

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 19-0010.03 Jennifer Berman x3286

SENATE BILL 19-240

SENATE SPONSORSHIP

Marble and Fenberg,

HOUSE SPONSORSHIP

McLachlan and Saine, Arndt

Senate Committees

Agriculture & Natural Resources

House Committees

A BILL FOR AN ACT

101 CONCERNING THE REGULATION OF COMMERCIAL PRODUCTS
102 CONTAINING INDUSTRIAL HEMP.

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://leg.colorado.gov>.)

Section 1 of the bill sets the annual registration fee that a wholesale food manufacturer that produces an industrial hemp product is required to pay to the department of public health and environment at \$300, regardless of the manufacturer's gross annual sales.

Sections 2 and 3 authorize local governments to adopt ordinances or resolutions regulating the storage, extraction, processing, or

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
April 23, 2019

manufacturing of industrial hemp or industrial hemp products; however, if the ordinances or resolutions are in conflict with state regulation, then state law controls.

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

2 **SECTION 1.** In Colorado Revised Statutes, 25-5-426, **amend**
3 (4)(b)(II) and (4)(b)(III); and **add** (4)(b)(IV) and (7) as follows:

4 **25-5-426. Wholesale food manufacturing and storage -**
5 **definitions - legislative declaration - fees - cash fund.** (4) (b) In
6 addition to the application fee a facility is required to pay pursuant to
7 subsection (4)(a) of this section, the schedule for annual registration fees
8 for wholesale food manufacturers or storage facilities is as follows:

9 (II) EXCEPT AS PROVIDED IN SUBSECTION (4)(b)(IV) OF THIS
10 SECTION, a wholesale food manufacturer or storage facility with gross
11 annual sales of less than one hundred fifty thousand dollars shall pay the
12 department a registration fee of sixty dollars.

13 (III) EXCEPT AS PROVIDED IN SUBSECTION (4)(b)(IV) OF THIS
14 SECTION, a wholesale food manufacturer or storage facility with gross
15 annual sales of one hundred fifty thousand dollars or more shall pay the
16 department a registration fee of three hundred dollars.

17 (IV) A WHOLESale FOOD MANUFACTURER THAT PRODUCES AN
18 INDUSTRIAL HEMP PRODUCT SHALL PAY THE DEPARTMENT A REGISTRATION
19 FEE OF THREE HUNDRED DOLLARS, REGARDLESS OF ITS GROSS ANNUAL
20 SALES.

21 (7) (a) IF SENATE BILL 19-220 IS ENACTED IN 2019, THE
22 DEPARTMENT, IN CONJUNCTION WITH THE COMMISSIONER OF THE
23 DEPARTMENT OF AGRICULTURE OR THE COMMISSIONER'S DESIGNEE, SHALL
24 PARTICIPATE IN ANY STAKEHOLDER PROCESS CONVENED PURSUANT TO

1 SENATE BILL 19-220 TO DEVELOP THE STATE'S HEMP MANAGEMENT PLAN
2 IN ACCORDANCE WITH THE FEDERAL "AGRICULTURAL IMPROVEMENT ACT
3 OF 2018".

4 (b) (I) ADDITIONALLY, THE DEPARTMENT MAY CONVENE A
5 STAKEHOLDER WORK GROUP TO STUDY THE REGULATION OF INDUSTRIAL
6 HEMP PRODUCTS. IN ADDITION TO REPRESENTATIVES FROM THE
7 DEPARTMENT, THE DEPARTMENT SHALL INVITE REPRESENTATIVES OF THE
8 FOLLOWING GROUPS TO PARTICIPATE IN THE STAKEHOLDER WORK GROUP:

9 (A) INDUSTRIAL HEMP PROCESSORS;

10 (B) MARIJUANA PROCESSORS;

11 (C) SUPPLEMENTS RETAILERS;

12 (D) LEGAL EXPERTS ON THE SALE OF PRODUCTS CONTAINING
13 CANNABIDIOL AND THC;

14 (E) ORGANIZATIONS WITH SPECIFIC EXPERTISE IN THE FEDERAL
15 SUPPLEMENTS REGULATORY FRAMEWORK;

16 (F) CONSUMER ADVOCATES;

17 (G) HEMP GROWERS;

18 (H) HEMP SEED PRODUCERS;

19 (I) ANYONE ELSE INVOLVED IN THE HEMP INDUSTRY;

20 (J) LICENSED MARIJUANA RETAILERS; AND

21 (K) ANY OTHER GROUP THE DEPARTMENT DETERMINES WOULD
22 FACILITATE AN UNDERSTANDING OF THE LEGAL, PRACTICAL, OR BUSINESS
23 CONSIDERATIONS OF REGULATING INDUSTRIAL HEMP PRODUCTS IN
24 COLORADO AND IN COORDINATION WITH FEDERAL AUTHORITY.

25 (II) THE STAKEHOLDER WORK GROUP SHALL HAVE ITS FIRST
26 MEETING AS SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS
27 SUBSECTION (7). ON OR BEFORE DECEMBER 1, 2019, THE STAKEHOLDER

1 WORK GROUP SHALL PREPARE A WRITTEN SUMMARY OF ITS CONCLUSIONS,
2 INCLUDING ANY RECOMMENDATIONS FOR LEGISLATION, AND FURNISH
3 COPIES OF THE WRITTEN SUMMARY TO THE LEGISLATIVE COMMITTEES
4 WITH JURISDICTION OVER AGRICULTURAL MATTERS.

5 (III) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE SEPTEMBER 1,
6 2021.

7 **SECTION 2.** In Colorado Revised Statutes, 30-15-401, **add** (1.7)
8 as follows:

9 **30-15-401. General regulations - definitions.** (1.7) IN ADDITION
10 TO ANY OTHER POWERS, A BOARD OF COUNTY COMMISSIONERS MAY
11 CHARGE A FEE FOR A LOCAL LICENSE AND ADOPT RESOLUTIONS OR
12 ORDINANCES TO ESTABLISH REQUIREMENTS ON BUSINESSES ENGAGED IN
13 THE STORAGE, EXTRACTION, PROCESSING, OR MANUFACTURING OF
14 INDUSTRIAL HEMP, AS DEFINED IN SECTION 35-61-101 (7), OR INDUSTRIAL
15 HEMP PRODUCTS, AS DEFINED IN SECTION 25-5-426 (2)(g.5). A COUNTY
16 SHALL NOT IMPOSE ADDITIONAL FOOD PRODUCTION REGULATIONS ON
17 INDUSTRIAL HEMP PROCESSORS OR PRODUCTS IF THE REGULATIONS
18 CONFLICT WITH STATE LAW.

19 **SECTION 3.** In Colorado Revised Statutes, 31-15-501, **add** (1)(r)
20 as follows:

21 **31-15-501. Powers to regulate businesses.** (1) The governing
22 bodies of municipalities have the following powers to regulate
23 businesses:

24 (r) TO CHARGE A FEE FOR A LOCAL LICENSE AND ESTABLISH
25 LICENSING REQUIREMENTS ON BUSINESSES ENGAGED IN THE STORAGE,
26 EXTRACTION, PROCESSING, OR MANUFACTURING OF INDUSTRIAL HEMP, AS
27 DEFINED IN SECTION 35-61-101 (7), OR INDUSTRIAL HEMP PRODUCTS, AS

1 DEFINED IN SECTION 25-5-426 (2)(g.5). A MUNICIPALITY SHALL NOT
2 IMPOSE ADDITIONAL FOOD PRODUCTION REGULATIONS ON INDUSTRIAL
3 HEMP PROCESSORS OR PRODUCTS IF THE REGULATIONS CONFLICT WITH
4 STATE LAW.

5 **SECTION 4. Applicability.** This act applies to conduct occurring
6 on or after the effective date of this act.

7 **SECTION 5. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, and safety. _____