

**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. 19-1082.01 Jennifer Berman x3286

SENATE BILL 19-220

SENATE SPONSORSHIP

Marble and Fenberg,

HOUSE SPONSORSHIP

Saine and Arndt,

Senate Committees

Agriculture & Natural Resources
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING UPDATES TO THE INDUSTRIAL HEMP REGULATORY**
102 **PROGRAM ADMINISTERED BY THE COMMISSIONER OF**
103 **AGRICULTURE TO ALIGN THE PROGRAM WITH THE REGULATORY**
104 **REQUIREMENTS SET FORTH IN THE FEDERAL "AGRICULTURAL**
105 **IMPROVEMENT ACT OF 2018", AND, IN CONNECTION**
106 **THEREWITH, MAKING AN APPROPRIATION.**

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>.)

In 2018, the federal government enacted the "Agricultural

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 12, 2019

Improvement Act of 2018" (federal act), which removed hemp from schedule I of the federal "Controlled Substances Act". The federal act requires the United States department of agriculture (USDA) to develop a plan for the regulation of hemp and authorizes each state to seek approval from the USDA to have primary regulatory authority over hemp production within the state by preparing and submitting a state plan of regulation to the secretary of the USDA.

The bill updates the laws governing Colorado's industrial hemp regulatory program to align with the federal act and to put the department of agriculture in a position to prepare and submit a state plan to the secretary of the USDA.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) The hemp industry offers strong economic potential for
5 agricultural producers throughout Colorado, innovators in the
6 manufacturing space, and entrepreneurs across the country;

7 (b) Colorado leads the nation in public policy supporting the hemp
8 industry and is poised to continue that leadership with the passage of the
9 federal "Agricultural Improvement Act of 2018";

10 (c) It is the intent of the general assembly that the department of
11 agriculture, the department of public health and environment, and other
12 state agencies continue to regulate hemp in compliance with the federal
13 "Agricultural Improvement Act of 2018";

14 (d) Ensuring equitable regulation and enforcement for hemp under
15 state law will keep Colorado competitive in the hemp industry and spur
16 economic development; and

17 To ensure that Colorado continues to lead the nation in public
18 policy supporting the hemp industry, the general assembly and the
19 department of agriculture support all pathways to new hemp variety

1 development, including the development of certified seed and the support
2 of developers of new varieties of hemp seed who may choose not to enter
3 the certified seed system for their proprietary genetics.

4 **SECTION 2.** In Colorado Revised Statutes, 35-61-101, **amend**
5 (1) and (7) as follows:

6 **35-61-101. Definitions.** As used in this article 61, unless the
7 context otherwise requires:

8 (1) "Certified seed" means industrial hemp seed, including
9 Colorado heritage cannabis seed, that has been certified by an
10 organization recognized by the department as PRODUCING MATURE
11 PLANTS having no more than a three-tenths of one percent of delta-9
12 tetrahydrocannabinol concentration on a dry-weight basis.

13 ==

14 (7) "Industrial hemp" OR "HEMP" means a THE plant of the genus
15 Cannabis SATIVA L. and any part of the plant, INCLUDING THE SEEDS OF
16 THE PLANT AND ALL DERIVATIVES, EXTRACTS, CANNABINOIDS, ISOMERS,
17 ACIDS, SALTS, AND SALTS OF ISOMERS, whether growing or not, ~~containing~~
18 WITH a delta-9 tetrahydrocannabinol concentration of no more than
19 three-tenths of one percent on a dry-weight basis.

20 **SECTION 3.** In Colorado Revised Statutes, 35-61-104, **amend**
21 (3) and (5); **repeal** (1)(b); and **add** (6) as follows:

22 **35-61-104. Registration - cultivation of industrial hemp -**
23 **research and development growth - hemp management plan - rules.**

24 (1) (b) ~~If a person registered under the industrial hemp remediation pilot~~
25 ~~program prior to May 28, 2013, applies for a registration pursuant to~~
26 ~~paragraph (a) of this subsection (1) within sixty days after the applications~~
27 ~~are made available, the person may continue to engage in industrial hemp~~

1 ~~activities as authorized under the pilot program until the commissioner~~
2 ~~makes a determination on the person's application.~~

3 (3) (a) A registration issued pursuant to this section is valid for
4 one year ~~In order~~ FROM THE DATE OF ITS ISSUANCE.

5 (b) To continue engaging in industrial hemp cultivation or
6 research and development growth operations in this state ~~the~~ AFTER A
7 REGISTRATION'S EXPIRATION, A registrant must ~~annually~~ apply for a
8 RENEWAL OF ITS registration in accordance with ~~subsection (1) of this~~
9 ~~section~~ RULES ADOPTED BY THE COMMISSIONER SETTING FORTH
10 APPLICATION RENEWAL AND REVIEW PROCESSES AND SETTING A
11 REGISTRATION RENEWAL FEE.

12 (5) The commissioner shall adopt rules ~~by March 1, 2014, and as~~
13 ~~necessary thereafter to implement the registration program and to~~
14 ~~implement~~ and administer this ~~article~~ ARTICLE 61.

15 (6) THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEE SHALL
16 SUBMIT A HEMP MANAGEMENT PLAN IN ACCORDANCE WITH THE
17 REQUIREMENTS AND TIMELINES PRESCRIBED BY THE SECRETARY OF THE
18 UNITED STATES DEPARTMENT OF AGRICULTURE PURSUANT TO THE
19 "AGRICULTURE IMPROVEMENT ACT OF 2018", PUB.L. 115-334, AS
20 AMENDED, FOR APPROVAL BY THE SECRETARY. IN DRAFTING THE HEMP
21 MANAGEMENT PLAN, THE COMMISSIONER OR THE COMMISSIONER'S
22 DESIGNEE MAY CONSULT WITH ANY STAKEHOLDERS, INCLUDING LOCAL
23 GOVERNMENTS, STATE AND FEDERAL AND LAW ENFORCEMENT AGENCIES,
24 AND SHALL CONSULT WITH PRIVATE INDUSTRY. IN DEVELOPING A HEMP
25 MANAGEMENT PLAN PURSUANT TO THIS SUBSECTION (6), THE
26 COMMISSIONER OR THE COMMISSIONER'S DESIGNEE SHALL ESTABLISH
27 RULES AUTHORIZING THE DISPOSAL OF A PLANT OR A PRODUCT DERIVED

1 FROM THE PLANT. THE RULES MAY AUTHORIZE SOME FORM OF REUSE OF
2 THE PLANT OR A PRODUCT DERIVED FROM THE PLANT, IN ACCORDANCE
3 WITH FEDERAL GUIDELINES.

4 **SECTION 4.** In Colorado Revised Statutes, 35-61-104.5, **amend**
5 (1)(a) and (2); and **repeal** (1)(b) as follows:

6 **35-61-104.5. Research - certified seed program - fees.**

7 (1) (a) The department shall administer an industrial hemp grant research
8 program so that state institutions of higher education may conduct
9 research to develop or recreate strains of industrial hemp. ~~best suited for~~
10 ~~industrial applications.~~ The purpose of the research may include growing
11 industrial hemp to provide breeding strains to aid Colorado's industrial
12 hemp program and to create Colorado strains of industrial hemp.

13 (b) ~~An institution of higher education that conducts industrial~~
14 ~~hemp seed research may accept seed varieties that are approved by the~~
15 ~~committee or the department. The institution of higher education may~~
16 ~~work with private hemp developers and other stakeholders to develop a~~
17 ~~Colorado heritage seed.~~

18 (2) In addition to the fees collected pursuant to section 35-61-106
19 OR PURSUANT TO RULES PROMULGATED UNDER SECTION 35-61-104, the
20 commissioner may collect ~~an additional~~ A fee, established by the
21 committee, ~~from~~ FOR each ~~registrant~~ REGISTRATION for the purpose of
22 funding industrial hemp research and certification programs, including by
23 making grants to institutions of higher education as specified in
24 subsection (1) of this section. The fees collected shall be deposited in the
25 industrial hemp research grant fund created in section 35-61-106 (3). The
26 department may solicit, apply for, and accept ~~moneys~~ MONEY from other
27 sources for the grant program.

1 **SECTION 5.** In Colorado Revised Statutes, 35-61-105, **amend**
2 (1) introductory portion and (1)(a); and **repeal** (1)(b) as follows:

3 **35-61-105. Report of growth and sales activities - verification**
4 **of crop content - testing - waiver of concentration limits - rules.**

5 (1) At least annually and more often as required by the commissioner, a
6 person who obtains a registration under this ~~article~~ ARTICLE 61 to engage
7 in industrial hemp cultivation for commercial purposes shall file with the
8 department a report that includes the following information:

9 (a) Prior to planting, a verification that the crop the registrant will
10 plant is of a type and variety of hemp that will produce a delta-9
11 tetrahydrocannabinol concentration of no more than three-tenths of one
12 percent on a dry-weight basis; AND

13 (b) ~~Documentation demonstrating that the registrant has entered~~
14 ~~into a purchase agreement with an in-state industrial hemp processor; and~~

15 **SECTION 6.** In Colorado Revised Statutes, **repeal** 35-61-109.

16 **SECTION 7. Appropriation.** (1) For the 2019-20 state fiscal
17 year, \$406,470 is appropriated to the department of agriculture. This
18 appropriation is from the industrial hemp registration program cash fund
19 created in section 35-61-106 (1), C.R.S. To implement this act, the
20 department may use this appropriation as follows:

21 (a) \$405,470 for use by the plant industry division, which amount
22 is based on an assumption that the division will require an additional 4.6
23 FTE; and

24 (b) \$1,000 for vehicle lease payments.

25 (2) For the 2019-20 state fiscal year, \$1,000 is appropriated to the
26 department of personnel. This appropriation is from reappropriated funds
27 received from the department of agriculture under subsection (1)(b) of

1 this section. To implement this act, the department of personnel may use
2 this appropriation to make vehicle replacement lease/purchase payments
3 for the department of agriculture.

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