



Fiscal Note
Legislative Council Staff
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SB 25-285: UPDATING FOOD ESTABLISHMENT INSPECTION FEES

Prime Sponsors:

Sen. Roberts
Rep. Lukens

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Fiscal note status: The revised fiscal note reflects the reengrossed bill.

Summary Information

Overview. The bill updates the fee schedule for food safety inspections.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- TABOR Refunds
- Local Government

Appropriations. No appropriation is required; however, the General Assembly may choose to appropriate \$159,928 to the Department of Public Health and Environment for FY 2025-26. See State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue (Cash Funds)	\$159,928	\$346,677	\$380,206
State Expenditures (Cash Funds)	\$159,928	\$346,677	\$380,206
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$159,928	\$346,677	\$380,206
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Retail food establishments pay fees to the Department of Public Health and Environment (CDPHE), a county health department, or a district board of health for:

- annual licenses;
- construction or remodeling plans;
- equipment reviews;
- hazardous analysis critical control point principles (HACCP) plan reviews;
- health review of a potential retail food establishment site; and
- food protection services for special events.

The bill increases the maximum fee levels by 25 percent starting January 1, 2026, with additional increases of about 17 percent in 2027 and 20 percent in 2028. When a county health department or a district board of health collects a fee, current law requires it to submit \$43 of the fee to the state to offset CDPHE's costs for food safety activities. The bill increases this amount to \$55 beginning in 2025.

State Revenue

The bill increases state fee revenue to the Food Protection Cash Fund in CDPHE by about \$160,000 in FY 2025-26, \$350,000 in FY 2026-27, and \$380,000 in FY 2027-28 and subsequent years, as discussed below.

Fee Impact on Retail Food Establishments

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by agency name based on cash fund balance, program costs, and the number of licenses or reviews subject to the fee. Table 2A below identifies the impact of this bill. The FY 2025-26 estimate represents a half-year impact since fees operate on a calendar year schedule. Fee revenue is subject to TABOR.

Table 2A
State Revenue

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Food Protection Cash Fund	\$159,928	\$346,677	\$380,206
Total Revenue	\$159,928	\$346,677	\$380,206

Certain fees increase each year for three years, as set in the bill. Table 2B shows the current levels of the fees impacted by the bill and how they change under SB 25-285. In future years, fees will remain at 2028 levels.

Table 2B
Annual License Fees Under SB 25-285

Type of Fee	Current Fee	2026 Fee	2027 Fee	2028 Fee
Restaurants (up to 100 seats)	\$385	\$481	\$567	\$682
Restaurants (101 to 200 seats)	\$430	\$538	\$634	\$763
Restaurants (over 200 seats)	\$465	\$581	\$687	\$826
Limited food service	\$270	\$338	\$367	\$475
Grocery stores (up to 15,000 sqft.)	\$195	\$244	\$282	\$340
Grocery stores (over 15,000 sqft.)	\$353	\$441	\$519	\$624
Grocery stores with deli (up to 15,000 sqft.)	\$375	\$469	\$552	\$664
Grocery stores with deli (over 15,000 sqft.)	\$715	\$894	\$1,062	\$1,276
Retail food at temporary oil and gas housing	\$855	\$1,063	\$1,264	\$1,519
Mobile food establishment (full service)	\$385	\$481	\$587	\$682
Mobile food establishment (prepackaged)	\$270	\$338	\$394	\$475

The fee changes in Table 2C come into effect on the bill's effective date, and do not change from year to year. While a maximum is set in statute, the actual fee charged must be equal to the actual cost of conducting the plan review.

Table 2C
Other Fees on Retail Food Establishments

Type of Fee	Current Fee	New Fee
Plan – Application	\$100	\$155
Plan – Review	up to \$580	up to \$900
Equipment – Application	\$100	\$155
Equipment – Review	up to \$500	up to \$775
HACCP Plan	up to \$400	up to \$620
Health Site Review	\$75	\$120

State Expenditures

The bill minimally impacts state expenditures in the Department of Public Health and Environment beginning in FY 2025-26. CDPHE's inspection program currently costs more than it generates in fee revenue; the additional revenue stabilizes the fund without changing overall expenditures. In future years, except for this bill, program activities would decrease or another source of funding would be required. The additional revenue may also allow CDPHE to take over additional food safety activities from local public health agencies.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the March 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Local Government

The bill increases revenue and expenditures to county health departments and district boards of health to perform additional inspections and related food safety activities.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

No appropriation is currently included in the bill; however, the General Assembly may appropriate up to \$159,928 from the Food Protection Cash Fund to the Department of Public Health and Environment for FY 2025-26. While the bill does not create additional expenditures for the department, the additional revenue could be used beginning in FY 2025-26 for activities through the Retail Food Program.

State and Local Government Contacts

Counties

Public Health and Environment