# **AMENDMENT X**

# **Definition of Industrial Hemp**

#### Summary

Under this measure, the definition of "industrial hemp" would be taken out of the Colorado Constitution and require it be the same definition as in federal law. Currently, however, states aren't allowed to define industrial hemp under federal law. Nonetheless, the Colorado Constitution defines hemp as no more than 0.3 percent THC, as does <u>federal law</u>. According to the <u>chemical makeup</u>, for a plant to be considered hemp, it must have below 0.3 percent THC. For a plant to be considered marijuana, it must have more than 5 percent THC, but Colorado law, anything above 0.3 percent is considered <u>marijuana</u>.

#### Research

This measure is a preemptive action based on the expectation federal restrictions on hemp production will ease up. Currently, federal law doesn't define hemp explicitly because it leaves that up to each state's definition. In that case, having the definition of industrial hemp in the state's constitution keeps the legislature from adjusting quickly and easily to federal law. This amendment was designed to allow more leeway in regulating industrial hemp.

Colorado is the leading state in hemp production following its legalization in 2012. Today, there are over 300 <u>licensed hemp growers</u> — mostly in rural areas — and over 12,000 outdoor acres and over 2 million square feet indoors of hemp cultivation. In 2016, Colorado produced half of the <u>nation's hemp</u>, all thanks to Colorado's early willingness to ignore federal law. Now, however, this measure seeks to take advantage of an opportunity by complying with federal law.

In July, the U.S. Senate unanimously adopted legislation recognizing the vast "economic potential" and opportunity of <u>industrial hemp</u>. While this resolution is non-binding and does nothing to officially legalize industrial hemp, the path to federal legalization of industrial hemp seems to be clearing.

The Hemp Farming Act has <u>bipartisan support</u>, nearly one-third of senators have signed on as cosponsors with no outright dissent, and is expected to be followed by similar language attached to the version of the Farm Bill going through Congress this year. The Hemp Farming Act of 2018 would give farmers more easy access to banks, water rights, and remove other obstacles farmers and processors currently face. States would send oversight plans to the U.S. Department of Agriculture in order to be able to administer local production via their state agriculture departments. The bill would also make USDA research funding available to rural farmers, and hemp plants that exceed 0.3 percent THC (and must be destroyed) or are ruined in other ways would be eligible for <u>crop insurance</u>.

With the expectation this bill and the amendments to the Farm Bill will go through, even if the definition of a 0.3 percent THC content remains, any hemp crops produced exceeding that limit will be insured for the first time, which is a huge safety net. Growers and entrepreneurs would also be able to gain access to more banks with more flexibility.

As of October 11, 2018, both versions of the Farm Bill are still in the process of being reconciled in a <u>Congressional</u> <u>conference committee</u>. While the language would legalize hemp to some degree, it would prevent anyone with a <u>felony drug conviction</u> from growing hemp.



#### **Arguments For**

- This measure would allow Colorado to more easily comply with and react to changes regarding hemp at the federal level. In turn, Colorado would remain competitive in the hemp industry.
- One of the biggest risks with hemp production is using huge amounts of money and time to produce a crop that
  might have to be destroyed at the very end if it exceeds 0.3 percent THC. The passage of this measure would
  relieve many of those pressures on hemp growers and other farmers in Colorado who want to introduce new
  crops as traditional cash crops get steadily pushed aside in favor of <a href="hemp.">hemp.</a>
   These farmers must be able to keep
  up with what is expected to be increasing demands for hemp.

# **Proponents**

Sen. Stephen Fenberg (D-18), Sen. Vicki Marble (R-23), Rep. Dan Pabon (D-4), and Rep. Lori Saine (R-63) were prime sponsors of the <u>bill</u> in the legislature. It passed the Senate 35-0 and the House 60-5. Win the Fourth Colorado Issue Committee is registered in support.

### **Arguments Against**

- Given this measure would put Colorado in compliance with federal law and the 2018 Farm Bill (if approved by both houses), it would make hemp unavailable to convicted drug felons. People who might have a felony from 30 years ago for possessing less than an ounce of marijuana would be barred from growing, possessing or owning a hemp business. This would constitute undue discrimination against some of our most disadvantaged members of society, since people of color are disproportionally targeted and affected by this derivative of the War on Drugs.
- Amendment 64 to the Colorado Constitution passed in 2012, which included the current definition of industrial hemp and embodied what the voters intended. If their intent was different, Amendment 64 would have reflected that.

#### **Opponents**

Two issue committees are opposing: Vote No on Amendment X (Keep Hemp Legal) and State Ballot Issue Committee.

## **Recommendation: Support**

This measure fits into the Bell Policy Center's mission to promote economic mobility for Coloradans. Since hemp is such a huge industry in Colorado, loosening the definition and making it easier to comply with federal changes would allow Coloradans to take full, fair advantage of the industry. This measure would especially bolster the economy in rural areas by eliminating many of the currently tight restrictions on hemp production.

