



www.hawaiihempfarmersassociation.org

February 3, 2021

RE: **OPPOSED to HB 1243 Relating to Hemp**

Aloha, Chair and Honorable Members of the House Committee on Agriculture,

The Hawaii Hemp Farmers Association (HHFA) worked tirelessly last year with industry representatives and farmers from around the State to pass HB 1819 which directs the Hawaii State Department of Health (DOH) to develop rules regarding processing and manufacturing of hemp.

We STRONGLY OPPOSE HB 1243 and ask you not to support this bill, but let it die in Committee for the following reasons:

1. Leading hemp economist Beau Whitney released a national study on the hemp industry with a report for focusing on Hawaii, which identified over-regulation as the primary reason for the failure of the Hawaii hemp industry to bring much needed funding to Hawaii as hemp has in other states; many that passed hemp programs after Hawaii.
2. Hemp products are non-intoxicating and are 3rd party tested for federal compliance at 0.3% THC. People who use hemp products do not get high. Without explanation, the bill adds an age threshold that implies that hemp products are unsafe and/or intoxicants. The requirement that hemp products cannot be sold to persons under 21 is not supported by medical research.
3. HHFA opposes the arbitrary 500-foot buffer distance mandated for hemp product manufacture. We would like to respectfully remind the committee that there is only a 100' buffer distance for open air spraying of restricted use pesticides next to schools and homes. Concerns about solvent flammability or noise are well articulated in State law and County ordinance. Other businesses like auto painting companies and other businesses that have a higher level of concern for noise and flammability are not held to this standard. Why is the hemp industry held to this standard?
4. In regards to labelling, we respectfully ask that the DOH be allowed to finish the rules for hemp products that are already being completed (by a paid consultant) and not be preempted by HB1243. Furthermore, the U.S. Food and Drug Administration (FDA) is also developing guidance on labeling and the manufacturing and sale of hemp products.
5. We are unclear if language in the bill preempts the Hawaii farmers ability to export dried flower materials to other national jurisdictions where smokable flower is legally allowed. If the language in the bill circumvents this Federally legal export of floral materials from Hawaii, we can say without reservation that it will SEVERELY limit the future viability of the Hawaii hemp industry and likely eliminate numerous farmers this year.

On behalf of Hawaii Hemp Farmers, **please do not refer HB 1243 forward.**

Aloha and Mahalo,

Ray Maki

Ray Maki
President

Gail Byrne Baber

Gail Byrne Baber, MSCE
Vice President



February 3, 2021

RE: **OPPOSED to HB 1243**

Dear Honorable Members of the House Committee on Agriculture,

HB 1243 will greatly harm the Hawaii hemp industry and farmers. According to national hemp economists Hawaii has already lost tens of millions of dollars due to over-regulation.

Hawaii's hemp farmers already farm under the most onerous regulations in the U.S. and this bill will put more farmers out of business by eliminating the only lucrative avenue still available to Hawaii hemp farmers, the export of flower.

Furthermore, the hemp industry worked hard to pass HB1819 last year and this bill undermines all of our hard work. The Hawaii State Department of Health needs to be allowed to finish its rule making from last year's session before we halt their work with a new bill that will put more farmers out of business.

Please kill this bill today.

Respectfully,

Clarence A. Baber

Clarence A. Baber

Farmer and Co-Founder



February 3, 2021

RE: **OPPOSED TO HB 1243 Relating to Hemp**

Vincent Mina
State President

Anabella Bruch
Vice-President
Kauai

Rebecca O'Day
Treasurer
Haleakala, Maui

Maureen Datta
Secretary
Kona, Hawai'i

Eric Weinert, Jr.
East Hawai'i

Robert
Boudreaux
Hana, Maui

Matthew Drayer
K'au

Dash Kuhr
Kohala, Hawai'i

Kaipo Kekona
Lahaina, Maui

Bobby Pahia,
Mauna
Kahalawai, Maui

Brynn Foster
North Shore,
Oahu

Steve Lund
Puna, Hawai'i

Christian
Zuckerman
Wai'anae, Oahu

Vincent Kimura
Waimanalo,
Oahu

Dear Chair Hashem and Members of the House Committee on Agriculture:
HFUU is a 501(c)(5) agricultural advocacy, nonprofit representing over 1,000 family farmer and their supporters organized as 13 Chapters in the four Hawai'i Counties. It is also the Hawaii State Chapter of the National Farmers Union, which at 118 years is the oldest national organization representing the family farmer.

We support a strong and vibrant hemp industry for our Hawaii farmers and have adopted policies regarding hemp at our last two annual conventions in 2019 and 2020.

During the 2020 legislative session we worked with farmers and leaders in the hemp industry across the State to support hemp legislation to guide the processing and manufacturing of hemp in Hawaii. HB 1819 was passed and directs the Hawaii State Department of Health (DOH) to develop rules regarding the processing, manufacturing, and labeling of hemp.

We oppose HB 1243 because, DOH needs to be given time to develop rules as authorized under HB1819. Additionally, the U.S. Food and Drug Administration (FDA) will be releasing additional guidance on hemp products and labeling in the near future. Developing more onerous rules ahead of time does not make sense.

The Hawaii hemp industry is the most regulated hemp sector in the country, regulated at both the state and Federal levels. The buffers imposed in this bill will put farmers out of business. A survey of the hemp industry showed it would result in the loss of \$28 million in infrastructure and investment.

Leading hemp economists and national leaders in the hemp industry have identified over-regulation in Hawaii as the primary causative factor for the faltering industry and the reason farmers, processors, and manufacturers are losing money and why the State has yet to benefit financially from this emerging billion-dollar industry.

There is no health crisis with respect to hemp and hemp products. Hemp compounds provide nutrients that were a regular staple in our food supply over 100 years ago. There are numerous medical studies on the benefit of hemp products and document the safety of hemp products.

We urge you to oppose HB 1243, and take a step in the direction that supports our family of farmers in Hawaii, utilizing this crop that is found to be both beneficial for human health and soil health, while assisting farmers ability to make a living at farming.

Sincerely,

Vincent Mina, President

P.O. Box 99, Wailuku, HI 96793-0099 (808) 800-3974



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P.O. Box 99, Wailuku, HI 96793-0099 (808) 800-3974

HB-1243

Submitted on: 2/4/2021 8:47:10 AM

Testimony for AGR on 2/5/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brittany Neal	Individual	Oppose	No

Comments:

Re HB 1243

Oppose

Dear Hawaii House of Representatives Committee on Agriculture,

Thank you for this opportunity to testify. I appreciate all that you folks are doing to help advocate for Hawaii's hemp producers and to advance our emerging hemp industry. I was a licensed hemp farmer under the State of Hawaii Industrial hemp pilot program and have recently become a licensed USDA hemp producer. I am optimistic about what this year will bring with regards to Hawaii's emerging hemp industry and how this industry can help to generate much needed tax revenues for our State during this incredibly challenging economic time. Please oppose and kill HB 1243.

Last year HB1819 was passed with wide support and gave DOH rulemaking authority regarding processing and labeling. Please given DOH a chance to do their job.

Currently, Hawaii is the most regulated state in the country with regard to hemp. Leading economists have pointed to Hawaii's over-regulation of hemp as the primary reason why the Hawaii hemp industry is not booming compared to other states. Hawaii farmers and the State have already lost tens of millions in revenue due to overregulation.

Additionally, Cannabinoids are an important nutrient that has been lost from our food system in the last 100+ years. Numerous medical studies show the importance and safety of hemp products. Limiting sales for hemp products is like limiting who can purchase vitamin C or noni capsules or any other helpful food-based product. I am a Registered Nurse and I have a Masters of Science Degree in Oriental Medicine with training in herbal medicine. I am also a mother of three and I believe that hemp infused products are safe enough to use on my own children.

Thank you for your time and consideration.

Sincerely,

Brittany Neal MSOM, BSN, RN, USDA Hemp Producer

HB-1243

Submitted on: 2/4/2021 9:12:29 AM

Testimony for AGR on 2/5/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brent Neal	Individual	Oppose	No

Comments:

Re HB 1243

Oppose

Dear Hawaii House Representatives,

I was a research assistant for a licensed hemp farmer under the State of Hawaii Industrial hemp pilot program and I am a cannabis expert. Please oppose and kill HB 1243.

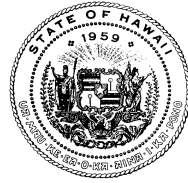
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Thank you for your time.

Sincerely,

Brent Neal



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony COMMENTING on HB1243
RELATING TO HEMP**

REPRESENTATIVE MARK J. HASHEM, CHAIR
HOUSE COMMITTEE ON AGRICULTURE

Hearing Date: 2/5/2021

Room Number: 325

1 **Fiscal Implications:** This measure will 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. Our work to draft Hawaii Administrative Rules under the new chapter 328G has
6 highlighted several areas where statutory clarification would be very helpful for developing a
7 program to regulate ingestible and topical hemp products, including foundational definitions and
8 regulatory authorities. We offer amendments to chapter 328G, HRS, to clarify the regulation of
9 hemp product manufacturing as well as hemp processing, an important next step to fully
10 realize the legislature's intent to allow the development of a legal and regulated hemp
11 industry within the State.

12 The Department respectfully recommends an HD1 PROPOSED as attached. Changes proposed
13 in the bill at page 3 line 13 to page 4 line 5 are contained in section 328G-4(j) to (l) of the
14 attachment (page 14). The proposed amendments are designed to achieve the following main
15 goals:

16 **1. Clarify the difference between processing and manufacturing.**

17 Processors start with the hemp plant and produce processed hemp. Hemp product manufacturers
18 start with an already processed intermediate (proposed new definition "processed hemp") and do

1 not handle the hemp plant. Thus, manufacturing does not pose the same potential nuisance issues
2 as processing and manufacturers should not be subject to any buffer zone applied to processors.
3 Manufacturers also should not be required to hold a USDA license as a hemp producer (grower).
4 Hemp processors and hemp product manufacturers are both regulated by the Department.

5 **2. Make a distinction between processed hemp and hemp products.**

6 While processed hemp with no additional additives may itself be a hemp product if intended for
7 sale direct to consumer, processed hemp intended for sale to a manufacturer for further
8 compounding, blending, infusing, etc. should be subject to a different set of testing and labeling
9 requirements than hemp products. Making this distinction in the definitions will allow the
10 department to properly (differently) regulate “processed hemp” and “hemp products” and it will
11 also help to clarify the difference between processing and manufacturing (see #1).

12 **3. Clarify the purpose and functioning of the registry system.**

13 The registry will include information on locations of hemp processing and hemp product
14 manufacturing. Registrants must re-register and pay a fee annually and update the department
15 whenever their information changes. A registration is not the same as a permit. If there is non-
16 compliance, rather than withdrawing registrations, the department can take enforcement action to
17 collect penalties or seek injunctive relief from the courts.

18 **4. Clarify the scope of regulated hemp products and prohibitions.**

19 The inclusion of products intended for topical application to the skin or hair in the definition of
20 “hemp product” is clarified. Prohibitions intended to apply to hemp products are removed from
21 the definition “hemp product” and stated more clearly as prohibitions. The Department believes
22 it is appropriate to allow gummies in limited shapes. The proposed shape limitation in the
23 definition “gummy” addresses concerns that gummy hemp products may be mistaken for popular
24 types of gummy candy, such as gummy bears.

25 **5. Clarify the Department’s rulemaking and enforcement authorities.**

1 Rulemaking authorities are clarified to ensure that rulemaking in particular areas (handling,
2 labeling, sampling and testing, laboratory certification) is unambiguously authorized by the
3 chapter. Enforcement authorities are clarified by removing references to removal from the
4 registry (see #3) and clarifying the availability of a judicial remedy to correct continued
5 violation.

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

7 **Offered Amendments:** The Department respectfully recommends an HD1 PROPOSED as
8 attached.

A BILL FOR AN ACT

RELATING TO HEMP.

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

SECTION 1. Act 14, Session Laws of Hawaii 2020, was passed to allow the growth of hemp in the State through the U.S. Department of Agriculture's hemp production program as the State Department of Agriculture's industrial hemp pilot program was set to expire in June 2021. Timely passage of the Act was important to ensure continuation of existing hemp production operations. However, the Act did not completely address the manufacture of hemp products, an important next step to fully realize the legislature's intent to allow the development of a legal and regulated hemp industry within the State. The U.S. Food and Drug Administration has not created a national regulatory framework through which legally grown hemp can be transformed into products that are safe and legal for sale to consumers, leaving states to establish such frameworks.

Accordingly, the purpose of this Act is to:

- (1) Allow and regulate the manufacture of certain hemp products in the State; and
- (2) Clarify the respective roles of persons growing hemp, persons processing hemp, and persons manufacturing hemp products.

SECTION 2. Chapter 328G, Hawaii Revised Statutes, is amended to read as follows:

"CHAPTER 328G

HEMP [~~PROCESSORS~~] PROCESSING AND HEMP PRODUCT MANUFACTURING

§328G-1 Definitions. As used in this chapter:

"Applicant" means the person applying to register [~~as a~~] to process hemp [~~processor~~] or manufacture hemp products under this chapter.

"Cannabinoids" means any of the various naturally occurring[~~r~~] biologically active[~~r~~] chemical constituents of cannabis that bind to or interact with receptors of the endogenous cannabinoid system.

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

"Certificate of Registration" means the certificate issued by the department attesting that the applicant is registered to process [~~hemp.~~] hemp or manufacture a hemp product.

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

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

"Department" means the department of health.

"Director" means the director of health.

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

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

"FDA" means the United States Food and Drug Administration.

"Gummy" means a gelatinous cube, sphere, prismatic, or ovoid.

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

~~["Hemp processor" means a person processing hemp to manufacture a hemp product.]~~

"Hemp product" ~~[means a product that:~~

- ~~(1) Contains naturally occurring cannabinoids, compounds, concentrates, extracts, isolates, resins or derivatives from processed hemp;~~
- ~~(2) Does not include any living hemp plants, viable seeds, leaf materials, or floral materials;~~
- ~~(3) Has a delta-9 tetrahydrocannabinol concentration of not more than 0.3 per cent, as measured post-decarboxylation, or other similarly reliable methods;~~
- ~~(4) Is intended to be consumed orally to supplement the human or animal diet; and~~
- ~~(5) Is in the form of a tablet, capsule, powder, softgel, geleap, 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.~~

~~For purposes of this chapter, a hemp product shall be considered as intended for oral ingestion in liquid form only if it is formulated in a fluid carrier and it is intended for ingestion in daily quantities measured in drops or similar small units of measure per labeled directions for use.]~~

means:

- (1) Processed hemp intended to be sold direct to consumer;
and
- (2) Processed hemp to which additives have been introduced during manufacture.

"Manufacture" means to compound, blend, extract, infuse, or otherwise use processed hemp to make or prepare a hemp [product, but does not include ~~planting, growing, harvesting, drying, curing, grading, or trimming, a hemp plant or part of hemp plant.]~~ product.

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

"Processed hemp" means any compounds, concentrates, extracts, isolates, resins, or derivatives generated from the

processing of hemp, excluding any part of the hemp plant and waste byproducts.

“Processing” means making a transformative change to the hemp plant [~~following harvest by converting an agricultural commodity into a hemp product.~~] using mechanical, chemical, or other means, to produce processed hemp that is:

- (1) Intended to be consumed orally to supplement the human or animal diet or to be applied topically to the skin or hair; or
- (2) Intended for use in manufacture of a hemp product intended to be consumed orally to supplement the human or animal diet or to be applied topically to the skin or hair.

“Synthetic cannabinoid” means a cannabinoid that is:

- (1) Produced artificially, whether from chemicals or from recombinant biological agents including but not limited to yeast and algae; and
- (2) Not derived from the genus cannabis, including biosynthetic cannabinoids.

§328G-2 Hemp [~~processor~~] processing and manufacture registry; [~~application; removal from registry.~~] registration and updates. (a) No person shall process hemp without first obtaining a license to produce hemp, issued by the Secretary of the United States Department of Agriculture pursuant to title 7

United States Code section 1639g.

(b) No person shall process hemp or manufacture a hemp product without being registered by the department [~~as a hemp processor~~] pursuant to this [~~part~~] chapter and any rules adopted pursuant to this chapter.

(c) A person who intends to process hemp or manufacture a hemp product shall apply to the department for registration on an application form [~~created~~] provided by the department.

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

- (1) The applicant's name, mailing address, and phone number in Hawaii;
- (2) The legal description of [~~the~~] each parcel of land on which [~~the~~] hemp is to be processed, hemp products are to be manufactured, or hemp, processed hemp, or hemp products are to be [~~or~~] stored;
- (3) A description of [~~the~~] each enclosed indoor facility where hemp processing or hemp product manufacturing will occur;
- (4) [~~Documentation that the indoor facility and planned hemp processing operation complies with all zoning ordinances, building codes, and fire codes;~~
- ~~(5) Documentation]~~ For persons intending to process hemp, documentation showing that the applicant has obtained

a license to produce hemp, issued by the Secretary of the United States Department of Agriculture pursuant to title 7 United States Code section 1639g; and ~~[-(6)]~~ (5) Any other information required by the department.

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

(f) Any incomplete application shall be denied.

(g) Upon the department's receipt of a complete and accurate application that meets the requirements adopted by the department pursuant to this chapter, any other information requested by the department, and ~~[remittal of]~~ the application fee, the ~~[applicant shall be registered and shall be issued]~~ department shall issue a certificate of ~~[registration to process hemp.]~~ registration.

(h) ~~[The certificate of registration shall be renewed]~~ Persons on the registry must re-register annually by ~~[payment of]~~ paying the ~~[annual renewal]~~ re-registration fee to be determined by the ~~[department.]~~ department and certifying that there has been no change to the information required in subsection (d) or submitting an update as provided in subsection (i).

(i) The information required by subsection (d) shall be updated on a form provided by the department by the person to whom a certificate of registration was issued no later than sixty days after the event giving rise to the need to make any corrections or to otherwise update information in the registry and shall accurately account for any changes related to that person's registration.

~~[(i) Hemp processors]~~ (j) Persons processing hemp or manufacturing hemp products shall allow any member of the department, or any agent or third party authorized by the department, to enter at reasonable times upon any private property in order to inspect, sample, and test the hemp processing or hemp product manufacturing area, processed hemp, hemp products, [equipment, and equipment and facilities incident to the processing or storage of hemp~~]~~ and manufacturing or storage of hemp products and review all pertinent records.

~~[(j) The department may remove any person from the registry for failure to comply with any law or regulation under this chapter. It is the responsibility of the hemp processor to make sure it is registered and legally allowed to process hemp and in compliance with any and all laws and regulations. The removal of a hemp processor from the registry shall be in accordance with the procedures set forth in section 328G-F.]~~

(k) A person on the registry or applying for registration shall, upon request, submit to the department documentation that the indoor facility and hemp processing or hemp product manufacturing operation complies with all zoning ordinances, building codes, and fire codes.

§328G-3 Hemp [~~processing;~~ processing and hemp product [~~sale and prohibitions; labeling.~~ manufacturing. (a) No hemp shall be [~~processed into hemp products,~~ processed, nor shall any [~~hemp processor~~ person hold for processing or sale any hemp, unless lawfully obtained from a person [~~approved or otherwise authorized by applicable federal, state or local law to cultivate hemp plants.~~ holding a valid license issued by the United States Department of Agriculture pursuant to title 7 U.S.C. section 1639q or by a state or tribal agency administering a plan approved by the United States Department of Agriculture pursuant to title 7 U.S.C. section 1639p.

(b) Hemp shall be processed and hemp products shall be [~~processed~~ manufactured within an enclosed indoor facility secured to prevent unauthorized entry. Hemp, hemp products, and any toxic or otherwise hazardous by-products of hemp [~~processing, or by-products,~~ processing or hemp product manufacturing, including but not limited to delta-9 tetrahydrocannabinol, shall be stored within an enclosed indoor facility, secured to prevent unauthorized entry in a manner that

prevents cross-contamination and unintended exposures.

(c) Hemp shall not be processed within 500 feet of a pre-existing playground, school, state park, state recreation area, residential neighborhood, hospital, or daycare facility.

(d) Hemp shall not be processed nor shall hemp products be manufactured using butane in an open system where fumes are not contained or by use of any other method of processing the department determines poses a risk to health and safety.

(e) Hemp processing and hemp product manufacturing facilities and operations shall comply with applicable local rules and regulations.

§328G-4 Sale and prohibitions.

~~[(e)]~~ (a) No person shall sell, ~~[hold,~~ hold for sale, 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, processed hemp, a hemp [product] product, or a synthetic cannabinoid has been added as an ingredient or component. This section shall not apply to hemp that is generally recognized as safe (GRAS) by FDA for use in foods, as intended, in a public GRAS notification.

~~[(f)]~~ (b) No person shall sell, ~~[hold,~~ hold for sale, offer, or distribute ~~[for sale]~~ any hemp product~~[,]~~ into which a

synthetic cannabinoid has been ~~added.~~ added nor any synthetic cannabinoid for oral consumption or topical use.

~~(g)~~ (c) No person shall sell, ~~hold,~~ hold for sale, offer, or distribute ~~[for sale any cannabinoid products to aerosolize]~~ any product containing hemp, made from hemp, or containing synthetic cannabinoids for respiratory routes of delivery, ~~[such as an inhaler, nebulizer]~~ including but not limited to cigarettes, cigars, pre-rolls, inhalers, nebulizers, electronic smoking devices, or other device designed for such purpose.

~~(h)~~ (d) No person shall sell, ~~hold,~~ hold for sale, offer, or distribute ~~[for sale,~~ direct to consumer any hemp leaf or hemp floral ~~[material that is intended to be smoked or inhaled, including but not limited to hemp cigars or hemp e-cigarettes.]~~ material.

~~(i)~~ (e) Except for hemp products intended for external topical application to the skin or hair, no person shall sell, ~~hold,~~ hold for sale, offer, or distribute ~~[for sale]~~ any products containing ~~[hemp or hemp derivatives]~~ hemp, made from hemp, or containing synthetic cannabinoids that are intended to be introduced via non-oral routes of entry to the body~~[,~~ including, but not limited to, use in eyes, ears, and nasal cavities.

(f) No person shall sell, hold for sale, offer, or distribute any processed hemp or hemp product unless the hemp used to make the processed hemp or hemp product was grown by a person holding a valid license issued by the United States Department of Agriculture pursuant to title 7 U.S.C. section 1639g or by a state or tribal agency administering a plan approved by the United States Department of Agriculture pursuant to title 7 U.S.C. section 1639p.

(g) No person shall sell, hold for sale, offer, or distribute any processed hemp or hemp product that has a delta-9-tetrahydrocannabinol concentration of more than 0.3 percent, as measured post-decarboxylation, or by other similarly reliable methods.

(h) No person shall sell, hold for sale, offer, or distribute any hemp product intended to be consumed orally to supplement the human or animal diet unless the product is in the form of a tablet, capsule, powder, softgel, gelcap, gummy, or liquid to be ingested in daily quantities measured in drops or similar units of measure.

(i) No person shall sell, hold for sale, offer, or distribute processed hemp or a hemp product unless it has been tested in accordance with, and meets the standards established by, the department's rules.

(j) No person shall sell, [~~hold,~~] hold for sale, offer, or distribute [~~for sale,~~] any processed hemp or hemp [products] product without a label, in a form prescribed by the department, affixed to the packaging that [~~identifies]~~ includes confirmation that the processed hemp or hemp product [as having] has been tested pursuant to department rules.

(k) No person shall sell, hold for sale, offer, or distribute any hemp product without a label, in a form prescribed by the department, affixed to the packaging that includes, at a minimum, the following:

- (1) The hemp product name;
- (2) A list of all ingredients;
- (3) The name and business address of the manufacturer (or, in the case of processed hemp intended for sale direct to consumer, the name and business address of the hemp processor); and
- (4) A statement reading "This product has not been evaluated by the United States Food and Drug Administration and is not intended to diagnose, treat, cure, or prevent any disease".

(1) No person shall sell, offer, or distribute for sale any hemp product to any individual under twenty-one years of age.

~~§328G-4~~ §328G-5 **Rulemaking.** (a) The department ~~[shall]~~ may adopt rules pursuant to chapter 91 that include but are not limited to:

- (1) ~~[Inspection and sampling requirements of hemp products;]~~ Handling, storage, and quality control requirements for persons processing hemp and manufacturing hemp products;
- (2) Labeling requirements and restrictions for processed hemp and hemp products including, but not limited to, those related to intended use, health advisories and warnings, and medical claims;
- ~~[-2-]~~ (3) ~~[Testing protocols, including certification by state laboratories or independent third-party laboratories,]~~ Requirements for sampling and testing of processed hemp and hemp products to determine delta-9 tetrahydrocannabinol concentration and [screening for contaminants of hemp products, including] presence of contaminants;
- (4) Procedures for certification of state laboratories and independent third-party laboratories;
- ~~[-3-]~~ (5) Reporting and record-keeping [requirements;] requirements for persons processing hemp and manufacturing hemp products;

~~[(4)]~~ (6) Assessment of fees for application, inspecting, sampling, and other fees as deemed ~~[necessary;]~~ necessary to implement this chapter;

~~[(5)]~~ (7) Penalties for any violation; and

~~[(6)]~~ (8) Any other rules and procedures necessary to carry out this chapter.

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

~~**§328G-5 Laboratory standards and testing; certification.**~~

~~(a) The department shall establish [and enforce] standards for laboratory-based testing of [the] processed hemp and hemp products for content, contamination, and consistency.~~

~~(b) The department may certify laboratories and recognize certifications from other jurisdictions of laboratories that are qualified to test hemp products for quality control prior to sale.]~~

§328G-6 Enforcement; penalty. (a) Any person who violates this chapter or any rule adopted by the department pursuant to this chapter shall be fined not more than \$10,000 for each separate offense. Any action taken to collect the

penalty provided for in this subsection shall be considered a civil action. In addition to any other administrative or judicial remedy provided by this chapter, or by rules adopted pursuant to this chapter, the director may impose by order the administrative penalty specified in this section.

(b) Any order issued under this chapter shall become final, unless not later than twenty days after the notice of order is served, the person or persons named therein request in writing a hearing before the director. Any penalty [~~imposed, including removal from the registry,~~] imposed shall become final, and any monetary penalty shall become due and payable, twenty days after the order is served unless the person or persons named therein request in writing a hearing before the director. Whenever a hearing is requested, the penalty [~~imposed, including removal from the registry,~~] imposed shall become final, and any monetary penalty shall become due and payable, only upon completion of all review proceedings and the issuance of a final order confirming the penalty in whole or in part. Any hearing shall be in accordance with chapter 91.

(c) For any judicial proceeding to recover an administrative penalty imposed by [~~order or to enforce a cease and desist order against a hemp processor removed from the registry,~~] order, the director may petition any court of appropriate jurisdiction and need only show that:

- (1) Notice was given;
- (2) A hearing was held or the time granted for requesting a hearing has expired without such a request;
- (3) The administrative penalty was [~~imposed or the hemp processor was removed from the registry;~~] imposed; and
- (4) The penalty remains [~~unpaid or the hemp processor continues to process hemp.~~] unpaid.

(d) The director, in the event there is deemed a potential health hazard, may take precautionary measures to protect the public through imposition of a cease and desist order, an embargo, the detention and removal of processed hemp or hemp products from the market, and the sequestration of processed hemp or hemp products suspected to be contaminated or otherwise harmful to human health. In the event of any cease and desist order, embargo, or detention of processed hemp or hemp products, the person or persons so named in the order imposing the cease and desist, embargo, or detention shall be afforded an opportunity to contest the [~~findings of the department~~] order in a hearing pursuant to chapter 91.

(e) The director may institute a civil action in any court of appropriate jurisdiction for injunctive relief to prevent violation of any order issued or rule adopted pursuant to this chapter, in addition to any other remedy or penalty provided for under this chapter. Nothing in this chapter shall limit any

other legal remedy, or limit any civil or criminal action, available under any other statute, rule, or ordinance.

§328G-7 Hawaii hemp processing and hemp product manufacturing special fund established. (a) There is established within the state treasury the Hawaii hemp processing and hemp product manufacturing special fund into which shall be deposited:

- (1) Appropriations made by the legislature to the special fund;
- (2) Any income and capital gains earned by the fund; and
- (3) Any fees or fines collected by the department pursuant to this ~~[part.]~~ chapter.

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

- (1) To establish and regulate a system of registering persons intending to process hemp ~~[processors;]~~ or manufacture hemp products;
- (2) To fund positions and operating costs authorized by the legislature; and
- (3) For any other expenditure necessary, consistent with this chapter, to implement the Hawaii hemp processing and hemp product manufacturing program."

SECTION 3. Act 14, Session Laws of Hawaii 2020, is amended by amending Section 9 to read as follows:

~~"SECTION 9. This Act shall take effect upon its [approval, and shall be repealed on June 30, 2022; provided that the definition of "marijuana" in section 329-1, Hawaii Revised Statutes, and the definitions of "marijuana" and "marijuana Concentrate" in section 712-1240, Hawaii Revised Statutes, shall be reenacted in the form in which they read on the day prior to the effective date of this Act.] approval."~~

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

LATE

HB-1243

Submitted on: 2/4/2021 3:14:32 PM
Testimony for AGR on 2/5/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Black	Individual	Oppose	No

Comments:

Aloha, I am a USDA lisc. Hawaii Island Hemp farmer.

I would like to please ask that you kill Hemp Bill HB 1243.

It is a definite move backwards after coming so far.

The USDA rules are already very restrictive.

It is already no cake walk getting through the many required permits ,
USDA Rules and several county agencies just to establish your farm.

It takes months if not years.

We are on our 3rd year and just getting ready to plant now.

We have invested years of our life and millions of dollars to help create a new sustainable way
of Agriculture in Hawaii bringing jobs and income to our state.

Please let's keep it moving forward for the Hemp farmers of Hawaii .

The stigma that this amazing plant has is truly unjust.

Please help us to change that view and let Hawaii thrive in this new industry.

Hawaii can be on the forefront of this for many reasons.

Anything from Our beautiful weather ,
to our fertile soils and strong community values.

We can produce the best hemp on the planet.

I ask that you Please kill Bill HB1243.

Steve Black

Tropical Sunset Farms LLC

LATE

HB-1243

Submitted on: 2/4/2021 3:28:59 PM

Testimony for AGR on 2/5/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kimo Keawe	Individual	Oppose	No

Comments:

I adamantly oppose this bill, do not put any further limitations on Have cultivation in the state of Hawaii. This was already figured out two years ago. Let's stick to the plan please.

hemp flower poses no health risk or danger to our society. Do not pass this bill.

Mahalo

Kimo Keawe

Royal representative of the Hawaiian kingdom

LATE

HB-1243

Submitted on: 2/4/2021 5:13:48 PM

Testimony for AGR on 2/5/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
JARED DALGAMOUNI	Hawaiian Choice	Oppose	No

Comments:

Hello,

Thank you for the opportunity to offer testimony.

We are in OPPOSITION to this bill as we feel it unnecessarily regulates hemp products - Act 14 was passed last year and even still we are awaiting the DOH rules, which are now long overdue. This bill appears to repeat the same things that were contained in Act 14, with additional regulations added. We respectfully ask that the state allows the DOH to introduce their rules for Act 14, and address accordingly.

The requirement to require hemp to be restricted to age 21 and older is unnecessary as hemp is non-psychoactive. If this restriction is sincere, then many other supplements would qualify for the equivalent restriction but as there is no intent to do this, it is unfair to expect this specific requirement to be applied to hemp.

The 500' processing buffer is also unnecessary as this would eliminate the vast majority of facilities available for processing - without purpose. Nothing involved in hemp processing warrants this restriction.

Point J(5) is unclear as well - as it is unreasonable to expect all mainland manufactured products to comply with unique labelling requirements to Hawaii - putting the state at a disadvantage. By definition, if it is being sold in Hawaii it is assumed to be compliant - it does not need a specific statement claiming this.

Point E is unnecessary as well - as food products are the main market anticipated for hemp products. Right now we need to encourage economic growth, not limit it without consideration of the implications.

Thank you,

Jared Dalgamouni



LATE

**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
February 5, 2021
Re: HB 1243 RELATING TO HEMP**

Good morning Chair Hashem members of the House Committee on Agriculture. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

HB 1243 Relating to Hemp Amends Act 14, Session Laws of Hawaii 2020, to require hemp product labels to include the product name; ingredients; the name and business address of the help processor; and a warning that the product has not been evaluated by the Food and Drug Administration. Prohibits the sale, offer, or distribution for sale of hemp products to any individual under 21 years of age.

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 would like to suggest that there be an exemption for those hemp products that are not for consumption or absorption into the body.

Mahalo again for this opportunity to provide comments.