

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0941.01 Kristen Forrestal x4217

SENATE BILL 14-184

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SENATE SPONSORSHIP

Schwartz,

HOUSE SPONSORSHIP

Coram,

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Senate Committees  
Local Government

House Committees

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A BILL FOR AN ACT

101 CONCERNING OVERSIGHT OF THE INDUSTRIAL HEMP PROGRAM.

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://www.leg.state.co.us/billsummaries>.)*

Current law limits a person who holds a registration to grow industrial hemp for research and development purposes to growth outdoors and on not more than 10 acres. The bill removes these limitations. The bill also changes the time period during which a person who wishes to grow industrial hemp may apply to the department of agriculture (department) from May first of the year in which the person wishes to grow hemp to prior to planting.

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

The bill requires the department to test at least 80% of the hemp crop in the industrial hemp registration program. The bill allows the general assembly to make general fund appropriations to support the program.

The bill exempts state-accredited research institutions that are engaged in research and development from the industrial hemp testing program. The bill allows a research and development registrant to use or destroy hemp that exceeds delta-9 tetrahydrocannabinol concentration limits established by the department in a manner approved and verified by the department.

The bill requires the department to administer an industrial hemp grant program that is funded through registration fees and moneys from the medical marijuana cash fund. The grants allow state institutions of higher education to conduct the research. The bill creates the industrial hemp research grant program fund.

The bill allows a person to process, sell, and distribute hemp cultivated by a registered person or to sell hemp products produced from the hemp.

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

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

4 **35-61-101. Definitions.** As used in this article, unless the context  
5 otherwise requires:

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

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

15 (†) (3) "Commissioner" means the commissioner of agriculture.

1           (2) (4) "Committee" means the industrial hemp committee  
2 established in section 35-61-103.

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

5           (4) (6) "Department" means the department of agriculture.

6           (5) (7) "Industrial hemp" means a plant of the genus cannabis and  
7 any part of the plant, whether growing or not, containing a delta-9  
8 tetrahydrocannabinol concentration of no more than three-tenths of one  
9 percent on a dry weight basis.

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

12           **35-61-102. Industrial hemp - permitted growth by registered**  
13 **persons.** (1) Notwithstanding any other provision of law to the contrary,  
14 a person who holds a registration issued pursuant to section 35-61-104  
15 may:

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

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

20           **SECTION 3.** In Colorado Revised Statutes, 35-61-104, **amend**  
21 (1) (a) and (2) as follows:

22           **35-61-104. Registration - cultivation of industrial hemp -**  
23 **research and development growth - rules.** (1) (a) A person wishing to  
24 engage in industrial hemp cultivation for commercial purposes or to grow  
25 industrial hemp for research and development purposes ~~in any given year~~  
26 shall apply to the department for a registration in a form and manner  
27 determined by the commissioner, in consultation with the committee, ~~by~~

1 ~~May 1 of the year in which the applicant plans to grow~~ PRIOR TO  
2 PLANTING THE industrial hemp for commercial or research and  
3 development purposes. The application must include the name and  
4 address of the applicant and the legal description, global positioning  
5 system location, and map of the land area on which the applicant plans to  
6 engage in industrial hemp cultivation or research and development  
7 growth operations. The applicant shall also submit to the department the  
8 fee required by section 35-61-106 (2). APPLICATION FOR REGISTRATION  
9 PURSUANT TO THIS SECTION IS A MATTER OF STATEWIDE CONCERN.

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

16 **SECTION 4.** In Colorado Revised Statutes, **add** 35-61-104.5 as  
17 follows:

18 **35-61-104.5. Research - fees.** (1) (a) THE DEPARTMENT SHALL  
19 ADMINISTER AN INDUSTRIAL HEMP GRANT RESEARCH PROGRAM SO THAT  
20 STATE INSTITUTIONS OF HIGHER EDUCATION MAY CONDUCT RESEARCH TO  
21 DEVELOP OR RECREATE STRAINS OF INDUSTRIAL HEMP BEST SUITED FOR  
22 THE PURPOSE OF SEED PRODUCTION. THE PURPOSE OF THE RESEARCH IS TO  
23 GROW INDUSTRIAL HEMP TO PROVIDE BREEDING STRAINS TO AID  
24 COLORADO'S INDUSTRIAL HEMP PROGRAM AND TO CREATE COLORADO  
25 STRAINS OF INDUSTRIAL HEMP.

26 (b) AN INSTITUTION OF HIGHER EDUCATION THAT CONDUCTS  
27 INDUSTRIAL HEMP SEED RESEARCH MAY ACCEPT SEED VARIETIES THAT ARE

1 APPROVED BY THE COMMITTEE OR THE DEPARTMENT. THE INSTITUTION OF  
2 HIGHER EDUCATION MAY WORK WITH PRIVATE HEMP DEVELOPERS AND  
3 OTHER STAKEHOLDERS TO DEVELOP A COLORADO HERITAGE SEED.

4 (2) IN ADDITION TO THE FEES COLLECTED PURSUANT TO SECTION  
5 35-61-106, THE COMMISSIONER MAY COLLECT AN ADDITIONAL FEE,  
6 ESTABLISHED BY THE COMMITTEE, FROM EACH REGISTRANT FOR THE  
7 PURPOSE OF FUNDING INDUSTRIAL HEMP RESEARCH AND CERTIFICATION  
8 PROGRAMS, INCLUDING BY MAKING GRANTS TO INSTITUTIONS OF HIGHER  
9 EDUCATION AS SPECIFIED IN SUBSECTION (1) OF THIS SECTION. THE FEES  
10 COLLECTED SHALL BE DEPOSITED IN THE INDUSTRIAL HEMP REGISTRATION  
11 PROGRAM CASH FUND CREATED IN SECTION 35-61-106 (3). THE  
12 DEPARTMENT MAY SOLICIT, APPLY FOR, AND ACCEPT MONEYS FROM OTHER  
13 SOURCES FOR THE GRANT PROGRAM.

14 **SECTION 5.** In Colorado Revised Statutes, 35-61-106, **amend**  
15 (1); and **add** (3) as follows:

16 **35-61-106. Industrial hemp registration program cash fund -**  
17 **industrial hemp research grant cash fund - fees.** (1) There is hereby  
18 created in the state treasury the industrial hemp registration program cash  
19 fund, referred to in this article as the "fund". The fund consists of fees  
20 collected by the commissioner pursuant to subsection (2) of this section  
21 AND ANY GENERAL FUND MONEYS APPROPRIATED TO THE FUND BY THE  
22 GENERAL ASSEMBLY. The moneys in the fund are subject to annual  
23 appropriation by the general assembly to the department for the direct and  
24 indirect costs associated with implementing this article.

25 (3) THERE IS HEREBY CREATED IN THE STATE TREASURY THE  
26 INDUSTRIAL HEMP RESEARCH GRANT FUND. THE FUND CONSISTS OF FEES  
27 COLLECTED BY THE COMMISSIONER PURSUANT TO SECTION 35-61-104.5

1 (2); ANY MONEYS FROM FOUNDATIONS, PRIVATE INDIVIDUALS, OR ANY  
2 OTHER FUNDING SOURCES THAT CAN BE USED TO EXPAND THE SCOPE OR  
3 TIME FRAME OF ANY HEMP RESEARCH AUTHORIZED PURSUANT TO THIS  
4 ARTICLE 1; AND UP TO TEN MILLION DOLLARS APPROPRIATED BY THE  
5 GENERAL ASSEMBLY FROM THE MARIJUANA CASH FUND, ESTABLISHED IN  
6 SECTION 12-43.3-501, C.R.S. THE MONEYS IN THE FUND ARE SUBJECT TO  
7 ANNUAL APPROPRIATIONS BY THE GENERAL ASSEMBLY TO THE  
8 DEPARTMENT TO ESTABLISH AND ADMINISTER AN INDUSTRIAL HEMP  
9 RESEARCH GRANT PROGRAM AND TO CONDUCT HEMP RESEARCH.

10 **SECTION 6.** In Colorado Revised Statutes, 35-61-107, **add** (5)  
11 as follows:

12 **35-61-107. Violations - penalties.** (5) THE COMMISSIONER SHALL  
13 NEITHER REVOKE NOR SUSPEND AN INSTITUTION OF HIGHER EDUCATION'S  
14 REGISTRATION OR A RESEARCH-AND-DEVELOPMENT REGISTRANT'S  
15 REGISTRATION WHEN A SAMPLE OF THE REGISTRANT'S INDUSTRIAL HEMP  
16 TESTS HIGHER THAN THE LIMITS ESTABLISHED BY RULE OF THE  
17 COMMISSIONER IF THE CROP IS DESTROYED OR UTILIZED IN A MANNER  
18 APPROVED OF AND VERIFIED BY THE COMMISSIONER.

19 **SECTION 7.** In Colorado Revised Statutes, **amend** 35-61-108 as  
20 follows:

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

26 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A PERSON  
27 ENGAGED IN PROCESSING, SELLING, OR OTHERWISE DISTRIBUTING

1 INDUSTRIAL HEMP CULTIVATED BY A PERSON REGISTERED UNDER THIS  
2 ARTICLE, OR SELLING INDUSTRIAL HEMP PRODUCTS PRODUCED  
3 THEREFROM, IS NOT SUBJECT TO ANY CIVIL OR CRIMINAL ACTIONS UNDER  
4 COLORADO LAW FOR ENGAGING IN SUCH ACTIVITIES.

5 **SECTION 8.** In Colorado Revised Statutes, 12-43.3-501, **amend**  
6 (1) (b) (IV) and (1) (b) (V); and **add** (1) (b) (VI) as follows:

7 **12-43.3-501. Marijuana cash fund - repeal.** (1) (b) Moneys in  
8 the fund shall be subject to annual appropriation by the general assembly  
9 to:

10 (IV) The department of law for the training described in section  
11 24-31-313, C.R.S.; and

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

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

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