

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0790.02 Pierce Lively x2059

HOUSE BILL 26-1301

HOUSE SPONSORSHIP

Marshall,

SENATE SPONSORSHIP

Amabile,

House Committees
Health & Human Services
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE TAXATION OF CERTAIN HARMFUL SUBSTANCES, AND,**
102 **IN CONNECTION THEREWITH, INCREASING THE TAX ON THE SALE**
103 **OF MALT LIQUORS, VINOUS LIQUORS, SPIRITOUS LIQUORS, HARD**
104 **CIDER, AND RETAIL MARIJUANA, DEDICATING THAT TAX**
105 **REVENUE FIRST TO THE CONSTRUCTION AND OPERATION OF THE**
106 **COLORADO MENTAL HEALTH INSTITUTE AT AURORA AND THEN**
107 **THE OPERATION OF LONG-TERM CIVIL COMMITMENT FACILITIES**
108 **IN MESA COUNTY, AND AUTHORIZING THE STATE TO KEEP AND**
109 **SPEND THE ADDITIONAL TAXATION REVENUE AS A**
110 **VOTER-APPROVED REVENUE CHANGE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

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://leg.colorado.gov>.)

The bill is a referred measure that will, if approved by the voters of the state at the 2026 general election, increase the excise tax on liquor by:

- \$0.0733 per gallon, or the same per unit volume tax applied to metric measure, on all malt liquors and hard cider;
- \$0.08 per liter on all vinous liquors except hard cider; and
- \$0.6026 per liter on all spirituous liquors.

This excise tax must be collected on the respective beverages not otherwise exempt from the tax, sold, offered for sale, or used in the state. The bill, if approved by the voters of the state at the 2026 general election, would also increase the state retail marijuana sales and excise taxes each by 0.42 percentage points.

The bill requires the treasurer to transfer an amount equal to the tax revenue raised as a result of the bill to the hospital support account that is created in the capital construction fund. The department of human services may expend money from the hospital support account in the following priority order:

- First, to fund the construction of the Colorado mental health institute at Aurora created in **section 2** of the bill (institute);
- Second, to fund the operational expenses associated with the institute; and
- Third, to fund the operational expenses associated with long-term civil commitment facilities in Mesa County.

Section 2 creates the institute, the construction, operation, and maintenance of which is funded by money in the hospital support account. The institute is a state institution for the treatment of persons with mental health, behavioral health, or substance use disorders. The institute operates under the control and supervision of the department of human services (department). The head of the administrative division overseeing the institute is permitted to appoint or employ necessary administrators, physicians, nurses, attendants, and other personnel required for the proper conduct of the institute. The administrative division head is permitted to contract with the board of regents of the University of Colorado health sciences center or other state-supported institutions of higher education to provide necessary medical services. **Section 2** establishes criteria for access to inpatient civil beds at the institute.

1 **SECTION 1.** In Colorado Revised Statutes, 24-75-302, **add** (3.9)
2 as follows:

3 **24-75-302. Capital construction fund - capital assessment fees**
4 **- calculation - information technology capital account - repeal.**

5 (3.9) (a) THE HOSPITAL SUPPORT ACCOUNT IS CREATED IN THE
6 CAPITAL CONSTRUCTION FUND. THE ACCOUNT CONSISTS OF GIFTS, GRANTS,
7 DONATIONS, AND MONEY TRANSFERRED BY THE STATE TREASURER TO THE
8 ACCOUNT PURSUANT TO SECTIONS 39-28.8-203 (1)(b)(II.8), 39-28.8-305
9 (1)(a)(V), AND 44-3-503 (1)(d.5)(II)(B) AND ANY OTHER MONEY THAT
10 THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

11 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
12 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
13 HOSPITAL SUPPORT ACCOUNT TO THE ACCOUNT.

14 (c) (I) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
15 ASSEMBLY, THE DEPARTMENT OF HUMAN SERVICES MAY EXPEND MONEY
16 FROM THE ACCOUNT IN THE FOLLOWING PRIORITY ORDER:

17 (A) FIRST, TO FUND THE CONSTRUCTION OF THE COLORADO
18 MENTAL HEALTH INSTITUTE AT AURORA CREATED PURSUANT TO ARTICLE
19 95 OF TITLE 27;

20 (B) SECOND, TO FUND THE OPERATIONAL EXPENSES ASSOCIATED
21 WITH THE FACILITY DESCRIBED IN SUBSECTION (3.9)(c)(I)(A) OF THIS
22 SECTION; AND

23 (C) THIRD, TO FUND THE OPERATIONAL EXPENSES ASSOCIATED
24 WITH LONG-TERM CIVIL COMMITMENT FACILITIES IN MESA COUNTY.

25 (II) THE DEPARTMENT OF HUMAN SERVICES SHALL SUBMIT
26 REQUESTS FOR APPROPRIATIONS FROM THE ACCOUNT FOR THE PURPOSES
27 DESCRIBED IN SUBSECTION (3.9)(c)(I)(A) OF THIS SECTION TO THE CAPITAL

1 DEVELOPMENT COMMITTEE AND, ONLY UPON APPROVAL BY THE CAPITAL
2 DEVELOPMENT COMMITTEE, MAY AN APPROPRIATION BE AUTHORIZED IN
3 THE ANNUAL GENERAL APPROPRIATION BILL, A SUPPLEMENTAL
4 APPROPRIATION BILL, OR ANOTHER BILL ENACTED BY THE GENERAL
5 ASSEMBLY.

6 (d) THE DEPARTMENT OF HUMAN SERVICES SHALL PROVIDE
7 DETAILS TO THE JOINT BUDGET COMMITTEE NO LATER THAN THIRTY-FIVE
8 DAYS AFTER THE CLOSE OF THE FISCAL YEAR REGARDING THE TOTAL
9 BALANCE OF THE HOSPITAL SUPPORT ACCOUNT FOR THE PREVIOUS STATE
10 FISCAL YEAR.

11 **SECTION 2.** In Colorado Revised Statutes, **add** article 95 to title
12 27 as follows:

13 **ARTICLE 95**

14 **Colorado Mental Health Institute at Aurora**

15 **27-95-101. Institute established.**

16 (1) THERE IS ESTABLISHED THE COLORADO MENTAL HEALTH
17 INSTITUTE AT AURORA FOR THE TREATMENT AND CARE OF INDIVIDUALS
18 WHO MAY REQUIRE MEDICAL CARE AND TREATMENT WITHIN THE
19 CAPABILITIES OF THE STAFF AND FACILITIES OF THE INSTITUTE, AND:

20 (a) WHO MAY HAVE A BEHAVIORAL OR MENTAL HEALTH DISORDER
21 FROM ANY CAUSE;

22 (b) ARE IN STATE INSTITUTIONS ON AN INPATIENT OR OUTPATIENT
23 BASIS; OR

24 (c) ARE IN STATE PROGRAMS RELATING TO THE TREATMENT OF
25 SUBSTANCE USE DISORDERS.

26 (2) THE COLORADO MENTAL HEALTH INSTITUTE AT AURORA
27 SHALL HAVE NO FEWER THAN FIFTY BEDS AND NO MORE THAN SEVENTY

1 BEDS AVAILABLE FOR THE TREATMENT AND CARE OF THE INDIVIDUALS
2 DESCRIBED IN SUBSECTION (1) OF THIS SECTION.

3 (3) THE COLORADO MENTAL HEALTH INSTITUTE AT AURORA IS
4 AUTHORIZED TO CONTRACT, PURSUANT TO THE FEDERAL GOVERNMENT
5 PROCUREMENT PROCESS, WITH FEDERAL AGENCIES TO PROVIDE
6 PSYCHIATRIC, MEDICAL, AND SURGICAL SERVICES AT THE INSTITUTE TO
7 PERSONS UNDER THE CARE OF OR IN THE CUSTODY OR CONTROL OF AN
8 AGENCY OF THE FEDERAL GOVERNMENT, SO LONG AS THE PROVISION OF
9 SUCH SERVICES DOES NOT EXCEED THE CAPABILITIES OF THE STAFF AND
10 FACILITIES OF THE INSTITUTE AND DOES NOT PREEMPT SERVICES TO STATE
11 PATIENTS.

12 **27-95-102. Capacity to take property.**

13 THE COLORADO MENTAL HEALTH INSTITUTE AT AURORA IS
14 AUTHORIZED TO RECEIVE GIFTS, LEGACIES, DEVICES, AND CONVEYANCES
15 OF PROPERTY, REAL OR PERSONAL, THAT MAY BE MADE, GIVEN, OR
16 GRANTED TO OR FOR THE COLORADO MENTAL HEALTH INSTITUTE AT
17 AURORA. THE CHIEF OFFICER OF THE INSTITUTE, WITH THE APPROVAL OF
18 THE GOVERNOR, SHALL MAKE DISPOSITION OF SUCH GIFTS OR PROPERTY AS
19 MAY BE FOR THE BEST INTEREST OF THE COLORADO MENTAL HEALTH
20 INSTITUTE AT AURORA.

21 **27-95-103. Employees - adult protective services data system**
22 **check - publications.**

23 (1) THE HEAD OF THE ADMINISTRATIVE DIVISION OVERSEEING THE
24 COLORADO MENTAL HEALTH INSTITUTE AT AURORA SHALL APPOINT OR
25 EMPLOY, PURSUANT TO SECTION 13 OF ARTICLE XII OF THE STATE
26 CONSTITUTION, ADMINISTRATORS, PHYSICIANS, NURSES, ATTENDANTS,
27 AND ADDITIONAL EMPLOYEES AS NECESSARY FOR THE PROPER CONDUCT

1 OF THE INSTITUTE. THE HEAD OF THE ADMINISTRATIVE DIVISION MAY
2 CONTRACT WITH THE BOARD OF REGENTS OF THE UNIVERSITY OF
3 COLORADO HEALTH SCIENCES CENTER OR ANY OTHER GOVERNING BOARD
4 OF A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION FOR THE
5 PROVISION OF SERVICES BY PHYSICIANS AND OTHER HEALTH-CARE
6 PRACTITIONERS WHEN DEEMED NECESSARY FOR THE PROPER CONDUCT OF
7 THE INSTITUTE. DURING THE PERFORMANCE OF ANY DUTIES BY THE
8 PHYSICIANS AND OTHER HEALTH-CARE PRACTITIONERS FOR THE
9 DEPARTMENT OF HUMAN SERVICES, THE PHYSICIANS AND OTHER
10 HEALTH-CARE PRACTITIONERS ARE "PUBLIC EMPLOYEES", AS DEFINED IN
11 SECTION 24-10-103 (4), AND THE LIMITATIONS OF SECTION 24-30-1517 (2)
12 DO NOT APPLY.

13 (1.5) THE HEAD OF THE ADMINISTRATIVE DIVISION OVERSEEING
14 THE COLORADO MENTAL HEALTH INSTITUTE AT AURORA SHALL, PRIOR TO
15 EMPLOYMENT, SUBMIT THE NAME OF A PERSON WHO WILL BE PROVIDING
16 DIRECT CARE, AS DEFINED IN SECTION 26-3.1-101 (3.5), TO AN AT-RISK
17 ADULT, AS DEFINED IN SECTION 26-3.1-101 (1.5), AS WELL AS ANY OTHER
18 REQUIRED IDENTIFYING INFORMATION, TO THE DEPARTMENT OF HUMAN
19 SERVICES FOR A CHECK OF THE COLORADO ADULT PROTECTIVE SERVICES
20 DATA SYSTEM PURSUANT TO SECTION 26-3.1-111 TO DETERMINE IF THE
21 PERSON IS SUBSTANTIATED IN A CASE OF MISTREATMENT OF AN AT-RISK
22 ADULT.

23 (2) PUBLICATIONS OF THE COLORADO MENTAL HEALTH INSTITUTE
24 AT AURORA CIRCULATED IN QUANTITY OUTSIDE THE INSTITUTE ARE
25 SUBJECT TO THE APPROVAL AND CONTROL OF THE EXECUTIVE DIRECTOR
26 OF THE DEPARTMENT OF HUMAN SERVICES.

27 **27-95-104. Authorized utilization of medical facilities at**

1 **institute - equipment replacement fund.**

2 (1) A PERSON COMMITTED TO THE CUSTODY OF OR CARED FOR IN
3 THE DEPARTMENT OF HUMAN SERVICES OR THE DEPARTMENT OF
4 CORRECTIONS WHO REQUIRES MEDICAL CARE AND TREATMENT THAT CAN
5 BE ADVANTAGEOUSLY TREATED BY PSYCHIATRIC, MEDICAL, OR SURGICAL
6 CARE AVAILABLE AT THE COLORADO MENTAL HEALTH INSTITUTE AT
7 AURORA MAY BE TREATED AT THE INSTITUTE. CHARGES FOR PATIENT
8 CARE AND TREATMENT SHALL BE MADE IN THE MANNER PROVIDED IN
9 ARTICLE 92 OF THIS TITLE 27. THE GENERAL ASSEMBLY SHALL MAKE A
10 SPECIFIC APPROPRIATION ANNUALLY FOR THE GENERAL MEDICAL DIVISION
11 OF THE COLORADO MENTAL HEALTH INSTITUTE AT AURORA BASED ON
12 PROJECTIONS OF THE TOTAL PATIENT LOAD AND ASSOCIATED COSTS FROM
13 ALL INSTITUTIONS, AND THE DEPARTMENT OF HUMAN SERVICES SHALL
14 DETERMINE AT LEAST ANNUALLY THE PER DIEM EXPENSES AND THE
15 ACTUAL USE OF THE GENERAL MEDICAL DIVISION BY EACH INSTITUTION,
16 INCLUDING OTHER DIVISIONS OF THE COLORADO MENTAL HEALTH
17 INSTITUTE AT AURORA.

18 (2) A PERSON UNDER THE CARE OF OR IN THE CUSTODY OR
19 CONTROL OF AN AGENCY OF THE FEDERAL GOVERNMENT WHOSE
20 PSYCHIATRIC, MEDICAL, OR SURGICAL NEEDS COULD BE
21 ADVANTAGEOUSLY TREATED AT THE COLORADO MENTAL HEALTH
22 INSTITUTE AT AURORA MAY BE TREATED AT THE INSTITUTE PURSUANT TO
23 A CONTRACT BETWEEN THE INSTITUTE AND THE AGENCY OF THE FEDERAL
24 GOVERNMENT.

25 (3) (a) A CONTRACT ENTERED INTO PURSUANT TO SUBSECTION (2)
26 OF THIS SECTION MUST COVER THE FULL DIRECT AND INDIRECT COSTS OF
27 SERVICES AS DETERMINED BY GENERALLY ACCEPTED ACCOUNTING

1 PRINCIPLES AND MUST INCLUDE A FEE TO COVER THE NEED FOR
2 REPLACEMENT OF EXISTING EQUIPMENT, WHICH WOULD OCCUR BECAUSE
3 OF THIS ADDITIONAL USE. THE COLORADO MENTAL HEALTH INSTITUTE AT
4 AURORA SHALL COLLECT ALL FEES IMPOSED PURSUANT TO THIS
5 SUBSECTION (3)(a) AND TRANSMIT THOSE FEES TO THE STATE TREASURER,
6 WHO SHALL CREDIT THE SAME TO THE EQUIPMENT REPLACEMENT FUND,
7 WHICH IS CREATED IN THE STATE TREASURY.

8 (b) THE EQUIPMENT REPLACEMENT FUND CONSISTS OF THE FEES
9 CREDITED BY THE STATE TREASURER TO THE FUND PURSUANT TO
10 SUBSECTION (3)(a) OF THIS SECTION AND ANY OTHER MONEY THAT THE
11 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.
12 SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, THE
13 DEPARTMENT OF HUMAN SERVICES MAY EXPEND MONEY FROM THE FUND
14 FOR REPLACEMENT OF EXISTING EQUIPMENT MADE NECESSARY PURSUANT
15 TO THIS SECTION.

16 **27-95-105. Alternative uses for institute facilities.**

17 THE DEPARTMENT OF HUMAN SERVICES SHALL DETERMINE THE
18 EXISTENCE OF RESOURCES AT THE COLORADO MENTAL HEALTH INSTITUTE
19 AT AURORA THAT ARE IN EXCESS OF THE NEEDS OF THE PRIMARY PURPOSE
20 OF THE INSTITUTE AND MAY MAKE AVAILABLE TO THE REGENTS OF THE
21 UNIVERSITY OF COLORADO, ON MUTUALLY AGREEABLE TERMS, A
22 MAXIMUM OF TEN BEDS AT THE INSTITUTE FOR THE PURPOSE OF TEACHING
23 STUDENTS IN THE FAMILY PRACTICE MEDICAL TRAINING PROGRAM
24 CONDUCTED BY AND UNDER THE CONTROL OF THE REGENTS. THE
25 RESOURCES SHALL BE A SUPPLEMENT TO ANY EXISTING HEALTH-CARE
26 RESOURCES AND ACADEMIC FACILITIES IN THE REGION.

27 **27-95-106. Access to inpatient civil beds at institute.**

1 THE DEPARTMENT SHALL DEVELOP AND IMPLEMENT ADMISSION
2 CRITERIA THAT ENSURES INDIVIDUALS, PRIOR TO BEING ADMITTED, HAVE
3 BEEN EVALUATED FOR THE LEAST RESTRICTIVE LEVEL OF CARE AND THAT
4 GEOGRAPHIC LOCATION, CURRENT HEALTH-CARE PROVIDER, AND PAYER
5 TYPE ARE NOT THE PRIMARY DETERMINING FACTORS IN WHETHER AN
6 INDIVIDUAL HAS ACCESS TO A CIVIL INPATIENT BED.

7 **SECTION 3.** In Colorado Revised Statutes, 39-28.8-202, **amend**
8 (1)(a)(I); **repeal** (1)(b); and **add** (1)(c) as follows:

9 **39-28.8-202. Retail marijuana sales tax.**

10 (1) (a) (I) In addition to the tax imposed pursuant to part 1 of
11 article 26 of this title 39 and the sales tax imposed by a local government
12 pursuant to title 29, 30, 31, or 32, but except as otherwise set forth in
13 subsections (1)(a)(II) and (1)(a)(III) of this section, beginning January 1,
14 2014, and through June 30, 2017, there is imposed upon all sales of retail
15 marijuana and retail marijuana products by a retailer a tax at the rate of
16 ten percent of the amount of the sale. Beginning July 1, 2017, AND
17 THROUGH DECEMBER 31, 2026, there is imposed upon all sales of retail
18 marijuana and retail marijuana products by a retailer a tax at the rate of
19 fifteen percent of the amount of the sale. BEGINNING JANUARY 1, 2027,
20 THERE IS IMPOSED UPON ALL SALES OF RETAIL MARIJUANA AND RETAIL
21 MARIJUANA PRODUCTS BY A RETAILER A TAX AT THE RATE OF FIFTEEN AND
22 FORTY-TWO HUNDREDTHS PERCENT OF THE AMOUNT OF THE SALE. The tax
23 imposed by this section is computed in accordance with schedules or
24 forms prescribed by the executive director of the department; except that
25 a retail marijuana store is not allowed to retain any portion of the retail
26 marijuana sales tax collected pursuant to this part 2 to cover the expenses
27 of collecting and remitting the tax. The executive director may

1 promulgate rules to implement this section.

2 (b) ~~The maximum tax rate that may be imposed pursuant to this~~
3 ~~section is fifteen percent. At any time on or after January 1, 2014, the~~
4 ~~general assembly may, by a bill enacted by the general assembly and that~~
5 ~~becomes law:~~

6 (I) ~~Establish a tax rate to be imposed pursuant to this subsection~~
7 ~~(1) that is lower than fifteen percent of the sale of retail marijuana or~~
8 ~~retail marijuana products; or~~

9 (II) ~~After establishing a tax rate that is lower than fifteen percent~~
10 ~~pursuant to subparagraph (I) of this paragraph (b), increase the tax rate to~~
11 ~~be imposed pursuant to this subsection (1); except that, in no event shall~~
12 ~~the general assembly increase the tax rate above fifteen percent of the sale~~
13 ~~of retail marijuana or retail marijuana products. Notwithstanding any~~
14 ~~other provision of law, an increase in the tax rate pursuant to this~~
15 ~~subparagraph (II) shall not require voter approval subsequent to the voter~~
16 ~~approval required pursuant to part 4 of this article.~~

17 (c) THE MAXIMUM TAX RATE THAT MAY BE IMPOSED PURSUANT TO
18 THIS SECTION IS FIFTEEN AND FORTY-TWO HUNDREDTHS PERCENT. AT ANY
19 TIME ON OR AFTER JANUARY 1, 2027, THE GENERAL ASSEMBLY MAY, BY
20 A BILL ENACTED BY THE GENERAL ASSEMBLY AND THAT BECOMES LAW:

21 (I) ESTABLISH A TAX RATE TO BE IMPOSED PURSUANT TO THIS
22 SUBSECTION (1) THAT IS LOWER THAN FIFTEEN AND FORTY-TWO
23 HUNDREDTHS PERCENT OF THE SALE OF RETAIL MARIJUANA OR RETAIL
24 MARIJUANA PRODUCTS; OR

25 (II) AFTER ESTABLISHING A TAX RATE THAT IS LOWER THAN
26 FIFTEEN AND FORTY-TWO HUNDREDTHS PERCENT PURSUANT TO THIS
27 SUBSECTION (1)(c), INCREASE THE TAX RATE TO BE IMPOSED PURSUANT TO

1 THIS SUBSECTION (1); EXCEPT THAT, IN NO EVENT SHALL THE GENERAL
2 ASSEMBLY INCREASE THE TAX RATE ABOVE FIFTEEN AND FORTY-TWO
3 HUNDREDTHS PERCENT OF THE SALE OF RETAIL MARIJUANA OR RETAIL
4 MARIJUANA PRODUCTS. NOTWITHSTANDING ANY OTHER PROVISION OF
5 LAW, AN INCREASE IN THE TAX RATE PURSUANT TO THIS SUBSECTION
6 (1)(c)(II) SHALL NOT REQUIRE VOTER APPROVAL SUBSEQUENT TO THE
7 VOTER APPROVAL REQUIRED PURSUANT TO PART 4 OF THIS ARTICLE 28.8.

8 **SECTION 4.** In Colorado Revised Statutes, 39-28.8-203, **amend**
9 (1)(a)(I), (1)(b)(I.6) introductory portion, and (3); and **add** (1)(b)(II.7) and
10 (1)(b)(II.8) as follows:

11 **39-28.8-203. Disposition of collections - definitions.**

12 (1) The proceeds of all money collected from the retail marijuana
13 sales tax are initially credited to the old age pension fund created in
14 section 1 of article XXIV of the state constitution in accordance with
15 sections 2 (a) and 2 (f) of article XXIV of the state constitution and
16 thereafter are transferred to the general fund in accordance with section
17 7 of article XXIV of the state constitution. For each fiscal year in which
18 a tax is collected pursuant to this part 2, an amount shall be appropriated
19 or distributed from the general fund as follows:

20 (a) (I) Before July 1, 2017, an amount equal to fifteen percent of
21 the gross retail marijuana sales tax revenue collected by the department
22 is apportioned to local governments. On and after July 1, 2017, but before
23 July 1, 2025, an amount equal to ten percent of the gross retail marijuana
24 sales tax revenue collected by the department is apportioned to local
25 governments. On and after July 1, 2025, BUT BEFORE JANUARY 1, 2027,
26 an amount equal to three and one-half percent of the gross retail
27 marijuana sales tax revenue collected by the department is apportioned to

1 local governments. ON AND AFTER JANUARY 1, 2027, AN AMOUNT EQUAL
2 TO THREE AND ONE-HALF PERCENT OF THE GROSS ADJUSTED RETAIL
3 MARIJUANA SALES TAX REVENUE COLLECTED BY THE DEPARTMENT IS
4 APPORTIONED TO LOCAL GOVERNMENTS. The city or town share is
5 apportioned according to the percentage that retail marijuana sales tax
6 revenue collected by the department within the boundaries of the city or
7 town bear to the total retail marijuana sales tax revenue collected by the
8 department. The county share is apportioned according to the percentage
9 that retail marijuana sales tax revenue collected by the department in the
10 unincorporated area of the county bear to total retail marijuana sales tax
11 revenue collected by the department.

12 (b) (I.6) On and after July 1, 2025, BUT BEFORE JANUARY 1, 2027,
13 of the ninety-six and one-half percent of the gross retail marijuana sales
14 tax revenue in the general fund remaining after the allocation to local
15 governments required by subsection (1)(a)(I) of this section is made, the
16 state treasurer shall retain fourteen and fifty-one one-hundredths percent
17 in the general fund for use for any lawful purpose and shall transfer from
18 the general fund:

19 (II.7) ON AND AFTER JANUARY 1, 2027, OF THE NINETY-SIX AND
20 ONE-HALF PERCENT OF THE ADJUSTED RETAIL MARIJUANA SALES TAX
21 REVENUE IN THE GENERAL FUND REMAINING AFTER THE ALLOCATION TO
22 LOCAL GOVERNMENTS REQUIRED BY SUBSECTION (1)(a)(I) OF THIS
23 SECTION IS MADE, THE STATE TREASURER SHALL RETAIN FOURTEEN AND
24 FIFTY-ONE ONE-HUNDREDTHS PERCENT IN THE GENERAL FUND FOR USE
25 FOR ANY LAWFUL PURPOSE AND SHALL TRANSFER FROM THE GENERAL
26 FUND:

27 (A) SEVENTY-TWO AND TWO-TENTHS PERCENT TO THE MARIJUANA

1 TAX CASH FUND;

2 (B) ELEVEN AND SEVENTY-FOUR ONE-HUNDREDTHS PERCENT TO
3 THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1) FOR
4 USE AS SPECIFIED IN SECTION 22-54-139 (3); AND

5 (C) ONE AND FIFTY-FIVE ONE-HUNDREDTHS PERCENT TO THE
6 MARIJUANA CASH FUND CREATED IN SECTION 44-10-801 (1)(a).

7 (II.8) ON AND AFTER JANUARY 1, 2027, THE STATE TREASURER
8 SHALL TRANSFER AN AMOUNT FROM THE GENERAL FUND EQUAL TO THE
9 DIFFERENCE BETWEEN THE TOTAL RETAIL MARIJUANA SALES TAX REVENUE
10 COLLECTED BY THE DEPARTMENT PURSUANT TO THIS SECTION AND THE
11 ADJUSTED RETAIL MARIJUANA SALES TAX REVENUE COLLECTED BY THE
12 DEPARTMENT PURSUANT TO THIS SECTION TO THE HOSPITAL SUPPORT
13 ACCOUNT CREATED IN SECTION 24-75-302 (3.9).

14 (3) As used in this section:

15 (a) "ADJUSTED RETAIL MARIJUANA SALES TAX REVENUE" MEANS
16 THE TOTAL AMOUNT OF SALES TAX REVENUE THAT WOULD HAVE BEEN
17 COLLECTED BY THE DEPARTMENT IF A SALES TAX WERE IMPOSED UPON ALL
18 SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS BY A
19 RETAILER AT THE RATE OF FIFTEEN PERCENT OF THE AMOUNT OF THE SALE
20 RATHER THAN FIFTEEN AND FORTY-TWO HUNDREDTHS PERCENT.

21 ~~(a)~~ (b) "Ballot issue" means the ballot issue referred to the voters
22 in accordance with section 39-28.8-603 (1).

23 (c) "TOTAL RETAIL MARIJUANA SALES TAX REVENUE" MEANS THE
24 TOTAL AMOUNT OF SALES TAX REVENUE COLLECTED BY THE DEPARTMENT
25 PURSUANT TO THIS SECTION.

26 ~~(b)~~ (d) "Marijuana tax cash fund" is the cash fund created in
27 section 39-28.8-501 (1).

1 **SECTION 5.** In Colorado Revised Statutes, **amend** 39-28.8-204
2 as follows:

3 **39-28.8-204. Revenue and spending limitations.**

4 Notwithstanding any limitations on revenue, spending, or
5 appropriations contained in section 20 of article X of the state constitution
6 or any other provision of law, any revenues generated by the retail
7 marijuana sales tax imposed pursuant to this part 2 as approved by the
8 voters at the statewide ~~election~~ ELECTIONS in November 2013 AND
9 NOVEMBER 2026, may be collected and spent as voter-approved revenue
10 changes and shall not require voter approval subsequent to the voter
11 approval required pursuant to part 4 of this ~~article~~ ARTICLE 28.8.

12 **SECTION 6.** In Colorado Revised Statutes, 39-28.8-302, **amend**
13 (1)(a)(I) and (2)(a); **repeal** (1)(b); and **add** (1)(b.5) as follows:

14 **39-28.8-302. Retail marijuana - excise tax levied at first**
15 **transfer from retail marijuana cultivation facility - tax rate.**

16 (1) (a) (I) Except as otherwise provided in subsection ~~(1)(b)~~ or
17 (1)(c) of this section, there is levied and shall be collected, in addition to
18 the sales tax imposed pursuant to part 1 of article 26 of this title 39 and
19 part 2 of this article 28.8, a tax on the first sale or transfer of unprocessed
20 retail marijuana by a retail marijuana cultivation facility BEFORE JULY 1,
21 2027, at a rate of fifteen percent of the average market rate of the
22 unprocessed retail marijuana if the transaction is between affiliated retail
23 marijuana business licensees. Except as otherwise provided in subsection
24 ~~(1)(b)~~ or (1)(c) of this section, there is levied and shall be collected, in
25 addition to the sales tax imposed pursuant to part 1 of article 26 of this
26 title 39 and part 2 of this article 28.8, a tax on the first sale or transfer of
27 unprocessed retail marijuana by a retail marijuana cultivation facility

1 BEFORE JULY 1, 2027, at a rate of fifteen percent of the contract price for
2 unprocessed retail marijuana if the transaction is between unaffiliated
3 retail marijuana business licensees. BEFORE JANUARY 1, 2027, retail
4 marijuana excise tax shall also be calculated as fifteen percent of the
5 contract price when the first transfer of retail marijuana that has been
6 harvested for sale at a retail marijuana store or extraction by a retail
7 marijuana product manufacturing facility is between unaffiliated retail
8 marijuana cultivation facilities. ON OR AFTER JANUARY 1, 2027, ANY TAX
9 DESCRIBED BY THIS SUBSECTION (1)(a)(I) SHALL BE LEVIED AND
10 COLLECTED AT A RATE OF FIFTEEN AND FORTY-TWO HUNDREDTHS, RATHER
11 THAN FIFTEEN, PERCENT. The tax shall be imposed at the time when the
12 retail marijuana cultivation facility first sells or transfers unprocessed
13 retail marijuana from the retail marijuana cultivation facility to a retail
14 marijuana product manufacturing facility or a retail marijuana store.

15 (b) ~~The fifteen percent tax rate specified in paragraph (a) of this~~
16 ~~subsection (1) is the maximum tax rate that may be imposed pursuant to~~
17 ~~this section. At any time on or after January 1, 2014, the general assembly~~
18 ~~may, by a bill enacted by the general assembly and that becomes law:~~

19 (I) ~~Establish a tax rate to be imposed pursuant to this subsection~~
20 ~~(1) that is lower than fifteen percent of the average market rate of~~
21 ~~unprocessed retail marijuana at the time that it is sold or transferred; or~~

22 (II) ~~After establishing a tax rate that is lower than fifteen percent~~
23 ~~pursuant to subparagraph (I) of this paragraph (b), increase the tax rate to~~
24 ~~be imposed pursuant to this subsection (1); except that in no event shall~~
25 ~~the general assembly increase the tax rate above fifteen percent of the~~
26 ~~average market rate of unprocessed retail marijuana at the time that it is~~
27 ~~sold or transferred. Notwithstanding any other provision of law, an~~

1 increase in the tax rate pursuant to this subparagraph (II) shall not require
2 voter approval subsequent to the voter approval required pursuant to part
3 4 of this article.

4 (b.5) THE FIFTEEN AND FORTY-TWO HUNDREDTHS PERCENT TAX
5 RATE SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION IS THE MAXIMUM
6 TAX RATE THAT MAY BE IMPOSED PURSUANT TO THIS SECTION. AT ANY
7 TIME ON OR AFTER JANUARY 1, 2027, THE GENERAL ASSEMBLY MAY, BY
8 A BILL ENACTED BY THE GENERAL ASSEMBLY AND THAT BECOMES LAW:

9 (I) ESTABLISH A TAX RATE TO BE IMPOSED PURSUANT TO THIS
10 SUBSECTION (1) THAT IS LOWER THAN FIFTEEN AND FORTY-TWO
11 HUNDREDTHS PERCENT OF THE AVERAGE MARKET RATE OF UNPROCESSED
12 RETAIL MARIJUANA AT THE TIME THAT IT IS SOLD OR TRANSFERRED; OR

13 (II) AFTER ESTABLISHING A TAX RATE THAT IS LOWER THAN
14 FIFTEEN AND FORTY-TWO HUNDREDTHS PERCENT PURSUANT TO THIS
15 SUBSECTION (1)(b.5), INCREASE THE TAX RATE TO BE IMPOSED PURSUANT
16 TO THIS SUBSECTION (1); EXCEPT THAT IN NO EVENT SHALL THE GENERAL
17 ASSEMBLY INCREASE THE TAX RATE ABOVE FIFTEEN AND FORTY-TWO
18 HUNDREDTHS PERCENT OF THE AVERAGE MARKET RATE OF UNPROCESSED
19 RETAIL MARIJUANA AT THE TIME THAT IT IS SOLD OR TRANSFERRED.
20 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN INCREASE IN THE
21 TAX RATE PURSUANT TO THIS SUBSECTION (1)(b.5)(II) SHALL NOT REQUIRE
22 VOTER APPROVAL SUBSEQUENT TO THE VOTER APPROVAL REQUIRED
23 PURSUANT TO PART 4 OF THIS ARTICLE 28.8.

24 (2) (a) Except as provided in ~~subsection~~ SUBSECTIONS (2)(b) AND
25 (2)(b.5) of this section, the tax imposed pursuant to subsection (1) of this
26 section shall not be levied on the sale or transfer of unprocessed
27 marijuana by a marijuana cultivation facility to a medical marijuana

1 center.

2 **SECTION 7.** In Colorado Revised Statutes, 39-28.8-305, **amend**
3 (1)(a)(III); and **add** (1)(a)(V) and (2) as follows:

4 **39-28.8-305. Distribution of tax collected - definitions.**

5 (1) All money received and collected in payment of the tax
6 imposed by this part 3 shall be transmitted to the state treasurer, who shall
7 distribute the money as follows:

8 (a) (III) For the state fiscal year commencing July 1, 2019, and for
9 each state fiscal year thereafter except for the state fiscal year
10 commencing July 1, 2020, AND EXCEPT FOR ANY STATE FISCAL YEAR
11 COMMENCING ON OR AFTER JULY 1, 2026, all of the money received and
12 collected annually shall be transferred to the public school capital
13 construction assistance fund created by article 43.7 of title 22 or to any
14 successor fund dedicated to a similar purpose.

15 (V) FOR STATE FISCAL YEARS COMMENCING ON OR AFTER JULY 1,
16 2026, THE STATE TREASURER SHALL ANNUALLY TRANSFER THE ADJUSTED
17 MARIJUANA TAX REVENUE TO THE PUBLIC SCHOOL CAPITAL
18 CONSTRUCTION ASSISTANCE FUND CREATED BY ARTICLE 43.7 OF TITLE 22
19 OR TO ANY SUCCESSOR FUND DEDICATED TO A SIMILAR PURPOSE AND THE
20 DIFFERENCE BETWEEN THE TOTAL MARIJUANA TAX REVENUE AND THE
21 ADJUSTED MARIJUANA TAX REVENUE TO THE HOSPITAL SUPPORT ACCOUNT
22 CREATED IN SECTION 24-75-302 (3.9).

23 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
24 REQUIRES:

25 (a) "ADJUSTED MARIJUANA TAX REVENUE" MEANS THE TOTAL
26 AMOUNT OF TAX REVENUE THAT WOULD HAVE BEEN COLLECTED IF THE
27 TAX IMPOSED PURSUANT TO THIS SECTION WERE IMPOSED AT A RATE OF

1 FIFTEEN PERCENT RATHER THAN FIFTEEN AND FORTY-TWO HUNDREDTHS
2 PERCENT.

3 (b) "TOTAL MARIJUANA TAX REVENUE" MEANS THE TOTAL
4 AMOUNT OF TAX REVENUE COLLECTED PURSUANT TO THIS SECTION.

5 **SECTION 8.** In Colorado Revised Statutes, **amend** 39-28.8-307
6 as follows:

7 **39-28.8-307. Revenue and spending limitations.**

8 Notwithstanding any limitations on revenue, spending, or
9 appropriations contained in section 20 of article X of the state constitution
10 or any other provision of law, any revenues generated by the retail
11 marijuana excise tax imposed pursuant to this part 3 as approved by the
12 voters at the statewide ~~election~~ ELECTIONS in November 2013 AND
13 NOVEMBER 2026 may be collected and spent as voter-approved revenue
14 changes and shall not require voter approval subsequent to the voter
15 approval required pursuant to part 4 of this ~~article~~ ARTICLE 28.8.

16 **SECTION 9.** In Colorado Revised Statutes, 44-3-503, **add**
17 (1)(d.5) as follows:

18 **44-3-503. Excise tax - records - rules - definition - repeal.**

19 (1) (d.5) (I) BEGINNING JANUARY 1, 2027, IN ADDITION TO ANY
20 OTHER EXCISE TAX DESCRIBED BY THIS SUBSECTION (1), AN EXCISE TAX IS
21 IMPOSED AT THE RATE OF SEVEN AND THIRTY-THREE HUNDREDTHS CENTS
22 PER GALLON, OR THE SAME PER UNIT VOLUME TAX APPLIED TO METRIC
23 MEASURE, ON ALL MALT LIQUORS AND HARD CIDER, EIGHT CENTS PER
24 LITER ON ALL VINOUS LIQUORS EXCEPT HARD CIDER, AND SIXTY AND
25 TWENTY-SIX HUNDREDTHS CENTS PER LITER ON ALL SPIRITUOUS LIQUORS.
26 THIS EXCISE TAX MUST BE COLLECTED ON THE RESPECTIVE BEVERAGES,
27 NOT OTHERWISE EXEMPT FROM THE TAX, SOLD, OFFERED FOR SALE, OR

1 USED IN THE STATE.

2 (II) (A) THE STATE TREASURER SHALL CREDIT THE MONEY
3 COLLECTED FOR PAYMENT OF THE TAX IMPOSED UNDER THIS SUBSECTION
4 (1)(d.5) TO THE OLD AGE PENSION FUND CREATED IN SECTION 1 OF ARTICLE
5 XXIV OF THE STATE CONSTITUTION IN ACCORDANCE WITH SECTION 2 OF
6 ARTICLE XXIV OF THE STATE CONSTITUTION AND SHALL FURTHER
7 TRANSFER AN AMOUNT EQUAL TO THIS AMOUNT FROM THE OLD AGE
8 PENSION FUND TO THE GENERAL FUND IN ACCORDANCE WITH SECTION 7 (c)
9 OF ARTICLE XXIV OF THE STATE CONSTITUTION.

10 (B) THE STATE TREASURER SHALL TRANSFER AN AMOUNT EQUAL
11 TO THE TAX IMPOSED UNDER THIS SUBSECTION (1)(d.5) FROM THE
12 GENERAL FUND TO THE HOSPITAL SUPPORT ACCOUNT CREATED IN SECTION
13 24-75-302 (3.9).

14 (III) NOTWITHSTANDING ANY LIMITATIONS ON REVENUE,
15 SPENDING, OR APPROPRIATIONS CONTAINED IN SECTION 20 OF ARTICLE X
16 OF THE STATE CONSTITUTION OR ANY OTHER PROVISION OF LAW, ANY
17 REVENUE GENERATED BY THE TAX IMPOSED PURSUANT TO THIS
18 SUBSECTION (1)(d.5) MAY BE COLLECTED AND SPENT AS A
19 VOTER-APPROVED REVENUE CHANGE.

20 **SECTION 10. Refer to people under referendum.** At the
21 election held on November 3, 2026, the secretary of state shall submit this
22 act by its ballot title to the registered electors of the state for their
23 approval or rejection. Each elector voting at the election may cast a vote
24 either "Yes/For" or "No/Against" on the following ballot title: "Shall state
25 taxes be increased by \$44 million annually by a change to the Colorado
26 Revised Statutes modifying existing law and creating new law that
27 concerns taxes on certain harmful substances, and, in connection

1 therewith, increasing the tax on the sale of malt liquors, vinous liquors,
2 spiritous liquors, hard cider, and retail marijuana dedicating that tax
3 revenue first to the construction and operation of the Colorado Mental
4 Health Institute at Aurora and then the operation of long-term civil
5 commitment facilities in Mesa County, and authorizing the state to keep
6 and spend the additional taxation revenue as a voter-approved revenue
7 change?" Except as otherwise provided in section 1-40-123, Colorado
8 Revised Statutes, if a majority of the electors voting on the ballot title
9 vote "Yes/For", then the act will become part of the Colorado Revised
10 Statutes.