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# A BILL FOR AN ACT

RELATING TO HEMP SPECIAL FUND.

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

1           SECTION 1. The purpose of this Act is to amend section  
2 141-14, Hawaii Revised Statutes, to allow the industrial hemp  
3 special fund to be utilized for the department of agriculture's  
4 responsibilities regarding hemp created by Act 14, Session Laws  
5 of Hawaii 2020, as amended by Act 137, Session Laws of Hawaii  
6 2022.

7           Act 14, Session Laws of Hawaii 2020, as amended by Act 137,  
8 Session Laws of Hawaii 2022, established a registry for hemp  
9 processors within the department of health, created a hemp  
10 processor special fund within the department of health, and  
11 authorized the department of health to collect fees and fines  
12 for the program. Act 14, Session Laws of Hawaii 2020, as  
13 amended by Act 137, Session Laws of Hawaii 2022, also tasked the  
14 department of agriculture with monitoring the transportation of  
15 hemp within the state and enforcing certain state restrictions  
16 regarding the growth of hemp within the State, but did not  
17 establish a special fund within the department of agriculture to  
18 perform these duties. Amending the industrial hemp special fund

1 will allow the department of agriculture to use the existing  
2 special fund to perform the new regulatory duties relating to  
3 hemp.

4 SECTION 2. Section 141-14, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 " ~~[+] §141-14 [-] Industrial hemp~~ Hemp special fund;

7 established. (a) There is created in the state treasury a  
8 special fund to be designated as the ~~[industrial]~~ hemp special  
9 fund to be administered by the department of agriculture.

10 Moneys deposited in this special fund shall be used to fulfill  
11 the purposes of ~~[this]~~ part III and shall include:

12 (1) Any moneys appropriated by the legislature to the  
13 special fund;

14 (2) ~~[Any fees collected by the department of agriculture~~  
15 ~~in relation to the industrial hemp pilot program; and]~~  
16 Moneys generated by the department of agriculture from  
17 the operations or enforcement of part III, including  
18 finances, awards, judgments, and settlements;

19 (3) The interest or return on investments earned from  
20 moneys in the special fund ~~[-]~~ ; and

21 (4) Grants and gifts made to the special fund.

22 (b) The department of agriculture may use the moneys in  
23 the special fund to carry out the purposes of ~~[this]~~ part ~~[-]~~

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1 III, including hiring employees, specialists, and consultants  
2 necessary to complete projects related to the purposes of [~~this~~]  
3 part[-] III."

4 SECTION 3. There is appropriated out of the hemp special  
5 fund the sum of \$50,000 or so much thereof as may be necessary  
6 for fiscal year 2023-2024 to be used for the purposes of  
7 carrying out the department of agriculture's responsibilities  
8 under part III of chapter 141, Hawaii Revised Statutes.

9 The sum appropriated shall be expended by the department of  
10 agriculture for the purposes of this Act.

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

13 SECTION 5. This Act, upon its approval, shall take effect  
14 on July 1, 2023.

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INTRODUCED BY: \_\_\_\_\_



17

BY REQUEST

**JAN 23 2023**

H.B. No. 976

**Report Title:**

Hemp Special Fund; Industrial Hemp Special Fund; Department of Agriculture

**Description:**

Amends section 141-14, Hawaii Revised Statutes, to rename the Industrial Hemp Special Fund as the Hemp Special Fund and allow the fund to be utilized for the Department of Agriculture's responsibilities regarding hemp under part III of chapter 141, Hawaii Revised Statutes.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

H.B. No. 976

DEPARTMENT: Agriculture

TITLE: A BILL FOR AN ACT RELATING TO HEMP SPECIAL FUND.

PURPOSE: To amend the Industrial Hemp Special Fund to be renamed the Hemp Special Fund and used for the Department of Agriculture's responsibilities regarding hemp under part III of chapter 141, Hawaii Revised Statutes (HRS).

MEANS: Amend section 141-14, HRS.

JUSTIFICATION: Act 14, Session Laws of Hawaii 2020, as amended by Act 137, Session Laws of Hawaii 2022, repealed the Department of Agriculture's industrial hemp pilot program and replaced it with distinct duties for both the Department of Health and the Department of Agriculture to regulate hemp in the State.

A registry for hemp processors was created within the Department of Health, and the Hawaii hemp processing special fund was established to fund the administration of the registry.

The Department of Agriculture was tasked with monitoring the transportation of hemp within the State and enforcing restrictions regarding the growth of hemp within the State. However, there is currently no special fund the Department of Agriculture can use for those purposes. Amending the name and purposes of the Industrial Hemp Special Fund will allow the Department of Agriculture to use the existing special fund to perform its new regulatory duties relating to hemp.

Impact on the public: None.

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Impact on the department and other agencies:  
Allows the department to utilize hemp pilot program funds for hemp regulation; and allows fines, awards, judgments, and settlements collected by hemp enforcement to fund the department's hemp regulatory duties.

GENERAL FUND: None.

OTHER FUNDS: Industrial hemp special fund; \$50,000

PPBS PROGRAM DESIGNATION: AGR 151.

OTHER AFFECTED AGENCIES: None.

EFFECTIVE DATE: July 1, 2023.