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#### STATE OF HAWAII DEPARTMENT OF HEALTH KA 'OIHANA OLAKINO

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## Testimony in SUPPORT of HB1109 RELATING TO MANUFACTURED HEMP PRODUCTS

# REPRESENTATIVE GREGG TAKAYAMA, CHAIR HOUSE COMMITTEE ON HEALTH

Hearing Date/Time: February 7, 2025, 8:45 A.M. Room #329

- 1 Fiscal Implications: The Department of Health ("Department") requests that this measure be
- 2 considered as a vehicle to provide this needed funding so long as it does not supplant the
- 3 priorities and requests outlined in the Governors executive budget request.
- 4 **Department Position:** The Department strongly supports this measure.
- 5 **Department Testimony:** The Office of Medical Cannabis Control and Regulation provides the
- 6 following testimony on behalf of the Department.
- 7 The Department supports this measure that prohibits a retailer and its employees from selling
- 8 manufactured hemp products to anyone under twenty-one years old. Prior to sale, retailers will
- 9 be required to verify the age of the individual by checking a valid government-issued photo
- 10 identification. Online retailers will be required to verify age by obtaining a copy of the
- individual's government-issued photo identification or use of an age-verification service.
- 12 Additional requirements include displaying a notice stating that the sale of manufactured hemp
- 13 products is prohibited to anyone under the age of twenty-one and ensuring manufactured
- hemp products are held behind a sales counter, in areas inaccessible to the public, or in a
- 15 locked container.

- 1 To be clear, penalties for non-compliance with this requirement are administrative, not
- 2 criminal, and apply to the retailer and not the underaged individual.
- 3 The Department has concerns about the accessibility of hemp-derived cannabinoid products,
- 4 including those that contain cannabidiol (CBD). The use of untested and unapproved drugs can
- 5 have unpredictable and unintended consequences, especially in vulnerable populations like
- 6 children. Children may be at greater risk for adverse reactions due to differences in how their
- 7 bodies absorb, metabolize, distribute, or excrete such substances.
- 8 While state law allows for the sale of certain edible hemp products containing cannabinoids,
- 9 the U.S. Food and Drug Administration (FDA) has consistently determined that CBD and
- tetrahydrocannabinol (THC), whether derived from hemp or cannabis, is not allowed as a
- 11 dietary supplement or food under federal law.
- 12 The FDA has also issued warning letters to companies selling CBD-infused food products, stating
- 13 that:
- 14 "The use of CBD raises safety concerns, especially with long-term use. Scientific studies
- show possible harm to the male reproductive system, including testicular atrophy, harm
- to the liver, and interactions with certain medications. The FDA has not found adequate
- information showing how much CBD can be consumed, and for how long, before causing
- 18 harm. This is particularly true for vulnerable populations like children and those who are
- 19 pregnant. People should be aware of the potential risks associated with the use of CBD
- 20 products."
- 21 See FDA Warns Companies for Illegally Selling Food and Beverage Products that Contain CBD
- 22 (November 21, 2022), available at https://www.fda.gov/food/hfp-constituent-updates/fda-warns-
- 23 companies-illegally-selling-food-and-beverage-products-contain-cbd.
- 24 Given the widespread availability of edible manufactured hemp products, the lack of data
- supporting the safe use of cannabinoids in foods, and studies that raise public health concerns

- in developing youth and other vulnerable populations, the Department respectfully requests
- 2 that this bill be passed and access to manufactured hemp products containing cannabinoids be
- 3 limited to adults aged twenty-one and older.
- 4 **Offered Amendments:** None.
- 5 Thank you for the opportunity to testify on this measure.

To: Representative Gregg Takayama, Chair

Representative Sue Keohopaku-Lee Loy, Vice-Chair

Members of the House Health Committee

Fr: TY Cheng, on behalf of Hemptuary Hawaii.

Re: Testimony with Comments on House Bill (HB) 1109

RELATING TO MANUFACTURED HEMP PRODUCTS.

Establishes a minimum age requirement for the sale of manufactured hemp products.

Dear Chair Takayama, Vice-Chair Keohopaku-Lee Loy and Members of the Committee:

Hemptuary Hawaii ("Hemptuary") is one of a handful of registered hemp processors with the State of Hawaii producing compliant and lab tested CBD only hemp products. Hemptuary is also one of a dozen USDA-licensed hemp producers in Hawaii. Hemptuary wishes to provide comments on HB1109 which requires all hemp products sales to be age-gated for those 21 years and over.

Hemptuary agrees that the sale of hemp products should be limited to those over the age of 21 but does not agree that all hemp products should be displayed in an area inaccessible to the public and under lock and key. Hemptuary already ID's customers and sells only to those over 21 years of age. Hemp products are already packaged in child-resistant packaging with adequate warning labels and therefore do not pose a risk to children or those under 21 years of age. There are no other products sold in Hawaii which require these onerous display restrictions. Only tobacco products and medical cannabis products require such an onerous display restriction. Hemp products are not tobacco products. Not even alcohol and over-the-counter medicine are required to be in a locked container.

Hemptuary produces CBD-only hemp products without any detectable THC which would be required to be displayed under lock and key. The restriction of how to display products is a high regulatory standard and increases the cost and burden for existing retailers. In the alternative, the Department of Health already requires that hemp products have very low levels of THC (1mg per edible serving). Why does the Department of Health require display and access restrictions that are the same as medical cannabis and tobacco products?

Retailers should be required to ID check, but should have the freedom to decide how to display products within their existing space if we hope to support and encourage Hawaii's hemp industry. These are unreasonable requirements that require additional and costly infrastructure for existing retailers to sell hemp products.

Hemptuary proposes the following amendment to remove section 329G-(d) of HB1109 that requires all hemp products be stored in an area inaccessible to the public and in a locked container.

- (c) A retailer shall verify the age of any individual attempting to purchase manufactured hemp products by checking a valid government-issued photo identification; provided that an online retailer shall either obtain a copy of a valid government-issued photo identification or use an age-verification service to check a valid government-issued photo identification before selling any manufactured hemp products.
- \_\_\_\_\_(d) Any manufactured hemp products offered for sale shall be displayed or stored:
- (1) Behind a sales counter or in any other area of the establishment that is inaccessible to the public; or
- (2) In a locked container.

Thank you for the opportunity to testify. I am available for any questions.



# TESTIMONY OF TINA YAMAKI PRESIDENT RETAIL MERCHANTS OF HAWAII FEBRUARY 7, 2025 HB 1109 RELATING TO MANUFACTURED HEMP PRODUCTS.

Good morning, Chair Takayama and members of the House Committee on Health. 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 and is a statewide, not for profit trade organization committed to supporting 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, on-line sellers, local, national, and international retailers, chains, and everyone in between.

We respectfully oppose HB 1109. This measure establishes a minimum age requirement for the sale of manufactured hemp products.

We want to point out that it is important to distinguish between hemp and CBD (cannabidiol), as they are often confused. Hemp is an agricultural crop cultivated for its seeds, fibers, and stalks. It is used to produce a wide range of products, including food, textiles, paper, biodegradable plastics, construction materials, and personal care items. CBD is a compound extracted from the hemp plant, commonly used in wellness products such as oils, tinctures, and topicals. Unlike intoxicating cannabis products, industrial hemp contains only trace amounts of THC (below 0.3% by law) and does not produce psychoactive effects.

Hemp is a versatile, legal agricultural commodity used to produce a wide range of beneficial products, including **food & beverage products** like hemp seeds, hemp protein, hemp oil, and hemp milk that are nutrient-rich and widely used in health-conscious diets. Hemp products also include **personal care items** like hemp-based lotions, shampoos, soaps, and skincare products that offer natural, eco-friendly alternatives. It is found in **textiles and apparel** as hemp fibers are used in clothing, shoes, accessories, and durable fabrics. **Industrial and construction materials** are also made of hemp in the form of hempcrete, bioplastics, insulation, and other sustainable materials that are gaining popularity in construction and manufacturing. As well as **paper and biodegradable goods** like hemp paper and packaging that provides an environmentally friendly alternative to traditional paper products.

Restricting access to manufactured hemp products by imposing a minimum age requirement could have unintended consequences, such as limiting consumer access to everyday items like hemp based bioplastic containers, paper products, clothing and towels to name a few.

Hemp-based products have been legally sold in the U.S. for years, supporting the farmers, small businesses, and sustainable industries. Placing unnecessary restrictions on their sales could hinder economic growth and create confusion among retailers and consumers alike.

I respectfully urge this committee to consider the broad range of non-intoxicating hemp products and the potential negative impact of this measure. Rather than restricting access, we should focus on education and clear labeling to ensure responsible consumer use.

We respectfully ask that you hold this measure. Mahalo again for this opportunity to testify.

#### **HB-1109**

Submitted on: 2/6/2025 3:39:58 PM

Testimony for HLT on 2/7/2025 8:45:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Mary Kozuki	VNV Holdings DBA Vim n' Vigor	Oppose	Written Testimony Only

#### Comments:

Aloha members of Hawaii State Legislature,

I am writing to express my strong opposition to the proposed bill that would mandate store owners to collect and retain the identification information of customers who purchase hemp products. While I fully support efforts to regulate and control the sale of hemp and cannabis-related products, which I already do, this bill creates several burdens and concerns that outweigh its intended purpose.

#### 1. Privacy and Consumer Rights Concerns

Mandating store owners to keep customer identification information raises significant privacy issues. Customers have a reasonable expectation that their personal information will not be retained unnecessarily or used in ways beyond the scope of a specific transaction. Requiring store owners to store sensitive data, such as IDs, would put personal privacy at risk and may create unintended consequences regarding data security. In an era where data breaches are common, this is a serious concern. If this bill passes, it could expose both consumers and businesses to the risk of identity theft or unauthorized access to personal data.

#### 2. Increased Costs and Administrative Burdens on Small Businesses

Small business owners are already struggling navigating the rise of costs of doing business in Hawaii. This bill would impose additional administrative and financial burdens by requiring them to store and track identification information. It would increase the cost of compliance, requiring businesses to implement secure systems to store data safely and ensure proper handling of sensitive information. Many small businesses do not have the resources or capacity to manage these additional tasks, and this could potentially harm their bottom line or even force some businesses to close their doors.

#### 3. Inconsistent Enforcement and Potential for Discrimination

The requirement to keep customer identification could lead to inconsistent enforcement across different businesses, leading to confusion and potential discrimination. Store owners may be hesitant to sell hemp products to certain customers if they feel uncertain about whether they can accurately verify and store identification information, especially in areas with diverse

populations. Additionally, it places undue responsibility on individual store owners to act as de facto law enforcement, which should remain the role of appropriate government authorities.

#### 5. Missed Opportunity for Local Business Growth as consumers turn to on-line purchases

Local businesses, especially those in the hemp retail sector, miss out on potential sales if consumers can't buy these products locally. Hemp is a growing industry, and many local stores could benefit from offering hemp products. Restricting local sales would encourage a shift toward online purchasing, which would ultimately hurt local economies and limit the ability of small businesses to thrive.

#### Conclusion

I urge you to reconsider the implications of this bill. Rather than requiring store owners to keep customer identification, which could lead to privacy concerns, increased costs, and administrative burdens, I encourage exploring more targeted, balanced solutions that ensure public safety and responsible commerce in the hemp industry.

Mahalo Nui Loa,

Mary Kozuki Owner VNV Holdings, DBA Vimn' Vigor

#### **HB-1109**

Submitted on: 2/6/2025 5:16:29 PM

Testimony for HLT on 2/7/2025 8:45:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
JARED DALGAMOUNI	HAWAIIAN CHOICE	Oppose	Written Testimony Only

#### Comments:

I am writing you from Hawaiian Choice, one of the largest hemp manufacturing companies in based in Hawaii.

We support the idea of age-gating in principal, but feel this bill is extremely poorly written, ill-considered and does not support Hawaii business as written.

Without the changes below we OPPOSE this bill. If these issues are addressed, we would support this bill.

- 1. Online Sales we recommend this section is removed entirely for the following reason:
- a. We absolutely disagree with the expectation to require customers to upload ID's or use a complicated vertification service. **Having a credit card is considered adequate to demonstrate age as being an adult.**
- b. This is not a federal requirement, and so no online businesses are doing this nationwide at the moment. This means that mainland businesses would simply not comply, and the DOH would not enforce this on any mainland business but use it as a way to over-regulate local business. Therefore this requirement would only affect Hawaii business in that they would be unique in having this expectation and at a major disadvantage.
- c. This law would likely also jeapordize local businesses liability insurance, as this would potentially invalidate coverage if there's a claim, due to policy wording requiring "compliance with all local laws".
- d. Technically, there would be no way to restrict to having to do this only for Hawaii orders, as customers often change address and this would be impossible to monitor and comply with.
- e. If the federal government (FDA) requires this in the future, then it will become a nationwide requirement enforced by the credit card processors and the playing field would be level. Until this happens this can't be unilaterally applied only to local business.

- f. Expecting customers to upload their government ID will be insecure and expose local business to lawsuits if they are hacked. It would almost certainly mean that eventually customer details would be stolen and exposed to fraud. No small business website has the ability to enforce a policy like this and so we would be setup to fail.
- g. If someone wanted to get around this, they could simply upload some else's ID and there would be no way for an online business to verify this happened.
- h. Current age verification services are only in the early trial phases, are very expensive, prone to errors and have been proven to not add any real value or security. They usually require a several day verification delay before placing the order, and then \*hopefully\* the customer would come back and place the order. Fear and confusion of using such a service would dissuade customers from ordering from any Hawaii business.
- 2. In-Store Retail Sales we recommend the following changes:
- a. Should follow the same format and requirements as State overseen tobacco/alcohol sales there should be no difference for this product category. Simply checking government ID to confirm over 21 years of age is a standard process that retailers understand and are setup to do already.
- b. There's no reason to require products held behind the counter in locked container why would low/zero THC products be more stringent than alcohol? Many retailers are not physically setup for this and this security is not deemed required for alcohol so it should not exceed this for hemp.

## **HB-1109**

Submitted on: 2/6/2025 7:00:32 AM

Testimony for HLT on 2/7/2025 8:45:00 AM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify	
Mary Healy	Individual	Oppose	Remotely Via Zoom	

### Comments:

I oppose this bill and will give testimony via zoom.

<u>HB-1109</u> Submitted on: 2/6/2025 7:25:33 AM

Testimony for HLT on 2/7/2025 8:45:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Ryan Willis	Individual	Oppose	Written Testimony Only

Comments:

I STRONGLY OPPOSE

<u>HB-1109</u> Submitted on: 2/6/2025 7:33:47 AM

Testimony for HLT on 2/7/2025 8:45:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Kanoe Willis	Individual	Oppose	Written Testimony Only

Comments:

I STRONGLY OPPOSE