A BILL FOR AN ACT

CONCERNING OVERSIGHT OF THE INDUSTRIAL HEMP PROGRAM.

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.)

Current law limits a person who holds a registration to grow industrial hemp for research and development purposes to growth outdoors and on not more than 10 acres. The bill removes these limitations. The bill also changes the time period during which a person who wishes to grow industrial hemp may apply to the department of agriculture (department) from May first of the year in which the person wishes to grow hemp to prior to planting.
The bill requires the department to test at least 80% of the hemp crop in the industrial hemp registration program. The bill allows the general assembly to make general fund appropriations to support the program.

The bill exempts state-accredited research institutions that are engaged in research and development from the industrial hemp testing program. The bill allows a research and development registrant to use or destroy hemp that exceeds delta-9 tetrahydrocannabinol concentration limits established by the department in a manner approved and verified by the department.

The bill requires the department to administer an industrial hemp grant program that is funded through registration fees and moneys from the medical marijuana cash fund. The grants allow state institutions of higher education to conduct the research. The bill creates the industrial hemp research grant program fund.

The bill allows a person to process, sell, and distribute hemp cultivated by a registered person or to sell hemp products produced from the hemp.

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

SECTION 1. In Colorado Revised Statutes, amend 35-61-101 as follows:

35-61-101. Definitions. As used in this article, unless the context otherwise requires:

(1) "Certified seed" means industrial hemp seed, including Colorado heritage cannabis seed, that has been certified by an organization recognized by the department as having no more than a three-tenths of one percent of delta-9 tetrahydrocannabinol concentration on a dry-weight basis.

(2) "Colorado heritage cannabis seed" means seed from the plant Cannabis sativa that possesses characteristics of a unique and specialized cannabis seed variety that is present in Colorado or has been recognized as produced in Colorado.

(3) "Commissioner" means the commissioner of agriculture.
"Committee" means the industrial hemp committee established in section 35-61-103.

"Delta-9 tetrahydrocannabinols" has the same meaning as "tetrahydrocannabinols" as set forth in section 27-80-203 (24), C.R.S.

"Department" means the department of agriculture.

"Industrial hemp" means a plant of the genus cannabis and any part of the plant, whether growing or not, containing a delta-9 tetrahydrocannabinol concentration of no more than three-tenths of one percent on a dry weight basis.

SECTION 2. In Colorado Revised Statutes, 35-61-102, amend (1) as follows:

35-61-102. Industrial hemp - permitted growth by registered persons. (1) Notwithstanding any other provision of law to the contrary, a person who holds a registration issued pursuant to section 35-61-104 may:

(a) Engage in industrial hemp cultivation for commercial purposes; or

(b) Grow industrial hemp outdoors on not more than ten acres for research and development purposes.

SECTION 3. In Colorado Revised Statutes, 35-61-103, amend (2) introductory portion, (2) (b), and (3) as follows:

35-61-103. Industrial hemp committee - appointments - duties - coordination with department. (2) The committee shall work with the department to establish an industrial hemp registration program AND A SEED CERTIFICATION PROGRAM pursuant to section 35-61-104, under which a person may obtain authorization to:

(b) Grow industrial hemp outdoors on not more than ten acres for
purposes of research and development.

(3) The committee shall assist the department in determining the qualifications and other criteria a person must satisfy to qualify for registration under this article. THE COMMITTEE SHALL ASSIST THE DEPARTMENT IN THE DEVELOPMENT OF A SEED CERTIFICATION PROGRAM.

SECTION 4. In Colorado Revised Statutes, 35-61-104, amend (1) (a) and (2) as follows:

35-61-104. Registration - cultivation of industrial hemp - research and development growth - rules. (1) (a) A person wishing to engage in industrial hemp cultivation for commercial purposes or to grow industrial hemp for research and development purposes in any given year shall apply to the department for a registration in a form and manner determined by the commissioner, in consultation with the committee, by May 1 of the year in which the applicant plans to PRIOR TO PLANTING THE industrial hemp for commercial or research and development purposes. The application must include the name and address of the applicant and the legal description, global positioning system location, and map of the land area on which the applicant plans to engage in industrial hemp cultivation or research and development growth operations. The applicant shall also submit to the department the fee required by section 35-61-106 (2). APPLICATION FOR REGISTRATION PURSUANT TO THIS SECTION IS A MATTER OF STATEWIDE CONCERN.

(2) If a person applies for registration in accordance with subsection (1) of this section and the commissioner determines that the person has satisfied the requirements for registration pursuant to this article, the commissioner shall issue a registration to the person. A registration authorizing industrial hemp research and development growth
must limit the industrial hemp growth area to not more than ten acres.

SECTION 5. In Colorado Revised Statutes, add 35-61-104.5 as follows:

35-61-104.5. Research - fees. (1) The department shall administer an industrial hemp grant research program so that state institutions of higher education may conduct research to develop or recreate strains of industrial hemp best suited for industrial applications. The purpose of the research may include growing industrial hemp to provide breeding strains to aid Colorado’s industrial hemp program and to create Colorado strains of industrial hemp.

(b) An institution of higher education that conducts industrial hemp seed research may accept seed varieties that are approved by the committee or the department. The institution of higher education may work with private hemp developers and other stakeholders to develop a Colorado heritage seed.

(2) In addition to the fees collected pursuant to section 35-61-106, the commissioner may collect an additional fee, established by the committee, from each registrant for the purpose of funding industrial hemp research and certification programs, including by making grants to institutions of higher education as specified in subsection (1) of this section. The fees collected shall be deposited in the industrial hemp registration program cash fund created in section 35-61-106 (3). The department may solicit, apply for, and accept moneys from other sources for the grant program.

SECTION 6. In Colorado Revised Statutes, 35-61-106, amend
(1); and add (3) as follows:

35-61-106. Industrial hemp registration program cash fund -
industrial hemp research grant cash fund - fees. (1) There is hereby
created in the state treasury the industrial hemp registration program cash
fund, referred to in this article as the "fund". The fund consists of fees
collected by the commissioner pursuant to subsection (2) of this section
AND ANY GENERAL FUND MONEYS APPROPRIATED TO THE FUND BY THE
GENERAL ASSEMBLY. The moneys in the fund are subject to annual
appropriation by the general assembly to the department for the direct and
indirect costs associated with implementing this article.

(3) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
INDUSTRIAL HEMP RESEARCH GRANT FUND. THE FUND CONSISTS OF FEES
COLLECTED BY THE COMMISSIONER PURSUANT TO SECTION 35-61-104.5
(2); ANY MONEYS FROM FOUNDATIONS, PRIVATE INDIVIDUALS, OR ANY
OTHER FUNDING SOURCES THAT CAN BE USED TO EXPAND THE SCOPE OR
TIME FRAME OF ANY HEMP RESEARCH AUTHORIZED PURSUANT TO THIS
ARTICLE; AND, ON AND AFTER JULY 1, 2015, UP TO TEN MILLION
DOLLARS APPROPRIATED BY THE GENERAL ASSEMBLY FROM THE
MARIJUANA CASH FUND, ESTABLISHED IN SECTION 12-43.3-501, C.R.S.
THE MONEYS IN THE FUND ARE SUBJECT TO ANNUAL APPROPRIATIONS BY
THE GENERAL ASSEMBLY TO THE DEPARTMENT TO ESTABLISH AND
ADMINISTER AN INDUSTRIAL HEMP RESEARCH GRANT PROGRAM AND TO
CONDUCT HEMP RESEARCH.

SECTION 7. In Colorado Revised Statutes, 35-61-107, add (5)
as follows:

35-61-107. Violations - penalties. (5) THE COMMISSIONER SHALL
NEITHER REVOKE NOR SUSPEND AN INSTITUTION OF HIGHER EDUCATION'S
REGISTRATION OR A RESEARCH-AND-DEVELOPMENT REGISTRANT'S
REGISTRATION WHEN A SAMPLE OF THE REGISTRANT'S INDUSTRIAL HEMP
TESTS HIGHER THAN THE LIMITS ESTABLISHED BY RULE OF THE
COMMISSIONER IF THE CROP IS DESTROYED OR UTILIZED IN A MANNER
APPROVED OF AND VERIFIED BY THE COMMISSIONER.

SECTION 8. In Colorado Revised Statutes, amend 35-61-108 as
follows:

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

(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A PERSON
ENGAGED IN PROCESSING, SELLING, 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.

SECTION 9. In Colorado Revised Statutes, 12-43.3-501, amend
(1) (b) (IV) and (1) (b) (V); and add (1) (b) (VI) as follows:

12-43.3-501. Marijuana cash fund - repeal. (1) (b) Moneys in
the fund shall be subject to annual appropriation by the general assembly
to:

(IV) The department of law for the training described in section
24-31-313, C.R.S.; and

(V) The general fund to repay two million dollars to the general
fund for the transfers required by section 39-26-123 (6), C.R.S.; AND
(VI) THE DEPARTMENT OF AGRICULTURE TO ADMINISTER AN
INDUSTRIAL HEMP RESEARCH PROGRAM PURSUANT TO SECTION 35-61-106,
C.R.S.

SECTION 10. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, and safety.