
A BILL FOR AN ACT

RELATING TO INDUSTRIAL HEMP.

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

1 SECTION 1. The legislature finds that mankind has
2 cultivated hemp as a source of food and fiber for thousands of
3 years. Modern production methods have utilized hemp's oilseed
4 to make high-grade food and beauty products. The stalks produce
5 fiber and cellulose for everything from automotive parts and
6 fine clothing to building materials and fuel.

7 According to estimates by the Hemp Industries Association,
8 retail sales of industrial hemp products in the United States
9 have grown steadily since 1990 to more than \$580,000,000
10 annually in 2013. California manufacturers of hemp products
11 currently import tens of thousands of acres' worth of hemp seed,
12 oil, and fiber products that, instead, could be produced by
13 American farmers at a more competitive price. Additionally, the
14 intermediate processing of hemp seed, oil, food ingredients, and
15 fiber could create jobs in close proximity to the fields of
16 cultivation.



1 The legislature further finds that support for industrial
2 hemp farming is occurring at the national level. California,
3 Colorado, Delaware, Hawaii, Illinois, Indiana, Kentucky, Maine,
4 Montana, Nebraska, North Dakota, Oregon, South Carolina,
5 Tennessee, Utah, Vermont, Washington, and West Virginia have
6 defined industrial hemp as a distinct agricultural crop and
7 removed barriers to its production. President Obama signed the
8 2014 Farm Bill into law (Agricultural Act of 2014), under which
9 section 7606 authorizes industrial hemp research and pilot
10 programs in states that regulate hemp farming under the
11 authority of the state department of agriculture. Farmers and
12 universities in Colorado, Kentucky, and Vermont have already
13 planted hemp crops to conduct pilot programs after registering
14 with their state department of agriculture.

15 This Act is part of a package to ease the transition of
16 Hawaiian Commercial & Sugar Company's thirty-six thousand acres
17 of sugarcane land on the island of Maui to diversified
18 agriculture.

19 The purpose of this Act is to authorize industrial hemp to
20 be grown as part of research conducted under an agricultural
21 pilot program or other agricultural research to study the



1 growth, cultivation, or marketing of industrial hemp under
2 specific agreement with and under the authority of the state
3 department of agriculture, pursuant to section 7606 of the
4 Agricultural Act of 2014.

5 SECTION 2. Chapter 141, Hawaii Revised Statutes, is
6 amended by adding a new part to be appropriately designated and
7 to read as follows:

8 "PART . INDUSTRIAL HEMP

9 §141- Definitions. As used in this part:

10 "Board" means the board of agriculture.

11 "Chairperson" means the chairperson of the board of
12 agriculture.

13 "Harvested industrial hemp" shall not include industrial
14 hemp that has been processed or manufactured into a hemp
15 product.

16 "Industrial hemp" means the plant *Cannabis sativa* L. and
17 any part of the plant, whether growing or not, with a delta-9
18 tetrahydrocannabinol concentration of not more than 0.3 per cent
19 on a dry weight basis, that is cultivated in connection with an
20 institution of higher education, the department of agriculture,



1 a registered seed breeder, or an approved seed cultivar as
2 authorized by this part.

3 "Institution of higher education" means a public or private
4 institution of higher learning as defined in section 101 of the
5 Higher Education Act of 1965 (20 U.S.C. §1001).

6 "Registered seed breeder" means an individual or public or
7 private institution or organization that is registered with the
8 chairperson to develop seed cultivars intended for sale or
9 research.

10 "Seed cultivar" means a variety of industrial hemp.

11 "Variety" means a group or individual plants that exhibit
12 the same observable physical characteristics or have the same
13 genetic composition.

14 §141- Growing of industrial hemp for research purposes;
15 registration. (a) Except when grown by an institution of
16 higher education or by a registered seed breeder developing a
17 new Hawaii seed cultivar, industrial hemp shall be grown only if
18 it is on the list of approved seed cultivars. The board may
19 from time to time add or remove any seed cultivar from the list.

20 (b) The list of approved seed cultivars shall include the
21 following:



- 1 (1) Industrial hemp seed cultivars that have been
2 certified by the Organisation for Economic Co-
3 operation and Development; and
- 4 (2) Hawaii varieties of industrial hemp seed cultivars
5 that have been certified by the board.
- 6 (c) Before cultivation, a grower of industrial hemp shall
7 register with the board to engage in industrial hemp cultivation
8 and request that the board certify the site where the hemp will
9 be grown. The application for registration shall include the
10 following information:
- 11 (1) The name, business address, and mailing address of the
12 applicant;
- 13 (2) The legal description, global positioning system
14 coordinates, and map of the land area on which the
15 applicant plans to engage in industrial hemp
16 cultivation or storage; and
- 17 (3) The approved seed cultivar to be grown and a
18 description of the proposed research to be conducted.
- 19 The application shall be accompanied by a registration fee,
20 to be established by rule, which shall be used to cover the
21 costs of implementing, administering, and enforcing this part.



1 The registration shall be valid for two years, after which the
2 registered grower may renew the registration and pay the renewal
3 fee, to be established by rule.

4 (d) If the chairperson determines that the requirements
5 for registration pursuant to this section are satisfied, the
6 chairperson shall enter into a memorandum of understanding or a
7 contract with the applicant and issue a registration to the
8 applicant.

9 (e) A registered grower that wishes to alter the land area
10 on which the registered grower conducts industrial hemp
11 cultivation or storage, before altering the area, shall submit
12 to the chairperson an updated legal description, global
13 positioning system coordinates, and map specifying the proposed
14 alteration. If the chairperson receives and approves the
15 updated information, the chairperson shall notify the registered
16 grower in writing that the registered grower may cultivate
17 industrial hemp on the altered land area.

18 (f) A registered grower that wishes to change the seed
19 cultivar grown shall submit to the chairperson the name of the
20 new, approved seed cultivar to be grown. If the chairperson
21 receives and approves the change to the registration, the



1 chairperson shall notify the registered grower in writing that
2 the registered grower may cultivate the new seed cultivar.

3 **§141- Registered grower status.** Each registered grower
4 shall be considered to be part of the department of agriculture
5 as allowed under section 7606 of the Agricultural Act of 2014.
6 No registered grower shall be considered an employee of the
7 State or entitled to retention points, service credit, vacation
8 and sick leave credits, and other rights, benefits, and
9 privileges, in accordance with state personnel laws solely
10 because of that registered grower's participation in the
11 industrial hemp program.

12 **§141- Cultivation by established agricultural research**
13 **institutions.** Institutions of higher education may cultivate or
14 possess industrial hemp with a laboratory test report that
15 indicates a percentage content of tetrahydrocannabinol that is
16 greater than 0.3 per cent if that cultivation or possession
17 contributes to the development of types of industrial hemp that
18 does not have a percentage content of tetrahydrocannabinol that
19 is greater than 0.3 per cent.

20 **§141- Selling industrial hemp; requirements.** (a) A
21 registered grower may sell harvested industrial hemp to any



1 person engaged in agribusiness or other manufacturing for the
2 purpose of processing or manufacturing the industrial hemp into
3 hemp products.

4 (b) A registered grower who sells any harvested industrial
5 hemp shall:

6 (1) Retain all industrial hemp production records for at
7 least three years;

8 (2) Allow industrial hemp crops, throughout sowing,
9 growing, and harvesting, to be inspected by and at the
10 discretion of the board or its designees and law
11 enforcement officers;

12 (3) File with the board documentation indicating that the
13 industrial hemp seeds planted were of a type and
14 variety certified to have no more tetrahydrocannabinol
15 concentration than that adopted by federal law in the
16 Controlled Substances Act, 21 U.S.C. section 801 et
17 seq.;

18 (4) Maintain records of the sale of any harvested
19 industrial hemp grown under the registration and the
20 names and addresses of the persons to whom the
21 harvested industrial hemp was sold, the weight of the



1 harvested industrial hemp sold, and the price per
2 pound paid for the harvested industrial hemp; and
3 (5) Maintain records of any contracts between the
4 registered grower and any person to whom the harvested
5 industrial hemp was sold, to be inspected by and at
6 the discretion of the board, designees of the board,
7 and law enforcement officers.

8 **§141- Prohibited activities.** The possession outside of
9 a field of lawful cultivation of resin, flowering tops, or
10 leaves that have been removed from the hemp plant shall be
11 prohibited; provided that the presence of a de minimis amount,
12 or insignificant number, of hemp leaves or flowering tops in
13 hemp bales that result from the normal and appropriate
14 processing of industrial hemp shall not constitute possession of
15 an illegal substance.

16 **§141- Authorized activity not a criminal offense.** (a)
17 The possession, cultivation, sale, receipt, or transfer of
18 industrial hemp as authorized under this part shall not
19 constitute an offense under chapter 712, part IV.

20 (b) In compliance with section 763 of the federal
21 Consolidated Appropriations Act of 2016, the transportation,



1 processing, sale, or use of industrial hemp that is grown or
2 cultivated in accordance with section 7606 of the Agricultural
3 Act of 2014, within or outside the State, shall not constitute
4 an offense under chapter 712, part IV.

5 §141- Rulemaking and board authority. (a) The board
6 may adopt rules pursuant to chapter 91 necessary for the
7 purposes of this part.

8 (b) The board may apply for a registration with the United
9 States Drug Enforcement Administration to import certified hemp
10 seed for distribution to registered growers who have entered
11 into a memorandum of understanding with the board."

12 SECTION 3. Chapter 141, Hawaii Revised Statutes, is
13 amended by designating sections 141-1 to 141-11 as "Part I.
14 General Provisions".

15 SECTION 4. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$ or so
17 much thereof as may be necessary for fiscal year 2016-2017 for
18 the establishment of one full-time equivalent (1.00 FTE)
19 position in the department of agriculture to effectuate this
20 part.



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

3 SECTION 5. New statutory material is underscored.

4 SECTION 6. This Act shall take effect on July 1, 2016.

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INTRODUCED BY:

[Signature]

[Signature]

Scott Orr

Richard Hayes

Gordon Hiebert

Tou Br

[Signature]

[Signature]

Paul Skye

Jan W. Day

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Nicole E. Lower

[Signature]

[Signature]

Hakshant

Brend Koyak

Kal Throck

Cindy Evans

[Signature]

Jake B.

Della A. Betti

[Signature]

Kurt

Gary T. [Signature]

T. Sahi

[Signature]

Mark Hal

[Signature]

H.B. NO. 2553

Report Title:

Industrial Hemp; Private Growers; Authorization; Appropriation

Description:

Authorizes the board of agriculture to allow persons to research, grow, and sell industrial hemp. Requires licensure of persons to purchase unprocessed, harvested industrial hemp. Makes an appropriation.

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

