## SENATE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

March 26, 2015 Date

Committee on Agriculture, Natural Resources, & Energy.

After consideration on the merits, the Committee recommends the following:

<u>SB15-196</u> be amended as follows, and as so amended, be referred to the Committee on <u>Finance</u> with favorable recommendation:

Amend printed bill, strike everything below the enacting clause and
 substitute:

3 "SECTION 1. In Colorado Revised Statutes, 12-43.4-405, amend
4 (1) as follows:

5 12-43.4-405. Retail marijuana testing facility license - rules. (1) A retail marijuana testing facility license may be issued to a person 6 7 who performs testing and research on retail marijuana AND INDUSTRIAL 8 HEMP AS REGULATED BY ARTICLE 61 OF TITLE 35, C.R.S. The facility may 9 develop and test retail marijuana products AND INDUSTRIAL HEMP AS 10 REGULATED BY ARTICLE 61 OF TITLE 35, C.R.S. PRIOR TO PERFORMING 11 TESTING ON INDUSTRIAL HEMP, A FACILITY SHALL VERIFY THAT THE 12 PERSON REQUESTING THE TESTING HAS RECEIVED A REGISTRATION FROM 13 THE COMMISSIONER AS REQUIRED BY SECTION 35-61-104, C.R.S.

SECTION 2. In Colorado Revised Statutes, 35-61-103, amend
(1) (a) introductory portion and (1) (a) (VIII); and add (1) (a) (X) and (1)
(a) (XI) as follows:

35-61-103. Industrial hemp committee - appointments - duties
- coordination with department. (1) (a) The industrial hemp committee
is hereby established. The chair of the agriculture, livestock, and natural
resources committee in the house of representatives and the chair of the
agriculture, natural resources, and energy committee in the senate shall
jointly appoint nine ELEVEN members to the industrial hemp committee
as follows:

24 (VIII) One member who is a citizen advocate for industrial hemp;25 and

\*SB196\_C.001\*

1 (X) ONE MEMBER WHO IS A REPRESENTATIVE FROM THE 2 CANNABINOID INDUSTRY; AND

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

4 **SECTION 3.** In Colorado Revised Statutes, 35-61-104.5, **add** 5 (1.5) as follows:

6 **35-61-104.5. Research - certified seed program - fees.** 7 (1.5) THE DEPARTMENT SHALL ADMINISTER A CERTIFIED SEED PROGRAM 8 THAT IDENTIFIES SEEDS THAT PRODUCE INDUSTRIAL HEMP. IN 9 ACCORDANCE WITH ALL FEDERAL AND STATE LAWS AND REGULATIONS, 10 THE DEPARTMENT MAY IMPORT SEEDS TO DEVELOP THE CERTIFIED SEED 11 PROGRAM.

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

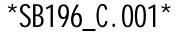
14 **35-61-105.5.** Testing laboratories. IF A PERSON REGISTERED 15 PURSUANT TO THIS ARTICLE WANTS A LICENSED RETAIL MARIJUANA 16 TESTING FACILITY TO PERFORM TESTING ON THE INDUSTRIAL HEMP THAT 17 THE REGISTRANT IS CULTIVATING, THAT PERSON SHALL USE AN INVENTORY 18 TRACKING SYSTEM APPROVED BY THE COMMISSIONER. THE COMMISSIONER 19 SHALL ONLY APPROVE AN INVENTORY TRACKING SYSTEM IF THAT SYSTEM 20 IS COMPATIBLE WITH THE STATE LICENSING AUTHORITY'S SEED-TO-SALE 21 TRACKING SYSTEM REQUIRED PURSUANT TO SECTION 12-43.4-202 (1), 22 C.R.S. A LICENSED RETAIL TESTING FACILITY SHALL PROVIDE THE TEST 23 RESULTS TO THE REGISTRANT AND THE COMMISSIONER. ALL TEST RESULTS 24 SHALL BE CONSIDERED CONFIDENTIAL BUSINESS INFORMATION. THIS 25 SECTION SHALL NOT BE CONSTRUED TO PREVENT THE USE OF THE 26 TRACKING SYSTEM FOR OTHER PURPOSES.

27 SECTION 5. In Colorado Revised Statutes, 35-61-106, amend
28 (2) as follows:

29 35-61-106. Industrial hemp registration program cash fund -30 industrial hemp research grant cash fund - fees. (2) The commissioner 31 shall collect a fee from persons applying for a registration pursuant to this 32 article. The commissioner shall set the fee A FEE SCHEDULE based on the 33 size AND USE of the land area on which the person will conduct industrial 34 hemp operations and shall set the fee SCHEDULE at a level sufficient to 35 generate the amount of moneys necessary to cover the department's direct 36 and indirect costs in implementing this article. The commissioner shall 37 transmit the fees collected pursuant to this section to the state treasurer 38 for deposit in the fund.

39 SECTION 6. In Colorado Revised Statutes, 35-61-108, amend
40 (2) as follows:

41 35-61-108. Exportation of industrial hemp - processing, sale,
42 and distribution. (2) Notwithstanding any other provision of law, a



person engaged in processing, selling, TRANSPORTING, POSSESSING, 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.

6 SECTION 7. Act subject to petition - effective date. This act 7 takes effect at 12:01 a.m. on the day following the expiration of the 8 ninety-day period after final adjournment of the general assembly (August 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a 9 10 referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act 11 within such period, then the act, item, section, or part will not take effect 12 13 unless approved by the people at the general election to be held in November 2016 and, in such case, will take effect on the date of the 14 15 official declaration of the vote thereon by the governor.".

\*\* \*\*\* \*\* \*\*\* \*\*