

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REVISED

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

LLS NO. 18-0033.01 Jennifer Berman x3286

SENATE BILL 18-205

SENATE SPONSORSHIP

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

HOUSE SPONSORSHIP

Catlin and McLachlan,

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

Agriculture, Livestock, & Natural Resources

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".

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.

HOUSE
Amended 2nd Reading
April 30, 2018

SENATE
3rd Reading Unamended
March 28, 2018

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.

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 FEDERAL LAW.

13 ~~(2)~~ (3) Notwithstanding any other provision of law, a person
14 engaged in processing, MANUFACTURING, selling, transporting,
15 possessing, or otherwise distributing industrial hemp cultivated by a
16 person registered under this article **61**, or selling industrial hemp products
17 produced ~~therefrom~~ FROM IT, is not subject to any civil or criminal actions
18 under Colorado law for engaging in such activities. The department may
19 promulgate rules to require approved shipping documentation for the
20 transportation of hemp.

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

1 ANY RULES PROMULGATED PURSUANT TO THAT ARTICLE.

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

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

12 **35-61-106. Industrial hemp registration program cash fund -**
13 **industrial hemp research grant cash fund - fees.** (2) The commissioner
14 shall collect a fee from persons applying for a registration pursuant to this
15 article ~~The commissioner shall set a fee schedule based on the size and~~
16 ~~use of the land area on which the person will conduct industrial hemp~~
17 ~~operations and~~ **61** BASED ON A FEE SCHEDULE DETERMINED BY THE
18 COMMISSIONER. THE COMMISSIONER shall set the fee schedule at a level
19 sufficient to generate the amount of ~~moneys~~ MONEY necessary to cover
20 the department's direct and indirect costs in implementing this article **61**.
21 The commissioner shall transmit the fees collected pursuant to this
22 section to the state treasurer for deposit in the fund.

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

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

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