



**Colorado
Legislative
Council
Staff**

HB17-1148

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0650
Prime Sponsor(s): Rep. Arndt
Sen. Cooke

Date: February 8, 2017
Bill Status: House Agriculture
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: REGISTRATION OF INDUSTRIAL HEMP CULTIVATORS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Minimal workload increase. See State Expenditures section.	
Appropriation Required:	None.	
Future Year Impacts:	Ongoing minimal workload increase.	

Summary of Legislation

This bill requires applications for registration to cultivate industrial hemp for commercial purposes to identify by name each officer, director, member, partner or owner of at least 10 percent of the entity applying for registration and any other person who has managing or controlling authority over the entity. The Commissioner of Agriculture can deny an application for registration if any individual associated with the application violated the Colorado Industrial Hemp Act for up to three years before the application.

Background

Industrial Hemp means a plant of the genus Cannabis and any part of the plant, whether growing or not, containing a delta-9 tetrahydrocannabinol (THC) concentration of no more than 0.3% on a dry weight basis. The Department of Agriculture began administering a registration program for industrial hemp growers in 2014. There are currently 327 growers registered for the upcoming season, 318 of which are registered for commercial purposes. All registrants are subject to sampling of their industrial hemp crop to verify that their hemp does not exceed the permissible THC limits.

State Expenditures

This bill will minimally increase workload for the Department of Agriculture to administer the Industrial Hemp Program. The department will update its rules, application form, and registration tracking system. This can be accomplished within existing appropriations. While it may reduce the number of applicants, the bill is also expected to reduce the number of disciplinary actions undertaken by the department by prohibiting the registration of individuals with past violations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Agriculture Information Technology Law