

STAND. COM. REP. NO.

2602

Honolulu, Hawaii

FEB 13 2020

RE: S.B. No. 3106
S.D. 1

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

Sir:

Your Committees on Agriculture and Environment and Commerce,
Consumer Protection, and Health, to which was referred S.B.
No. 3106 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Agriculture to establish a permanent industrial hemp program to license individuals to cultivate industrial hemp in the State;
- (2) Authorize licensees to utilize hemp genetics that meet federal definitions of hemp and other requirements;
- (3) Require the Department of Health to adopt rules for the licensing, inspection, and regulation of industrial hemp processing facilities;
- (4) Establish an affirmative defense to certain criminal drug promotion offenses;
- (5) Authorize the Department of Agriculture to use temporary inspectors to perform industrial hemp inspections;



- (6) Exempt the transportation of certain hemp plant materials from penalties relating to the possession of those materials outside of a field of lawful cultivation;
- (7) Reduce or repeal certain regulatory requirements under the existing industrial hemp pilot program;
- (8) Amend definitions of "marijuana" in state law to clarify that hemp grown by a licensee is not marijuana and amending references to tetrahydrocannabinols in the state law to exclude tetrahydrocannabinols in hemp;
- (9) Require the Chairperson of the Board of Agriculture to:
 - (A) Prepare and submit a proposed state plan to monitor and regulate hemp production, including commercial production and research, to the federal Secretary of Agriculture pursuant to section 297B of the Agricultural Marketing Act of 1946, as amended; and
 - (B) Report to the Governor, Speaker of the House of Representatives, and President of the Senate on the status of the federal Secretary of Agriculture's pending approval of the state plan and, if approved, the subsequent implementation of the plan; and
- (10) Establish an industrial hemp special fund for the purposes of the permanent industrial hemp program, appropriating moneys into that fund, and appropriating moneys from that fund for the establishment of positions relating to the regulation of industrial hemp.

Your Committees received testimony in support of this measure from Irie Hawaii, Hawai'i Hemp Farmers Association, and fourteen individuals. Your Committees received comments on this measure from the Department of Agriculture, Department of Budget and Finance, Department of Health, Department of Public Safety, and Department of the Attorney General.

Your Committees find that hemp is no longer classified as an illegal drug under federal law due to the recently-enacted



Agriculture Improvement Act of 2018, informally known as the "Farm Bill". The Farm Bill authorizes the department of agriculture of each state wishing to have primary regulatory authority over hemp production in that state to submit to the federal Secretary of Agriculture a proposed plan for the state's department of agriculture to monitor and regulate hemp production within the state, including a procedure for conducting annual inspections of a random sample of hemp producers.

Your Committees further find that research on hemp shows that there is significant potential for a successful hemp agricultural industry in Hawaii. Hemp is beneficial in removing toxins from the soil, grows quickly and is a superior phytoremediation crop, environmentally-friendly, and efficient feedstock for biofuel. Also, hemp can be made into clothing and used in other products to promote the growth of small businesses. This measure facilitates the regulation and production of industrial hemp in the State.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

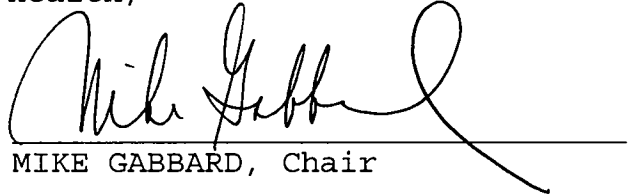
As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3106, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3106, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.



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



ROSALYN H. BAKER, Chair



MIKE GABBARD, Chair



The Senate
Thirtieth Legislature
State of Hawai'i


Record of Votes
Committee on Agriculture and Environment
AEN

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|--|--|----------------------------|----------|----------|
| Bill / Resolution No.:* SB 3106 | Committee Referral: AEN / CPH, WAM / JDC | Date: 09/10/2020 | | |
| <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 |
| GABBARD, Mike (C) | X | | | |
| RUDERMAN, Russell E. (VC) | X | | | |
| RHOADS, Karl | X | | | |
| THIELEN, Laura H. | X | | | |
| FEVELLA, Kurt | | | | X |
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| TOTAL | 4 | 0 | 0 | 1 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <div style="text-align:center; margin-top: 10px;"> </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 Commerce, Consumer Protection, and Health
CPH

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|---|--|---|---|----------------------------------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB3106 | AEN/CPH, WAM/JDC | 2/10/20 | | |
| <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) | ✓ | | | |
| CHANG, Stanley (VC) | ✓ | | | |
| NISHIHARA, Clarence K. | ✓ | | | |
| RUDERMAN, Russell E. | ✓ | | | |
| THIELEN, Laura H. | ✓ | | | |
| WAKAI, Glenn | ✓ | | | |
| FEVELLA, Kurt | | | | ✓ |
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| TOTAL | 6 | | | 1 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
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| Distribution: | Original File with Committee Report | Yellow Clerk's Office | Pink Drafting Agency | Goldenrod Committee File Copy |

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