

Honolulu, Hawaii

MAR 24 2023

RE: H.B. No. 1359
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Agriculture and Environment and Commerce and Consumer Protection, to which was referred H.B. No. 1359, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEMP,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Repeal redundant regulations on hemp production, which will reduce costs for the State and Hawaii farmers;
- (2) Amend the hemp law in a manner that recognizes the unique constraints of Hawaii farmers, while protecting human health;
- (3) Allow licensed hemp producers to sell hemp biomass;
- (4) Require and appropriate moneys for the Department of Health to hire or consult a toxicologist or consultant familiar with hemp industry standards for the purpose of setting defined action limits or exposure levels for different types of hemp products; and
- (5) Extend the State's hemp processor law through July 1, 2027.



Your Committees received testimony in support of this measure from Hawai'i Hemp Farmers Association, Hawai'i Farmers Union United, Kauai Hemp Co., Environmental Caucus of the Democratic Party of Hawai'i, Hawai'i Sustainable Farms, and eleven individuals. Your Committees received testimony in opposition to this measure from Omaopio Piliwale Ohana and ten individuals. Your Committees received comments on this measure from the Department of Agriculture, Department of Health, and one individual.

Your Committees find that Hawaii's hemp industry is heavily burdened by overregulation, which has significantly stifled the growth of this potentially lucrative and resourceful industry in the State. Furthermore, overregulation of hemp production and processing has driven many farmers out-of-business or out-of-state, while consumers have grown accustomed to relying on hemp sourced from other places. Your Committees additionally recognize that hemp has more than fifty thousand recognized uses, ranging from its use as a fuel source, food, clothing and building material, and natural plastic alternative. Under a more welcoming regulatory atmosphere, hemp has vast potential as a agricultural revenue stream and natural resource in the State due to Hawaii's bountiful rainfall, ample year-round sunshine, and geographic limitations. Therefore, this measure repeals and reduces the burdensome regulations that unduly impede and stifle the hemp industry in Hawaii and implements policies and appropriates funds to propel and support the industry moving forward.

Your Committees have amended this measure by:

- (1) Replacing the proposed one-hundred foot residential buffer zone requirement with a blank number of feet;
- (2) Specifying that the Department of Agriculture may require reports that include copies of the United States Department of Agriculture test results for transported commercial hemp;
- (3) Clarifying the requirements of identity statements used for labeling and advertisements of commercial hemp relating to the identification of the percentage of Hawaiian grown hemp and origin of other hemp;



- (4) Limiting the definition of "hemp biomass" to mean only the stalks of hemp plants;
- (5) Specifying that "finished hemp product" means a product with a delta-9-tetrahydrocannabinol concentration of no more than 0.3 percent;
- (6) Clarifying the packaging labeling requirements for the sale of hemp products relating to the identification of the percentage of Hawaiian grown hemp and origin of other hemp;
- (7) Requiring the Department of Agriculture and Department of Health to jointly convene a Hawaii Hemp Task Force to gather data and information to understand industry needs and inform strategies and actions that support agriculture and a robust hemp industry in the State and to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2025;
- (8) Requiring the Department of Agriculture to hire a third-party consultant to work with the Hawaii Hemp Task Force and identify infrastructure needs of Hawaii hemp farmers and the hemp industry on each island and who shall issue a report by July 1, 2024;
- (9) Appropriating funds for the hiring of the third-party consultant;
- (10) Amending section 1 to reflect its amended purpose; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1359, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1359,

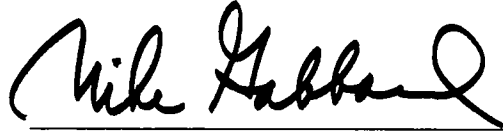


H.D. 2, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on behalf of the members of the Committees on Agriculture and Environment and Commerce and Consumer Protection,



JARRETT KEOHOKALOLE, Chair

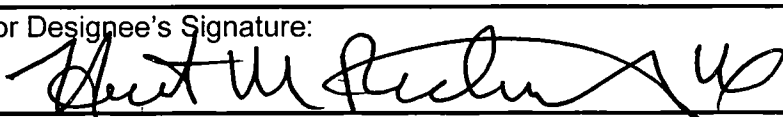


MIKE GABBARD, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1359, HD2	AEN/CPN, WAM/JDC	03-22-23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RICHARDS, III, Herbert M. "Tim" (VC)	X			
DECOITE, Lynn		X		
RHOADS, Karl	X			
AWA, Brenton	X			
TOTAL	4	1		
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* HB1359 HD2	Committee Referral: AEN/CPN, WAM/JDC	Date: 3/23/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	✓			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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