

**Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 18-1167.01 Jennifer Berman x3286

**SENATE BILL 18-235**

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**SENATE SPONSORSHIP**

**Coram,**

**HOUSE SPONSORSHIP**

**Arndt,**

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**Senate Committees**

Agriculture, Natural Resources, & Energy

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE CREATION OF THE COLORADO INDUSTRIAL HEMP**  
102 **RESEARCH AND DEVELOPMENT AUTHORITY.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

**Section 2** of the bill creates the Colorado industrial hemp research and development authority (authority) to develop, fund, and promote educational, research, and development programs and collaborative efforts concerning industrial hemp. In furtherance of its purpose, the authority is directed to apply for federal funding from the national institution of food and agriculture (NIFA) in the United States department

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

of agriculture for industrial hemp education, research, and extension programs and projects. In seeking a competitive grant from NIFA, the authority is directed to seek designation as a center of excellence to obtain priority in NIFA's competitive grant application process.

**Section 1** authorizes the commissioner of agriculture to distribute money to the authority from the industrial hemp research grant fund for use by the authority to match federal or private money received by the authority for use in funding industrial hemp education, research, or development projects or programs supported by the authority.

**Sections 3 to 12** make conforming amendments.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 35-61-104.5, **amend**  
3 (2) as follows:

4 **35-61-104.5. Research - certified seed program - fees.** (2) In  
5 addition to the fees collected pursuant to section 35-61-106, the  
6 commissioner may collect an additional fee, established by the committee,  
7 from each registrant for the purpose of funding industrial hemp research  
8 and certification programs, including by making grants to institutions of  
9 higher education as specified in subsection (1) of this section, AND FOR  
10 THE PURPOSE OF DISTRIBUTING MONEY TO THE COLORADO INDUSTRIAL  
11 HEMP RESEARCH AND DEVELOPMENT AUTHORITY CREATED IN SECTION  
12 35-61-203 FOR USE AS STATE MATCHING FUNDS IN ACCORDANCE WITH  
13 SECTIONS 35-61-204 AND 35-61-205. THE COMMISSIONER SHALL NOT  
14 DISTRIBUTE ANY MONEY TO THE AUTHORITY FOR USE AS STATE MATCHING  
15 FUNDS FOR A PROJECT OR PROGRAM UNLESS THE COMMISSIONER RECEIVES  
16 WRITTEN CONFIRMATION FROM A FINANCIAL OFFICER OF ONE OF THE  
17 INSTITUTIONS OF HIGHER EDUCATION THAT, PURSUANT TO SECTION  
18 35-61-203 (2)(a)(II), IS REPRESENTED ON THE AUTHORITY'S BOARD OF  
19 DIRECTORS THAT FEDERAL OR PRIVATE FUNDING FOR THE PROJECT OR  
20 PROGRAM HAS BEEN RECEIVED IN AN AMOUNT EQUAL TO OR GREATER

1 THAN THE AMOUNT OF THE STATE MATCHING FUNDS BEING SOUGHT. The  
2 fees collected shall be deposited in the industrial hemp research grant  
3 fund created in section 35-61-106 (3). The department may solicit, apply  
4 for, and accept ~~moneys~~ MONEY from other sources for the grant program.

5 **SECTION 2.** In Colorado Revised Statutes, **add** part 2 to article  
6 61 of title 35 as follows:

7 **PART 2**  
8 **COLORADO INDUSTRIAL HEMP RESEARCH**  
9 **AND DEVELOPMENT AUTHORITY**

10 **35-61-201. Legislative declaration.** (1) THE GENERAL ASSEMBLY  
11 FINDS, DETERMINES, AND DECLARES THAT:

12 (a) THE CONTINUED AND INCREASED PRODUCTION AND EFFICIENT  
13 USE OF INDUSTRIAL HEMP WILL PLAY A CENTRAL ROLE IN THE FUTURE OF  
14 THIS STATE AND THE NATION AS A WHOLE;

15 (b) THE DEVELOPMENT, PRODUCTION, AND EFFICIENT USE OF  
16 INDUSTRIAL HEMP WILL:

17 (I) ADVANCE THE SECURITY, ECONOMIC WELL-BEING, AND PUBLIC  
18 AND ENVIRONMENTAL HEALTH OF THIS STATE; AND

19 (II) CONTRIBUTE TO THE AGRICULTURAL INDEPENDENCE OF OUR  
20 NATION; AND

21 (c) THE CREATION OF THE AUTHORITY AND THE EXPENDITURE OF  
22 PUBLIC MONEY FOR THE AUTHORITY WILL SERVE VALID PUBLIC PURPOSES  
23 AND ARE EXPRESSLY DECLARED TO BE IN THE PUBLIC INTEREST.

24 **35-61-202. Definitions.** IN ADDITION TO THE DEFINITIONS IN  
25 SECTION 35-61-101, AS USED IN THIS PART 2, UNLESS THE CONTEXT  
26 OTHERWISE REQUIRES:

27 (1) "AUTHORITY" MEANS THE COLORADO INDUSTRIAL HEMP

1 RESEARCH AND DEVELOPMENT AUTHORITY CREATED IN SECTION  
2 35-61-203.

3 (2) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE  
4 AUTHORITY.

5 (3) "CENTER OF EXCELLENCE" MEANS A CENTER OF EXCELLENCE  
6 FOR FOOD AND AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION,  
7 AS DESIGNATED BY NIFA PURSUANT TO SECTION 7214 OF THE FEDERAL  
8 ACT AND 7 CFR 3430.16.

9 (4) "FEDERAL ACT" MEANS THE "AGRICULTURAL ACT OF 2014",  
10 PUB.L. 113-79, AS AMENDED.

11 (5) "NIFA" MEANS THE NATIONAL INSTITUTE OF FOOD AND  
12 AGRICULTURE IN THE UNITED STATES DEPARTMENT OF AGRICULTURE.

13 **35-61-203. Colorado industrial hemp research and**  
14 **development authority - creation - board of directors.** (1) THERE IS  
15 HEREBY CREATED THE COLORADO INDUSTRIAL HEMP RESEARCH AND  
16 DEVELOPMENT AUTHORITY. THE AUTHORITY IS A BODY CORPORATE AND  
17 AN ECONOMIC DEVELOPMENT SUBDIVISION OF THE STATE. THE AUTHORITY  
18 IS NOT AN AGENCY OF STATE GOVERNMENT; HOWEVER, THE AUTHORITY  
19 MAY COLLABORATE AS NEEDED WITH THE DEPARTMENT TO FULFILL THE  
20 OBJECTIVES SET FORTH IN THIS PART 2.

21 (2) (a) THE AUTHORITY'S POWERS ARE VESTED IN A BOARD OF  
22 DIRECTORS CONSISTING OF:

23 (I) THREE MEMBERS JOINTLY APPOINTED BY THE CHAIRS OF THE  
24 AGRICULTURE, LIVESTOCK, AND NATURAL RESOURCES COMMITTEE IN THE  
25 HOUSE OF REPRESENTATIVES AND THE AGRICULTURE, NATURAL  
26 RESOURCES, AND ENERGY COMMITTEE IN THE SENATE, OR THEIR  
27 SUCCESSOR COMMITTEES, AS RECOMMENDED BY THE INDUSTRIAL HEMP

1 COMMITTEE; AND

2 (II) THE FOLLOWING FIVE MEMBERS:

3 (A) A REPRESENTATIVE OF THE DEPARTMENT, AS APPOINTED BY  
4 THE COMMISSIONER;

5 (B) A REPRESENTATIVE OF THE COLORADO STATE UNIVERSITY  
6 SYSTEM, AS APPOINTED BY ITS BOARD OF GOVERNORS;

7 (C) A REPRESENTATIVE OF THE UNIVERSITY OF COLORADO AT  
8 BOULDER, AS APPOINTED BY ITS BOARD OF REGENTS;

9 (D) A REPRESENTATIVE OF COLORADO MESA UNIVERSITY, AS  
10 APPOINTED BY ITS BOARD OF TRUSTEES; AND

11 (E) A REPRESENTATIVE OF A NATIONWIDE OR STATEWIDE  
12 NONPROFIT INDUSTRIAL HEMP RESEARCH AND DEVELOPMENT  
13 ORGANIZATION THAT IS JOINTLY CHOSEN BY THE COMMITTEE CHAIRS  
14 DESCRIBED IN SUBSECTION (2)(a)(I) OF THIS SECTION, AS APPOINTED BY  
15 THE ORGANIZATION'S BOARD OF DIRECTORS.

16 (b) (I) OF THE INITIAL BOARD MEMBERS, THE FIVE MEMBERS  
17 APPOINTED PURSUANT TO SUBSECTION (2)(a)(II) OF THIS SECTION SERVE  
18 FOR FOUR-YEAR TERMS AND THE THREE MEMBERS APPOINTED PURSUANT  
19 TO SUBSECTION (2)(a)(I) OF THIS SECTION SERVE FOR TWO-YEAR TERMS.  
20 ALL SUBSEQUENT TERMS ARE FOUR-YEAR TERMS. BOARD MEMBERS MAY  
21 BE REAPPOINTED.

22 (II) UNLESS EXTENUATING CIRCUMSTANCES SUCH AS ILLNESS OR  
23 DEATH REQUIRE OTHERWISE, EACH DIRECTOR HOLDS OFFICE UNTIL HIS OR  
24 HER SUCCESSOR IS APPOINTED.

25 (III) THE PERSON OR PERSONS THAT APPOINTED A BOARD MEMBER  
26 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION MAY REMOVE THE  
27 BOARD MEMBER FOR CAUSE AFTER A PUBLIC HEARING AND MAY SUSPEND

1 THE BOARD MEMBER PENDING COMPLETION OF THE HEARING. IF A MEMBER  
2 VACATES HIS OR HER SEAT ON THE BOARD DURING THE TERM FOR WHICH  
3 THE MEMBER WAS APPOINTED, THE APPOINTING AUTHORITY SHALL FILL  
4 THE RESULTING VACANCY BY APPOINTING A MEMBER FOR THE REMAINDER  
5 OF THAT TERM.

6 (IV) AT THE FIRST MEETING OF THE BOARD, THE BOARD MEMBERS  
7 SHALL ELECT A CHAIR, VICE-CHAIR, SECRETARY, AND TREASURER. THE  
8 SECRETARY AND TREASURER NEED NOT BE BOARD MEMBERS AND THE  
9 SAME INDIVIDUAL MAY SERVE BOTH ROLES SIMULTANEOUSLY. FROM TIME  
10 TO TIME, THE POWERS OF THE BOARD MAY BE VESTED IN THE BOARD'S  
11 OFFICERS. FOUR MEMBERS OF THE BOARD CONSTITUTE A QUORUM OF THE  
12 BOARD. A VACANCY IN THE MEMBERSHIP OF THE BOARD DOES NOT IMPAIR  
13 THE RIGHT OF A QUORUM OF THE MEMBERS OF THE BOARD TO EXERCISE  
14 ALL OF THE POWERS AND PERFORM ALL OF THE DUTIES OF THE BOARD.

15 (V) IF THE BOARD DETERMINES THAT THE AUTHORITY HAS  
16 SUFFICIENT FINANCIAL RESOURCES:

17 (A) EACH MEMBER OF THE BOARD NOT OTHERWISE IN FULL-TIME  
18 EMPLOYMENT OF THE STATE OR A STATE OFFICIAL IS ENTITLED TO RECEIVE  
19 A PER DIEM OF FIFTY DOLLARS FOR EACH DAY ACTUALLY AND  
20 NECESSARILY SPENT IN THE DISCHARGE OF THE MEMBER'S OFFICIAL DUTIES  
21 ON THE BOARD; AND

22 (B) EACH MEMBER IS ENTITLED TO RECEIVE REIMBURSEMENT FOR  
23 TRAVEL AND OTHER NECESSARY EXPENSES ACTUALLY INCURRED IN THE  
24 PERFORMANCE OF HIS OR HER OFFICIAL DUTIES ON THE BOARD.

25 (VI) IN THE EVENT OF A TIE VOTE OF THE BOARD, THE MOTION  
26 UPON WHICH THE BOARD IS VOTING FAILS.

27 **35-61-204. Powers and duties of authority. (1) EXCEPT AS**

1 OTHERWISE LIMITED UNDER THIS PART 2, THE AUTHORITY, ACTING  
2 THROUGH THE BOARD AND ITS OFFICERS, HAS THE DUTIES, PRIVILEGES,  
3 IMMUNITIES, RIGHTS, LIABILITIES, AND DISABILITIES OF A BODY  
4 CORPORATE AND POLITICAL SUBDIVISION OF THE STATE AND HAS THE  
5 POWER:

6 (a) TO SUE AND BE SUED;

7 (b) TO HAVE AN OFFICIAL SEAL AND TO ALTER THE OFFICIAL SEAL  
8 AT THE DISCRETION OF THE BOARD;

9 (c) TO MAKE AND ALTER BYLAWS FOR ITS ORGANIZATION AND  
10 INTERNAL MANAGEMENT AND FOR THE CONDUCT OF ITS AFFAIRS;

11 (d) TO MAINTAIN AN OFFICE AT A PLACE WITHIN THE STATE AS THE  
12 AUTHORITY MAY DETERMINE; HOWEVER, THE AUTHORITY SHALL NOT  
13 CONSTRUCT A HEADQUARTERS OR OTHER BUILDING FOR ITS OWN USE;

14 (e) TO ACQUIRE, HOLD, USE, AND DISPOSE OF ITS INCOME,  
15 REVENUE, AND MONEY;

16 (f) TO MAKE AND ENTER INTO ALL CONTRACTS, LEASES, AND  
17 AGREEMENTS, INCLUDING INTERGOVERNMENTAL AGREEMENTS, THAT ARE  
18 NECESSARY OR INCIDENTAL TO THE PERFORMANCE OF ITS DUTIES AND THE  
19 EXERCISE OF ITS POWERS UNDER THIS PART 2;

20 (g) TO RECEIVE AND EXPEND GIFTS, GRANTS, AND DONATIONS;

21 (h) TO DEPOSIT ANY MONEY OF THE AUTHORITY IN A BANKING  
22 INSTITUTION WITHIN OR OUTSIDE OF THE STATE;

23 (i) TO FIX THE TIME AND PLACE AT WHICH ITS REGULAR AND  
24 SPECIAL MEETINGS ARE HELD;

25 (j) TO CARRY OUT ITS PURPOSES AND EXERCISE THE POWERS  
26 GRANTED THE AUTHORITY IN THIS PART 2; AND

27 (k) TO DISBURSE, FOR THE FUNDING OF INDUSTRIAL HEMP

1 EDUCATION, RESEARCH, OR DEVELOPMENT PROJECTS OR PROGRAMS  
2 SUPPORTED BY THE AUTHORITY, STATE MATCHING FUNDS DISTRIBUTED TO  
3 THE AUTHORITY FROM THE INDUSTRIAL HEMP RESEARCH GRANT FUND  
4 PURSUANT TO SECTION 35-61-104.5 (2), FEDERAL MONEY AWARDED TO  
5 THE AUTHORITY, AND PRIVATE DONATIONS RECEIVED BY THE AUTHORITY.

6 (2) IN ADDITION TO THE AUTHORITY'S POWERS LISTED IN  
7 SUBSECTION (1) OF THIS SECTION, THE AUTHORITY MAY ALSO:

8 (a) PROMOTE THE ACTIVITIES OF THE BOARD AND ANY AFFILIATED  
9 PARTIES ENGAGED IN ACTIVITIES AUTHORIZED UNDER THIS PART 2 AND  
10 PURSUANT TO SECTION 7606 OF THE FEDERAL ACT AUTHORIZING  
11 INDUSTRIAL HEMP RESEARCH AND PILOT PROGRAMS;

12 (b) APPLY FOR FEDERAL MONEY TO WHICH THE AUTHORITY WOULD  
13 BE ELIGIBLE AND, AS CONSISTENT WITH THE TERMS OF THE FEDERAL  
14 MONEY RECEIVED, DISBURSE ANY FEDERAL MONEY RECEIVED TO  
15 INDUSTRIAL HEMP EDUCATION, RESEARCH, OR DEVELOPMENT PROJECTS OR  
16 PROGRAMS;

17 (c) FOR NEW TECHNOLOGIES DEVELOPED BY THE PRIVATE SECTOR  
18 WITH FUNDING ISSUED BY THE AUTHORITY, PROMOTE THE RAPID TRANSFER  
19 OF THE TECHNOLOGY TO ATTRACT AND PROMOTE INDUSTRIAL HEMP  
20 BUSINESS IN COLORADO;

21 (d) IN COLLABORATION WITH STAKEHOLDERS, DEVELOP  
22 EDUCATIONAL AND RESEARCH PROGRAMS FOR ONE OR MORE COLORADO  
23 INSTITUTIONS OF HIGHER EDUCATION TO PROVIDE A PIPELINE FOR  
24 HIGH-TECHNOLOGY EMPLOYMENT OPPORTUNITIES FOR COLORADO  
25 STUDENTS AND RESIDENTS;

26 (e) DEVELOP A REGIONAL CLEARINGHOUSE FOR INDUSTRIAL HEMP  
27 INFORMATION AND RESEARCH TO BE MADE AVAILABLE TO THE GENERAL



1 PUBLIC AND TO ENGINEERING, ARCHITECTURAL, ENERGY, NUTRITIONAL,  
2 HEALTH, AND AGRICULTURAL PROFESSIONALS; AND

3 (f) SUPPORT DEVELOPMENT OF PUBLIC-PRIVATE PARTNERSHIPS  
4 CONCERNING INDUSTRIAL HEMP, INCLUDING PARTNERSHIPS TO FUND ANY  
5 JOINT INSTITUTE OR OTHER ENTITY FORMED FOR THE COLLABORATIVE  
6 PURSUIT OF INDUSTRIAL HEMP RESEARCH, ECONOMIC DEVELOPMENT, OR  
7 DATA COLLECTION. SUCH ENTITY MAY BE FORMED IN COLLABORATION  
8 WITH THE DEPARTMENT, THE COLORADO STATE UNIVERSITY SYSTEM, THE  
9 UNIVERSITY OF COLORADO AT BOULDER, COLORADO MESA UNIVERSITY,  
10 OR OTHER ACCREDITED INSTITUTIONS REGULATED BY THE DEPARTMENT  
11 OF EDUCATION.

12 **35-61-205. Center of excellence.** (1) AS PART OF THE  
13 AUTHORITY'S MISSION TO PROMOTE AND FUND INDUSTRIAL HEMP  
14 EDUCATION, RESEARCH, AND DEVELOPMENT, THE AUTHORITY SHALL  
15 APPLY FOR ONE OR MORE COMPETITIVE GRANTS FROM NIFA. WHEN  
16 APPLYING FOR A NIFA COMPETITIVE GRANT, THE AUTHORITY SHALL SEEK  
17 CENTER OF EXCELLENCE DESIGNATION FROM NIFA, WHICH DESIGNATION  
18 WOULD GIVE THE AUTHORITY PRIORITY IN THE COMPETITIVE GRANT  
19 APPLICATION PROCESS.

20 (2) TO FACILITATE DESIGNATION AS A CENTER OF EXCELLENCE  
21 PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE AUTHORITY SHALL  
22 ENDEAVOR TO MEET THE CRITERIA ESTABLISHED BY NIFA BY RULE,  
23 UNDER 7 CFR 3430.17, CONCERNING THE STANDARDS FOR DESIGNATION  
24 AS A CENTER OF EXCELLENCE, INCLUDING, WITH REGARD TO INDUSTRIAL  
25 HEMP PROGRAMS AND PROJECTS ENGAGED IN OR PROMOTED BY THE  
26 AUTHORITY, IMPLEMENTING MEASURES TO:

27 (a) REDUCE DUPLICATION OF EFFORTS;

1 (b) LEVERAGE AVAILABLE RESOURCES THROUGH USE OF  
2 PUBLIC-PRIVATE PARTNERSHIPS;

3 (c) ENGAGE IN TEACHING INITIATIVES TO INCREASE AWARENESS OF  
4 PROGRAMS;

5 (d) INCREASE ECONOMIC RETURNS TO RURAL COMMUNITIES; AND

6 (e) WHEN PRACTICABLE, IMPROVE TEACHING CAPACITY AND  
7 INFRASTRUCTURE AT COLLEGES AND UNIVERSITIES.

8 **35-61-206. Reporting.** (1) NOTWITHSTANDING SECTION 24-1-136  
9 (11)(a)(I), ON OR BEFORE SEPTEMBER 1, 2019, AND ON OR BEFORE EACH  
10 SEPTEMBER 1 THEREAFTER, THE AUTHORITY SHALL SUBMIT A REPORT TO  
11 THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION  
12 24-48.5-101 AND TO THE AGRICULTURE, LIVESTOCK, AND NATURAL  
13 RESOURCES COMMITTEE IN THE HOUSE OF REPRESENTATIVES AND THE  
14 AGRICULTURE, NATURAL RESOURCES, AND ENERGY COMMITTEE IN THE  
15 SENATE, OR THEIR SUCCESSOR COMMITTEES.

16 (2) THE ANNUAL REPORT MUST CONTAIN A SUMMARY OF THE  
17 ACTIVITIES THAT THE AUTHORITY FUNDED WITHIN THE PRECEDING TWELVE  
18 MONTHS AND MUST INCLUDE:

19 (a) A DESCRIPTION OF EACH PROJECT THAT RECEIVED MONEY  
20 UNDER THIS PART 2, INCLUDING INFORMATION ABOUT THE AMOUNT OF  
21 MONEY RECEIVED AND THE PRINCIPAL INDIVIDUALS OR ENTITIES INVOLVED  
22 IN THE PROJECT;

23 (b) THE TOTAL AMOUNT OF MONEY THAT THE AUTHORITY  
24 ALLOCATED FOR ALL PROJECTS;

25 (c) FOR EACH PROJECT FUNDED BY THE AUTHORITY, THE PROGRESS  
26 ACHIEVED BY THE PROJECT TO DATE, INCLUDING INFORMATION ABOUT  
27 INTELLECTUAL PROPERTY, LICENSING AND COMMERCIALIZATION

1 ACTIVITIES, AND OTHER ECONOMIC BENEFITS OF THE PROJECT TO THE  
2 STATE; AND

3 (d) THE TOTAL AMOUNT OF FEDERAL AND PRIVATE MONEY  
4 RECEIVED BY PROJECTS THAT ARE ALSO FUNDED BY THE AUTHORITY.

5 **SECTION 3.** In Colorado Revised Statutes, 12-43.4-405, **amend**  
6 (1) as follows:

7 **12-43.4-405. Retail marijuana testing facility license - rules.**

8 (1) A retail marijuana testing facility license may be issued to a person  
9 who performs testing and research on retail marijuana and industrial  
10 hemp as regulated by PART 1 OF article 61 of title 35. ~~C.R.S.~~ The facility  
11 may develop and test retail marijuana products and industrial hemp as  
12 regulated by PART 1 OF article 61 of title 35. ~~C.R.S.~~ Prior to performing  
13 testing on industrial hemp, a facility shall verify that the person  
14 requesting the testing has received a registration from the commissioner  
15 as required by section 35-61-104. ~~C.R.S.~~

16 **SECTION 4.** In Colorado Revised Statutes, 35-61-102, **amend**  
17 (2) as follows:

18 **35-61-102. Industrial hemp - permitted growth by registered**

19 **persons.** (2) Notwithstanding any other provision of law, a person  
20 registered pursuant to section 35-61-104 is not subject to any civil or  
21 criminal actions for engaging in the activities described in subsection (1)  
22 of this section if the person is acting in compliance with this ~~article~~ PART  
23 1.

24 **SECTION 5.** In Colorado Revised Statutes, 35-61-103, **amend**  
25 (3) as follows:

26 **35-61-103. Industrial hemp committee - appointments - duties**

27 **- coordination with department.** (3) The committee shall assist the

1 department in determining the qualifications and other criteria a person  
2 must satisfy to qualify for registration under this ~~article~~ PART 1. The  
3 committee shall assist the department in the development of a seed  
4 certification program.

5 **SECTION 6.** In Colorado Revised Statutes, 35-61-104, **amend**  
6 (2) and (5) as follows:

7 **35-61-104. Registration - cultivation of industrial hemp -**  
8 **research and development growth - rules.** (2) If a person applies for  
9 registration in accordance with subsection (1) of this section and the  
10 commissioner determines that the person has satisfied the requirements  
11 for registration pursuant to this ~~article~~ PART 1, the commissioner shall  
12 issue a registration to the person.

13 (5) The commissioner shall adopt rules by March 1, 2014, and as  
14 necessary thereafter to implement the registration program and to  
15 implement and administer this ~~article~~ PART 1.

16 **SECTION 7.** In Colorado Revised Statutes, 35-61-105, **amend**  
17 (1) introductory portion as follows:

18 **35-61-105. Report of growth and sales activities - verification**  
19 **of crop content - testing - waiver of concentration limits - rules.**

20 (1) At least annually and more often as required by the commissioner, a  
21 person who obtains a registration under this ~~article~~ PART 1 to engage in  
22 industrial hemp cultivation for commercial purposes shall file with the  
23 department a report that includes the following information:

24 **SECTION 8.** In Colorado Revised Statutes, **amend** 35-61-105.5  
25 as follows:

26 **35-61-105.5. Testing laboratories.** If a person registered pursuant  
27 to this ~~article~~ PART 1 wants a licensed retail marijuana testing facility to

1 perform testing on the industrial hemp that the registrant is cultivating,  
2 that person shall use a radio frequency identification-based inventory  
3 tracking system approved by the commissioner for a sample of the  
4 registrant's industrial hemp crop. The commissioner shall only approve  
5 an inventory tracking system if that system is compatible with the state  
6 licensing authority's seed-to-sale tracking system required pursuant to  
7 section 12-43.4-202 (1). ~~C.R.S.~~ A licensed retail testing facility shall  
8 provide the test results to the registrant and the commissioner. All test  
9 results ~~shall~~ MUST be considered confidential business information. This  
10 section shall not be construed to prevent the use of the tracking system for  
11 other purposes.

12 **SECTION 9.** In Colorado Revised Statutes, 35-61-106, **amend**  
13 (1) and (2) as follows:

14 **35-61-106. Industrial hemp registration program cash fund -**  
15 **industrial hemp research grant cash fund - fees.** (1) There is hereby  
16 created in the state treasury the industrial hemp registration program cash  
17 fund, referred to in this ~~article~~ PART 1 as the "fund". The fund consists of  
18 fees collected by the commissioner pursuant to subsection (2) of this  
19 section and any general fund ~~moneys~~ MONEY appropriated to the fund by  
20 the general assembly. The ~~moneys~~ MONEY in the fund ~~are~~ IS subject to  
21 annual appropriation by the general assembly to the department for the  
22 direct and indirect costs associated with implementing this ~~article~~ PART  
23 1.

24 (2) The commissioner shall collect a fee from persons applying for  
25 a registration pursuant to this ~~article~~ PART 1. The commissioner shall set  
26 a fee schedule based on the size and use of the land area on which the  
27 person will conduct industrial hemp operations and shall set the fee

1 schedule at a level sufficient to generate the amount of ~~moneys~~ MONEY  
2 necessary to cover the department's direct and indirect costs in  
3 implementing this ~~article~~ PART 1. The commissioner shall transmit the  
4 fees collected pursuant to this section to the state treasurer for deposit in  
5 the fund.

6 **SECTION 10.** In Colorado Revised Statutes, 35-61-107, **amend**  
7 (1)(a), (1)(b), (2), (3), and (6) as follows:

8 **35-61-107. Violations - penalties - denial of registration -**  
9 **application.** (1) The commissioner may deny, revoke, or suspend a  
10 registration if the applicant or registrant:

11 (a) Violates any provision of this ~~article~~ PART 1 or rules adopted  
12 pursuant to this ~~article~~ PART 1;

13 (b) Engages in fraud or deception in the procurement of or attempt  
14 to procure a registration under this ~~article~~ PART 1 or provides false  
15 information on a registration application; or

16 (2) The commissioner may impose a civil penalty, not to exceed  
17 two thousand five hundred dollars per violation, on any person who  
18 violates this ~~article~~ PART 1 or any rule adopted under this ~~article~~ PART 1.

19 (3) The commissioner shall not impose a penalty against a person  
20 alleged to have violated this ~~article~~ PART 1 or a rule adopted under this  
21 ~~article~~ PART 1 until the commissioner has notified the person of the charge  
22 and has given the person an opportunity for a hearing pursuant to article  
23 4 of title 24. ~~C.R.S.~~

24 (6) Notwithstanding any other provision of this ~~article~~ ~~61~~ PART 1,  
25 for up to three years after the effective date of the suspension, revocation,  
26 or relinquishment of a registration, the commissioner may deny an  
27 application for registration if:

1 (a) The applicant is an individual who was previously listed as  
2 participating in an entity pursuant to section 35-61-104 and that  
3 individual or entity was subjected to discipline under this ~~article 61~~ PART  
4 1; or

5 (b) The applicant is an entity that lists an individual as  
6 participating in the entity pursuant to section 35-61-104 and the  
7 individual was previously listed as a participating person in an entity that  
8 was subjected to discipline under this ~~article 61~~ PART 1.

9 **SECTION 11.** In Colorado Revised Statutes, 35-61-108, **amend**  
10 (2) as follows:

11 **35-61-108. Exportation of industrial hemp - processing, sale,**  
12 **and distribution - rules.** (2) Notwithstanding any other provision of  
13 law, a person engaged in processing, selling, transporting, possessing, or  
14 otherwise distributing industrial hemp cultivated by a person registered  
15 under this ~~article~~ PART 1, or selling industrial hemp products produced  
16 therefrom, is not subject to any civil or criminal actions under Colorado  
17 law for engaging in such activities. The department may promulgate rules  
18 to require approved shipping documentation for the transportation of  
19 hemp.

20 **SECTION 12.** In Colorado Revised Statutes, 35-61-109, **amend**  
21 (1) introductory portion as follows:

22 **35-61-109. Repeal of part.** (1) This ~~article~~ PART 1 is repealed if  
23 one of the following occurs:

24 **SECTION 13. Act subject to petition - effective date.** This act  
25 takes effect September 1, 2018; except that, if a referendum petition is  
26 filed pursuant to section 1 (3) of article V of the state constitution against  
27 this act or an item, section, or part of this act within the ninety-day period

1 after final adjournment of the general assembly, then the act, item,  
2 section, or part will not take effect unless approved by the people at the  
3 general election to be held in November 2018 and, in such case, will take  
4 effect on the date of the official declaration of the vote thereon by the  
5 governor.