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FISCAL NOTE

Drafting Number: LLS 18-1167
Prime Sponsors: Sen. Coram
 Rep. Arndt

Date: April 11, 2018
Bill Status: Senate Agriculture
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Bill Topic: CO INDUSTRIAL HEMP RESEARCH & DEVELOPMENT AUTHORITY

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Statutory Public Entity

This bill creates the Colorado Industrial Hemp Research and Development Authority, to develop, promote and fund industrial hemp education, research and development. It creates an ongoing minimal increase in state workload.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

This bill creates the Colorado Industrial Hemp Research and Development Authority to develop, promote and fund industrial hemp education, research and development. The authority is not a state agency but may collaborate with the Department of Agriculture.

The authority's powers are vested in a 7-member board of directors and it is authorized to receive and expend gifts, grants, and donations. The board will include representation from the Department of Agriculture, Colorado State University, the University of Colorado, a nonprofit industrial hemp research and development organization, and three members jointly appointed by the chairs of the House and Senate Agriculture committees. If the board determines that the authority has sufficient resources, members may receive reimbursement for travel and other expenses associated with board duties, and members not employed by the state may receive a per diem of \$50 for each day spent discharging official board duties.

The authority is required to apply for federal money to disburse for industrial hemp education, research, or development projects or programs. It must also seek center of excellence designation from the National Institution of Food and Agriculture in the U.S. Department of Agriculture to gain priority in the competitive grant application process. To meet the criteria for the designation with regard to industrial hemp programs and projects, the authority will implement measures to:

- reduce duplication efforts;
- leverage available resources through the use of public-private partnerships;
- engage in teaching initiatives to increase awareness of programs;

- increase economic returns to rural communities; and
- when practicable, improve teaching capacity and infrastructure at colleges and universities.

The Commissioner of Agriculture is authorized to distribute money from the Industrial Hemp Grant Fund to the authority to match federal or private grant funding.

On or before September 1, 2019, and annually thereafter, the authority is required to provide a summary of its funded activities to the Colorado Office of Economic Development and the House and Senate Agriculture committees.

Background

Under current law, the Commissioner of Agriculture may collect from industrial hemp registrants a fee, established by the Industrial Hemp Committee, to fund industrial hemp research and certification programs. The grant program may solicit money from foundations, private individuals, or other funding sources that can be used to expand the scope or time frame of hemp research. Beginning July 1, 2015, the program is authorized by the bill to receive up to \$10 million in appropriations from the Marijuana Cash Fund and the Marijuana Tax Cash Fund. To date, no funds have been collected or appropriated to the Industrial Hemp Research Grant Cash Fund.

State Expenditures

Board membership. This bill will increase workload for the Colorado Department of Agriculture, the University of Colorado and Colorado State University to serve on the board of the authority. This workload increase can be addressed within existing appropriations.

Institutions of Higher Education. Conditional upon the authority's success in collecting gifts, grants, and donations, the bill will increase grant funding available for research on industrial hemp by institutions of higher education.

Statutory Public Entity

Senate Bill 18-235 creates a new statutory public entity, the Colorado Industrial Hemp Research and Development Authority. The bill does not indicate a source of funding but the authority is able to receive and expend gifts, grants, and donations. No source of such funds has been identified.

Effective Date

The bill takes effect September 1, 2018.

State and Local Government Contacts

Agriculture
Information Technology
Public Health and Environment

Higher Education
Law
Revenue