

Honolulu, Hawaii
February 19, 2016

RE: H.B. No. 2555
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2555 entitled:

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

begs leave to report as follows:

The purpose of this measure is to authorize industrial hemp to be grown as part of research conducted under an agricultural pilot program or other agricultural research to study the growth, cultivation, or marketing of industrial hemp under specific agreement with and under the authority of the Department of Agriculture.

The Department of Agriculture; ILWU Local 142; Babes Against Biotech; Hawaii Farmers Union United; Ho'omana Pono, LLC; Maui Hemp Institute for Research and Innovation; www.WeAreOne.cc; The Libertarian Party of Hawaii; Hawaii Center for Food Safety; The Optimum Living Alliance; and many concerned individuals testified in support of this measure. The Department of the Attorney General provided comments.

Modern production methods have utilized the oilseed from hemp to make high-grade food and beauty products. The stalks produce fiber and cellulose for everything from automotive parts and fine clothing to building materials and fuel. According to estimates by the Hemp Industries Association, retail sales of industrial hemp products in the United States have grown steadily since 1990 to more than \$580,000,000 annually in 2013. Additionally, the intermediate processing of hemp seed, oil, food ingredients, and

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fiber could create jobs in close proximity to the fields of cultivation.

Based on these findings, your Committee finds that the cultivation of industrial hemp could play a key role in transitioning former sugar cane lands to diversified agriculture, creating jobs, and supporting the local economy.

Your Committee has amended this measure by:

- (1) Requiring the registered grower to operate under the authority of the Department of Agriculture for the purposes of this measure pursuant to a memorandum of understanding;
- (2) Deleting language enabling institutions of higher education to cultivate or possess industrial hemp that has a percentage content of tetrahydrocannabinol that is greater than 0.3 percent;
- (3) Requiring a registered grower who sells any harvested industrial hemp to file documentation with the Board of Agriculture that the grower planted industrial hemp seeds that were of a type and variety allowed by federal law;
- (4) Deleting the reference to section 763 of the federal Consolidated Appropriations Act of 2016 as it relates to the transportation, processing, sale, or use of industrial hemp; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2555, H.D. 1, and be referred to your Committee on Finance.



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

Karl Rhoads

KARL RHOADS, Chair



