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

SECTION 1. The legislature recognizes that the Agriculture Improvement Act of 2018, informally known as the 2018 "Farm Bill", legalized hemp by removing hemp from the definition of "marihuana" contained in the federal Controlled Substances Act. Therefore, hemp is no longer classified as an illegal drug under federal law. Further, in October 2019, the United States Department of Agriculture established new regulations through which states may monitor and regulate hemp production. The federal Food and Drug Administration also continues to regulate its use. The legislature believes that, in light of these federal reforms, state laws regarding hemp should also be reformed to allow the production of hemp as an agricultural commodity in the State.

Accordingly, the purpose of this Act is to:

(1) Require the chairperson of the board of agriculture to seek approval from the United States Department of
Agriculture for a state plan to monitor and regulate hemp;

(2) Establish a statutory framework for the department of agriculture to monitor and regulate hemp;

(3) Establish and provide legislative funding for a hemp regulatory special fund, which will be funded through inspection fees in the longer term;

(4) Legalize licensed hemp production and hemp products in the State;

(5) Expedite the repeal of the existing industrial hemp pilot program and repeals the industrial hemp special fund on October 31, 2020; and

(6) Appropriate funds to the department of agriculture for the monitoring and regulation of hemp production.

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

"PART . HEMP PRODUCTION

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

"Cannabis" means a genus of flowering plants in the family Cannabaceae, of which Cannabis sativa is a species and Cannabis
indica and Cannabis ruderalis are subspecies thereof.

"Cannabis" refers to any form of the plant in which the delta-9 tetrahydrocannabinol concentration on a dry weight basis has not yet been determined.

"Corrective action plan" means a plan established by the department for a producer to correct a negligent violation.

"Culpable mental state greater than negligence" means to act intentionally, knowingly, wilfully, or recklessly.

"Department" means the department of agriculture.

"Entity" means a nonnatural person.

"Hemp" means the plant species Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 per cent on a dry weight basis.

"Key participant" means:

(1) A sole proprietor;

(2) A partner in a partnership;

(3) A chief executive officer or chief operating officer;

or
(4) Any other person with executive managerial control in an entity.

"Key participant" does not include farm managers, field managers, shift managers, or other non-executive managers.

"Negligent" means to fail to exercise the level of care that a reasonably prudent person would exercise in complying with this part, the state plan, or applicable federal hemp law.

"Produce" means to grow hemp plants for market, or for cultivation for market, in the State.

"Producer" means a producer, as defined under title 7 Code of Federal Regulations section 718.2, that is licensed by the department to produce hemp in the State.

"State plan" means a plan under which the department monitors and regulates the production of hemp.

§141-B Hemp production; monitoring and regulation; state plan. (a) The department shall monitor and regulate hemp production in the State, pursuant to a state plan approved by the Secretary of the United States Department of Agriculture.

(b) No person or entity shall produce hemp in the State unless the person or entity has a valid license issued by the department pursuant to this part.
§141-C Applications for producer licenses. Each person, whether an individual or entity, that intends to produce hemp in the State shall apply to the department for a license on a form prescribed by the department and pay an application fee.

§141-D Application approval; expiration; limits on out-of-state control. (a) Subject to this part and any rules adopted pursuant to this part, the department shall approve the issuance of a hemp production license to any applicant that meets all applicable federal and state requirements.

(b) Each license shall be valid for three years from the date of issuance, after which time the licensee shall be required to renew the license and pay a renewal fee for each license renewal.

(c) Notwithstanding the repeal of Act 228, Session Laws of Hawaii 2016, any license issued under the industrial hemp pilot program established under Act 228, Session Laws of Hawaii 2016, shall have continued validity under the original terms and conditions of that license until it expires. Upon expiration, the licensee may renew that license, under new terms and conditions that are compliant with this part, by paying a
renewal fee and applying for license renewal pursuant to a
process established by the department.

(d) In issuing new, nonrenewal licenses for the production
of hemp, the department shall ensure that at least fifty per
cent of new, nonrenewal licenses issued within each fiscal year
are issued to:

(1) Individuals who are legal residents of the State; or
(2) Entities whose key participants are legal residents of
the State.

(e) Any person convicted of a felony related to a
controlled substance under state or federal law is prohibited
from producing hemp, or being a key participant in an entity
producing hemp, for a period of ten years following the date of
conviction.

(f) Each applicant, including an individual applicant and
all key participants of an entity applicant, shall be subject to
background checks conducted by the department or its designee,
including but not limited to criminal history records checks in
accordance with section 846-2.7. The person undergoing the
background check shall provide written consent and all
applicable processing fees to the department or its designee to
count the criminal history record checks.

(g) Pursuant to, and in accordance with, section 846-2.7, the department or its designee is authorized to conduct state and national criminal history record checks on all license applicants, including an individual applicant and all key participants of an entity applicant, and participate in the rap back program, for the purpose of determining suitability or fitness for a license under this part.

(h) Any person or entity who materially falsifies any information in their application shall be ineligible to participate in the program.

§141-E Producer requirements; seed acquisition; residential structures. (a) Each producer shall conform to all requirements of this part, the state plan, and applicable federal and state laws, rules, and regulations.

(b) Each producer shall acquire or import hemp seed in accordance with applicable federal and state laws, rules, and regulations.

(c) No producer shall grow hemp in any house, dwelling unit, residential apartment, or other residential structure.
(d) Harvested hemp material shall not be commingled with other hemp material or any other material without written permission from the department.

§141-F Inspection, sampling, and testing; destruction; fees. (a) The department and producers shall adhere to this section with respect to the inspection, sampling, and testing of hemp or cannabis produced under this part.

(b) Each producer shall provide the department, a third party authorized by the department, and any law enforcement agency or officer with complete and unrestricted access during business hours to all hemp and other cannabis plants, whether growing or harvested, and all land, buildings, and other structures used for the cultivation, handling, and storage of all hemp and other cannabis plants, and all locations listed in the producer license.

(c) The department shall collect representative samples of cannabis grown from the lots of producers and conduct tests of those representative samples to determine compliance with the delta-9 tetrahydrocannabinol concentration limit for hemp.
(d) A producer shall not harvest a hemp or cannabis crop before the department collects representative samples and tests necessary representative samples from that crop.

(e) The department may collect fees from producers for the inspection, representative sample collection, and testing of hemp and cannabis crops.

(f) A producer may not handle, process or put into the stream of commerce any lot of cannabis that is non-compliant with the delta-9 tetrahydrocannabinol concentration limit for hemp except to the extent necessary to ensure the disposal of that lot pursuant to this part.

(g) The department shall ensure the disposal of any lot of cannabis crop if any representative sample from that lot fails to meet the delta-9 tetrahydrocannabinol concentration limit for hemp.

(h) The department may authorize third parties to collect cannabis representative samples and conduct testing of those representative samples on the department's behalf for the purposes of this part or rules adopted for the purposes of this part.
(i) The producer or an authorized representative of the producer must be present at the grow site during sample collection.

§141-G Transportation. A licensee may transport to another site, for lawful processing and in a department-approved manner, any part of a hemp crop that passed department-ordered compliance testing.

§141-H Labeling. In addition to all other labeling requirements, the identity statement used for labeling or advertising any product in a way which reasonably describes hemp as having been grown, produced, being from, or otherwise being a product of Hawaii or any geography thereof shall only be permissible for hemp products which contain one hundred per cent Hawaii-grown hemp.

§141-I Tracking. (a) The department shall establish, maintain, and control a computer software tracking system that shall have real time, twenty-four-hour access to the data of all producers.

(b) The computer software tracking system shall collect data relating to, at a minimum:

(1) Plantings, harvests, and disposal;
(2) Land areas licensed for hemp growth; and
(3) The transport of hemp.
(c) The procurement of the computer software tracking system established pursuant to this section shall be exempt from chapter 103D; provided that:
   (1) The department shall publicly solicit at least three proposals for the computer software tracking system; and
   (2) The selection of the computer software tracking system shall be approved by the chairperson of the department.
(d) The department may establish fees necessary to implement, operate, and maintain the computer software tracking system.

§141-J Negligent violations. (a) A producer that violates this part or the state plan in a negligent manner shall follow a corrective action plan to correct the violation.
(b) A producer who negligently violates this part or the state plan three times in a five-year period will be ineligible to produce hemp for a period of five years from the date of the third violation.
§141-K Culpable violations. If the department determines that a producer has violated this part or the state plan with a culpable mental state greater than negligence, the department shall immediately report the producer to law enforcement, and may take any action it deems immediately necessary, including summary suspension or revocation of a license.

§141-L License suspension. (a) The department may issue a notice of suspension to a producer if the department or its representative receives some credible evidence establishing that a producer has:

(1) Engaged in conduct violating a provision of this part; or

(2) Failed to comply with a written order from the department related to negligence as defined in this part.

(b) Any producer whose license has been suspended shall not handle or remove hemp or cannabis from the location where hemp or cannabis was located at the time when the department issued its notice of suspension, without prior written authorization from the department.
(c) Any person whose license has been suspended shall not produce hemp or cannabis during the period of suspension.

(d) A producer whose license has been suspended and not restored on appeal may have their license restored after a waiting period of one year from the date of the suspension.

(e) A producer whose license has been suspended may be required to complete a corrective action plan to fully restore the license.

§141-M Revocation. The department shall immediately revoke the license of a producer if such producer:

(a) Pleads guilty to, or is convicted of, any felony related to a controlled substance;

(b) Made any materially false statement with regard to this part to the department or its representatives with a culpable mental state greater than negligence; or

(c) Is found to be growing cannabis exceeding the acceptable hemp delta-9 tetrahydrocannabinol concentration limit with a culpable mental state greater than negligence or negligently violated this part three times in five years.

§141-N Affirmative defense. (a) A producer or an employee of a producer that is licensed under this part may
assert the cultivation and possession of hemp as an affirmative
defense to any prosecution involving the production or
possession of marijuana under section 712-1247, 712-1248,
712-1249, 712-1249.4, or 712-1249.5. A defendant may assert the
affirmative defense that the defendant or defendant's employer:
(1) Possessed and was in compliance with a valid hemp
production license issued by the department pursuant
to this part;
(2) Planted hemp varieties of cannabis within a licensed
land area pursuant to this part; and
(3) The produced cannabis developed into plants with a
delta-9 tetrahydrocannabinol concentration of more
than 0.3 percent, but less than 3 per cent, on a dry
weight basis.
(b) This affirmative defense applies only to the
production and possession of marijuana within a licensed land
area, but it does not extend to the sale or distribution of
marijuana.
§141-O Hemp regulatory special fund; established. (a)
There is created in the state treasury a special fund to be
designated as the hemp regulatory special fund to be
administered by the department. Moneys deposited in the special fund shall include:

1. Any moneys appropriated by the legislature to the special fund;
2. Any fees collected by the department pursuant to this part; and
3. The interest or return on investments earned from moneys in the special fund.

(b) The department may use the moneys in the special fund to carry out the purposes of this part, including hiring employees, specialists, and consultants necessary for the purposes of this part.

§141-P Rulemaking. (a) The department shall adopt rules pursuant to chapter 91 that are necessary for the purposes of this part, which shall include, but not be limited to:

1. Application and licensing requirements;
2. Procedures for inspection by the department or its agents of a producer's records and all areas under a license pursuant to this part;
3. Standards related to the sampling and testing of hemp and the entities authorized to do so;
(4) Rules related to licensed land areas, including acreage limits, and modifications of licensed land areas;

(5) Rules related to the transportation of hemp;

(6) Rules related to harvest;

(7) Requirements for the reporting of planting, harvest, disposal, and other records required by state or federal law from each producer licensed pursuant to this part;

(8) Procedures for the voluntary disposal of unwanted or unused hemp crops, plants, plant materials, seeds whether growing or not, and hemp products derived from those plants;

(9) Procedures for the mandatory disposal of hemp or cannabis crops, plants, plant materials, or seeds, whether growing or not, found to be in violation of this part, and products derived from them;

(10) A fee structure for the submission of applications, initial licenses, and renewal of licenses;

(11) A fee structure for licensed land area modification fees;
1. (12) A fee structure for the inspection of producers and
   for the sampling, and testing of hemp;
2. (13) A fee structure for criminal history record checks;
3. (14) A fee structure crop disposal; and
4. (15) Any other rules necessary to carry out this part.
(b) The department shall adopt interim rules, which shall
   be exempt from chapters 91 and 201M, to effectuate the purposes
   of this part; provided that the interim rules shall remain in
   effect until July 1, 2025, or until rules are adopted pursuant
   to subsection (a), whichever occurs sooner.
(c) The department may amend interim rules, which shall be
   exempt from chapters 91 and 201M, to effectuate the purposes of
   this part; provided that the interim rules shall remain in
   effect until July 1, 2025, or until rules are adopted pursuant
   to subsection (a), whichever occurs sooner."

SECTION 3. Section 329-1, Hawaii Revised Statutes, is
amended as follows:
1. By adding a new definition to be appropriately inserted
   and to read:
   
   ""Hemp" means all parts of the plant cannabis satvia L.,
   whether growing or not, including the seeds thereof and all
derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, with a delta-9-tetrahydrocannabinol concentration of not more than 0.3 per cent on a dry weight basis, as measured post-decarboxylation or other similarly reliable methods."

2. By amending the definition of "marijuana" to read:

"Marijuana" means all parts of the plant (genus) Cannabis whether growing or not; the seeds thereof, the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. [Et]

"Marijuana" does not include [the]:

(1) The mature stalks of the plant (genus) Cannabis, fiber produced from the stalks, oil, or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant [which] that is incapable of germination;}
(2) Hemp that is in the possession, custody, or control of
a person or entity that holds a license issued by the
department of agriculture permitting that person or
entity to produce hemp;

(3) Hemp that is in the possession, custody, or control of
a person or entity that is authorized under state law
to process hemp; or

(4) A product containing or derived from hemp, including
any product containing one or more hemp-derived
cannabinoids such as cannabidiol, that;

(A) Does not include any living hemp plants, viable
seeds, leaf materials, or floral materials; and

(B) Has a delta-9-tetrahydrocannabinol concentration
of not more than 0.3 per cent, as measured post-
decarboxylation or other similarly reliable
methods."

SECTION 4. Section 329-14, Hawaii Revised Statutes, is
amended by amending subsection (g) to read as follows:

"(g) Any of the following cannabinoids, their salts,
isomers, and salts of isomers, unless specifically excepted,
whenever the existence of these salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) Tetrahydrocannabinols; meaning tetrahydrocannabinols naturally contained in a plant of the genus Cannabis (cannabis plant), as well as synthetic equivalents of the substances contained in the plant, or in the resinous extractives of Cannabis, sp. or synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity to those substances contained in the plant, such as the following: Delta 1 cis or trans tetrahydrocannabinol, and their optical isomers; Delta 6 cis or trans tetrahydrocannabinol, and their optical isomers; and Delta 3,4 cis or trans-tetrahydrocannabinol, and its optical isomers (since nomenclature of these substances is not internationally standardized, compounds of these structures, regardless of numerical designation of atomic positions, are covered); provided that tetrahydrocannabinols under this subsection shall exclude tetrahydrocannabinols in:
(A) Hemp that is in the possession, custody, or control of a person or entity that holds a license issued by the Hawaii department of agriculture permitting that person or entity to produce hemp;

(B) Hemp that is in the possession, custody, or control of a person or entity that is authorized under state law to process hemp; or

(C) A product containing or derived from hemp, including any product containing one or more hemp-derived cannabinoids such as cannabidiol, that;

(i) Does not include any living hemp plants, viable seeds, leaf materials, or floral materials; and

(ii) Has a delta-9-tetrahydrocannabinol concentration of not more than 0.3 per cent, as measured post-decarboxylation or other similarly reliable methods."

(2) Naphthoylindoles; meaning any compound containing a 3-(1-naphthoyl)indole structure with substitution at
the nitrogen atom of the indole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholiny)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent;

(3) Naphthylmethylindoles; meaning any compound containing a 1H-indol-3-yl-(1-naphthyl) methane structure with substitution at the nitrogen atom of the indole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholiny)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent;

(4) Naphthoylpyrroles; meaning any compound containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholiny)
ethyl group whether or not further substituted in the
pyrrole ring to any extent[7] and whether or not
substituted in the naphthyl ring to any extent;

(5) Naphthylmethylindenes; meaning any compound containing
a naphthylidendeneindene structure with substitution at
the 3-position of the indene ring by a alkyl,
haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl)
ethyl group whether or not further substituted in the
indene ring to any extent[7] and whether or not
substituted in the naphthyl ring to any extent;

(6) Phenylacetylindoles; meaning any compound containing a
3-phenylacetylindolene structure with substitution at
the nitrogen atom of the indole ring by a alkyl,
haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
1-(N-methyl-2-piperidinyl) methyl or 2-(4-morpholinyl)
ethyl group whether or not further substituted in the
indole ring to any extent[7] and whether or not
substituted in the phenyl ring to any extent;

(7) Cyclohexylphenols; meaning any compound containing a
2-(3-hydroxycyclohexyl) phenol structure with
substitution at the 5-position of the phenolic ring by
a alkyl, haloalkyl, alkenyl, cycloalkylmethyl,
cycloalkylethyl, 1-(N-methyl-2-piperidinyl) methyl or
2-(4-morpholiny1) ethyl group whether or not
substituted in the cyclohexyl ring to any extent;

(8) Benzoylindoles; meaning any compound containing a
3-(benzoyl) indole structure with substitution at the
nitrogen atom of the indole ring by a alkyl,
haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,
1-(N-methyl-2-piperidinyl) methyl, or 2-(4-
morpholiny1) ethyl group whether or not further
substituted in the indole ring to any extent and
whether or not substituted in the phenyl ring to any
extent;

(9) 2,3-Dihydro-5-methyl-3-(4-morpholiny1methyl)
pyrrolo[1,2,3-de]-1, 4-benzoxazin-6-yl]-1-
apthalenylmethanone (another trade name is WIN
55,212-2);

(10) (6a,10a)-9-(hydroxymethyl)-6, 6-dimethyl-3-(2-
methyloctan-2-yl)-6a,7,10,10a-
tetrahydrobenzo[c]chdromen-1-ol (Other trade names are: HU-210/HU-211);

(11) Tetramethylcyclopropanoylindoles; meaning any compound containing a 3-tetramethylcyclopropanoylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranymethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the tetramethylcyclopropyl ring to any extent;

(12) N-(1-adamantyl)-1-pentyl-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: APINACA, AKB48);

(13) Quinolin-8-yl 1-pentyl-1H-indole-3-carboxylate, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: PB-22; QUPIC);

(14) Quinolin-8-yl 1-(5fluoropentyl)-1H-indole-3-carboxylate, its optical, positional, and geometric
isomers, salts, and salts of isomers (Other names: 5-fluoro-PB-22; 5F-PB-22);

(15) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(4-fluorobenzyl)-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: AB-FUBINACA);

(16) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-pentyl-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: ADB-PINACA);

(17) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: AB-CHMINACA);

(18) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-pentyl-1H-indazole-3-carboxamide, and geometric isomers, salts, and salts of isomers (Other names: AB-PINACA);

(19) [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-yl)methanone, and geometric isomers, salts, and salts of isomers (Other names: THJ-2201);
(20) Methyl (1-(4-fluorobenzyl)-1H-indazole-3-carbonyl)-L-valinate, and geometric isomers, salts, and salts of isomers (Other names: FUB-AMB);

(21) (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3-methylbutanoate, and geometric isomers, salts, and salts of isomers (Other names: 5-fluoro-AMB, 5-fluoro-AMP);

(22) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide, and geometric isomers, salts, and salts of isomers (Other names: AKB48 N-(5-fluoropentyl) analog, 5F-AKB48, APINACA 5-fluoropentyl analog, 5F-APINACA);

(23) N-adamantyl-1-fluoropentylindole-3-carboxamide, and geometric isomers, salts, and salts of isomers (Other names: STS-135, 5F-APICA; 5-fluoro-APICA);

(24) Naphthalen-1-yl 1-(5-fluoropentyl)-1H-indole-3-carboxylate, and geometric isomers, salts, and salts of isomers (Other names: NM2201);

(25) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide, and
geometric isomers, salts, and salts of isomers (Other names: MAB-CHMINACA and ADB-CHMINACA);

(26) Methyl 2-[1-(5-fluoropentyl)-1H-indazole-3-carboxamido]-3,3-dimethylbutanoate (Other names: 5F-ADB, 5-flouro-ADB, and 5F-MDMB-PINACA), its optical, positional, and geometric isomers, salts, and salts of isomers; and

(27) 1-(4-cyanobutyl)-N-(2-phenylpropan-2-yl)indazole-3-carboxamide (CUMYL-4CN-BINACA), its optical, positional, and geometric isomers, salts, and salts of isomers; also known as SGT-78, 4-CN-CUMYL-BINACA; CUMYL-CB-PINACA; CUMYL-CYBINACA; 4-cyano CUMYL-

BUTINACA."

SECTION 5. Section 712-1240, Hawaii Revised Statutes, is amended as follows:

1. By adding a new definition to be appropriately inserted and to read:

""Hemp" means all parts of the plant (genus) cannabis, whether growing or not, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, with a delta-9-tetrahydrocannabinol
concentration of not more than 0.3 per cent on a dry weight
basis, as measured post-decarboxylation or other similarly
reliable methods."

2. By amending the definition of "marijuana" to read:

"Marijuana" means any part of the plant (genus) cannabis,
whether growing or not, including the seeds and the resin, and
every alkaloid, salt, derivative, preparation, compound, or
mixture of the plant, its seeds or resin, except that, as used
herein, "marijuana" does not include:

(1) [hashish,] Hashish, tetrahydrocannabinol, and any
alcohol, salt, derivative, preparation, compound, or
mixture, whether natural or synthesized, of
tetrahydrocannabinol[[-]];

(2) Hemp that is in the possession, custody, or control of
a person or entity that holds a license issued by the
Hawaii department of agriculture permitting that
person or entity to produce hemp;

(3) Hemp that is in the possession, custody, or control of
a person or entity that is authorized under state law
to process hemp; or
(4) A product containing or derived from hemp, including any product containing one or more hemp-derived cannabinoids such as cannabidiol, that:

(A) Does not include any living hemp plants, viable seeds, leaf materials, or floral materials; and

(B) Has a delta-9-tetrahydrocannabinol concentration of not more than 0.3 per cent, as measured post-decarboxylation or other similarly reliable methods."

3. By amending the definition of "marijuana concentrate" to read:

"Marijuana concentrate" means hashish, tetrahydrocannabinol, or any alkaloid, salt, derivative, preparation, compound, or mixture, whether natural or synthesized, of tetrahydrocannabinol[?], except that, as used herein, "marijuana concentrate" does not include:

(1) Hemp that is in the possession, custody, or control of a person or entity that is authorized under state law to process hemp; or
(2) A product containing or derived from hemp, including
any product containing one or more hemp-derived

cannabinoids such as cannabidiol, that;

(A) Does not include any living hemp plants, viable

seeds, leaf materials, or floral materials; and

(B) Has a delta-9-tetrahydrocannabinol concentration

of not more than 0.3 per cent, as measured post-
decarboxylation or other similarly reliable

methods."

SECTION 6. Section 141-41, Hawaii Revised Statutes, is

repealed.

"[§141-41]—Industrial hemp special fund; established.

(a) There is created in the state treasury a special fund to be
designated as the industrial hemp special fund to be
administered by the department of agriculture. Moneys deposited
in this special fund shall be used to fulfill the purposes of
this part and shall include:

(1) Any moneys appropriated by the legislature to the

special fund;

(2) Any fees collected by the department of agriculture in

relation to the industrial hemp pilot program; and
(3) The interest or return on investments earned from moneys in the special fund.

(b) The department of agriculture may use the moneys in the special fund to carry out the purposes of this part, including hiring employees, specialists, and consultants necessary to complete projects related to the purposes of this part."

SECTION 7. Act 228, Session Laws of Hawaii 2016, is amended by amending section 8 to read as follows:

"SECTION 8. This Act shall take effect on July 1, 2016, and shall be repealed on [June 30, 2021.] October 31, 2020."

SECTION 8. (a) The chairperson of the board of agriculture, in consultation with the governor and attorney general, shall prepare and submit 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 title 7 Code of Federal Regulations part 990, subpart B, to the Secretary of the United States Department of Agriculture within thirty days after the effective date of this Act. The chairperson shall also submit a copy of the proposed

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state plan to the president of the senate and speaker of the
house of representatives.

(b) The chairperson of the board of agriculture shall
submit reports on a monthly basis to the governor, president of
the senate, and speaker of the house of representatives
concerning the status of the pending approval of the state plan
by the Secretary of the United States Department of Agriculture
until the state plan is approved.

(c) If the Secretary of the United States Department of
Agriculture approves the state plan, the department shall take
steps to implement the state plan.

(d) The chairperson of the board of agriculture shall
submit a report on the implementation of the state plan to the
legislature no later than twenty days prior to the convening of
the regular session of 2021. The report shall include any
proposed legislation to facilitate the monitoring and regulation
of hemp production in the State.

SECTION 9. There is appropriated out of the general
revenues of the State of Hawaii the sum of $522,000 or so much
thereof as may be necessary for fiscal year 2020-2021, and the
same sum or so much as may be necessary for the following fiscal
year to be allocated as follows:

(1) $92,000 for the establishment of one full-time
equivalent (1.0 FTE) program manager position;

(2) $147,000 for the establishment of three full-time
equivalent (3.0 FTE) general professional positions;

(3) $33,000 for the establishment of one full-time
equivalent (1.0 FTE) office assistant position;

(4) $100,000 for the procurement and establishment of a
data tracking system for the hemp production program;

and

(5) $150,000 for the administrative costs of the program.

Unless otherwise specified, the sum appropriated shall be
expended by the department of agriculture for the purposes of
this Act.

SECTION 10. Upon the repeal of the industrial hemp pilot
program pursuant to Act 228, Session Laws of Hawaii 2016, all
unencumbered funds remaining in the industrial hemp special fund
established pursuant to section 141-41, Hawaii Revised Statutes,
shall be deposited into the hemp regulatory special fund.
SECTION 11. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 12. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 13. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 14. This Act shall take effect on July 1, 2020; provided that section 6 shall take effect on October 31, 2020.
Report Title:
Hemp; Agriculture; State Plan; Research; Appropriations

Description:
Requires the State to seek approval from the federal Department of Agriculture of a state plan to monitor and regulate hemp. Establishes a statutory framework to monitor and regulate hemp. Establishes and appropriates funds for the hemp regulatory special fund. Legalizes the production of hemp and hemp products with a license. Appropriates funds to DOA for monitoring and regulating hemp production. Takes effect on 7/1/2020. (Proposed SD1)

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