

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 1353

S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1353, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INDUSTRIAL HEMP,"

begs leave to report as follows:

The purpose and intent of this measure is to facilitate the production of industrial hemp in the State.

Specifically, this measure:

- (1) Requires the Department of Agriculture to establish a permanent industrial hemp program to authorize licensed individuals to cultivate industrial hemp in the State;
- (2) Authorizes the Chairperson of the State Board of Agriculture to prepare and submit to the United States Secretary of Agriculture a proposed state plan to monitor and regulate hemp production in the State, pursuant to Section 297B of the Agricultural Marketing Act of 1946, as amended; and
- (3) Appropriates moneys for the permanent industrial hemp program.

Your Committee received written comments in support of this measure from the Department of Agriculture, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii,



Hawaii Farm Bureau, Hawaii Island Hemp Collective, ILWU Local 142, Hawaii Center for Food Safety, Aina Hookupu o Kilauea, the Mary N. Lucas Trust Estate, Hawaii Alliance for Progressive Action, and numerous individuals.

Your Committee received written comments on this measure from Akamai Cannabis Clinic.

Your Committee recognizes that Act 228, Session Laws of Hawaii 2016, established an industrial hemp pilot program to authorize the cultivation of industrial hemp and distribution of its seed in Hawaii for purposes of agricultural or academic research. At the time Act 228 was enacted, hemp was classified as a controlled substance under federal law, which limited activities under the program. Your Committee also recognizes, however, that on December 20, 2018, the Agriculture Improvement Act of 2018 was signed into law, and included the removal of industrial hemp from the schedule I controlled substance list, thus paving the way for a successful hemp industry in Hawaii through this measure.

Your Committee has amended this measure by:

- (1) Inserting the official title of the Agriculture Improvement Act of 2018 within the findings and purpose section;
- (2) Clarifying that an applicant may be a "person" that is not necessarily an individual;
- (3) Clarifying that if an applicant or a partner, director, or member of the applicant has been convicted of a relevant offense within ten years prior to the submission of an application for a license, the applicant shall be ineligible for a license;
- (4) Clarifying that a licensee shall reimburse the Department of Agriculture for costs related to the testing of samples collected from the licensee;
- (5) Deleting the measure's repeal of statutory language that currently exempts from certain drug-related criminal offenses the possession, cultivation, sale, receipt, or transfer of industrial hemp as authorized under the existing industrial hemp pilot program because the

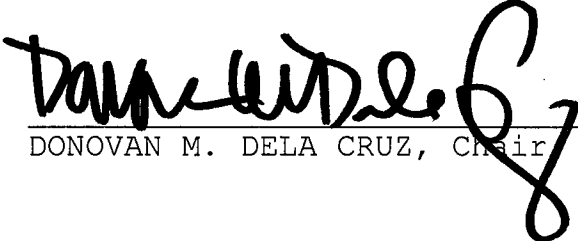


exemption is necessary until the pilot program is repealed in 2021 pursuant to Act 228, Session Laws of Hawaii 2016;

- (6) Providing that the possession, cultivation, sale, receipt, or transfer of industrial hemp as authorized under the proposed permanent industrial hemp program shall be exempt from certain drug-related criminal offenses;
- (7) Changing:
 - (A) All the appropriations to unspecified amounts;
 - (B) The effective date of all provisions of the bill except sections 7 and 8 to July 1, 2050; and
 - (C) The effective date of sections 7 and 8 to July 1, 2052,to facilitate further discussion on the measure; and
- (8) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1353, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1353, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>SB1353 SDI</i>	<i>SEN/JDC, WAM</i>	<i>2/19/19</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	8			5
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>[Handwritten Signature]</i>				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes