



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1237: SOFT CLOSING OF ALCOHOL BEV ESTABLISHMENTS

Prime Sponsors:

Rep. Lindstedt; Mabrey

Fiscal Analyst:

John Armstrong, 303-866-6289

john.armstrong@coleg.gov

Published for: House Business Affairs & Labor

Drafting number: LLS 25-0296

Version: Initial Fiscal Note

Date: March 3, 2025

Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill allows bars to serve alcohol until 2:30 a.m. if a local jurisdiction opts in.

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

- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

| Type of Impact | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|-------------------------|---------------------------|------------------------|
| State Revenue | \$0 | \$0 |
| State Expenditures | \$0 | \$0 |
| Transferred Funds | \$0 | \$0 |
| Change in TABOR Refunds | \$0 | \$0 |
| Change in State FTE | 0.0 FTE | 0.0 FTE |

Summary of Legislation

Under current law, it is illegal to sell any alcoholic beverage for consumption on licensed premises between the hours of 2:00 a.m. and 7:00 a.m. Under the bill, if a local jurisdiction adopts an ordinance or resolution opting in, sales of alcoholic beverages are permitted until 2:30 a.m. as long as the business removes all alcoholic beverages from the consumption area by 3:00 a.m. Local governments may pass laws that are more restrictive.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or creates a new factual basis for an existing crime. The following section outlines crimes that are comparable to the offense in this bill and discusses assumptions on future rates of criminal convictions resulting from the bill.

Prior Conviction Data and Assumptions

This bill changes the factual basis of the existing offense of selling alcohol for consumption between the hours of 2:00 a.m. and 7:00 a.m. by extending the allowable time to sell alcohol. From FY 2022-23 to FY 2024-25, zero offenders have been sentenced and convicted for this offense; therefore, the fiscal note assumes that there will continue to be minimal or no additional criminal case filings or convictions for this offense under the bill. Because the bill is not expected to have a tangible impact on criminal justice related revenue or expenditures at the state or local levels, these potential impacts are not discussed further in this fiscal note. Visit leg.colorado.gov/fiscalnotes for more information about criminal justice costs in fiscal notes.

State Expenditures

Beginning in FY 2025-26, the bill increases workload for the Department of Revenue (DOR) and Department Public Safety (CDPS), as discussed below.

Department of Revenue

The bill increases the workload for DOR to conduct one-time rulemaking and conduct any additional enforcement as a result of the bill. The rulemaking is required to create a mechanism for local governments to notify DOR of any changes in legal hours of operation for establishments licensed to sell alcohol for on-premises consumption in the local government's jurisdiction. The workload increase is expected to be minimal and can be accomplished within existing appropriations.

Department of Public Safety

The bill increases the workload for DPS to adjust enforcement procedures for the Colorado State Patrol depending on which and how many local jurisdictions extend the hours during which alcohol beverages may be sold. The workload increase is expected to be accomplished within existing appropriations.

Local Government

Counties, city and counties, and municipalities that opt-in to allow for the sale of alcohol until 2:30 a.m. will have one-time costs to adopt an ordinance or resolution, and to update publications and business guidance. On an ongoing basis, local government law enforcement will have increased workload to enforce the hours of operation.

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 | Public Safety |
| Law | Revenue |
| Municipalities | |

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](#).