
A BILL FOR AN ACT

RELATING TO MARIJUANA FOR EXPORT.

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

1 SECTION 1. The legislature finds that in the interest of
2 economic development and enhancing revenue for public purposes,
3 the cultivation of marijuana in Hawaii for export to foreign
4 jurisdictions should be legalized and profits from those
5 cultivation and export activities should be taxed.

6 Commercial cultivation and distribution of marijuana are
7 not legal in Hawaii, but the State could still reap great
8 economic benefit from allowing its cultivation for export to
9 other jurisdictions where a commercial market is allowed.
10 Hawaii is well situated to provide an abundant supply to fill a
11 growing demand. The rich Hawaiian soils, coupled with a
12 continually temperate climate, provide ideal conditions for
13 year-round outdoor farming. These advantages should be
14 capitalized upon for the benefit of enhancing revenue for the
15 State.

16 Profits from the cultivation of marijuana for export can be
17 taxed similarly to alcohol, and the revenues used to provide
18 much needed funding for education, health care, and human



1 services programs. The tax revenues can be divided between four
2 important entities: the department of education, to fund
3 mandatory pre-school; the department of health, for care of the
4 elderly and disabled, specifically for increased payments for
5 care home and foster home operators; Hawaii public housing
6 authority, for the construction of more state-owned public
7 housing; and the Hawaii housing finance and development
8 corporation for the construction of affordable housing.

9 A surprisingly large number of associated products are now
10 being produced from marijuana and sold on the commercial market,
11 such as cannabis-infused chocolate, ice cream, beverages,
12 capsules, bath soaks, and muscle relief lotions. Taxing revenue
13 from the production and sale of marijuana and marijuana-
14 associated products to foreign countries that have legalized its
15 use presents the potential for a very large revenue stream that
16 would provide economic relief for agencies which are currently
17 underfunded. The Goddess Pele has provided Hawaii with the best
18 soil in the nation for marijuana cultivation; it should be
19 capitalized upon for the good of her people.

20 SECTION 2. (a) The department of business, economic
21 development, and tourism in consultation with the department of
22 agriculture shall convene a temporary working group to develop a



1 plan to implement a program to provide for marijuana cultivation
2 for export.

3 (b) The director of business, economic development, and
4 tourism shall serve as chair of the working group.

5 (c) The working group shall be composed of:

6 (1) The chairperson of the board of agriculture, or the
7 chairperson's designee;

8 (2) The director of health, or the director's designee;

9 (3) The director of transportation, or the director's
10 designee;

11 (4) The director of taxation, or the director's designee;

12 (5) The director of public safety, or the director's
13 designee;

14 (6) The dean of the University of Hawaii college of
15 tropical agriculture and human resources, or the
16 dean's designee;

17 (7) The executive director of the Hawaii public housing
18 authority, or the director's designee;

19 (8) The executive director of the Hawaii housing finance
20 and development corporation, or the director's
21 designee; and



1 (9) A representative selected from the care home and
2 foster home operators association.

3 (d) The working group shall prepare a plan that provides
4 for rules for cultivation of marijuana for export, rules for
5 production of associated products, and rules for transport.

6 (e) The plan shall:

7 (1) Include a projection of the anticipated annual
8 production capacity and anticipated revenue realized;

9 (2) Suggest the rate at which the export crop shall be
10 taxed;

11 (3) Include an allocation of the revenue equally among:

12 (A) The department of education, to fund mandatory
13 pre-school;

14 (B) The department of health, for care of the elderly
15 and disabled, specifically for increased payments
16 to adult care home and foster home providers;

17 (C) The Hawaii public housing authority, for the
18 construction of more state-owned public housing;
19 and

20 (D) The Hawaii housing finance and development
21 corporation for the construction of affordable
22 housing; and



1 (4) Propose a system within the department of business,
 2 economic development, and tourism for full market
 3 penetration and export.

4 (f) The department of business, economic development, and
 5 tourism and the department of agriculture shall submit the plan
 6 to the legislature no later than twenty days prior to the
 7 convening of the regular session of 2015.

8 (g) The working group shall cease to exist upon filing of
 9 its final report.

10 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

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H.B. NO. 2124

Report Title:

Marijuana Cultivation; Export; Revenue; Taxation; Agriculture

Description:

Creates a working group in the Department of Business, Economic Development, and Tourism to develop a plan to legalize the cultivation of marijuana for export purposes only and tax the resulting revenues for purposes of funding state programs.

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