



**Colorado
Legislative
Council
Staff**

SB17-117

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0845

Date: February 7, 2017

Prime Sponsor(s): Sen. Coram
Rep. Catlin; Valdez

Bill Status: Senate Agriculture
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: RECOGNIZE INDUS HEMP AG PRODUCT FOR AG WATER RIGHT

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Minimal workload Increase. See State Expenditures section.	
Appropriation Required: None.		
Future Year Impacts: None.		

Summary of Legislation

This bill confirms that a person with an absolute or conditional water right decreed for agricultural use can use that water for the growth or cultivation of industrial hemp if the water right holder is registered with the Colorado Department of Agriculture to grow industrial hemp for commercial or research and development purposes.

Background

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 0.3% on a dry weight basis. The 2014 federal farm bill allows farmers in states with industrial hemp legislation to grow and harvest hemp in conjunction with their state departments of agriculture. The Colorado Department of Agriculture began administering a registration program for industrial hemp growers in 2014.

State Expenditures

This bill may result in a minimal workload increase in FY 2017-18 for the Division of Water Resources in the Department of Natural Resources to update its rules to include industrial hemp grown by a registered user under an agricultural water right. This is current practice for the division, so the bill will not result in a change in water right administration.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Agriculture

Information Technology

Judicial

Natural Resources