



Colorado
Legislative
Council
Staff

HB17-1123

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0028

Date: February 7, 2017

Prime Sponsor(s): Rep. Lebson; Thurlow
Sen. Marble

Bill Status: House Local Government

Fiscal Analyst: Anna Gerstle (303-866-4375)

BILL TOPIC: EXTEND ON-PREMISES RETAIL ALCOHOL BEV SALES HOURS

| Fiscal Impact Summary | FY 2017-2018 | FY 2018-2019 |
|---|----------------------------|--------------|
| State Revenue | | |
| State Expenditures | Minimal workload increase. | |
| Appropriation Required: None. | | |
| Future Year Impacts: Ongoing minimal workload increase. | | |

Note: While all agencies were canvassed for this analysis, not all agencies were able to respond with complete information within the time frames provided. The fiscal note will be updated if more information becomes available.

Summary of Legislation

Under current law, it is illegal for a person licensed to sell alcohol beverages for on-premises consumption to sell, serve, or distribute any alcohol between the hours of 2 a.m. and 7 a.m. The bill allows a local government to extend the hours during which alcoholic beverages for on-premises consumption can be sold at licensed establishments within its jurisdiction, and adds an exception to the crime if the jurisdiction extends the hours.

Comparable Crime

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 changes an element of the existing crime that creates a new factual basis for the offense. Under current law, it is illegal for a person licensed to sell alcohol for on-premises consumption to sell, serve, or distribute any alcohol between the hours of 2 a.m. and 7 a.m, the fine for which is up to \$250 per offense. In the last three years, there has been one conviction under this statute; the one conviction was of a white female. Due to the minimal number of convictions, the fiscal note assumes any decrease in cases will be negligible and there will be no tangible impact to the court system.

State Expenditures

Beginning in FY 2017-18, the bill increases the workload in the Department of Revenue (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.

Local Government Impact

The bill will increase costs and workload for local governments that adopt an ordinance or resolution expanding hours of operation for establishments licensed to sell alcohol for on-premises consumption in their jurisdiction. This includes legal fees, publication of notices, hearing, and enforcement costs. It is anticipated that only a few jurisdictions will expand their hours, but costs depend on the size and processes of a jurisdiction.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

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| Counties | Municipalities | Revenue |
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