

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

REVISED

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

LLS NO. 15-0336.01 Michael Dohr x4347

SENATE BILL 15-196

SENATE SPONSORSHIP

Marble and Steadman, Hodge

HOUSE SPONSORSHIP

Lebsock and Saine,

Senate Committees

Agriculture, Natural Resources, & Energy
Finance
Appropriations

House Committees

Agriculture, Livestock, & Natural Resources
Appropriations

A BILL FOR AN ACT

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

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://www.leg.state.co.us/billsummaries>.)

The bill expands the industrial hemp committee to include a representative from cannabidiol industry and a representative from the

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

HOUSE
Amended 2nd Reading
May 1, 2015

SENATE
3rd Reading Unamended
April 23, 2015

SENATE
Amended 2nd Reading
April 22, 2015

certified seed growers industry. The bill requires the department of agriculture to administer an industrial hemp certified seed program (program). The department may import seeds for the program. The commissioner of agriculture (commissioner), in consultation with the industrial hemp committee and independent seed producers, shall promulgate rules for the program. The commissioner shall designate laboratories that an industrial hemp registrant may use for THC concentration testing purposes. The bill permits retail marijuana testing facility licensees to test industrial hemp for THC concentration levels. Current law provides criminal immunity from those processing, selling, and distributing industrial hemp. The bill extends that immunity to transporting and possessing hemp.

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

2 **SECTION 1. In Colorado Revised Statutes, 12-43.4-405, amend**

3 (1) as follows:

4 **12-43.4-405. Retail marijuana testing facility license - rules.**

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

13 **SECTION 2. In Colorado Revised Statutes, 35-61-103, amend**

14 (1) (a) introductory portion and (1) (a) (VIII); and add (1) (a) (X) and (1)
15 (a) (XI) as follows:

16 **35-61-103. Industrial hemp committee - appointments - duties**
17 **- coordination with department.** (1) (a) The industrial hemp committee
18 is hereby established. The chair of the agriculture, livestock, and natural
19 resources committee in the house of representatives and the chair of the

1 agriculture, natural resources, and energy committee in the senate shall
2 jointly appoint ~~nine~~ ELEVEN members to the industrial hemp committee
3 as follows:

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

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

8 (XI) ONE MEMBER WHO REPRESENTS CERTIFIED SEED GROWERS.

9 **SECTION 3.** In Colorado Revised Statutes, 35-61-104.5, **add**
10 (1.5) as follows:

11 **35-61-104.5. Research - certified seed program - fees.**

12 (1.5) THE DEPARTMENT SHALL ADMINISTER A CERTIFIED SEED PROGRAM
13 THAT IDENTIFIES SEEDS THAT PRODUCE INDUSTRIAL HEMP. IN
14 ACCORDANCE WITH ALL FEDERAL AND STATE LAWS AND REGULATIONS,
15 THE DEPARTMENT MAY IMPORT SEEDS TO DEVELOP THE CERTIFIED SEED
16 PROGRAM.

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

19 **35-61-105.5. Testing laboratories.** IF A PERSON REGISTERED
20 PURSUANT TO THIS ARTICLE WANTS A LICENSED RETAIL MARIJUANA
21 TESTING FACILITY TO PERFORM TESTING ON THE INDUSTRIAL HEMP THAT
22 THE REGISTRANT IS CULTIVATING, THAT PERSON SHALL USE A RADIO
23 FREQUENCY IDENTIFICATION-BASED INVENTORY TRACKING SYSTEM
24 APPROVED BY THE COMMISSIONER FOR A SAMPLE OF THE REGISTRANT'S
25 INDUSTRIAL HEMP CROP. THE COMMISSIONER SHALL ONLY APPROVE AN
26 INVENTORY TRACKING SYSTEM IF THAT SYSTEM IS COMPATIBLE WITH THE
27 STATE LICENSING AUTHORITY'S SEED-TO-SALE TRACKING SYSTEM

1 REQUIRED PURSUANT TO SECTION 12-43.4-202 (1), C.R.S. A LICENSED
2 RETAIL TESTING FACILITY SHALL PROVIDE THE TEST RESULTS TO THE
3 REGISTRANT AND THE COMMISSIONER. ALL TEST RESULTS SHALL BE
4 CONSIDERED CONFIDENTIAL BUSINESS INFORMATION. THIS SECTION SHALL
5 NOT BE CONSTRUED TO PREVENT THE USE OF THE TRACKING SYSTEM FOR
6 OTHER PURPOSES.

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

9 **35-61-106. Industrial hemp registration program cash fund -**
10 **industrial hemp research grant cash fund - fees.** (2) The commissioner
11 shall collect a fee from persons applying for a registration pursuant to this
12 article. The commissioner shall set ~~the fee~~ A FEE SCHEDULE based on the
13 size AND USE of the land area on which the person will conduct industrial
14 hemp operations and shall set the fee SCHEDULE at a level sufficient to
15 generate the amount of moneys necessary to cover the department's direct
16 and indirect costs in implementing this article. The commissioner shall
17 transmit the fees collected pursuant to this section to the state treasurer
18 for deposit in the fund.

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

21 **35-61-108. Exportation of industrial hemp - processing, sale,**
22 **and distribution.** (2) Notwithstanding any other provision of law, a
23 person engaged in processing, selling, TRANSPORTING, POSSESSING, or
24 otherwise distributing industrial hemp cultivated by a person registered
25 under this article, or selling industrial hemp products produced therefrom,
26 is not subject to any civil or criminal actions under Colorado law for
27 engaging in such activities. THE DEPARTMENT MAY PROMULGATE RULES

1 TO REQUIRE APPROVED SHIPPING DOCUMENTATION FOR THE
2 TRANSPORTATION OF HEMP.

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

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

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

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

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

1 (b) \$57,746 for use by the division for operating expenses; and
2 (c) \$3,780 for the purchase of legal services.

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

9 **SECTION 9. Act subject to petition - effective date.** (1) This
10 act takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly (August
12 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
13 referendum petition is filed pursuant to section 1 (3) of article V of the
14 state constitution against this act or an item, section, or part of this act
15 within such period, then the act, item, section, or part will not take effect
16 unless approved by the people at the general election to be held in
17 November 2016 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor.

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