

CHAPTER 280

AGRICULTURE

SENATE BILL 15-196

BY SENATOR(S) Marble and Steadman, Hodge, Aguilar, Baumgardner, Cooke, Donovan, Grantham, Guzman, Heath, Hill, Holbert, Kefalas, Kerr, Lambert, Lundberg, Martinez Humenik, Merrifield, Neville T., Newell, Scheffel, Scott, Sonnenberg, Todd, Woods, Cadman;
also REPRESENTATIVE(S) Lebsack and Saine, Esgar, Fields, Ginal, Kagan, Lontine, Melton, Mitsch Bush, Pettersen, Rankin, Rosenthal, Salazar, Vigil, Hullinghorst.

AN ACT

CONCERNING MEASURES TO ENSURE INDUSTRIAL HEMP REMAINS BELOW A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION OF NO MORE THAN THREE-TENTHS OF ONE PERCENT ON A DRY WEIGHT BASIS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

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

12-43.4-405. Retail marijuana testing facility license - rules. (1) A retail marijuana testing facility license may be issued to a person who performs testing and research on retail marijuana AND INDUSTRIAL HEMP AS REGULATED BY ARTICLE 61 OF TITLE 35, C.R.S. The facility may develop and test retail marijuana products AND INDUSTRIAL HEMP AS REGULATED BY ARTICLE 61 OF TITLE 35, C.R.S. PRIOR TO PERFORMING TESTING ON INDUSTRIAL HEMP, A FACILITY SHALL VERIFY THAT THE PERSON REQUESTING THE TESTING HAS RECEIVED A REGISTRATION FROM THE COMMISSIONER AS REQUIRED BY SECTION 35-61-104, C.R.S.

SECTION 2. In Colorado Revised Statutes, 35-61-103, **amend** (1) (a) introductory portion and (1) (a) (VIII); and **add** (1) (a) (X) and (1) (a) (XI) as follows:

35-61-103. Industrial hemp committee - appointments - duties - coordination with department. (1) (a) The industrial hemp committee is hereby established. The chair of the agriculture, livestock, and natural resources committee in the house of representatives and the chair of the agriculture, natural resources, and energy committee in the senate shall jointly appoint ~~nine~~ ELEVEN members to the industrial

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

hemp committee as follows:

(VIII) One member who is a citizen advocate for industrial hemp; ~~and~~

(X) ONE MEMBER WHO IS A REPRESENTATIVE FROM THE CANNABINOID INDUSTRY;
AND

(XI) ONE MEMBER WHO REPRESENTS CERTIFIED SEED GROWERS.

SECTION 3. In Colorado Revised Statutes, 35-61-104.5, **add** (1.5) as follows:

35-61-104.5. Research - certified seed program - fees. (1.5) THE DEPARTMENT SHALL ADMINISTER A CERTIFIED SEED PROGRAM THAT IDENTIFIES SEEDS THAT PRODUCE INDUSTRIAL HEMP. IN ACCORDANCE WITH ALL FEDERAL AND STATE LAWS AND REGULATIONS, THE DEPARTMENT MAY IMPORT SEEDS TO DEVELOP THE CERTIFIED SEED PROGRAM.

SECTION 4. In Colorado Revised Statutes, **add** 35-61-105.5 as follows:

35-61-105.5. Testing laboratories. IF A PERSON REGISTERED PURSUANT TO THIS ARTICLE WANTS A LICENSED RETAIL MARIJUANA TESTING FACILITY TO PERFORM TESTING ON THE INDUSTRIAL HEMP THAT THE REGISTRANT IS CULTIVATING, THAT PERSON SHALL USE A RADIO FREQUENCY IDENTIFICATION-BASED INVENTORY TRACKING SYSTEM APPROVED BY THE COMMISSIONER FOR A SAMPLE OF THE REGISTRANT'S INDUSTRIAL HEMP CROP. THE COMMISSIONER SHALL ONLY APPROVE AN INVENTORY TRACKING SYSTEM IF THAT SYSTEM IS COMPATIBLE WITH THE STATE LICENSING AUTHORITY'S SEED-TO-SALE TRACKING SYSTEM REQUIRED PURSUANT TO SECTION 12-43.4-202 (1), C.R.S. A LICENSED RETAIL TESTING FACILITY SHALL PROVIDE THE TEST RESULTS TO THE REGISTRANT AND THE COMMISSIONER. ALL TEST RESULTS SHALL BE CONSIDERED CONFIDENTIAL BUSINESS INFORMATION. THIS SECTION SHALL NOT BE CONSTRUED TO PREVENT THE USE OF THE TRACKING SYSTEM FOR OTHER PURPOSES.

SECTION 5. In Colorado Revised Statutes, 35-61-106, **amend** (2) as follows:

35-61-106. Industrial hemp registration program cash fund - industrial hemp research grant cash fund - fees. (2) The commissioner shall collect a fee from persons applying for a registration pursuant to this article. The commissioner shall set ~~the fee~~ A FEE SCHEDULE based on the size AND USE of the land area on which the person will conduct industrial hemp operations and shall set the fee SCHEDULE at a level sufficient to generate the amount of moneys necessary to cover the department's direct and indirect costs in implementing this article. The commissioner shall transmit the fees collected pursuant to this section to the state treasurer for deposit in the fund.

SECTION 6. In Colorado Revised Statutes, 35-61-108, **amend** (2) as follows:

35-61-108. Exportation of industrial hemp - processing, sale, and distribution. (2) Notwithstanding any other provision of law, a person engaged in processing, selling, TRANSPORTING, POSSESSING, or otherwise distributing industrial hemp cultivated by a person registered under this article, or selling industrial hemp

products produced therefrom, is not subject to any civil or criminal actions under Colorado law for engaging in such activities. THE DEPARTMENT MAY PROMULGATE RULES TO REQUIRE APPROVED SHIPPING DOCUMENTATION FOR THE TRANSPORTATION OF HEMP.

SECTION 7. In Colorado Revised Statutes, 39-28.8-501, **amend** (2) (b) (XIV) as follows:

39-28.8-501. Marijuana tax cash fund - creation - distribution - repeal. (2) (b) Subject to the limitations in subsection (5) of this section, any moneys in the fund that are not appropriated to the department of revenue pursuant to paragraph (a) of this subsection (2) are subject to annual appropriation by the general assembly for any fiscal year following the fiscal year in which they were received by the state. The general assembly shall initially appropriate moneys in the fund based on the most recent estimate of revenue prepared by the staff of the legislative council or the department of revenue for the applicable fiscal year. The general assembly may appropriate moneys in the fund for the following purposes:

(XIV) The industrial hemp grant research program AND CERTIFIED SEED PROGRAM created in section 35-61-104.5, C.R.S.; and

SECTION 8. Appropriation. (1) For the 2015-16 state fiscal year, \$249,763 cash funds are appropriated to the department of agriculture. This appropriation is from the marijuana tax cash fund created in section 39-28.8-501, C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$188,237 for use by the division of plant industry for personal services, which amount is based on an assumption that the division will require an additional 2.0 FTE;

(b) \$57,746 for use by the division for operating expenses; and

(c) \$3,780 for the purchase of legal services.

(2) For the 2015-16 state fiscal year, \$3,780 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of agriculture under paragraph (c) of subsection (1) of this section. To implement this act, the department of law may use this appropriation to provide legal services for the department of agriculture.

SECTION 9. Act subject to petition - effective date. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect

unless approved by the people at the general election to be held in November 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) Section 7 of this act only takes effect if House Bill 15-1367 does not pass and become law.

Approved: June 5, 2015