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# A BILL FOR AN ACT

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RELATED TO CONTROLLED SUBSTANCES.

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

1       SECTION 1. Chapter 328G, Hawaii Revised Statutes, is  
2       amended by adding five new sections to be appropriately  
3       designated and to read as follows:

4       "§328G-A Registry of distributors and retailers;  
5       application; renewals; suspension or revocation of certificates;  
6       exceptions. (a) The department shall establish and maintain a  
7       registry of all manufactured hemp product distributors and  
8       manufactured hemp product retailers doing business in the State.

9       (b) Beginning January 1, 2026, no manufactured hemp  
10      product distributor or manufactured hemp product retailer shall  
11      sell or offer for sale manufactured hemp products without a  
12      certificate of registration issued by the department pursuant to  
13      this section. It shall be the responsibility of the  
14      manufactured hemp product distributor or manufactured hemp  
15      product retailer to confirm that a valid certificate of



1 registration has been obtained and is in compliance with any and  
2 all laws, rules, and regulations.

3 (c) A manufactured hemp product distributor or  
4 manufactured hemp product retailer that sells or offers for sale  
5 or intends to sell or offer for sale manufactured hemp products  
6 shall apply to the department to be registered and receive a  
7 certificate of registration on an application form prescribed by  
8 the department and pay an application fee of \$50.

9 (d) An application that fails to contain all the  
10 information as required by the department shall be deemed  
11 incomplete. Any incomplete application shall be denied.

12 (e) After receipt of a complete and accurate application  
13 form and payment of the application fee, the department shall  
14 list the manufactured hemp product distributor or manufactured  
15 hemp product retailer as a registrant on the registry and issue  
16 a certificate of registration. Whenever a certificate of  
17 registration is defaced, destroyed, or lost, the department may  
18 issue a duplicate certificate of registration to the registrant  
19 for a fee of \$10 per copy.

20 (f) The department shall post on its website a current  
21 list of registrants on the registry.



1       (g) The certificate of registration shall be valid for  
2       five years and shall be renewed by filing a completed renewal  
3       application with, and paying a renewal fee of \$50 to, the  
4       department.

5       (h) All fees required under this section shall be  
6       non-transferable and non-refundable and shall be fully paid  
7       before the issuance of a new or renewed certificate of  
8       registration.

9       (i) The certificate of registration issued under this  
10       section shall be displayed at all times in a conspicuous place  
11       at the place of business where the sale of manufactured hemp  
12       products is conducted and a digital reproduction of the  
13       certificate of registration shall be displayed conspicuously on  
14       the website of a registrant conducting sales online.

15       (j) The department may suspend or revoke a registrant's  
16       certificate of registration for failure to comply with this  
17       chapter and rules adopted under this chapter pursuant to the  
18       procedures set forth in section 328G-6.

19       (k) Carriers or entities that ship goods shall not be  
20       subject to this section by reason of their receipt, carriage,  
21       holding, shipping, or delivery of manufactured hemp products in



1 the usual course of business as carriers or entities that ship  
2 goods unless the carrier or entity sells or offers for sale  
3 manufactured hemp products.

4 (1) Hemp processors with a valid permit issued pursuant to  
5 section 328G-2 shall be issued a certificate of registration and  
6 added to the registry by the department for the sale and  
7 distribution of manufactured hemp products at the locations  
8 indicated on the permit. The certificate of registration shall  
9 be issued with the same expiration date as found on the permit.

10 Application and renewal fees required in subsections (c) and (g)  
11 shall not apply to hemp processors with a valid permit issued  
12 pursuant to section 328G-2.

13 (m) This section shall not apply to the sale of the  
14 following manufactured hemp products:

15 (1) Products that are topically applied; or

16 (2) Tinctures; provided that tinctures shall not be sold  
17 to individuals under the age of twenty-one;

18 provided further that the manufactured hemp products otherwise  
19 comply with this chapter and any rules adopted pursuant to this  
20 chapter.



1        **§328G-B    Unlawful hemp distribution or retailing.**    (a)    A

2    person or entity required to be registered as a manufactured  
3    hemp product distributor or manufactured hemp product retailer  
4    under this chapter commits the offense of unlawful hemp  
5    distribution or retailing if the person or entity recklessly  
6    fails to register as a manufactured hemp product distributor or  
7    manufactured hemp product retailer as required under section  
8    328G-A and, for the purposes of distribution or retail sale,  
9    recklessly sells, possesses, stores, acquires, or distributes  
10   any product containing or derived from hemp, or marketed as  
11   containing or being derived from hemp.

12        (b)   Unlawful hemp distribution or retailing shall be a  
13   misdemeanor, except that any offense under subsection (a) that  
14   occurs within five years of a conviction for unlawful hemp  
15   distribution or retailing shall be a class C felony.

16        **§328G-C    Inspection authority.**    The department and the  
17   attorney general may inspect the operations, premises, and  
18   storage areas of any entity engaged in the distribution or sale  
19   of any product containing or derived from hemp, or marketed as  
20   containing or being derived from hemp, during regular business  
21   hours, to verify compliance with this chapter. The inspection



1 shall include examination of all statements, books, papers, and  
2 records in whatever format, including electronic format,  
3 pertaining to the cultivation, processing, acquisition,  
4 possession, transportation, sale, or use any product containing  
5 or derived from hemp, or marketed as containing or being derived  
6 from hemp. The inspection may also include taking reasonable  
7 samples and conducting tests to verify compliance with this  
8 chapter. Every entity in possession of any statements, books,  
9 papers, and records, and the entity's agents and employees,  
10 shall be required to give the department and attorney general  
11 the means, facilities, and opportunities for the examinations.

12 **§328G-D Forfeiture; confiscation and seizure; disposition.**

13 (a) The department, attorney general, department of law  
14 enforcement, and the police department of each county may seize  
15 and confiscate any product containing or derived from hemp, or  
16 marketed as containing or being derived from hemp, that is  
17 possessed, kept, stored, retained, held, owned, received,  
18 acquired, distributed, sold, or offered for sale in violation of  
19 this chapter. The department seizing products as evidence shall  
20 not be responsible for the care and maintenance of the products.



1        (b) Any product seized or confiscated under this section  
2 may be subject to forfeiture for destruction pursuant to chapter  
3 712A or section 328G-6.

4        **§328G-E Tinctures; persons under twenty-one years of age.**

5        (a) It shall be unlawful to sell or furnish a tincture to a  
6 person under twenty-one years of age.

7        (b) All persons engaged in the retail sale of tinctures  
8 shall check the identification of tincture purchasers to  
9 establish the age of the purchaser if the purchaser reasonably  
10 appears to be under twenty-seven years of age.

11        (c) It shall be an affirmative defense that the  
12 manufactured hemp product retailer that sells a tincture to a  
13 person under twenty-one years of age in violation of this  
14 section had requested, examined, and reasonably relied upon a  
15 photographic identification from the person establishing that  
16 person's age as at least twenty-one years of age before selling  
17 the person a tincture. The failure of a manufactured hemp  
18 product retailer to request and examine photographic  
19 identification from a person under twenty-one years of age  
20 before the sale of a tincture to the person shall be construed  
21 against the manufactured hemp product retailer and form a



1 conclusive basis for the manufactured hemp product retailer's  
2 violation of this section.

3 (d) It shall be unlawful for a person under twenty-one  
4 years of age to purchase or possess any tincture. This  
5 provision shall not apply if a person under the age of twenty-  
6 one, with parental authorization, is participating in a  
7 controlled purchase as part of a law enforcement activity or a  
8 study authorized by the department under the supervision of law  
9 enforcement to determine the level of incidence of tincture  
10 sales to persons under twenty-one years of age.

11 (e) Any person who violates subsection (a) shall be fined  
12 \$500 for the first offense. Any subsequent offenses shall  
13 subject the person to a fine no less than \$500 and no more than  
14 \$2,000. Any person under twenty-one years of age who violates  
15 subsection (d) shall be fined \$10 for the first offense. Any  
16 subsequent offense shall subject the violator to a fine of \$50,  
17 no part of which shall be suspended, or the person shall be  
18 required to perform no less than forty-eight hours and no more  
19 than seventy-two hours of community service during hours when  
20 the person is not employed and is not attending school. Any  
21 tincture in the person's possession at the time of violation of





1 subsection (d) shall be seized, summarily forfeited to the  
2 State, and destroyed by law enforcement following the conclusion  
3 of an administrative or judicial proceeding finding that a  
4 violation of subsection (d) has been committed. The procedures  
5 set forth in chapter 712A shall not apply to this subsection."

6 SECTION 2. Section 328G-1, Hawaii Revised Statutes, is  
7 amended as follows:

8 1. By adding eight new definitions to be appropriately  
9 inserted and to read:

10 "Certificate of registration" means the certificate issued  
11 by the department authorizing the sale of manufactured hemp  
12 products by the registrant.

13 "Consumer" means a person who is a member of the public, is  
14 not functioning in the capacity of an operator of a hemp  
15 processing facility, and does not process hemp biomass, produce  
16 manufactured hemp products, or offer manufactured hemp products  
17 for resale.

18 "Manufactured hemp product distributor" means a person  
19 selling manufactured hemp products to a manufactured hemp  
20 product retailer and includes the person's agents and employees.



1 "Manufactured hemp product retailer" means a person selling  
2 manufactured hemp products to consumers and includes the  
3 person's agents and employees.

4 "Registrant" means the holder of the certificate of  
5 registration.

6 "Registry" means a database of registered manufactured hemp  
7 product distributors and manufactured hemp product retailers  
8 maintained by the department.

9 "Sale", "sell", or "selling", means offering any  
10 transactions, whether cash is actually paid therefor or not, of  
11 hemp, hemp biomass, crude extract, or manufactured hemp products  
12 and includes resale and every act of selling that originates  
13 from any order that is placed or submitted in-person or by means  
14 of telephonic or other synchronous online communication methods,  
15 the mail, catalog, or digital application, or the Internet or  
16 other online service.

17 "Tincture" means any oil-based, unflavored product that  
18 contains no more than:

19 (1) One ounce per container; and

20 (2) 0.3 per cent tetrahydrocannabinol."

21 2. By amending the definition of "permit" to read:



1       ""Permit" means the [~~certificate~~] document issued by the  
2 department attesting that the applicant is permitted to operate  
3 as a hemp processor."

4       SECTION 3. Section 328G-6, Hawaii Revised Statutes, is  
5 amended to read as follows:

6       "**§328G-6 Enforcement; penalty.** (a) Any person who  
7 violates this chapter or any rule adopted by the department  
8 pursuant to this chapter shall be fined [~~not~~] no more than  
9 \$10,000 for each separate offense. Any action taken to collect  
10 the penalty provided for in this subsection shall be considered  
11 a civil action. In addition to any other administrative or  
12 judicial remedy provided by this chapter, or by rules adopted  
13 pursuant to this chapter, the director may impose by order  
14 [~~the~~]:

15       (1) The administrative penalty specified in this section  
16       [~~or revoke~~];

17       (2) The forfeiture of products possessed, kept, stored,  
18       retained, held, owned, received, acquired,  
19       distributed, sold, or offered for sale in violation of  
20       this chapter;



1        (3) The revocation of a permit or suspension or revocation  
2        of a certificate of registration pursuant to this  
3        chapter[-]; or

4        (4) Any combination of paragraphs (1), (2), and (3).

5        (b) Any order issued under this chapter shall become  
6        final, unless ~~not~~ no later than twenty days after the notice  
7        of order is served, the person or persons named therein request  
8        in writing a hearing before the director. Any penalty imposed,  
9        including the revocation of a permit[-] or suspension or  
10       revocation of a certificate of registration, shall become final,  
11       and any monetary penalty shall become due and payable twenty  
12       days after the order is served unless the person or persons  
13       named therein request in writing a hearing before the director.  
14       Whenever a hearing is requested, the penalty imposed, including  
15       permit revocation, or suspension or revocation of a certificate  
16       of registration, shall become final, and any monetary penalty  
17       shall become due and payable only upon completion of all review  
18       proceedings and the issuance of a final order confirming the  
19       penalty in whole or in part. Any hearing shall be conducted in  
20       accordance with chapter 91.



1 (c) In any judicial proceeding to enforce an order issued  
2 by the department pursuant to this section, including but not  
3 limited to the recovery of administrative penalties imposed by  
4 order against a hemp processor~~[r]~~ or registrant, the director  
5 may petition any court of appropriate jurisdiction for relief  
6 and need only show that:

7 (1) Notice was given;

8 (2) A hearing was held or the time granted for requesting  
9 a hearing has expired without such a request;

10 (3) The administrative penalty was imposed ~~[or]~~, the hemp  
11 processor's permit was revoked[+], or the registrant's  
12 certificate of registration was suspended or revoked;  
13 and

14 (4) The penalty remains unpaid or the hemp processor or  
15 the registrant continues to operate.

16 (d) The director, in the event there is deemed a potential  
17 health hazard, may take precautionary measures to protect the  
18 public through imposition of an embargo, the detention and  
19 removal of hemp, hemp biomass, crude extract, or manufactured  
20 hemp products from the market, and the sequestration of hemp,  
21 hemp biomass, crude extract, or manufactured hemp products



1 suspected to be contaminated or otherwise harmful to human  
2 health. In the event of any embargo or detention of hemp, hemp  
3 biomass, crude extract, or manufactured hemp products, the  
4 person or persons so named in the order imposing the embargo or  
5 detention shall be afforded an opportunity to contest the  
6 findings of the department in a hearing pursuant to chapter 91.

7 (e) Nothing in this chapter shall limit any other legal  
8 remedy, or limit any civil or criminal action, available under  
9 any other statute, rule, or ordinance.

10 (f) In addition to any penalties provided by law, a  
11 violation of section 328G-B shall be subject to nuisance  
12 abatement proceedings provided in part V of chapter 712.

13 (g) In addition to any penalties provided by law, any  
14 product containing or derived from hemp, or marketed as  
15 containing or being derived from hemp sold or distributed in  
16 violation of section 328G-B shall be subject to forfeiture under  
17 chapter 712A.

18 (h) In addition to any penalties provided by law, a  
19 violation of this chapter shall constitute an unfair or  
20 deceptive act or practice and unfair method of competition



1 pursuant to section 480-2 and shall be subject to a civil  
2 penalty as provided in section 480-3.1."

3 SECTION 4. Section 328G-7, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) Moneys in the Hawaii hemp processing special fund  
6 shall be used by the department for the following purposes:

7 (1) To establish and regulate a system of permitting hemp  
8 processors and the sale, holding, offering, or  
9 distributing for sale of crude extract and  
10 manufactured hemp products;

11 (2) To establish and regulate a system for registering  
12 manufactured hemp product distributors and  
13 manufactured hemp product retailers to sell  
14 manufactured hemp products;

15 ~~[(2)]~~ (3) To fund positions and operating costs authorized  
16 by the legislature; and

17 ~~[(3)]~~ (4) For any other expenditure necessary, consistent  
18 with this chapter, to implement the Hawaii hemp  
19 processing program."

20 SECTION 5. Section 329D-2.5, Hawaii Revised Statutes, is  
21 amended by amending subsection (b) to read as follows:



1       "(b) The office of medical cannabis control and regulation  
2 shall administer medical cannabis dispensary licensure and  
3 regulation, pursuant to this chapter~~[, and]~~; the registration of  
4 qualifying patients and primary caregivers, pursuant to part IX  
5 of chapter 329~~[,]~~; and the hemp processors program, pursuant to  
6 chapter 328G."

7       SECTION 6. Section 712-1270, Hawaii Revised Statutes, is  
8 amended to read as follows:

9       "**§712-1270 Places used to commit offenses against public**  
10 **health and morals or other offenses, a nuisance.** Every  
11 building, premises, or place used for the purpose of violating:

12       (1) Those laws pertaining to offenses against public  
13 health and morals contained in this chapter, except  
14 offenses under part IV that do not involve the  
15 manufacture or distribution of drugs and activities  
16 under part III that involve only social gambling as  
17 defined in section 712-1231(a);

18       (2) Section 132D-14(a)(1) or (3); ~~[or]~~

19       (3) Any offense under part II of chapter 708 that involves  
20 a person unlawfully residing on or otherwise occupying





1           real property to which the person has no title, lease,  
2           or other legal claim~~[r]~~; or  
3           (4) Section 328G-B,  
4   and every building, premises, or place in or upon which  
5   violations of any of the laws set forth in paragraph (1), (2),  
6   ~~[or]~~ (3), or (4) are held or occur, is a nuisance that shall be  
7   enjoined, abated, and prevented, regardless of whether it is a  
8   public or private nuisance."

9           SECTION 7. This Act does not affect rights and duties that  
10   matured, penalties that were incurred, and proceedings that were  
11   begun before its effective date.

12          SECTION 8. If any provision of this Act, or the  
13   application thereof to any person or circumstance, is held  
14   invalid, the invalidity does not affect other provisions or  
15   applications of the Act that can be given effect without the  
16   invalid provision or application, and to this end the provisions  
17   of this Act are severable.

18          SECTION 9. In codifying the new sections added by  
19   section 1 and referenced in sections 3 and 6 of this Act, the  
20   revisor of statutes shall substitute appropriate section numbers



1 for the letters used in designating the new sections in this  
2 Act.

3 SECTION 10. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 11. This Act shall take effect on July 1, 2025.



**Report Title:**

DOH; OMCCR; DLE; ATG; Manufactured Hemp Product Distributors;  
Manufactured Hemp Product Retailers; Registration; Certificate;  
Inspection; Forfeiture; Nuisance Abatement; Civil Penalty;  
Violation; Hawaii Hemp Processing Special Fund

**Description:**

Beginning 1/1/2026, requires manufactured hemp product distributors and manufactured hemp product retailers to obtain a certificate of registration from DOH. Establishes the offense of unlawful hemp distribution or retailing. Specifies the authority to inspect businesses engaged in the distribution and sale of, and authority to seize or confiscate, products containing or derived from hemp. Prohibits the sale of tinctures to persons under twenty-one years of age. Specifies that the offense of unlawful hemp distribution or retailing is subject to nuisance abatement proceedings. Establishes that a violation of the hemp processor laws constitutes an unfair or deceptive act or practice and unfair method of competition subject to a civil penalty. Allows funds in the Hawaii Hemp Processing Special Fund to be used by DOH for the registry of manufactured hemp product distributors and retailers. Authorizes the Office of Medical Cannabis Control and Regulation to administer the hemp processors program. Establishes that every building, premises, or place used for the purpose of violating the hemp processors law is a nuisance subject to abatement. (CD1)

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