



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 fiscal note reflects the introduced 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. For FY 2025-26, the bill may require an appropriation of \$159,928 to the Department of Public Health and Environment.

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	\$499,310	\$690,896
State Expenditures (Cash Funds)	\$159,928	\$499,310	\$690,896
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$159,928	\$499,310	\$690,896
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 20 percent in 2027 and 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 in 2025, and \$66 beginning in 2027.

State Revenue

The bill increases state fee revenue to the Food Protection Cash Fund in CDPHE by about \$160,000 in FY 2025-26, \$500,000 in FY 2026-27, and \$690,000 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	\$499,310	\$690,896
Total Revenue	\$159,928	\$499,310	\$690,896

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	\$578	\$693
Restaurants (101 to 200 seats)	\$430	\$538	\$645	\$774
Restaurants (over 200 seats)	\$465	\$581	\$698	\$837
Limited food service	\$270	\$338	\$405	\$486
Grocery stores (up to 15,000 sqft.)	\$195	\$244	\$293	\$351
Grocery stores (over 15,000 sqft.)	\$353	\$441	\$530	\$635
Grocery stores with deli (up to 15,000 sqft.)	\$375	\$469	\$563	\$675
Grocery stores with deli (over 15,000 sqft.)	\$715	\$894	\$1,073	\$1,287
Retail food at temporary oil and gas housing	\$855	\$1,063	\$1,275	\$1,530
Mobile food establishment (full service)	\$385	\$481	\$578	\$693
Mobile food establishment (prepackaged)	\$270	\$338	\$405	\$486

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

For FY 2025-26, the General Assembly may appropriate up to \$159,928 from the Food Protection Cash Fund to the Department of Public Health and Environment. 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