



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1331: MARIJUANA SPECIAL EVENT & HOTEL DELIVERY

Prime Sponsors:

Rep. Ricks; Lindstedt

Fiscal Analyst:

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Bill Outcome: Postponed Indefinitely

Drafting number: LLS 25-1015

Version: Final Fiscal Note

Date: July 14, 2025

Fiscal note status: The final fiscal note reflects the introduced bill. This bill was postponed indefinitely by the House Business Affairs & Labor Committee on April 16, 2025; therefore, the impacts identified in this analysis do not take effect.

Summary Information

Overview. The bill would have allowed social equity license holders to deliver marijuana to hotels in Denver and to apply for a new marijuana special event permit.

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

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

Appropriations. The bill would have required an appropriation of \$242,094 to the Department of Revenue.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$268,172	\$311,825
State Expenditures	\$268,172	\$311,825
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$268,172	\$311,825
Change in State FTE	1.6 FTE	2.0 FTE

¹ Fund sources for these impacts are shown in the tables below.

Table 1A
State Revenue

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$268,172	\$311,825
Total Revenue	\$268,172	\$311,825

Table 1B
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$242,094	\$279,227
Federal Funds	\$0	\$0
Centrally Appropriated	\$26,078	\$32,598
Total Expenditures	\$268,172	\$311,825
Total FTE	1.6 FTE	2.0 FTE

Summary of Legislation

Delivery to Hotels

The bill allows social equity license holders to deliver marijuana to hotels in Denver if they also hold a medical or retail delivery permit or transporter license. The hotel must register with the City and County of Denver to receive marijuana deliveries. Marijuana cannot be delivered to any part of the hotel that serves alcohol.

The bill requires the Department of Revenue (DOR) to coordinate with the local licensing authority to create a list of hotels that have authorized the delivery of marijuana. The list must be made electronically available to eligible social equity licensees. DOR may adopt rules to implement these requirements.

Special Event Permits

The bill allows marijuana hospitality businesses who also have a social equity license to obtain a special event permit. These qualified license holders may partner with retail marijuana sellers when hosting the special event. DOR may assess fees to offset the cost of issuing and administering the permits. DOR and local licensing authorities may deny a special event permit if they determine it would be injurious to the public.

Notice of the special event permit must be posted at the proposed location of the special event for ten days before approval of the permit. Persons who may be impacted by the special event may file a protest within ten days of the permit being posted. DOR must approve or deny the special event application within 90 days.

If approved, marijuana may be sold at the special event between 7 a.m. and 2 a.m. Licensees may not host a special event for more than 15 days per year. Special event permit holders must comply with all other marijuana regulations. If a violation of marijuana rules occurs during the event and the responsible party cannot be identified, DOR may fine each licensee listed on the permit \$25, not to exceed \$200 in total fines for the special event.

Background and Assumptions

Under current law, Colorado residents may qualify for a social equity license if they have not previously had a marijuana license revoked, and meet at least one of the following criteria:

- they resided for at least 15 years between 1980 and 2010 in an area designated as an opportunity zone, or as a disproportionate impacted area as defined in rule by the MED;
- the applicant or their immediate family was arrested for or convicted of a marijuana offense or was subject to civil asset forfeiture related to a marijuana investigation; or
- the applicant's household income in the previous year did not exceed an amount determined by the DOR.

Social equity licensees have the option of applying for any other marijuana business license, including medical and retail marijuana delivery permits and transporter licenses. At time of publication, 9 social equity licensees also hold marijuana hospitality business licenses. The fiscal note assumes that these 9 licensees will apply for 11 special event permits each, on average, per year.

State Revenue

The bill will increase revenue to the Marijuana Cash Fund by \$268,000 in FY 2025-26 and by \$312,000 in FY 2026-27 and ongoing. Revenue will increase through increases to license application fees for social equity, delivery, transporter, and hospitality licenses. Additionally, DOR will collect additional revenue from special event permits for an estimated 100 special events annually. If violations of marijuana regulations occur at special events, DOR will also collect increased revenue through violations in the amounts specified in the bill. License fees and fines are subject to TABOR. On net, these changes to existing applications, new special event permits, and fines for violations will raise the necessary revenue to offset expenditures as detailed below.

State Expenditures

The bill increases state expenditures in the Department of Revenue by \$268,000 in FY 2025-26, and by \$312,000 in FY 2026-27 and ongoing, paid from the Marijuana Cash Fund. Costs are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Revenue

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$120,113	\$150,141
Operating Expenses	\$1,536	\$1,920
Capital Outlay Costs	\$13,340	\$0
Undercover Operatives	\$6,800	\$6,800
Legal Services	\$100,305	\$120,366
Centrally Appropriated Costs	\$26,078	\$32,598
FTE – Personal Services	1.2 FTE	1.5 FTE
FTE – Legal Services	0.4 FTE	0.5 FTE
Total Costs	\$268,172	\$311,825
Total FTE	1.6 FTE	2.0 FTE

Staff

The Marijuana Enforcement Division in the DOR will require 1.0 FTE Compliance Investigator and 0.5 FTE Legal Assistant to implement the bill. These staff will approve special event permits, enforce compliance with marijuana regulations, manage undercover operatives, adopt rules for new special event permits, and coordinate with the Attorney General's office as needed for investigations. Costs are prorated to assume a September 2025 start date and standard operating and capital outlay costs are included.

Undercover Operatives

DOR will employ minor undercover operatives to ensure that marijuana at special events is not sold to anyone under 21 years old. In total, operatives will work approximately 340 hours annually at a rate of \$20 per hour, resulting in \$6,800 per year.

Legal Services

DOR will contract with the Department of Law for approximately 900 hours annually, which equates to 0.5 FTE, to enforce the new regulations and investigate businesses who violate regulations. This work will include hearings for denials of special event permits, judicial review, and enforcement actions. First-year costs are prorated for the bill's effective date.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table above.

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

Workload will increase for local licensing authorities to comply with the new processes and rules that the DOR adopts to implement the hotel registry and special event permits. The exact impacts to local jurisdictions has not been estimated.

Technical Note

The fiscal note assumes that increased costs for the bill will be paid from the MED Cash Fund, and that the DOR will raise fees as necessary to ensure that it has sufficient funds to pay for program expenses. However, the DOR reports that current spending from the fund is projected to exceed the available fund balance. If the DOR is unable or unwilling to raise fees, General Fund may be required, either in this bill or through the annual budget process, to ensure cash fund solvency.

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 bill requires a General Fund appropriation of \$242,094 to the Department of Revenue, and 1.2 FTE. Of this amount, \$100,305 is reappropriated to the Department of Law, with an additional 0.4 FTE.

State and Local Government Contacts

Law

Revenue

Local Affairs

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).