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An Act

SENATE BILL 14-184

BY SENATOR(S) Schwartz, Aguilar, Balmer, Baumgardner, Cadman, Crowder, Guzman, Harvey, Heath, Herpin, Hodge, Jahn, Jones, Kefalas, King, Lambert, Lundberg, Marble, Newell, Nicholson, Renfroe, Steadman, Tochtrop, Todd, Zenzinger, Carroll;
also REPRESENTATIVE(S) Coram, Fields, Fischer, Ginal, Hullinghorst, Lebsack, Mitsch Bush, Rosenthal, Saine, Sonnenberg, Vigil, Ferrandino.

CONCERNING OVERSIGHT OF THE INDUSTRIAL HEMP PROGRAM.

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

SECTION 1. In Colorado Revised Statutes, **amend** 35-61-101 as follows:

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

(1) "CERTIFIED SEED" MEANS INDUSTRIAL HEMP SEED, INCLUDING COLORADO HERITAGE CANNABIS SEED, THAT HAS BEEN CERTIFIED BY AN ORGANIZATION RECOGNIZED BY THE DEPARTMENT AS HAVING NO MORE THAN A THREE-TENTHS OF ONE PERCENT OF DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION ON A DRY-WEIGHT BASIS.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(2) "COLORADO HERITAGE CANNABIS SEED" MEANS SEED FROM THE PLANT CANNABIS SATIVA THAT POSSESSES CHARACTERISTICS OF A UNIQUE AND SPECIALIZED CANNABIS SEED VARIETY THAT IS PRESENT IN COLORADO OR HAS BEEN RECOGNIZED AS PRODUCED IN COLORADO.

(1) (3) "Commissioner" means the commissioner of agriculture.

(2) (4) "Committee" means the industrial hemp committee established in section 35-61-103.

(3) (5) "Delta-9 tetrahydrocannabinols" has the same meaning as "tetrahydrocannabinols" as set forth in section 27-80-203 (24), C.R.S.

(4) (6) "Department" means the department of agriculture.

(5) (7) "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 three-tenths of one percent on a dry weight basis.

SECTION 2. In Colorado Revised Statutes, 35-61-102, **amend** (1) as follows:

35-61-102. Industrial hemp - permitted growth by registered persons. (1) Notwithstanding any other provision of law to the contrary, a person who holds a registration issued pursuant to section 35-61-104 may:

(a) Engage in industrial hemp cultivation for commercial purposes;
or

(b) Grow industrial hemp ~~outdoors on not more than ten acres~~ for research and development purposes.

SECTION 3. In Colorado Revised Statutes, 35-61-103, **amend** (2) introductory portion, (2) (b), and (3) as follows:

35-61-103. Industrial hemp committee - appointments - duties - coordination with department. (2) The committee shall work with the department to establish an industrial hemp registration program AND A SEED

CERTIFICATION PROGRAM pursuant to section 35-61-104, under which a person may obtain authorization to:

(b) Grow industrial hemp ~~outdoors on not more than ten acres~~ for purposes of research and development.

(3) The committee shall assist the department in determining the qualifications and other criteria a person must satisfy to qualify for registration under this article. THE COMMITTEE SHALL ASSIST THE DEPARTMENT IN THE DEVELOPMENT OF A SEED CERTIFICATION PROGRAM.

SECTION 4. In Colorado Revised Statutes, 35-61-104, **amend** (1) (a) and (2) as follows:

35-61-104. Registration - cultivation of industrial hemp - research and development growth - rules. (1) (a) A person wishing to engage in industrial hemp cultivation for commercial purposes or to grow industrial hemp for research and development purposes ~~in any given year~~ shall apply to the department for a registration in a form and manner determined by the commissioner, in consultation with the committee, ~~by May 1 of the year in which the applicant plans to grow~~ PRIOR TO PLANTING THE industrial hemp for commercial or research and development purposes. The application must include the name and address of the applicant and the legal description, global positioning system location, and map of the land area on which the applicant plans to engage in industrial hemp cultivation or research and development growth operations. The applicant shall also submit to the department the fee required by section 35-61-106 (2). APPLICATION FOR REGISTRATION PURSUANT TO THIS SECTION IS A MATTER OF STATEWIDE CONCERN.

(2) If a person applies for registration in accordance with subsection (1) of this section and the commissioner determines that the person has satisfied the requirements for registration pursuant to this article, the commissioner shall issue a registration to the person. ~~A registration authorizing industrial hemp research and development growth must limit the industrial hemp growth area to not more than ten acres.~~

SECTION 5. In Colorado Revised Statutes, **add** 35-61-104.5 as follows:

35-61-104.5. Research - fees. (1) (a) THE DEPARTMENT SHALL ADMINISTER AN INDUSTRIAL HEMP GRANT RESEARCH PROGRAM SO THAT STATE INSTITUTIONS OF HIGHER EDUCATION MAY CONDUCT RESEARCH TO DEVELOP OR RECREATE STRAINS OF INDUSTRIAL HEMP BEST SUITED FOR INDUSTRIAL APPLICATIONS. THE PURPOSE OF THE RESEARCH MAY INCLUDE GROWING INDUSTRIAL HEMP TO PROVIDE BREEDING STRAINS TO AID COLORADO'S INDUSTRIAL HEMP PROGRAM AND TO CREATE COLORADO STRAINS OF INDUSTRIAL HEMP.

(b) AN INSTITUTION OF HIGHER EDUCATION THAT CONDUCTS INDUSTRIAL HEMP SEED RESEARCH MAY ACCEPT SEED VARIETIES THAT ARE APPROVED BY THE COMMITTEE OR THE DEPARTMENT. THE INSTITUTION OF HIGHER EDUCATION MAY WORK WITH PRIVATE HEMP DEVELOPERS AND OTHER STAKEHOLDERS TO DEVELOP A COLORADO HERITAGE SEED.

(2) IN ADDITION TO THE FEES COLLECTED PURSUANT TO SECTION 35-61-106, THE COMMISSIONER MAY COLLECT AN ADDITIONAL FEE, ESTABLISHED BY THE COMMITTEE, FROM EACH REGISTRANT FOR THE PURPOSE OF FUNDING INDUSTRIAL HEMP RESEARCH AND CERTIFICATION PROGRAMS, INCLUDING BY MAKING GRANTS TO INSTITUTIONS OF HIGHER EDUCATION AS SPECIFIED IN SUBSECTION (1) OF THIS SECTION. THE FEES COLLECTED SHALL BE DEPOSITED IN THE INDUSTRIAL HEMP REGISTRATION PROGRAM CASH FUND CREATED IN SECTION 35-61-106 (3). THE DEPARTMENT MAY SOLICIT, APPLY FOR, AND ACCEPT MONEYS FROM OTHER SOURCES FOR THE GRANT PROGRAM.

SECTION 6. In Colorado Revised Statutes, 35-61-106, **amend** (1); and **add** (3) as follows:

35-61-106. Industrial hemp registration program cash fund - industrial hemp research grant cash fund - fees. (1) There is hereby created in the state treasury the industrial hemp registration program cash fund, referred to in this article as the "fund". The fund consists of fees collected by the commissioner pursuant to subsection (2) of this section AND ANY GENERAL FUND MONEYS APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY. The moneys in the fund are subject to annual appropriation by the general assembly to the department for the direct and indirect costs associated with implementing this article.

(3) THERE IS HEREBY CREATED IN THE STATE TREASURY THE

INDUSTRIAL HEMP RESEARCH GRANT FUND. THE FUND CONSISTS OF:

(a) FEES COLLECTED BY THE COMMISSIONER PURSUANT TO SECTION 35-61-104.5 (2);

(b) ANY MONEYS FROM FOUNDATIONS, PRIVATE INDIVIDUALS, OR ANY OTHER FUNDING SOURCES THAT CAN BE USED TO EXPAND THE SCOPE OR TIME FRAME OF ANY HEMP RESEARCH AUTHORIZED PURSUANT TO THIS ARTICLE;

(c) ON AND AFTER JULY 1, 2015, UP TO TEN MILLION DOLLARS APPROPRIATED BY THE GENERAL ASSEMBLY FROM THE MARIJUANA CASH FUND, ESTABLISHED IN SECTION 12-43.3-501, C.R.S.; AND

(d) ON AND AFTER JULY 1, 2015, UP TO TEN MILLION DOLLARS FROM THE MARIJUANA TAX CASH FUND CREATED IN SECTION 39-28.8-501, C.R.S., AS ENACTED BY SENATE BILL 14-215. THE MONEYS IN THE FUND ARE SUBJECT TO ANNUAL APPROPRIATIONS BY THE GENERAL ASSEMBLY TO THE DEPARTMENT TO ESTABLISH AND ADMINISTER AN INDUSTRIAL HEMP RESEARCH GRANT PROGRAM AND TO CONDUCT HEMP RESEARCH.

SECTION 7. In Colorado Revised Statutes, 35-61-107, **add** (5) as follows:

35-61-107. Violations - penalties. (5) THE COMMISSIONER SHALL NEITHER REVOKE NOR SUSPEND AN INSTITUTION OF HIGHER EDUCATION'S REGISTRATION OR A RESEARCH-AND-DEVELOPMENT REGISTRANT'S REGISTRATION WHEN A SAMPLE OF THE REGISTRANT'S INDUSTRIAL HEMP TESTS HIGHER THAN THE LIMITS ESTABLISHED BY RULE OF THE COMMISSIONER IF THE CROP IS DESTROYED OR UTILIZED IN A MANNER APPROVED OF AND VERIFIED BY THE COMMISSIONER.

SECTION 8. In Colorado Revised Statutes, **amend** 35-61-108 as follows:

35-61-108. Exportation of industrial hemp - processing, sale, and distribution. (1) Nothing in this article limits or precludes the exportation of industrial hemp in accordance with the federal "Controlled Substances Act", as amended, 21 U.S.C. sec. 801 et seq., federal regulations adopted under the act, and case law interpreting the act.

(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A PERSON ENGAGED IN PROCESSING, SELLING, OR OTHERWISE DISTRIBUTING INDUSTRIAL HEMP CULTIVATED BY A PERSON REGISTERED UNDER THIS ARTICLE, OR SELLING INDUSTRIAL HEMP PRODUCTS PRODUCED THEREFROM, IS NOT SUBJECT TO ANY CIVIL OR CRIMINAL ACTIONS UNDER COLORADO LAW FOR ENGAGING IN SUCH ACTIVITIES.

SECTION 9. In Colorado Revised Statutes, 12-43.3-501, **amend** (1) (b) (IV) and (1) (b) (V); and **add** (1) (b) (VI) as follows:

12-43.3-501. Marijuana cash fund - repeal. (1) (b) Moneys in the fund shall be subject to annual appropriation by the general assembly to:

(IV) The department of law for the training described in section 24-31-313, C.R.S.; and

(V) The general fund to repay two million dollars to the general fund for the transfers required by section 39-26-123 (6), C.R.S.; AND

(VI) THE DEPARTMENT OF AGRICULTURE TO ADMINISTER AN INDUSTRIAL HEMP RESEARCH PROGRAM PURSUANT TO SECTION 35-61-106, C.R.S.

SECTION 10. In Colorado Revised Statutes, 39-28.8-501, **amend as amended by Senate Bill 14-215** (2) (b) (XI) and (2) (b) (XII); and **add** (2) (b) (XIII) as follows:

39-28.8-501. Marijuana tax cash fund - creation - distribution. (2) (b) Subject to the limitations in subsection (5) of this section, any moneys in the fund that are not appropriated to the department of revenue pursuant to paragraph (a) of this subsection (2) are subject to annual appropriation by the general assembly for any fiscal year following the fiscal year in which they were received by the state. The general assembly shall initially appropriate moneys in the fund based on the most recent estimate of revenue prepared by the staff of the legislative council or the department of revenue for the applicable fiscal year. The general assembly may appropriate moneys in the fund for the following purposes:

(XI) To expand the provision of jail-based behavioral health services in underserved counties and to enhance the provision of jail-based

behavioral health services to offenders transitioning from jail to the community to ensure continuity of care; and

(XII) For the provision of substance use disorder treatment services for adolescents and pregnant women; AND

(XIII) THE INDUSTRIAL HEMP GRANT RESEARCH PROGRAM CREATED IN SECTION 35-61-104.5, C.R.S.

SECTION 11. Effective date. This act takes effect upon passage; except that section 35-61-106 (3) (c), Colorado Revised Statutes, as enacted by section 6 of this act and section 9 of this act only take effect if Senate Bill 14-215 does not pass, and section 35-61-106 (3) (d) as enacted by section 6 of this act and section 10 of this act only take effect if Senate Bill 14-215 is enacted and becomes law.

SECTION 12. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Morgan Carroll
PRESIDENT OF
THE SENATE

Mark Ferrandino
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO