

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 18-0033.01 Jennifer Berman x3286

**SENATE BILL 18-205**

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**SENATE SPONSORSHIP**

**Marble and Coram,** Cooke, Fenberg, Fields, Garcia, Scott

**HOUSE SPONSORSHIP**

**Catlin and McLachlan,**

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**Senate Committees**

Agriculture, Natural Resources, & Energy

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE REGULATION OF INDUSTRIAL HEMP AS AN**  
102 **AGRICULTURAL PRODUCT, AND, IN CONNECTION THEREWITH,**  
103 **IDENTIFYING THE UNPROCESSED SEEDS OF INDUSTRIAL HEMP AS**  
104 **A COMMODITY UNDER THE "COMMODITY HANDLER ACT" AND**  
105 **INDUSTRIAL HEMP AS A FARM PRODUCT UNDER THE "FARM**  
106 **PRODUCTS ACT".**

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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 1** of the bill includes the unprocessed seeds of industrial

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.

SENATE  
2nd Reading Unamended  
March 27, 2018

hemp in the definition of "commodity" within the "Commodity Handler Act", thus subjecting a person who acts as a commodity handler with respect to the unprocessed seeds of industrial hemp to the licensing requirements set forth in the "Commodity Handler Act".

**Section 2** includes industrial hemp in the definition of "farm products" within the "Farm Products Act", thus subjecting a person who acts as a farm products dealer, small-volume dealer, or agent to the licensing requirements set forth in the "Farm Products Act".

**Section 3** reiterates these licensing requirements within the act governing industrial hemp cultivation in Colorado.

**Section 4** authorizes the commissioner to set a fee schedule for industrial hemp cultivation registration.

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

2 **SECTION 1.** In Colorado Revised Statutes, 35-36-102, **amend**  
3 (5); and **add** (13.5) as follows:

4 **35-36-102. Definitions - rules.** As used in this article 36, unless  
5 the context otherwise requires:

6 (5) "Commodity" means unprocessed small, hard seeds or fruits  
7 such as wheat, corn, oats, barley, rye, sunflower seeds, soybeans, beans,  
8 grain sorghum, INDUSTRIAL HEMP, and such other seeds or fruits as may  
9 be determined by the commissioner.

10 (13.5) "INDUSTRIAL HEMP" HAS THE MEANING SET FORTH IN  
11 SECTION 35-61-101 (7).

12 **SECTION 2.** In Colorado Revised Statutes, 35-37-103, **amend**  
13 (8)(a)(II); and **add** (8.5) as follows:

14 **35-37-103. Definitions - rules.** As used in this article 37, unless  
15 the context otherwise requires:

16 (8) (a) (II) ~~The term~~ "FARM PRODUCTS" also includes:

17 (A) Ensiled corn; and

18 (B) Baled, cubed, or ground hay; AND

19 (C) INDUSTRIAL HEMP.

1 (8.5) "INDUSTRIAL HEMP" HAS THE MEANING SET FORTH IN  
2 SECTION 35-61-101 (7).

3 **SECTION 3.** In Colorado Revised Statutes, **amend** 35-61-108 as  
4 follows:

5 **35-61-108. Exportation of industrial hemp - processing, sale,**  
6 **manufacturing, and distribution - rules.** (1) Nothing in this article **61**  
7 limits or precludes the exportation of industrial hemp in accordance with  
8 the federal "Controlled Substances Act", as amended, 21 U.S.C. sec. 801  
9 et seq., federal regulations adopted under the act, and case law  
10 interpreting the act.

11 (2) THE CONDUCT AUTHORIZED UNDER THIS SECTION IS INTENDED  
12 TO BE CONSISTENT WITH THE FEDERAL "AGRICULTURAL ACT OF 2014",  
13 PUB.L. 113-79, AS AMENDED.

14 ~~(2)~~ (3) Notwithstanding any other provision of law, a person  
15 engaged in processing, MANUFACTURING, selling, transporting,  
16 possessing, or otherwise distributing industrial hemp cultivated by a  
17 person registered under this article **61**, or selling industrial hemp products  
18 produced ~~therefrom~~ FROM IT, is not subject to any civil or criminal actions  
19 under Colorado law for engaging in such activities. The department may  
20 promulgate rules to require approved shipping documentation for the  
21 transportation of hemp.

22 (4) (a) BECAUSE THE UNPROCESSED SEEDS OF INDUSTRIAL HEMP  
23 ARE INCLUDED IN THE DEFINITION OF "COMMODITY" PURSUANT TO  
24 SECTION 35-36-102 (5) OF THE "COMMODITY HANDLER ACT", ARTICLE 36  
25 OF THIS TITLE 35, A PERSON ACTING AS A COMMODITY HANDLER, AS THAT  
26 TERM IS DEFINED IN SECTION 35-36-102 (6), WITH RESPECT TO THE  
27 UNPROCESSED SEEDS OF INDUSTRIAL HEMP, SHALL COMPLY WITH THE

1 LICENSING REQUIREMENTS SET FORTH IN ARTICLE 36 OF THIS TITLE 35 AND  
2 ANY RULES PROMULGATED PURSUANT TO THAT ARTICLE.

3 (b) BECAUSE INDUSTRIAL HEMP IS INCLUDED IN THE DEFINITION OF  
4 "FARM PRODUCTS" PURSUANT TO SECTION 35-37-103 (8) OF THE "FARM  
5 PRODUCTS ACT", ARTICLE 37 OF THIS TITLE 35, A PERSON ACTING AS A  
6 DEALER, SMALL-VOLUME DEALER, OR AGENT, AS THOSE TERMS ARE  
7 DEFINED IN SECTION 35-37-103, WITH RESPECT TO INDUSTRIAL HEMP,  
8 SHALL COMPLY WITH THE LICENSING REQUIREMENTS SET FORTH IN  
9 ARTICLE 37 OF THIS TITLE 35 AND ANY RULES PROMULGATED PURSUANT  
10 TO THAT ARTICLE.

11 **SECTION 4.** In Colorado Revised Statutes, 35-61-106, **amend**  
12 (2) as follows:

13 **35-61-106. Industrial hemp registration program cash fund -**  
14 **industrial hemp research grant cash fund - fees.** (2) The commissioner  
15 shall collect a fee from persons applying for a registration pursuant to this  
16 article ~~The commissioner shall set a fee schedule based on the size and~~  
17 ~~use of the land area on which the person will conduct industrial hemp~~  
18 ~~operations and~~ **61** BASED ON A FEE SCHEDULE DETERMINED BY THE  
19 COMMISSIONER. THE COMMISSIONER shall set the fee schedule at a level  
20 sufficient to generate the amount of ~~moneys~~ MONEY necessary to cover  
21 the department's direct and indirect costs in implementing this article **61**.  
22 The commissioner shall transmit the fees collected pursuant to this  
23 section to the state treasurer for deposit in the fund.

24 **SECTION 5. Act subject to petition - effective date -**  
25 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
26 the expiration of the ninety-day period after final adjournment of the  
27 general assembly (August 8, 2018, if adjournment sine die is on May 9,

1 2018); except that, if a referendum petition is filed pursuant to section 1  
2 (3) of article V of the state constitution against this act or an item, section,  
3 or part of this act within such period, then the act, item, section, or part  
4 will not take effect unless approved by the people at the general election  
5 to be held in November 2018 and, in such case, will take effect on the  
6 date of the official declaration of the vote thereon by the governor.

7 (2) This act applies to conduct occurring on or after the applicable  
8 effective date of this act.