



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony in OPPOSITION to HB 2102 HD1 SD1
RELATING TO HEMP PRODUCTS**

SENATOR KARL RHOADS, CHAIR
SENATE COMMITTEE ON JUDICIARY

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 may impact the priorities identified in the Governor's
- 2 Executive Budget Request for the Department of Health's (Department) appropriations and
- 3 personnel priorities.

- 4 **Department Testimony:** The Department appreciates the opportunity to offer testimony on this
- 5 measure but respectfully request the committee defer the measure in favor of HB1819 HD2 SD1,
- 6 section 2.

- 7 The Department agrees that, until the United States Food and Drug Administration (FDA)
- 8 determines a legal pathway forward for hemp products, establishing a regulatory framework for
- 9 consumer products containing hemp that is legally grown under approved government programs
- 10 and consisting of labeling requirements and independent lab testing for contaminants to inform
- 11 and protect consumers is needed. HB1819 HD2 SD1, section 2, accomplishes this.

- 12 This measure has been reviewed by the Department of the Attorney General to create consistent
- 13 policy and a functional regulatory structure without requesting funding to implement. As
- 14 proposed, this measure allows for the transfer of the hemp growing licensing program from
- 15 Hawaii Department of Agriculture to United States Department of Agriculture (USDA), and the
- 16 creation of a regulatory framework administered by the Department that allows USDA licensed

1 hemp growers to process hemp into hemp topicals for application to skin and hair and hemp
2 supplements intended to be ingested orally. The measure further allows for the legal sale of
3 compliant hemp products without being considered marijuana under Department of Public
4 Safety.

5 Given the uncertain fiscal future for funding of a such a new and comprehensive regulatory
6 program, the Department requests the committee consider the core benefits offered in HB1819
7 HD2 SD1 which were drafted to be successful in this new era of such limited fiscal resources.

8 Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

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. 2102, H.D. 1, S.D. 1

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

RELATING TO HEMP PRODUCTS

The Department of Budget and Finance offers comments on House Bill (H.B.) No. 2102, H.D. 1, S.D. 1.

H.B. No. 2102, H.D. 1, S.D. 1, among other things, establishes a statutory framework to monitor and regulate hemp and hemp products in the State and establishes the Hawai'i Hemp Processing Revolving Fund (HHPRF) within the Department of Health (DOH).

As a matter of general policy, the department does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4, HRS. Revolving 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. 2102, H.D. 1, S.D. 1, it is difficult to determine whether the proposed revolving fund would be self-sustaining.

Further, it should be noted that H.B. No. 2102 does not specify what funds will be deposited into the HHPRF or the uses of the HHPRF funds.

Thank you for your consideration of our comments.

TESTIMONY ON BEHALF OF
THE LIBERTARIAN PARTY OF HAWAII
c/o 1658 Liholiho St #205
Honolulu, HI 96822

June 30, 2020

RE: HB 2102 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

Comments

Dear Senators:

The Libertarian Party supports the hemp industry in Hawaii. However, **this bill contains many problematic clauses** that seem to confuse industrial grade hemp with recreational marijuana. Industrial hemp can't get someone "high". It is a product with numerous commercial applications, including building materials and cloth. **Do we need language preventing someone under 21 from wearing a hemp shirt or touching hemp based drywall?**

With a less problematic HB1819 under consideration today, maybe this more confused proposal should be set aside for deeper analysis.

Aloha



Tracy Ryan
For the Libertarian Party of Hawaii

HB-2102-SD-1

Submitted on: 6/30/2020 10:53:42 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Miyamoto	Testifying for Hawaii Farm Bureau	Support	No

Comments:

July 1, 2020

To: Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair
Members of the Senate Committee on Judiciary

Senator Donovan M. Dela Cruz, Chair
Senator Gilbertn S.C. Keith-Agaren, Vice Chair
Members of the Senate Committee on Ways & Means

From: Maggie Cole, Pan Pacific Ventures

Re: TESTIMONY IN SUPPORT OF HB2102 HD1 SD1

RELATING TO HEMP PRODUCTS

As a state-licensed hemp producer dedicated to the production of quality-assured, hemp-derived consumer products made in Hawai'i, PPV strongly **supports** the key provisions contained within HB 2102 HD1 SD1, which would help to foster the development of an economically viable hemp industry in Hawai'i while safeguarding the public and serving consumer demand for safe and affordable products.

Cannabidiol (CBD) products that are produced by indoor cannabis producers are typically expensive because they are produced in highly controlled facilities that are very costly to operate. By contrast, CBD derived from industrial hemp, which is grown outdoors on a large scale, can be produced far more cheaply. PPV estimates that CBD derived from field grown industrial hemp can be produced at 1/10th the cost of CBD derived from cannabis cultivated in highly controlled indoor facilities.

The establishment of a legal path to market for CBD derived from Hawai'i grown industrial hemp has the potential to improve access to affordable, quality-assured CBD products for consumers and medical cannabis patients at a fraction of their current cost. However, because field-grown industrial hemp plants are highly susceptible to contamination, rigorous testing by state-certified laboratories for the presence of microbial contaminants, heavy metals and pesticides is an imperative.

We cannot build a trusted and sustainable hemp sector if we compromise on product quality and safety.

Mahalo for your consideration.

Pan Pacific Ventures, LP
PO Box 1149
Kula, HI 96790

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 opposition** to HB 2102, HD1 SD1 – RELATING TO HEMP PRODUCTS. This measure establishes a hemp processor registry for hemp-derived products that consists of labeling and independent laboratory testing to ensure products do not contain contaminants unfit for human consumption. Prohibits hemp processors, distributors, and retailers from making unwarranted health claims of their hemp-derived products. Prohibits the sale or furnish of any hemp product to a person under twenty-one years of age. Prohibits the sale, hold, offer, or distribution for sale of any hemp-derived products designed to be appealing to children. Requires these products to be properly labeled to be legally allowed for sale in the State. Requires certain warning statements to be placed on the packaging of hemp-derived products. Establishes penalties. Appropriates funds. Effective 7/1/2050.

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. Unfortunately, we believe that the provisions of HB 2102 HD1 SD1 will result in unintended negative consequences to the local hemp industry by establishing a regulatory structure that would be inconsistent with federal regulations and the regulations of other states. This will result in effectively prohibiting the sale of hemp and cannabidiol products and further drive sales to the unregulated and potentially unsafe internet marketplace. **We believe that HB 1819 HD2 SD1 – REALTING TO HEMP, also being heard by this committee, is the optimum situation for ensuring a robust and safe market for cannabidiol products, which will also support and stimulate the State's industrial hemp industry. We respectfully urge the committee to pass HB 1819 HD2 SD1.**

Thank you for the opportunity to testify.



LATE

**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
July 2, 2020**

Re: HB 2102 HD1 SD1 RELATING TO HEMP PRODUCTS

Good morning Chair Rhoads and Chair Dela Cruz and members of the Senate Committee on Finance; and the Committee and Ways and Means. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) as founded in 1901 and is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

HB 2102 HD1 SD1 Relating to Hemp establishes a hemp processor registry for hemp-derived products that consists of labeling and independent laboratory testing to ensure products do not contain contaminants unfit for human consumption; prohibits hemp processors, distributors, and retailers from making unwarranted health claims of their hemp-derived products; prohibits the sale or furnish of any hemp product to a person under twenty-one years of age; prohibits the sale, hold, offer, or distribution for sale of any hemp-derived products designed to be appealing to children; requires these products to be properly labeled to be legally allowed for sale in the State; requires certain warning statements to be placed on the packaging of hemp-derived products; establishes penalties; appropriates funds; and has an effective date of 7/1/2050.

While RMH understands and supports the intent of this measure, we also are concerned that it will have a major impact on many other products that contain Hemp but are not for consumption or absorption into the body.

We are concerned as this measure would have an impact on those retailers that sell products that contain hemp. These other products made by hemp that those under the age of 21 would not be allowed to purchase include but are not limited to:

- *Building Materials*
- *Clothes*
- *Diapers*
- *Paper*
- *Rope*
- *Shoes*
- *Sunglasses*
- *and more*

We also want to point out that 18pt font may be a bit large to be put on certain packaging like lip balm or a pack of gum.

We would like to suggest that there be an exemption for those hemp products that are not for consumption or absorption into the body. And that size of the font on the warning be eliminated as products and packaging size varies.

Mahalo again for this opportunity to provide comments.

Dedicated to safe, responsible, humane and effective drug policies since 1993

Comments on HB 2102, HD 1, SD 1

TO: Chair Rhoads, Vice Chair Keohokalole & Senate Judiciary Committee
Chair Dela Cruz, Vice Chair Keith-Agaran & Senate Ways & Means Committee

FROM: Nikos Leverenz
DPFH Board President

DATE: July 2, 2020 (10:00 AM)

Drug Policy Forum of Hawai'i (DPFH) supports access to safe, tested, and accurately labeled hemp products, including those containing CBD and other cannabinoids. We strongly encourage a regulatory framework that allows broad latitude in the production, sale, and consumption of hemp products within the state, including those produced by parties located outside of Hawai'i. This state's consumers deserve access to tested, accurately labeled hemp products, in alignment with the wide range of products that are functionally available in other states.

The 21-year age threshold is not warranted for products that do not have foreseeable and verifiable negative health impacts. As written, the bill would require merchants to verify the ages of consumers who would purchase hemp oil for use in salad dressings and other recipes, or the Body Shop's line of hemp products (including its Hand Protector, Foot Protector, Heavy Duty Body Moisture Protector, and Heavy Duty Lip Care). Whatever the intent, this kind of regulatory overbreadth should be addressed.

The Legislature should also clarify that hemp products from well-regulated and more established jurisdictions like Oregon and Colorado can be imported for consumption and sale, including those products containing CBD. Unduly restrictive labeling requirements will place this state's nascent hemp industry at an increased competitive disadvantage in the larger national market for tested hemp products.

DPFH also supports prospective efforts to involve a wide variety of businesses in the production of hemp and cannabis products in Hawai'i, as is the case here with those local hemp farmers now awaiting formal state authorization to engage in the marketplace. This state's medical cannabis landscape shows that continued vertical integration inhibits the variety of available products. This operates to the detriment of consumers and those persons who could otherwise be employed in Hawai'i's emerging cannabis economy, which will hopefully soon include a thriving hemp sector like those now found in Oregon and Colorado.



July 1, 2020

To: Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair
Members of the Senate Committee on Judiciary

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Members of the Senate Committee on Ways & Means

From: Teri Freitas Gorman, Director of Community Relations & Patient Affairs
Chris Cole, Director of Product Development, Maui Grown Therapies

Re: TESTIMONY IN SUPPORT OF HOUSE BILL 2102 HD1 SD1 WITH MODIFICATIONS
RELATING TO HEMP PRODUCTS

Maui Grown Therapies **supports** House Bill 2102 HD1 SD1, which establishes much-needed quality control, packaging and labeling requirements for hemp-derived products. However, among its many provisions, HB2101 HD1 SD1 fails to clarify that dispensaries licensed under HRS 329D shall not be prohibited from manufacturing, distributing, and selling products that contain hemp, or cannabinoids, extracts, or derivatives from hemp grown in compliance with applicable law.

As a medical cannabis licensee, Maui Grown Therapies has been cultivating varieties of *Cannabis sativa* that meet the legal definition of industrial hemp (e.g. contain less than .3% THC on a dry weight basis). Many of our manufactured products have incorporated hemp-derived material since we opened in August 2017.

Patient and public health are protected because *every batch of medical cannabis and medical cannabis derivative products dispensary licensees produce is subject to mandatory third-party quality control testing for the presence of contaminants and for composition, as well as strict packaging and labeling requirements, as preconditions for sale.* Mandatory safety and quality controls, packaging and labeling standards for state-licensed dispensary products greatly exceed what is contemplated for hemp products in HD 2102 HD1 SD1.

The ability for medical cannabis licensees to obtain compliant Hawai'i-grown industrial hemp would benefit medical cannabis patients through lower prices and more therapeutic options while maintaining the state's high standards for product, patient and public safety.

Maui Grown Therapies
44 Pa'a St., Kahului, HI 96732
(808) 866 7576



We respectfully urge your committee to modify this bill by re-inserting the following clarifying amendment to harmonize HD2102 HD1 SD1 with HRS 329D:

SECTION __. Chapter 329D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§329D- Hemp not prohibited. (a) This chapter shall not be construed to prohibit a licensed entity from manufacturing, distributing, or selling products that contain hemp, or cannabinoids, extracts, or derivatives from hemp grown in compliance with applicable law; provided that:

(1) No licensed entity shall include any hemp product as an ingredient in the licensed entity's manufactured cannabis product without first getting approval from the department; and

(2) The licensed entity complies with part of chapter 328.

On behalf of the state's nearly 30,000 registered medical cannabis patients, mahalo for your consideration of this testimony.

LATE

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 2102, SD1, relating to hemp

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 to support HB 2102, SD 1, with the following suggested changes:

- Eliminate the requirement for 1000 foot buffer zone between hemp processing and existing playground, school, state park, state recreation area, residential neighborhood, hospital, or daycare, instead relying on existing State and Local zoning ordinances, building codes, and fire codes.
- Define "contaminants" in Section -9, Rule 2, better enabling processors to understand the requirement.
- Updating the effective date of the Act (Section 7) to July 1, 2020.

Thank you for your consideration.

LATE

HB-2102-SD-1

Submitted on: 7/1/2020 9:23:16 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:

Vote NO for Hemp bill HB 2102

There are many reasons to vote NO on this bill but the one reason that stands out the most is the restriction of hemp product sales to minors.

First, some of the products are food and the stores that sell hemp food to minors will be breaking the law. The bill is too broad to be taken seriously.

Second, hemp product heal children of many ailments and you would be depriving them of effective medicine. That is inhumane to say the least.

Please vote NO on this important matter.

Mahalo,

Michael Johnson

Island Hemp

HB-2102-SD-1

Submitted on: 6/30/2020 6:25:36 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Eileen M Gawrys	Individual	Support	No

Comments:

TESTIMONY BEFORE THE
HAWAII STATE SENATE

LATE

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 2102 HD1 SD1, Relating to Hemp

Aloha kakou! My name is Shane Victorino and I am affiliated with Archipelago Ventures, an agricultural technology company that is actively engaged in the Hawai'i and global hemp industry. It employs 28 people today in its hemp operation, many added during the COVID-19 pandemic period.

I write to you to **SUPPORT** HB 2102 HD1 SD 1, with the following **REQUESTED CHANGES**:

- Eliminate the requirement for 1000 foot buffer zone between hemp processing and existing playground, school, state park, state recreation area, residential neighborhood, hospital, or daycare, instead relying on existing State and Local zoning ordinances, building codes, and fire codes.
- Define “contaminants” in Section –9, Rule 2, better enabling processors to understand the requirement.
- Updating the effective date of the Act (Section 7) to July 1, 2020.

Thank you for your consideration.

LATE

HB-2102-SD-1

Submitted on: 7/1/2020 2:45:25 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:

Think revenue. Think less tourism. Think sustainable prosperity.