



Legislative Council Staff

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FISCAL NOTE

Drafting Number: LLS 18-1037 Date: March 29, 2018
Prime Sponsors: Rep. Salazar Bill Status: House Agriculture
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Bill Topic: HEMP PRODUCTS DEEMED NOT ADULTERATED OR MISBRANDED

- Summary of Fiscal Impact: State Revenue (potential reduction), TABOR Refund, State Expenditure, Local Government, State Transfer, Statutory Public Entity

This bill modifies the Colorado Food and Drug Act to establish that food and cosmetics are not adulterated just because they contain industrial hemp. It also removes the term "cannabis" from the list of substances whose inclusion in a drug or device is deemed misbranded. It may create an ongoing reduction in state revenue.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

This bill modifies the Colorado Food and Drug Act to establish that food and cosmetics are not adulterated just because they contain industrial hemp, which codifies a current policy of the Department of Public Health and Environment (CDPHE). It also removes the term "cannabis" from the list of substances whose inclusion in a drug or device is deemed misbranded.

The CDPHE cannot refuse to grant a wholesale food manufacturer or storage registration or registration renewal based on the fact that a business sells, manufactures, processes, or stores products that contain industrial hemp. CDPHE can request and review records to ensure that the products contain a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent in the unprocessed, stored, or finished product. Finally, the bill prohibits CDPHE from requiring an applicant for a wholesale food manufacturer or storage registration to provide additional information or meet any other requirements based on the fact that the business entity sells, manufactures, processes, or stores products that could contain an industrial hemp food product.

State Revenue

The Colorado Food and Drug Act is identical to the federal Food, Drug, and Cosmetic Act. This conformance makes the CDPHE eligible to receive grant funding and contracts to conduct food safety inspections from the Food and Drug Administration (FDA). By creating a difference between the Colorado Food and Drug Act and the federal Food, Drug, and Cosmetic Act, the bill

may cause a reduction in grant funding and contracts. Because the bill codifies current practice, the fiscal note assumes the risk of a reduction in federal funding is low.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed, and applies to conduct occurring on or after the applicable effective date.

State and Local Government Contacts

Agriculture
Law

Information Technology
Public Health and Environment