses and a 100 ft buffer 8 farmers, and ~\$17 million in losses.

Expected job losses from this provision would result in the loss of hundreds of jobs unnecessarily. This all at a time of unprecedented hardship, economic collapse and the urgent need to diversify our economy. These buffers would in turn be responsible for huge losses also in tax revenue.

Applying a de facto rezoning across the state in the agricultural district for one specific commodity crop, in response to one isolated incident is not fair or prudent. Complaints should be dealt with under established state and county planning and rules and ordinances. If that is not a remedy, the legislature can define new rules in a future session, hopefully, in close collaboration with the impacted farmers.

State and county ordinances already exist for planning, building, and fire codes that define safe distances for these types of activities based on planning, materials used and stored, and noise. With regard to bottling and assembling the final product, because it doesn't involve flammability concerns, that process should be allowed in any Health Department approved facility, including a certified kitchen.

Hawaii's delay to implement a working Hemp Program has already cost millions of dollars in lost income and lost tax revenue for the state. Further limiting the places that this federally legal and compliant crop can be grown will further limit investment and remove the possibility of any participation by smaller family farms. Moving operations and obtaining long-term farm leases is not an option for most farmers. Even if a lease is secured somewhere else, commuting to a farm undermines security requirements for hemp as well as responsiveness to changing crop conditions, which negatively impact crop success and prevent agricultural theft and diversion.

Study after study has shown that "access to land" is the number one limiting factor for farming in Hawaii.

Please amend HB 1819 to remove the unnecessary buffer zone provision and pass a version of this bill that will truly support Hawaii farmers and a more diversified economy.

Thank you for your consideration.

Respectfully,

Anne Frederick, Executive Director Hawaii Alliance for Progressive Action

References:

[1] https://www.cnbc.com/2019/05/24/newly-legalized-hemp-industry-set-to-create-a-jobs-boom-in-the-us.html

The Hawai'i Alliance for Progressive Action (HAPA) is a public non-profit organization under Section 501(c)(3) of the Internal Revenue Code. HAPA's mission is to catalyze community empowerment and systemic change towards valuing 'aina (environment) and people ahead of corporate profit.



<u>HB-1819-SD-1</u> Submitted on: 7/1/2020 5:51:23 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|---|-----------------------|--------------------|
| Nikos Leverenz | Testifying for Drug Policy Forum of Hawaii | Support | No |

Comments:



Submitted on: 7/1/2020 9:28:03 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|-------------------------------|-----------------------|--------------------|
| Michael Johnson | Testifying for Island Hemp | Oppose | No |

Comments:

The bill in question creates a buffer zone around the plant that makes it almost impossible to grow. Because the law has a buffer zone where the plant would have to be a distance away from farm dwellings means you cannot grow it on your farm if you live there. Island Hemp would be illegal if we grew the plant on our land and there was a 500' buffer zone or even a 250' zone.

The hemp plant is NOT cannabis and will not make our lives for the worse but for the better. Please do not treat hemp as though it were alcohol and children need to be protected from it. Protect the children from exposure to alcohol but no need for hemp.

Please take five minutes and think about what you are doing. You are ruining our hemp economy for no good reason.

Mahalo for your time,

Michael Johnson

Island Hemp

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD1 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

I am a member of the Omaopio/Piliwale Ohana based in Kula, Maui which includes 11 properties, 15 residences, and 40+ individuals. Our group has suffered immensely since a hemp farm was started right in the middle of our neighborhood with their greenhouses 35-75 feet away from some of our houses. The current HB1819 HD2 SD1 includes buffer zones to do just that and I **SUPPORT the bill as it was approved by the Senate Agriculture and Environment Committee and the Senate Consumer Protection, Commerce and Health Committee**. I am specifically supporting the language that would create 500 foot buffer zones between Hemp Growing and Processing operations from "existing playground, child care facility, school, state park, state recreation area, residential neighborhood, hospital, daycare, **any existing house**, (*most important*), dwelling unit, residential apartment, or other residential structure that is not owned or controlled by the license holder." Leaving these completely reasonable buffer zones of 500' (or even more) in the bill would also help protect hundreds of thousands of Hawaii's citizens who live on or near Ag zoned properties from the possibility of going through the disaster our neighborhood is suffering through.

Please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill that would allow current hemp producers operating under the Hemp Pilot Program law to continue to operate in violation of the buffer zones. If current hemp farms and processors are allowed to back door their way around these protective buffer zones, it defeats the whole purpose of buffer zones that protect Hawaii's citizens from the devastating effects our group is suffering.

Mahalo,

Emma Fay Omaopio/Piliwale Ohana 312 Piliwale Rd. Kula, HI 96790 808-281-3436 Aloha Chair Mike Gabbard, Senate Committee on Agriculture and Environment

Re: HB 1819 HD2 SD1

Date: Tuesday, June 30, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

Aloha Senator Gabbard,

Thank you for your support in addressing the setback issues between the hemp producers and the neighboring homes in the bill HB1819 HD2 SD1. Based on my experience as a neighbor on Piliwale Road where there is a hemp producer operating in this present year within 50 feet of homes that were there decades ago, existing a in a tranquil environment until recently. Now these homes are basically unlivable due to the fan noise, vibration and light emitted from the hemp greenhouses. Imposing a 500 foot buffer zone on the present and future operations is mandatory in neighborhoods such as ours to preserve the tranquility so appreciated in the Aloha State. Please be sure that such minimum boundaries remain in this bill and future legislature pertaining to the hemp industry, for the peace of the Hawaiians and the success of the business.

Sincerely, Charles Fay cfayhhi@gmail.com 843 384 0202 Aloha Chair Mike Gabbard, Senate Committee on Agriculture and Environment

Re: HB 1819 HD2 SD1

Date: Tuesday, June 30, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

Aloha Senator Gabbard,

I (and all the Omaopio/Piliwale Ohana group) appreciate that the Senate Committee on Commerce, Consumer Protection and Health, along with the Senate Committee on Agriculture and Environment provided for the 500 foot buffer zone separating hemp processing and/or growing operations from several areas, especially "ANY EXISTING HOUSE or other residential structure that is not owned or controlled by the license holder". Currently, there is an existing hemp processing/growing operation less than 50 feet from a home, and the noise and light(as well as the unpleasant odor) 24/7 are having a negative emotional impact on us. All neighbors are long-time residents and have enjoyed the peace and quiet for many years and are now being deprived of that benefit.

Consequently, I implore you to NOT ALLOW currently operating hemp facilities to be grandfathered in. The 500 foot buffer zone also can provide for peace of mind and body for the Omaopio/Piliwale Ohana as well as protecting other areas in Hawaii, the Aloha State.

Thank you for your consideration in this important and historic matter. I solicit your vote for including SD1 in HB1819 HD2.

Mahalo, Marjorie R Wendler mrwjsr4246@hotmail.com 856/534-4692

Submitted on: 6/30/2020 2:16:06 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|-----------------------|-----------------------|
| Brooke Shenfield | Individual | Support | No |

Comments:

Aloha,

Please keep the buffer zones in the bill! No "granfather" status for a four-month-old business when we were here first!

I am a long time upcountry resident and a member of the Omaopio/Piliwale Ohana based in Kula, Maui which includes 11 properties, 15 residences, and 40+ individuals. Our group has suffered immensely since a hemp farm was started right in the middle of our neighborhood with their greenhouses 35-75 feet away from some of our houses.

This outfit placed two eight-foot industrial fans 35 feet from my bedroom. They run 24/7 with no relief for me. The noise and vibrations caused by those fans make it feel like you are in a jet plane while sitting in your house all day and all night, gigantic grow lights that light up the sky all night long, and the dense smell of cannabis all day and all night. All of these problems that are destroying the lives and health of or group's members could easily be solved by regulating how close to homes a hemp operation may grow and process hemp.

The current HB1819 HD2 SD1 includes buffer zones to do just that and I SUPPORT the bill as it was approved by the Senate Agriculture and Environment Committee and the Senate Consumer Protection, Commerce and Health Committee. I am specifically supporting the language that would create 500 foot buffer zones between Hemp Growing and Processing operations from "existing playground, child care facility, school, state park, state recreation area, residential neighborhood, hospital, daycare, **any existing house**, (most important), dwelling unit, residential apartment, or other residential structure that is not owned or controlled by the license holder." Leaving these completely reasonable buffer zones of 500' (or even more) in the bill would also help protect hundreds of thousands of Hawaii's citizens who live on or near Ag zoned properties from the possibility of going through the disaster our neighborhood is suffering through.

Please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill that would allow current hemp producers operating under the Hemp Pilot Program law to continue to operate in violation of the buffer

zones. If current hemp farms and processors are allowed to back door their way around these protective buffer zones, it defeats the whole purpose of buffer zones that protect Hawaii's citizens from the devastating effects our group is suffering.

Mahalo for your time,

Brooke Shenfield

Submitted on: 6/30/2020 4:30:59 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|-----------------------|-----------------------|
| Melanie Vallejos | Individual | Support | No |

Comments:

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD2 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

I am writing in SUPPORT of HB 1819 HD2 SD1 as it was passed out of the Senate Agriculture and Environment Committee and the Senate Consumer Protection and Commerce Committee hearing Wednesday, June 24th, 2020. I am specifically supporting the language that would create 500 foot buffer zones between Hemp Growing and Processing operations from "existing playground, child care facility, school, state park, state recreation area, residential neighborhood, hospital, daycare, any existing house, dwelling unit, residential apartment, or other residential structure that is not owned or controlled by the license holder."

Allowing Hemp operations too close to residential neighborhoods negatively impacts the health and peaceful enjoyment of the entire neighborhood's properties. The constant exessive noise of industrial fans that run constantly 24 hours a day, everyday that never stop, the vibration of those fans that makes sitting in nearby houses feel like sitting in a jet plane 24 hours a day, everyday, the grow lights that turn night into day, and the dense fog of hemp/marijuana smell that permeates all the nearby houses 24 hours a day, everyday is disgusting.

To protect the hundreds of thousands of Hawaii's citizens who live on or near Ag zoned land, please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill. If current hemp farms and processors are allowed to back door their way around these protective buffer zones it defeats the whole purpose of protecting neighborhoods across the state from being

irreversable damaged by close hemp farm operations.

Mahalo,

Melanie Vallejos DDS

Submitted on: 6/30/2020 4:55:12 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|-----------------------|-----------------------|
| Kelly Wojcicki | Individual | Support | No |

Comments:

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD2 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

I am writing in SUPPORT of HB 1819 HD2 SD1 as it was passed out of the Senate Agriculture and Environment Committee and the Senate Consumer Protection and Commerce Committee hearing Wednesday, June 24th, 2020. I am specifically supporting the language that would create 500 foot buffer zones between Hemp Growing and Processing operations from "existing playground, child care facility, school, state park, state recreation area, residential neighborhood, hospital, daycare, any existing house, dwelling unit, residential apartment, or other residential structure that is not owned or controlled by the license holder."

Allowing Hemp operations too close to residential neighborhoods negatively impacts the health and peaceful enjoyment of the entire neighborhood's properties. The constant exessive noise of industrial fans that run constantly 24 hours a day, the vibration of those fans that makes sitting in nearby houses feel like sitting in a jet plane 24 hours a day, everyday, the grow lights that turn night into day, and the dense fog of hemp/marijuana smell that permeates all the nearby houses 24 hours a day, is unbareable.

To protect the hundreds of thousands of Hawaii's citizens who live on or near Ag zoned land, please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill. If current hemp farms and processors are allowed to back door their way around these protective buffer zones it defeats the whole purpose of protecting neighborhoods across the state from being irreversably damaged by close hemp farm operations.

Mahalo for your time and consideration, Kelly Wojcicki

Submitted on: 6/30/2020 5:01:58 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|-----------------|--------------|-----------------------|-----------------------|--|
| Lisha Martelles | Individual | Support | No | |

Comments:

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD2 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

I am writing in SUPPORT of HB 1819 HD2 SD1 as it was passed out of the Senate Agriculture and Environment Committee and the Senate Consumer Protection and Commerce Committee hearing Wednesday, June 24th, 2020. I am specifically supporting the language that would create 500 foot buffer zones between Hemp Growing and Processing operations from "existing playground, child care facility, school, state park, state recreation area, residential neighborhood, hospital, daycare, any existing house, dwelling unit, residential apartment, or other residential structure that is not owned or controlled by the license holder." Allowing Hemp operations too close to residential neighborhoods negatively impacts the health and peaceful enjoyment of the entire neighborhood's properties. The constant exessive noise of industrial fans that run constantly 24 hours a day, everyday that never stop, the vibration of those fans that makes sitting in nearby houses feel like sitting in a jet plane 24 hours a day, everyday, the grow lights that turn night into day, and the dense fog of hemp/marijuana smell that permeates all the nearby houses 24 hours a day, everyday is disgusting.

To protect the hundreds of thousands of Hawaii's citizens who live on or near Ag zoned land, please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill. If current hemp farms and processors are allowed to back door their way around these protective buffer zones it defeats the whole purpose of protecting neighborhoods across the state from being irreversable damaged by close hemp farm operations.

Mahalo

Submitted on: 6/30/2020 6:04:56 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|-----------------------|-----------------------|
| Jutta Mueller | Individual | Support | No |

Comments:

Aloha Chairman Rhoads and committee members,

for the last 4 month we got an upclose and personal contact with a hemp farm and feel like subjects in an ill-conceived experiment on the downwind effects of a larger-scale hemp operation.

The hemp/marijuanatype smell creeps into every living space of our house once the crop is blooming. Nightlights irritate every living being. The NONSTOP (day and night) giant industrial fan noise never ends.

You can still hear and feel the low frequency noise and vibrations from those fans as far as 3 properties away and throughout our whole neighborhood. This industrial type humming and vibrating noise seems to be the biggest impact on surrounding properties as it is so untypical for traditional farm operations. The .. noise.. NEVER.. stops!

It might be standard equipment for new factory hemp farms but then such operations with an industrial character should not be sitting on a small acreage lot wedged between homes, actually regardless of the crop or agricultural commodity.

However this is all part of the hemp pilot program. Hemp is a NEW agricultural commodity and land use for Hawaii and the pilot test program is to be replaced by the new Housebill 1819.

After our experience and "testing" this short pilot program period, it is obvious that a buffer zone of 500 feet or more to prior existing homes and communities will be of great necessity to avoid conflicts for the rest of Hawaii in the future (as currently drafted into the proposed HB1819 HD2 SD1)

Our agricultural community has been here for many years, some for decades operating with sound & sustainable farming practices and invested millions of dollars into their homes, family futures and agricultural life.

For the drafted and permanent laws please respect prior existing homes and keep a buffer zone of 500 ft. Grandfathering literally means it's been there for generations which is not the case for the newly started hemp operations during the lightly regulated current pilot test program.

I attached 2 examples where the legislation called for buffer zones in mainland hemp laws as they have already learned that no buffer zones will create conflicts.

Mahalo

Jutta Mueller

Maryland House Bill 510 (Adjourned Sine Die)

Spectrum: Partisan Bill (Democrat 3-0)

Summary:

Prohibiting the Maryland Department of Agriculture from certifying and registering a site that will be used to grow or cultivate hemp under the Hemp Research Pilot Program if the area on which the hemp will be grown is located within 2 miles of a residential community with 10 or more residences; and prohibiting the Department from issuing a license to a person to produce hemp in the State if the area on which the hemp will be produced is located within 2 miles of a residential community with 10 or more residences

Virginia House Bill 1317 (Adjourned Sine Die)

Spectrum: Partisan Bill (Democrat 1-0)

Summary:

Industrial hemp grower; public notice; buffer zone; odor mitigation. Requires any applicant for registration as a grower of industrial hemp to state either that the growing premises are more than 100 yards from any residential area or that the applicant has complied with pre-registration public notice and comment requirements set by the Commissioner of Agriculture and Consumer Services. The bill directs the Board of Agriculture and Consumer Services to adopt regulations requiring each registered grower of industrial hemp to maintain a buffer zone from the property lines of the

growing premises and to perform odor mitigation at such premises during peak blooming season.

Submitted on: 6/30/2020 6:43:52 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Jonathan Lau | Individual | Support | No |

Comments:

I am writing in SUPPORT of HB 1819 HD2 SD1 as it was passed out of the Senate Agriculture and Environment Committee and the Senate Consumer Protection and Commerce Committee hearing Wednesday, June 24th, 2020. I am specifically supporting the language that would create 500 foot buffer zones between Hemp Growing and Processing operations from "existing playground, child care facility, school, state park, state recreation area, residential neighborhood, hospital, daycare, any existing house, dwelling unit, residential apartment, or other residential structure that is not owned or controlled by the license holder." Please do not grandfather in any existing hemp farms--they are the ones that are causing the problems now and need to be corrected. Mahalo

Submitted on: 6/30/2020 7:19:44 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--------------|-----------------------|-----------------------|
| Dr. Soenke Petersen | Individual | Support | No |

Comments:

Dear committee,

our family home has been severely impacted by a hemp operation. The noise, the smell of marijuana and the night lights have greatly diminished the quality of life for our family members.

We would appreciate the legislation to include a buffer zone to existing homes of at least 500 feet. From our experience these kind of operations have a much greater impact than regular farm operations.

Thank you very much for your help.

Soenke & family

Submitted on: 6/30/2020 7:43:23 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Gloria Gage | Individual | Support | No |

Comments:

I am writing in support of this bill hb1819. Love the 500 foot buffer zone. Please do not grandfather language to be inserted. Crazy having one inside residential neighborhood. Loud/smelly lighting 24 hours. Ouch. Just pass bill as is.

Thank you

Gloria Rongcal Gage

Submitted on: 6/30/2020 8:22:02 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|--------------|--------------|-----------------------|-----------------------|---|
| Decoite | Individual | Support | No | Ī |

Comments:

Aloha

We are pro hemp/cannabis, but please keep it out of neighborhoods! For the better of all Hawaiis future!

Mahalo

the Decoite family!

Submitted on: 6/30/2020 9:09:02 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|--------------|--------------|-----------------------|-----------------------|--|
| Erik Wong | Individual | Support | No | |

Comments:

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD2 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

I am writing in SUPPORT of HB 1819 HD2 SD1 as it was passed out of the Senate Agriculture and Environment Committee and the Senate Consumer Protection and Commerce Committee hearing Wednesday, June 24th, 2020. I am specifically supporting the language that would create 500 foot buffer zones between Hemp Growing and Processing operations from "existing playground, child care facility, school, state park, state recreation area, residential neighborhood, hospital, daycare, any existing house, dwelling unit, residential apartment, or other residential structure that is not owned or controlled by the license holder." Allowing Hemp operations too close to residential neighborhoods negatively impacts the health and peaceful enjoyment of the entire neighborhood's properties. The constant exessive noise of industrial fans that run constantly 24 hours a day, everyday that never stop, the vibration of those fans that makes sitting in nearby houses feel like sitting in a jet plane 24 hours a day, everyday, the grow lights that turn night into day, and the dense fog of hemp/marijuana smell that permeates all the nearby houses 24 hours a day, everyday is disgusting.

To protect the hundreds of thousands of Hawaii's citizens who live on or near Ag zoned land, please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill. If current hemp farms and processors are allowed to back door their way around these protective buffer zones it defeats the whole purpose of protecting neighborhoods across the state from being irreversable damaged by close hemp farm operations.

Mahalo,

Submitted on: 6/30/2020 9:10:27 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|-----------------------|-----------------------|
| Dolly Fontanilla | Individual | Support | No |

Comments:

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD2 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

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To protect the hundreds of thousands of Hawaii's citizens who live on or near Ag zoned land, please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill. If current hemp farms and processors are allowed to back door their way around these protective buffer zones it defeats the whole purpose of protecting neighborhoods across the state from being irreversable damaged by close hemp farm operations.

Mahalo

Submitted on: 6/30/2020 9:11:16 PM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|-----------------------|-----------------------|
| Ross Fujimoto | Individual | Support | No |

Comments:

Aloha Karl Rhodes

Aloha Donovan Dela Cruz

HB1819 HD2 SD1

Date: Jully 2, 2020.

Time: 10:00am

Place: State Capitol Auditorium

I am writing in support of HB1819 HD2 SD1 as it was passed out of the Senate Agricultural and Environment Committee and the Senate Consumer Protection and Commerce Committee hearing on June 24,2020. I am specifically supporting the language that would create 500-foot buffer zones between Hemp Growing and Processing operations from "existing playground, child care facitlity, school, state park and recreation areas, residential neighborhood, hospital, daycare, any existing house, dwelling unit, residential apartment, or any residential structure that is not owned or controlled by the license holder."

To protect those who live on or near Ag zoned land, please keep the 500- foot buffer zones in the bill, and please do not allow grandfathering language to be inserted into the bill. If current Hemp farms and processors are allowed to backdoor their way around these buffer zones it defeats the whole purpose of protecting neighborhoods across the state from being irreversably damaged by close Hemp farm operations.

Mahalo, Ross Fujimoto.

Elisabeth Bluml, Owner, Khandro Farms, Kula, Maui, Hawaii

COMMITTEE ON THE JUDICIARY (JDC)

Thursday, July2nd, 2020 10:00 AM in Conference Room Auditorium

HB 1819, HD2 SD1 RELATING TO HEMP

Aloha Chairman Rhoads and JDC committee members.

I want to thank Senator Gabbard for ensuring a 500 foot buffer zone between schools and residences. I would personally request 1000 feet. The temporary laws as written did not foresee the challenges of growing CBD cannabis next to children, kapuna and working families. This revamped revision of HB1819 is wisely taking into account the very real impacts on communities. What better time to make this law than now in the beginning of what will be a push for a full scale CBD cannabis growing industry here in Hawaii?

The law itself is being promulgated by the legislature, thus remedy has to come from the legislature. To look at burdening local county administrations with a new layer of regulation they would have to enact would be a great impact for the overburdened and understaffed county governments in the middle of the Covid crisis. You must give the solution in this revised bill, allowing for buffer zones around established residences and schools.

The Hemp Farmers, all 48 of them, have written a letter on June 28th stating this would 'destroy' the hemp industry. This is doubtful. From their own numbers, 17 farmers would make \$27.1 million. That averages out to \$1.6 million per farm. I can see the potential for this to exponentially increase as soon as this law passes, when smart business people will lay down their money. It's an incredible incentive financially. There will be many, many new farms as soon as the landscape is stable.

Those that decided to come on early, before the law is fully fleshed out, made business decisions for whatever reason — and knowing they were taking chances. Especially those that built in areas adjacent to communities. Can you imagine, with this amount of income being available, how many more CBD/ cannabis growers there will be? I think it's great — and NOW is the time to ensure this gold rush does not come at the cost of the way of life of communities. There is a reason they aren't allowed inside houses in a residential setting. The thing that was not seen was the extraordinary impact they would have on residences.

The CBD grower we have had such problems with took over a shade house that has been in use for decades. Not once has any neighbor had a single problem with the use – as a matter of fact, there have been no complaints at all in the entire area regarding agricultural use. So something here is really different. The stench is overpowering, the lights light up the sky, confusing night birds and low frequency vibrations from huge fans and other equipments are a massive impact on the community. And this is just the beginning.

So it is time to ensure they are within common boundaries of community – and that residences that were there before they took their gamble have the right to that community and all that it entails. They should not be 'grandfathered' in – the grandfather here are the communities, not the new use of land as being laid out here in this law.

So in closing, I really ask you to allow hemp farming to happen – it's important. Please write the laws to allow residences, the children and kapuna and hard working families, the dignity of their homes.

Mahalo, Elisabeth Bluml

COMMITTEE ON THE JUDICIARY (JDC)

Thursday, July2, 2020

10:00 AM in Conference Room Auditorium

HB 1819, HD2 SD1 - RELATING TO HEMP

Aloha Chairman Rhoads and joint committee members,

It is of the utmost importance that a large buffer between existing housing and facilities be upheld in this bill. CBD/hemp is a NEW land use, and communities that are established and have housing should not be impacted by the new land use. <u>Please do NOT allow grandfathering language for CBD/hemp facilities to be placed in this bill.</u> I am really appreciative of the work which has inserted language for a 500 foot buffer for all residential structures.

Please modify this bill to reflect a 1000 ft buffer zone between all CBD facilities and existing residential housing. Several jurisdictions on the mainland have made this buffer up to 2 miles. This should reflect on all land usages here in Hawaii, including agricultural zoned lands.

If a residence on agricultural based land is in place before a CBD facility is built then the land owner of the existing residence should have precedence. The original legislation allowing CBD plants to be grown and the licensing of these uses was hastily drawn up and you have the chance to change this to a better bill.

The ultimate goal of CBD's are to alleviate pain and suffering. There is a great need to ensure the growing and manufacturing processes does not cause the pain and suffering for the surrounding community.

Mahalo for your consideration

Sean Lester

PO box 1047, Haiku, Hawaii 96708

From: John Calvert < jcalvert@crystal3.com>

Subject: SUPPORT for HB1819 with amendments

Aloha Members of the Committee:

My name is John Calvert and I'm a hemp farmer on the Big Island.

I am in support of HB1819, with the following changes:

- 1) **Processor Registration Fees.** The bill should cap the fees that will be charged by the DOH for registration as a hemp processor. Hemp processing should be easily accessible to Hawaii's small farmers. Farmers who process the hemp they produce should be charged a small fee for DOH registration. For example, the registration fee for a farmer processing an acre of their own hemp should be significantly lower than the fee for someone operating a large-scale hemp processing facility.
- 2) **Prohibition of Hemp Flowers.** The bill appears to ban the sale of unprocessed hemp flower material in direct contradiction to federal law. The bill should explain and clarify this section, which appears to have no legal justification, because:
 - a) The USDA's Hemp Production Program, Interim Final Rule (IFR) states, on page 58553,

"Upon enactment of the 2018 Farm Bill, hemp, as defined therein, is no longer a controlled substance. Section 10114 of the 2018 Farm Bill further clarifies that the **interstate commerce of hemp is not prohibited**, and that States and Indian Tribes **cannot prohibit the transportation or shipment of hemp or hemp products** ... through the State or territory of the Indian Tribe."

b) An Indiana state law banning hemp flower was ruled unconstitutional by a federal judge in Sept. 2019. The judge agreed that the state's ban on hemp flower was pre-empted by the 2018 Farm Bill, and that it "hindered the federal government's objective of legalizing all low-THC hemp products, including all hemp derivatives". Further, the court found that "Congress broadened the definition of hemp to include derivatives and extracts such as the... hemp flower, which can be smoked."

[source: https://www.theindianalawyer.com/articles/federal-court-blocks-indiana-law-banning-smokable-hemp]

c) Hawaii's ban on hemp flower would not be enforceable – it would likely be challenged successfully in court by multiple plaintiffs.

The bill should make specific reference to the 2018 Farm Bill's interstate commerce provisions, with respect to commerce in hemp flower, and whether the bill intends to ban *intrastate* sales, or both *intrastate* and *interstate* sales. A ban on *interstate* commerce is clearly not enforceable. A ban on *intrastate* sales may also not be enforceable, because: if for example, a California hemp farmer is allowed by federal law to sell flower material to buyers in Hawaii (based on the interstate commerce provisions of the 2018 Farm Bill), then a Hawaii hemp farmer should also be allowed to sell flower material to buyers in Hawaii.

Clearly, the sale and possession of hemp flower within the state is a concern for law enforcement; however, as the plaintiffs in Indiana argued, the fact that law enforcement may need to adapt and make adjustments "is not a sufficient basis for enacting unconstitutional legislation." The court agreed.

A flower ban in Hawaii would be detrimental to Hawaii's hemp farmers. The hemp flower retail market is a significant sector of the hemp industry in the U.S.:

"... an estimated \$70.6 million of hemp CBD pre-roll and raw flower were sold in the United States in 2019... those sales are growing.

'... smokable [CBD] hemp ... is being used by everyone from soccer moms, who want to have anxiety or stress [relief] but not get high, to cancer patients' ...

Some consumers prefer to smoke hemp flower rather than ingest [CBD] oil because smoking delivers cannabinoids straight to the bloodstream.... Others smoke [CBD flower] because they don't have to worry about toxic additives or mislabeling..."

[source: https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2020/01/06/cannabis-confusion-pushes-states-to-ban-smokable-hemp]

3) **§328H-F Enforcement; penalty.** Regarding violations with respect to hemp processing, product sales and prohibitions, and labeling – the penalty of \$10,000 is too high. The bill should identify the different types of violations and give specific penalties. For hemp processing, the fine should be proportional to the size of the processing facility (either the value of the investment, or the square footage, or both). For product and labeling violations, a cap of \$1,000 seems reasonable.

- 4) **Current hemp pilot program.** The bill does not explain how the current hemp pilot program will be phased out, and whether or not current licenses will remain valid until their expiration (fees are paid for 1 year of licensing). The bill also doesn't explain whether or not the provisions for hemp processing and product sales are extended to include current pilot program licensees. The bill should be more clear about the current pilot program sunset date, and what the effect will be on existing licensees. It appears the bill goes into effect on July 1, 2020; however, there is no explanation as to how this will effect current licensees.
- 5) **Hemp Processing Enclosed indoor facility.** As defined in HRS §46-88, a single-level agricultural "processing building" for crops is exempt from building permit and building code requirements if no more than 1,000 sq. ft. in floor area, and no more than 25 ft. wide. The bill should state that a hemp processing facility on agriculturally zoned land anywhere in Hawaii can be up to 1,000 sq. ft., and is exempt from building permit and building code requirements.
- 6) **Hemp Processing Test vs. Production Processing.** The bill should specifically allow hemp processing for testing purposes under the current hemp pilot program license or USDA license, without a DOH registration. Any material produced for testing purposes would not be usable as a product for sale. Example: A licensed hemp farmer wishes to produce hemp flower extract, using the farmer's own processing equipment, for the purpose of testing the cannabinoid levels in the extract.
- 7) §328H-B (i). RE: DOH access to hemp farm for inspection. DOH should be required to make an appointment with the farm owner to visit a hemp farm that is processing hemp on-site.
- 8) **Section 329-1, 2, (4). Definition of Marijuana.** The bill erroneously tries to include the following in the definition of marijuana, in direct conflict with federal law (2018 Farm Bill): "living hemp plants, viable seeds, leaf materials, or floral materials." In fact, the 2018 Farm Bill makes hemp leaf and floral material completely legal in the U.S. Anyone can possess hemp leaf and floral material, and it can be transported in interstate commerce. (Similarly for Section 712-1240, HRS.)
- 9) **§328H-D Rulemaking.** There should be oversight of the DOH in its formulation of rules and penalties with regard to hemp processing and product sales. Otherwise, the DOH has too much authority over the hemp industry in Hawaii, which may result in an unfair advantage for well-financed, large-scale operations.

With the 2018 Farm Bill, hemp and all products derived from it became legal in the U.S. No other legal agricultural product in the U.S. requires special involvement of a state department of health. The DOH should be required to submit its rulemaking

plans to a hemp council comprised of a variety of stakeholders within the hemp industry in Hawaii, including state legislators, hemp licensees, university staff, and Department of Agriculture staff. The process should not be rushed to completion.

Thank you for your consideration,

Mahalo,

John Calvert

hemp farmer, Big Island

Submitted on: 7/1/2020 6:01:52 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Chris McNeil | Individual | Support | No |

Comments:

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD2 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

I am writing in SUPPORT of HB 1819 HD2 SD1 as it was passed out of the Senate Agriculture and Environment Committee and the Senate Consumer Protection and Commerce Committee hearing Wednesday, June 24th, 2020. I am specifically supporting the language that would create 500 foot buffer zones between Hemp Growing and Processing operations from "existing playground, child care facility, school, state park, state recreation area, residential neighborhood, hospital, daycare, any existing house, dwelling unit, residential apartment, or other residential structure that is not owned or controlled by the license holder." Allowing Hemp operations too close to residential neighborhoods negatively impacts the health and peaceful enjoyment of the entire neighborhood's properties. The constant exessive noise of industrial fans that run constantly 24 hours a day, everyday that never stop, the vibration of those fans that makes sitting in nearby houses feel like sitting in a jet plane 24 hours a day, everyday, the grow lights that turn night into day, and the dense fog of hemp/marijuana smell that permeates all the nearby houses 24 hours a day, everyday is disgusting.

To protect the hundreds of thousands of Hawaii's citizens who live on or near Ag zoned land, please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill. If current hemp farms and processors are allowed to back door their way around these protective buffer zones it defeats the whole purpose of protecting neighborhoods across the state from being irreversable damaged by close hemp farm operations.

Mahalo,

Chris McNeil

Submitted on: 7/1/2020 6:29:14 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|--------------|--------------|-----------------------|-----------------------|--|
| A Mueller | Individual | Support | No | |

Comments:

Aloha committee members

Thank you for discussing regulations on hemp farming.

Considering this is going to be the beginning of a hopefully prosperous hemp industry in the islands, it is very important to now set rules and regulations that protect the millions of people living on Hawaiian Ag land as well.

A buffer zone to residences is going to be very important for a positive reception of commercial Cannabis cultivation. It's just the right thing to do for the future and for all parties involved. We are just at the beginning, start it off right and avoid conflicts for the future.

Thank you

A.M.

June 30, 2020

To: Senator Karl Rhoads, Chair

Senator Jarrett Keohokalole, Vice Chair

Committee on Judiciary

Senator Donovan M. Dela Cruz, Chair Senator Gilbert S.C. Keith-Agaran, Vice Chair Committee on Ways and Means

From: Teri F. Gorman, Kula, Maui Resident

Re: TESTIMONY IN **SUPPORT OF HB 1819 HD2, SD1** RELATING TO HEMP

Aloha e Chairs Rhoads & Keohokalole, Vice Chairs Dela Cruz & Keith-Agaran,

Mahalo for the opportunity to testify in support of HB 1819, HD2, SD1. I have been a resident of the 'Ōma'opio area in Lower Kula since 2005. Ours is a quiet, rural community surrounded by farmers of onions, coffee, goats and various fruits and vegetables. Sadly the serene nature of our neighborhood changed when a Hawai'i hemp licensee established an indoor hemp cultivation operation in close proximity to several of my Piliwale Road neighbors. The associated nonstop fan noise, bright grow lights and offensive plant smells have disrupted the lives of many of my long-standing neighbors who live near this operation.

Their resulting frustration is expressed through an online petition

https://sign.moveon.org/petitions/say-no-to-commercial-cannabis-farms-within-1-mile-from-homes signed by 546 individuals to date. The petition requests residences and commercial hemp/cannabis production sites be separated by one mile, which is unnecessarily restrictive. However, this unfortunate experience has underscored the need for a meaningful buffer between residences and hemp/cannabis cultivation facilities. HB1819 HD1, SD1 proposes: Hemp shall not be grown within 500-feet of any existing house, dwelling unit, residential apartment, or other residential structure that is not owned or controlled by the license holder. I'd like to emphasize that 500-feet is the minimum sized buffer required to shield neighbors from the negative effects of hemp cultivation and processing.

Because the hemp farm on Piliwale Road is so disruptive, it is important this bill **not** contain a provision to "grandfather" existing hemp licensees. The Hawai'i Industrial Hemp Pilot Program law states the program will automatically expire on June 30th, 2021. Therefore, anyone who invested in a hemp farm under this program did so understanding these terms.

Mahalo for your consideration of this request.

Submitted on: 7/1/2020 7:22:40 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|-----------------------|-----------------------|
| Heather Gomes | Individual | Support | No |

Comments:

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD2 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

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To protect the hundreds of thousands of Hawaii's citizens who live on or near Ag zoned land, please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill. If current hemp farms and processors are allowed to back door their way around these protective buffer zones it defeats the whole purpose of protecting neighborhoods across the state from being irreversable damaged by close hemp farm operations.

Mahalo

Submitted on: 7/1/2020 7:34:20 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing | |
|-----------------|--------------|-----------------------|-----------------------|--|
| Norine Kalaiwaa | Individual | Support | No | |

Comments:

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD2 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

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To protect the hundreds of thousands of Hawaii's citizens who live on or near Ag zoned land, please keep the buffer zones in the bill and please do not allow grandfathering language to be inserted into the bill. If current hemp farms and processors are allowed to back door their way around these protective buffer zones it defeats the whole purpose of protecting neighborhoods across the state from being irreversable damaged by close hemp farm operations.

Mahalo

Submitted on: 7/1/2020 7:59:01 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|-----------------------|-----------------------|
| Rosemarie Caires | Individual | Support | No |

Comments:

Aloha

We are living Ag land in Haiku, Maui. As hemp seems to be a new emerging agricultural opportunity for a lot of farmers, from a medical point of view I would like to speak up for the millions of people that live on Agricultural zoned land.

A set back to hemp or any cannabis operation is very important, some people have respiratory issues, or even pollen allergies to this crop.

Please respect the health of of all Hawaiian people and give a generous setback back from any cannabis farm to residences

Mahalo Rosemarie Caires

Submitted on: 7/1/2020 8:10:27 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| todd carter | Individual | Support | No |

Comments:

I support buffer zones to protect agricultural communities from disruptive hemp operations. Please support this bill as written.

Todd Carter

Submitted on: 7/1/2020 8:21:18 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|-----------------------|-----------------------|
| Michael Miyamoto | Individual | Support | No |

Comments:

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Mahalo.

Michael Miyamoto

Submitted on: 7/1/2020 8:52:10 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|-----------------------|-----------------------|
| Elizabeth Yee | Individual | Support | No |

Comments:

Aloha Chair Karl Rhoads, Senate Committee on Judiciary

Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD2 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

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Mahalo, Elizabeth Yee

Submitted on: 7/1/2020 9:33:07 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|-----------------------|-----------------------|
| Heather Hearon | Individual | Support | No |

Comments:

Aloha Chair Karl Rhoads, Senate Committee on Judiciary Aloha Chair Donovan M. Dela Cruz, Senate Committee on Ways and Means

Re: HB1819 HD2 SD1

Date: Thursday, July 2nd, 2020

Time: 10:00 a.m.

Place: Auditorium State Capital

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But please do not allow grandfathering to be inserted into the bill, as this defeats the purpose of protecting the neighborhoods this bill aims to protect, and only serves as a backdoor for current hemp growers who are currently critically affecting the neighbors they are near. They are the problem now.

Mahalo

Submitted on: 7/1/2020 9:38:58 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|-----------------------|-----------------------|
| Jennifer Carlile | Individual | Support | No |

Comments:

Thank you for this opportunity to submit testimony.

I am writing in strong support for HB 1819.

The passage of this bill is abosutely necessary for Hawaii's hemp farmers, CBD manufacturers, our local stores, doctor's offices, hotels and spas that sell CBD products and for the safety of consumers. This is a crucial time for our economy and this legislation is key to helping so many good people in Hawaii's financial situation.

Hawaii has a long history of agriculture but with pineapple and sugar cane moving to places with lower costs, hemp is a product that can fill that void. However, the only way for it to demand a high enough price for it to be worth growing in Hawaii is for it to be able to be turned into CBD for use in CBD products. The CBD needs to be able to be manufactured into products that can command a premium price. They then need to be able to be sold in our local stores.

If this is not passed, it will kill hemp farming in Hawaii and local manufacturing businesses. Given the extremely high unemployment at this time, this would be escpecially devastaing. Meanwhile, passage of this bill can be a bright spot in Hawaii's economic future.

If this bill does not pass, people who currently use CBD will not just stop taking it. They will continue to want it for their wellness just as they would not want to be told that their healthy foods, vitamins, essentail oils or natural supplements are completely banned. They will turn to illegal online measures to receive it. Online purchases from the Mainland and abroad will send our local dollars away from Hawaii and can put our people at risk of taking dangerous, unregulated products.

Hemp farmers, manufacturers and stores want regulations and to work legally within them. Consumers want to be able to buy local and trust that the products they buy are regulated and safe. I therefore cannot see any reason why this bill would not be passed. It is in the interest of all parties involved and especially in the state's interest to promote economic growth and health safety measures.

| Thank you very much for taking the time to read my testimony and I really hope you wpass this bill. Mahalo. | /ill |
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Submitted on: 7/1/2020 9:41:28 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|-----------------------|-----------------------|
| Brittany Neal | Individual | Support | No |

Comments:

Re: HB1819

Support with amendments.

Dear Hawaii legislature,

I am a licensed hemp farmer on the big island. I support HB 1819 with amendments.

- 1) *All* licensed hemp farmers have complied with all State prescribed process and rules and all local ordinances. Existing licensees who are farming without neighbor complaints should suffer no restriction to the already approved HDOA buffer distance between house and field. Applying a defacto rezoning across the state in the agricultural district for one specific commodity crop, in response to one isolated incident is not fair or prudent. Complaints should be dealt with under established State and county planning and rules and ordinances. If that is not a remedy, the Legislature can define new rules in a future session, hopefully, in close collaboration with the impacted farmers.
- 2) With regard to processing, there are two tracks. The first involves extraction. Again, State and County ordinances already exist for Planning, Building, and Fire codes that define safe distances for these types of activities based on planning, materials used and stored, and noise.
- 3) With regard to bottling and assembling the final product, because it doesn't involve flammability concerns, that process should be allowed in any Health Department approved facility, including a certified kitchen.

I feel that a late buffer amendment is overly restrictive, short sighted, unstudied, and will destroy our hemp industry on the day the Governor signs it into law.

With regards to growing in a residence.... sprouting seeds and making cuttings under lights should be allowed in a residential building provided that the plants be relocated outside of a residential structure once they are 12 inches tall.

Thank you for your time and attention.

sincerely,

Brittany Neal MSOM, BSN, RN

Licensed Hemp Farmer/Researcher

Submitted on: 7/1/2020 9:50:27 AM

Testimony for JDC on 7/2/2020 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Brent Neal | Individual | Support | No |

Comments:

Re: HB1819

Support with amendments.

Aloha Hawaii Legislature,

Thank you for this opportunity to testify. I am a hemp research assistant and I support the passage of HB 1819 with amendments.

- 1) All licensed hemp farmers have complied with all State prescribed process and rules and all local ordinances. Existing licensees who are farming without neighbor complaints should suffer no restriction to the already approved HDOA buffer distance between house and field. Applying a defacto rezoning across the state in the agricultural district for one specific commodity crop, in response to one isolated incident is not fair or prudent. Complaints should be dealt with under established State and county planning and rules and ordinances. If that is not a remedy, the Legislature can define new rules in a future session, hopefully, in close collaboration with the impacted farmers.
- 2) With regard to processing, there are two tracks. The first involves extraction. Again, State and County ordinances already exist for Planning, Building, and Fire codes that define safe distances for these types of activities based on planning, materials used and stored, and noise.
- 3) With regard to bottling and assembling the final product, because it doesn't involve flammability concerns, that process should be allowed in any Health Department approved facility, including a certified kitchen.

I feel that a late buffer amendment is short sighted, unstudied, and will destroy our hemp industry on the day the Governor signs it into law.

With regards to growing in a residential structure, I believe it should be allowed to start seeds or make cuttings/clones under lights in a residential structure but that they should be moved out side once they are 12 inches tall. Thank you for your consideration.

sincerely,

Brent Neal

Research assistant/ cannabis expert

TESTIMONY BEFORE THE HAWAII STATE SENATE

COMMITTEE ON JUDICIARY

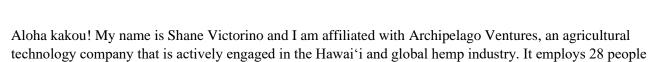
Senator Karl Rhoads, Chair Senator Jarrett Keohokalole, Vice Chair, and Members of the Committee

COMMITTEE ON WAYS AND MEANS Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair, and Members of the Committee

Hearing Time/Date: 10 a.m. Thursday, July 2, 2020 Location: State Capitol Auditorium

Re: HB 1819, HD2, SD1



today in its hemp operation, many added during the COVID-19 pandemic period.

I write to you regarding the buffer language included in HB 1819 HD2 SD1. For Archipelago Ventures, along with all other licensed participants in the 2014 Industrial Hemp Pilot Program, the amended language adding buffers from residences and state facilities will severely impact existing farming operations that have been operating without buffer restrictions for the last year and a half. The added language was not studied for its economic impact, nor reviewed for planning and changing the criteria of the ag district.

In the case of Archipelago Ventures, significant effort and costs were invested to comply with the rules of the Hemp Pilot program and to establish agricultural operations. We estimate \$1.2 million was spent to install security fencing, level fields, and initiate our agriculture operations. Buffer zones as proposed reduce our farmable area to less than 20% of the original footprint, making our hemp operation uneconomical. With regard to processing, State and County ordinances already exist for Planning, Building, and Fire codes that define safe distances for these types of activities based on planning, materials used and stored, and noise. Under the buffer language currently within the proposed bill, we will be forced to reconsider our commitment to the Hawai'ian hemp industry.

My partners and I participated in the 2014 Industrial Hemp Pilot because we believed the Pilot offered the opportunity to demonstrate that hemp can be grown in Hawai'i perhaps more economically than in the remainder of the USA. We also believe in the potential for jobs in the hemp industry to bring diversity to the economy. However; we cannot continue to invest without the ability to rely on the future ability to use our investments. I respectfully suggest the committee grandfather existing operations that have complied with the Pilot rules and invested in Hawai'i's agriculture future in good faith, enabling continued compliant operations. If there can be no exception for Pilot operations, we respectfully suggest the Legislature withdraw this bill and revisit in the future session after an adequate study of all of the concerns.

Mahalo!



<u>HB-1819-SD-1</u> Submitted on: 7/1/2020 2:34:20 PM

Testimony for JDC on 7/2/2020 10:00:00 AM



| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------------------|--------------|-----------------------|--------------------|
| Jennifer Azuma Chrupalyk | Individual | Support | No |

Comments:

Submitted on: 7/1/2020 3:17:02 PM

Testimony for JDC on 7/2/2020 10:00:00 AM



| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|---------------------------|-----------------------|
| Lorrie Rogers | Individual | Comments | No |

Comments:

Dear Members of the Legislature,

My husband and I live in Omaopio/Piliwale neighborhood in Kula, Maui. We moved to this address a year ago, Although my roots are in Waikapu, Maui.

My husband is an Army Veteran, and at 75 years old, he has earned a peaceful life. I am 61 years old and suffer from asthma.

Recently, beginning in February, we have suffered with the noxious odor of marijuana. This odor is thick and sickening, 24hours a day. It drives us into the house. We are unable to enjoy the beautiful Maui scents and peaceful environment. And when the Coronavirus situation passes, it will affect our guests which include many little children who frequent our home and play in the pool. The odor gives us headaches. I'm afraid of how this odor will affect these keiki.

I have spoken to several of our wonderful neighbors, who have been here for many years, whose properties boarder this hemp operation. My neighbors are suffering. They told me they are suffering from noise, vibration and lights 24hours a day. They get the noxious odor as well.

This hemp operation does not behave like a considerate neighbor in agriculture. They operate like an Industry that belongs in an industrial setting, not in a neighborhood adversely affecting established families. Recent county/electrical/plumbing/building inspections of this business revealed several violations. They are not good neighbors! The pilot hemp permit has shown that this industry should not be located in our community, or in any established communities.

I don't think the folks who issued the permit for the pilot hemp program considered the affects of placing this industry so close to establish homes. Maui has a lot of open land that can be used to produce hemp.

Please consider what it would be like to live like this. To have your family subjected to this constant odor, noise, lighting and vibration.

Please don't remove the buffer zones (I personally think the buffer zone should be 1 mile away from everyone). Please don't Grandfather this hemp industry location in Kula (it is under a pilot program, which does not make them established). The residents have been here much longer than this hemp business.

Thank you for your time.

Sincerely, Lorrie Rogers



Testimony to the Senate Committees on Judiciary and Ways a Thursday, July 2, 2020 at 10:00 A.M. Auditorium, State Capitol



RE: HB 1819 HD2, SD1, RELATING TO HEMP

Chairs Rhoads and Dela Cruz, Vice Chairs Keohokalole and Keith-Agaran, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") would like to provide the following comments on HB 1819 HD2 SD1, which legalizes the growth of hemp in the state through the United States Department of Agriculture hemp production program and allows the processing and sale of hemp products in the state through state licensing. This bill would also expedite the substitution of the USDA hemp production program for the existing industrial hemp pilot program as required by federal law, effective July 1, 2020.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber recognizes the financial toll that the current COVID-19 pandemic has caused on our state's economy. This pandemic has greatly emphasized Hawaii's need to diversify its economy. Through this bill, our agriculture industry could have the ability to further expand and invest in the hemp industry, a versatile crop that many different products are being made from. As we continue to look for ways to grow new and sustainable industries, we need to ensure that we are providing them with the ability to operate and grow.

Thank you for the opportunity to testify on this measure.