

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

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.

Prime Sponsors: Sens. Marble and Steadman  
Reps. Lebsock and Saine

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Date Prepared: April 28, 2015

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/15/15.

	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
<b>XXX</b>	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
<b>XXX</b>	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The Senate Appropriations Committee Report (04/17/15) amends the bill to include a transfer of \$232,500 cash funds from the Marijuana Tax Cash Fund to the General Fund for the purpose of covering the TABOR set aside detailed in the Revised Fiscal Note, a transfer of \$249,763 cash funds from the Marijuana Tax Cash Fund (MTCF) to the Industrial Hemp Registration Program (IHRP) Cash Fund for the purpose of covering the program's start-up costs, and an appropriations clause. Senate Floor Amendment **L.006** simplified the bill by amending the appropriations clause to directly appropriate the necessary program funding from the MTCF and removed the transfer of moneys from the MTCF to the IHRP Cash Fund. The Legislative Council Staff and JBC Staff agree on the fiscal impact of the bill, as described below.

Technical Issue

The direct appropriation of \$249,763 cash funds from the MTCF to the Department of Agriculture's Division of Plant Industry covers the IHRP start-up expenditures, which include personal services, operating expenses, software development, and an assumed increase of 2.0 FTE. This appropriation alleviates the need for the IHRP to collect revenue from fees, reducing to \$0 the increase in state revenue generated by this bill. Therefore, the TABOR set-aside detailed in the Revised Fiscal Note is eliminated and the \$232,500 transfer from the MTCF to the General Fund is no longer necessary. Bill Sponsor amendment **L.007** (attached) removes the MTCF to General Fund transfer.

*New Information*

This JBC Staff Fiscal Analysis increases the estimated cash funds required for this bill by \$40,000 over the most recent Fiscal Note (\$249,763 rather than \$209,763). The current appropriations clause reflects this additional funding requirement. The Department of Agriculture has provided updated cost estimates for the development of the inventory tracking system for the Industrial Hemp Registration Program. Modifications to the Department of Revenue's Marijuana Enforcement Division's seed-to-sale tracking system and the development of a new module for the Agriculture Licence system drives the cost increase. Legislative Council Staff and JBC Staff agree with the increased cash fund appropriation.

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
L.007	Bill Sponsor amendment - changes fiscal impact

**Current Appropriations Clause in Bill**

The bill includes a provision that appropriates \$249,763 cash funds from the Marijuana Tax Cash Fund to the Department of Agriculture for the administration and implementation of the Industrial Hemp Registration Program.

**Description of Amendments in This Packet**

**L.007** Bill Sponsor amendment **J.007** (attached) modifies the reengrossed bill to eliminate the transfer of \$232,500 from the Marijuana Tax Cash Fund to the General Fund.

**Points to Consider**

None.