

Honolulu, Hawaii

APR 08 , 2022

RE: S.B. No. 2986
S.D. 1
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2986, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEMP,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Eliminate or relax certain regulations of commercial hemp production and prohibit the State from requiring inspections or sampling of, or issuing violations or penalties to, hemp producers licensed by the United States Department of Agriculture that are following the United States Department of Agriculture's rules and protocols;
- (2) Amend the conditions under which licensed hemp producers may transport hemp within the State to be processed or to other grow areas;
- (3) Allow licensed hemp producers to sell hemp biomass directly to consumers via online platforms;
- (4) Require the identity statement used for labeling or advertising any hemp product to identify the percentage



of Hawaii grown or processed hemp products in all hemp products and, if those products are not from Hawaii, the origin of any hemp product;

- (5) Exempt certain producers of hemp from the requirement that they register with the Department of Health as hemp processors; and
- (6) Extend the sunset date of Act 14, Session Laws of Hawaii 2020, which establishes the state hemp processors and commercial hemp production laws.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau, Aina Ho'okupu o Kilauea, 'Ai Pohaku, Hawai'i Farmers Union United, South Maui Gardens, Hawai'i Hemp Farmers Association, Hawaii Hemp Farmers Center, Hawai'i Sustainable Farms, Hawaii Royal Hemp, Maui Venture Consulting LLC, and twelve individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General, Plumeria Plantation Ag Enterprise LLC, Omaopio Piliwale Ohana, and four individuals. Your Committee received comments on this measure from the Department of Agriculture, Department of Health, and one individual.

Your Committee finds that Act 14, Session Laws of Hawaii 2020 (Act 14), established a regulatory framework for the Department of Agriculture to monitor and regulate the cultivation and processing of hemp. However, the hemp industry in the State remains in a nascent stage largely due to overly burdensome regulations established under Act 14. This measure is an attempt to strike a balance between ensuring consumer protection and public safety, while also allowing the hemp industry in the State to operate without unnecessary burdens.

Your Committee has amended this measure by:

- (1) Reinstating the statutory requirement that any transportation of hemp within the State be authorized by the Department of Agriculture;
- (2) Reinstating the statutory language subjecting violations of the commercial hemp production statute or any rules adopted thereunder to a fine of no more than \$10,000, rather than limiting the fine to only persons who grow



hemp without a United States Department of Agriculture license;

- (3) Deleting language that:
 - (A) Prohibited the State from conducting inspections or sampling;
 - (B) Prohibited the State from issuing violations or penalties to hemp producers licensed by the United States Department of Agriculture that are following United States Department of Agriculture rules and protocols; and
 - (C) Exempted certain hemp processors from the Department of Health registration requirement;
- (4) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2986, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2986, S.D. 1, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,


AARON LING JOHANSON, Chair



