

**FINAL  
FISCAL NOTE**

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**Drafting Number:** LLS 12-0485 **Date:** July 11, 2012  
**Prime Sponsor(s):** Rep. McKinley **Bill Status:** Signed into Law  
 Sen. Tochtrop; Williams S. **Fiscal Analyst:** Clare Pramuk (303-866-2677)

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**TITLE:** CONCERNING THE ESTABLISHMENT OF AN INDUSTRIAL HEMP REMEDIATION PILOT PROGRAM TO STUDY PHYTOREMEDIATION THROUGH THE GROWTH OF HEMP ON CONTAMINATED SOIL, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

<b>Fiscal Impact Summary</b>	<b>FY 2012-2013</b>	<b>FY 2013-2014</b>
<b>State Revenue</b> Hemp Remediation Pilot Program Cash Fund	\$25,000	
<b>State Expenditures</b> Hemp Remediation Pilot Program Cash Fund	\$25,000	
<b>FTE Position Change</b>	0.1 FTE	
<b>Effective Date:</b> The bill was signed into law by the Governor on June 4, 2012, and took effect July 1, 2012.		
<b>Appropriation Summary for FY 2012-2013:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill creates the Industrial Hemp Remediation Pilot Program to study how contaminated soils and water can be cleaned through the growth of industrial hemp. Industrial hemp is defined as any variety of the plant *Cannabis Sativa L.* that contains no more than three-tenths of one percent of tetrahydrocannabinols (THC), whether growing or not. THC is the psychoactive component of cannabis. The program is overseen by a seven member committee appointed jointly by the committee chairs of the House and Senate Agriculture Committees. The committee is responsible for designing the pilot program according to certain specifications, soliciting funding, selecting a secure, indoor growing site, and completing a final report for the Executive Director of the Department of Public Health and Environment. Under this bill, growing and possessing industrial hemp for the pilot program are permitted.

The pilot program is to be funded through gifts, grants, and donations to the newly created Hemp Remediation Pilot Program Cash Fund. Funding for the pilot project must be received by July 1, 2015. The pilot project is repealed July 1, 2022.

## **State Revenue**

*The committee is required to raise sufficient gifts, grants, or donations to fund the project which for purposes of the fiscal note are estimated at \$25,000 to the Hemp Remediation Pilot Program Cash Fund.* The fiscal note expects that the committee will establish the actual amount of funding needed based on the location identified, necessary staffing, laboratory analysis, legal services costs, and supplies. No funding sources for the pilot project have been identified at this time.

## **State Expenditures**

*This bill is expected to increase expenditures for the Department of Public Health and Environment by \$25,000 in FY 2012-13 from the Hemp Remediation Pilot Program Cash Fund.*

Actual expenditures for the pilot program will depend on the choices of the committee on location, staffing, laboratory analysis, legal services costs, and supplies. For purposes of the fiscal note, these are estimated at \$25,000 but not categorized. If the committee determines that it will negotiate a Memorandum of Understanding with the federal Drug Enforcement Administration to grow industrial hemp, it will require up to 200 legal services hours. These will be provided by Department of Law at \$75.71 per hour for a total of \$15,142 and 0.1 FTE in FY 2012-13. The committee is required to submit a final report to the executive director of the Department of Public Health and Environment, but the bill is silent as to what, if any, action the executive director should take on the report.

## **State Appropriations**

For FY 2012-13, the Department of Public Health and Environment requires an appropriation of \$25,000 from the Hemp Remediation Pilot Program Cash Fund. Of this, the Department of Law requires \$15,142 and 0.1 FTE in reappropriated funds.

## **Departments Contacted**

Agriculture

Law

Public Health and Environment

## **Departmental Difference**

The bill does not direct the Department of Public Health and Environment to provide support for the committee. However, the department has indicated that similar committees have required considerable staff support and that if required to staff the committee, it will require \$8,669 and 0.2 FTE from the Hemp Remediation Pilot Program Cash Fund. If this occurs, the fiscal note assumes it will be addressed during the annual budget process.