

STAND. COM. REP. NO.

1483

Honolulu, Hawaii

MAR 25 , 2021

RE: S.B. No. 1027
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Agriculture, to which was referred S.B. No. 1027, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEMP,"

begs leave to report as follows:

The purpose of this measure is to redesignate the Industrial Hemp Special Fund as the Hemp Special Fund and authorize use of the monies in the Fund for the Department of Agriculture's duties regarding hemp as established by Act 14, Session Laws of Hawaii 2020 (Act 14).

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds that hemp cultivation can help diversify and infuse a significant amount of revenue into the State's economy. Your Committee notes that Act 14 assigned the Department of Agriculture certain duties relating to the cultivation of hemp within the State. However, your Committee also notes that the Act did not establish a special fund to assist the Department in its efforts to fulfill these duties. Accordingly, your Committee believes that redesignating the Industrial Hemp Special Fund as the Hemp Special Fund and amending its provisions will assist the

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Department of Agriculture in conducting its new regulatory duties relating to hemp.

Your Committee notes that while drafting administrative rules to implement the new chapter 328G, Hawaii Revised Statutes, enacted by Act 14, the Department of Health identified several areas where statutory clarification would be helpful in better distinguishing processing and manufacturing, distinguishing processed hemp and hemp products, clarifying the purpose and functions of the registry system, clarifying the scope of regulated hemp products and prohibitions, and clarifying the Department of Health's rulemaking and enforcement authorities. The Department of Health offered amendments to make these clarifications to a similar measure previously heard by your Committee. Your Committee finds that amendments to this measure are important to realizing a legal, regulated hemp industry in the State.

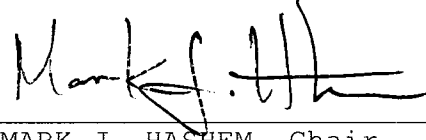
Accordingly, your Committee has amended this measure by:

- (1) Inserting amendments to chapter 328G, Hawaii Revised Statutes, proposed by the Department of Health to enable it to better regulate hemp processing and hemp product manufacturing and to make Act 14 permanent; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1027, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1027, S.D. 2, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Agriculture,



MARK J. HASHEM, Chair



