



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1257: LOCAL REGULATION OF MASSAGE FACILITIES

Prime Sponsors:

Rep. Gonzalez R.; Rutinel
Sen. Liston; Mullica

Fiscal Analyst:

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Bill Outcome: Signed into Law**Drafting number:** LLS 26-0687**Version:** Final Fiscal Note**Date:** May 19, 2026**Fiscal note status:** The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill gives local governments additional authority to license and regulate the establishment and operation of massage facilities.

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 2026-27	Out Year FY 2027-28
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, local governments may license and regulate the establishment and operation of massage facilities, although regulations may not be more restrictive than state law. The bill allows local governments to adopt resolutions or ordinances that are more restrictive than state law, and provides local governments additional grounds for denying, revoking, or suspending a license to operate a massage facility. It also expands the definition of “illicit massage business” to include crimes other than human trafficking-related offenses.

In addition, the bill removes the \$150 limit on the administrative fee for issuing or renewing a local license to operate a massage facility, and removes the exemption from administrative fees for businesses that held licenses before August 10, 2022. The fee must be reasonably related to the costs of regulating and licensing massage facilities.

State Revenue and Expenditures

The bill may increase revenue from filing fees and workload for the trial courts in the Judicial Department if additional cases are filed as a result of new regulations enacted by local governments. The fiscal note assumes that any workload or revenue impacts will be minimal.

Local Government

The bill may increase revenue for local governments that raise administrative fees for operating a massage facility and begin collecting administrative fees from facilities operating before August 10, 2022. The bill may also increase workload for local governments to revise or enforce stricter laws and ordinances related to massage facilities. Any impacts will depend on local decisions to adjust fees or change licensing requirements.

Effective Date

The bill was signed into law by the Governor on May 4, 2026, and takes effect on August 12, 2026, assuming no referendum petition is filed.

State and Local Government Contacts

Counties	Local Affairs	Regulatory Agencies
Judicial	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](#).