

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

May 7, 2026

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

HB26-1077 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend reengrossed bill, page 2, line 3, strike "(4.5) and (6.5)" and
2 substitute "(4.5), (6.5) and (6.7)".
- 3 Page 2, strike lines 16 to 18.
- 4 Page 3, strike lines 1 through 25, and substitute "market rate" must
5 include one or more rates that cover unprocessed marijuana that is
6 allocated to extractions, ~~and the initial rates for these product types must
7 be lower than the rate for unprocessed marijuana that is allocated for
8 direct sale to consumers.~~ INCLUDING FRESH FROZEN INDOOR UNPROCESSED
9 RETAIL MARIJUANA AND FRESH FROZEN OUTDOOR UNPROCESSED RETAIL
10 MARIJUANA. THE INITIAL RATES FOR UNPROCESSED MARIJUANA THAT ARE
11 ALLOCATED TO EXTRactions MUST BE LOWER THAN THE RATE FOR
12 UNPROCESSED MARIJUANA THAT IS ALLOCATED FOR DIRECT SALE TO
13 CONSUMERS. THE DEPARTMENT SHALL ADOPT RULES TO ESTABLISH THE
14 RATES FOR FRESH FROZEN INDOOR UNPROCESSED RETAIL MARIJUANA AND
15 FRESH FROZEN OUTDOOR UNPROCESSED RETAIL MARIJUANA ON OR BEFORE
16 JULY 1, 2027."
- 17 Page 3, line 27, strike "CULTIVATED WITHIN AN INDOOR".
- 18 Page 4, line 1, strike "STRUCTURE USING ARTIFICIAL LIGHTING OR".
- 19 Page 4, strike lines 4 through 9 and substitute:
20 "(6.5) "NATURAL WEATHER CONDITIONS" MEANS AMBIENT
21 TEMPERATURE, PRECIPITATION, AND HUMIDITY.
22 (6.7) (a) "OUTDOOR UNPROCESSED RETAIL MARIJUANA" MEANS

1 UNPROCESSED RETAIL MARIJUANA THAT, EXCEPT AS PROVIDED IN
2 SUBSECTION (6.7)(b) OF THIS SECTION, WAS CULTIVATED UNDER NATURAL
3 SUNLIGHT WITHOUT ARTIFICIAL LIGHT OR LIGHT DEPRIVATION, WITH
4 DIRECT EXPOSURE TO NATURAL WEATHER CONDITIONS, AND NOT WITHIN
5 AN INDOOR FACILITY, GREENHOUSE, OR OTHER STRUCTURE THAT
6 PREVENTS EXPOSURE TO NATURAL SUNLIGHT AND NATURAL WEATHER
7 CONDITIONS.

- 8 (b) OUTDOOR UNPROCESSED MARIJUANA MAY BE:
- 9 (I) CULTIVATED USING ARTIFICIAL LIGHT TO MAINTAIN
10 VEGETATIVE PLANTS UNDER TWENTY-FOUR INCHES IN HEIGHT AND TO
11 MAINTAIN MOTHER PLANTS;
 - 12 (II) CULTIVATED USING IRRIGATION, FERTIGATION, OR SIMILAR
13 AGRICULTURAL PRACTICES; AND
 - 14 (III) PROTECTED FROM AN ADVERSE WEATHER EVENT PURSUANT
15 TO A CONTINGENCY PLAN APPROVED BY THE STATE LICENSING AUTHORITY
16 PURSUANT TO SECTION 44-10-602 (14)."

17 Page 4, after line 9 insert:
18 "SECTION 2. In Colorado Revised Statutes, **add** 39-28.8-201.5
19 as follows:

20 **39-28.8-201.5. Average market rate - unprocessed retail**
21 **marijuana - description.**

22 FOR EACH AVERAGE MARKET RATE CATEGORY OF UNPROCESSED
23 RETAIL MARIJUANA THAT THE DEPARTMENT ESTABLISHES PURSUANT TO
24 SECTION 39-28.8-101 (1.5), THE DEPARTMENT SHALL PUBLISH A GENERAL
25 DESCRIPTION OF THE METHODOLOGY AND DATA SOURCES USED TO
26 CALCULATE THE RATE, WHILE PROTECTING CONFIDENTIAL, PROPRIETARY,
27 AND IDENTIFYING INFORMATION."

28 Renumber succeeding sections accordingly.

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