

STAND. COM. REP. NO.

3237

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2050
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committees on Commerce, Consumer Protection, and Health and Judiciary, to which was referred S.B. No. 2050, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a regulatory framework for products containing cannabidiol that were manufactured legally through approved government programs;
- (2) Clarify that products containing cannabidiol are not considered adulterated food, beverage, or cosmetic products;
- (3) Prohibit manufacturers from making health-related claims; and
- (4) Require products containing cannabidiol to be properly labeled for sale in the State.

Your Committees received testimony in support of this measure from the Hawaii Food Industry Association; Hawaii Cannabis Care; JOCOR Distro; Down to Earth; Pan Pacific Ventures; Kush Bottles



Hawai'i; Steephill Hawaii; Global Widget, LLC; ABC Stores; U.S. Hemp Roundtable; Hawaiian Choice; Kona Chapter Hawaii Farmers Union United; and sixteen individuals. Your Committees received testimony in opposition to this measure from sixteen individuals. Your Committees received comments on this measure from the Department of Health.

Your Committees find that since Congress passed the Agricultural Improvement Act of 2018, the sale of cannabidiol products from commercial cultivation of hemp has increased rapidly. Industrial hemp is currently being used nationally in hundreds of different applications, including consumer textiles, personal care, industrial components, and dietary supplements containing cannabidiol.

Your Committees further find that with the existence of competing federal frameworks, several states, such as Florida, Ohio, and Texas, have already acted to pass laws or regulations that explicitly allow hemp-derived cannabidiol products to be produced and sold to consumers to provide stability and certainty in the marketplace. This measure similarly aims to eliminate the existing confusion among consumers and the industry, as well as provides a timely regulatory framework for products containing cannabidiol in the State.

Your Committees acknowledge that this measure is a work in progress and a preliminary attempt to establish a regulatory framework consistent with both the current information known from state and federal regulators and the current authorities of the Department of Health as it relates to new products. The effective date of July 1, 2050, for this measure is meant to reflect that the landscape for medical cannabis, its uses, and regulatory framework is continuing to evolve and requires further discussion. This measure raises several important issues and topics, including the establishment of an appropriate regulatory framework, that must be addressed as this measure moves forward.

Your Committees have amended this measure by:

- (1) Clarifying the scope of the regulatory framework as described in the purpose section of the measure;



- (2) Clarifying the definitions for "industrial hemp" and "industrial hemp product" for technical consistency;
- (3) Specifying that individuals, in addition to entities, licensed under chapter 329D, Hawaii Revised Statutes, are authorized to manufacture, distribute, or sell industrial hemp products;
- (4) Clarifying the claims that may be made by a manufacturer, distributor, or seller of an industrial hemp product as it relates to its benefits or effects under the definition of "health-related statement";
- (5) Providing conforming amendments to acknowledge the Department of Health's rulemaking authority as it relates to industrial hemp and industrial hemp products; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2050, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2050, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Commerce,
Consumer Protection, and Health
and Judiciary,



KARL RHOADS, Chair



ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

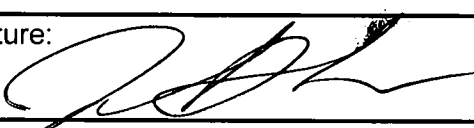
Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* SB 2050, SDI	Committee Referral: AEN, CPH / JDC	Date: 2/21/20		
<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
BAKER, Rosalyn H. (C)	<input checked="" type="checkbox"/>			
CHANG, Stanley (VC)				<input checked="" type="checkbox"/>
NISHIHARA, Clarence K.	<input checked="" type="checkbox"/>			
RUDERMAN, Russell E.				<input checked="" type="checkbox"/>
THIELEN, Laura H.				<input checked="" type="checkbox"/>
WAKAI, Glenn	<input checked="" type="checkbox"/>			
FEVELLA, Kurt	<input checked="" type="checkbox"/>			
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Clarence K. Nishihara</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* SB 2050 SD1	Committee Referral: AEN, CPH/JDC	Date: 2/21/2020		
<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
RHOADS, Karl (C)	/			
KEOHOKALOLE, Jarrett (VC)	/			
GABBARD, Mike				/
KIM, Donna Mercado				/
FEVELLA, Kurt	/			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes