



Legislative
Council Staff

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FISCAL NOTE

Drafting Number:	LLS 18-0881	Date:	April 12, 2018
Prime Sponsors:	Sen. Marble; Fenberg Rep. Saine; Pabon	Bill Status:	Senate SVMA
		Fiscal Analyst:	Erin Reynolds 303-866-4146 Erin.Reynolds@state.co.us

Bill Topic: CHANGE INDUSTRIAL HEMP TO A STATUTORY THC LIMIT

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>existing appropriation</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This concurrent resolution refers a measure to voters to remove the definition of "industrial hemp" from the Colorado constitution.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced resolution.

Summary of Legislation

This concurrent resolution refers a measure to voters at the November 2018 general election to remove the current definition of "industrial hemp" from the Colorado Constitution. Instead, the resolution requires that "industrial hemp" have the same definition as in federal code or, if federal law allows a state to define industrial hemp, state statute.

Background

The Colorado Constitution defines the term "industrial hemp" to mean "the plant of the genus cannabis and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol (THC) concentration that does not exceed three-tenths percent on a dry weight basis." The Colorado Department of Agriculture determines the level of THC in industrial hemp by measuring the combined concentration of THC and its precursor, delta-9 tetrahydrocannabinolic acid (THC-A).

Federal code defines the term "industrial hemp" to mean "the plant Cannabis sativa L. and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis." Federal law does not currently allow states to define the term "industrial hemp" in statute.

State Expenditures

Removing the definition of industrial hemp from the state constitution is not expected to have any fiscal impact on state or local government. It will impact election costs, as described below.

Election expenditure impact — existing appropriations. This bill includes a referred measure that will appear before voters at the November 2018 general election. While no additional appropriation is required in this bill, certain election costs are incurred by the state when ballot measures are referred to voters. These costs, paid using existing appropriations, are in two areas. First, current law requires the state to reimburse counties for costs incurred conducting a ballot measure election, paid from the Department of State Cash Fund in the Secretary of State's Office, estimated at \$3.2 million in FY 2018-19. Second, the text and title of the measure must be published in one legal newspaper per county and an analysis of the measure must be included in the Ballot Information Booklet mailed to all registered voter households, paid from the Ballot Analysis Revolving Fund in the Legislative Department, which is estimated to cost \$2.1 million in FY 2018-19. Publication costs will increase by approximately \$115,000 per measure beyond this base amount for any additional referred or initiated measures placed on the ballot.

Effective Date

The bill takes effect after the date of the official declaration of the vote by proclamation of the Governor, not later than 30 days after the votes have been canvassed.

State and Local Government Contacts

Agriculture
Municipalities

Counties
Revenue

Governor
Secretary of State