SB 23-171

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 23-0667	**Date:**	March 14, 2023
Prime Sponsors:	Sen. Priola Rep. deGruy Kennedy	**Bill Status:**	Senate Finance
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Bill Topic:	**ENTERTAINMENT FACILITY SUBSTANCE-FREE SEATING**
Summary of Fiscal Impact:	☒ State Revenue ☒ State Expenditure ☐ State Transfer ☐ TABOR Refund ☒ Local Government ☐ Statutory Public Entity The bill requires entertainment facilities to have dedicated substance-free seating by January 1, 2026. The bill increases state expenditures and may impact state revenue and local government expenditures beginning in FY 2025-26.
Appropriation Summary:	No appropriation is required.
Fiscal Note Status:	The fiscal note reflects the introduced bill.

Summary of Legislation

Beginning January 1, 2026, the bill requires entertainment facilities with seating capacities of 7,000 or more to make at least 4 percent of their seating substance-free. The substance-free seating must be accessible to persons with disabilities and cannot be located further away than other seating options. Facilities are required to include the substance-free seating requirement in their policies, have signage indicating substance-free seating, and ensure tickets for seating in the area are clearly labeled. Local authorities can impose and enforce more stringent requirements around substance-free seating.

Failure to comply may result in the Department of Revenue (DOR) refusing or denying alcohol licensing. The facility can also face suspension, revocation, or fines for violating the bill's requirements.

State Revenue

Beginning in FY 2025-26, state revenue may increase from new civil case filings and fines, which are subject to TABOR, from entertainment facilities determined to be in violation of the bill. The fiscal note assumes licensees will generally follow the regulation and any revenue from filings and fines will be minimal.

State Expenditures

Department of Revenue. In FY 2025-26, workload will increase for the Department of Revenue to update application materials to include language regarding substance-free seating requirements and enforce the new regulation. The fiscal note assumes most licensees will comply with the law. Because the department currently engages in enforcement activities for entertainment facilities with liquor licenses, these workload impacts can be accomplished within existing resources.

Department of Law. Costs will increase for Department of Law to litigate any cases brought forward by entertainment facilities deemed noncompliant. The fiscal note assumes any impact will be minimal; however, the Department of Law will request additional funding through the annual budget process, as necessary.

Judicial Department. Workload may increase for the trial courts from civil filings when license holders found to be noncompliant seek judicial review of final administrative actions in district courts. Because there is an administrative appeals process prior to judicial review, these impacts are likely to be minimal and can be accomplished within existing resources.

Institutions of Higher Education. Institutions with large venues will update ticketing policies to comply with the bill's requirements. No change in appropriations is required.

Local Government

Similar to the state, costs for local licensing agencies may increase to enforce substance-free seating at entertainment venues, including costs related to printing and developing new license applications. Local governments that own large venues will update ticketing policies to comply with the bill's requirements. The extent of these impacts will vary based on the municipality.

Effective Date

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

State and Local Government Contacts

Counties	Higher Education	Information Technology
Judicial	Law	Municipalities
Revenue		