



Initiative 122

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Impact Statement

Date: June 3, 2022

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LCS TITLE: THIRD-PARTY DELIVERY OF ALCOHOL BEVERAGES

Fiscal Impact Summary		FY 2022-23	FY 2023-24
Revenue	Cash Funds	\$35,000	\$105,000
	Total	\$35,000	\$105,000
Expenditures	Cash Funds	\$35,000	\$105,000
	Total	\$35,000	\$105,000

Disclaimer. This initial fiscal impact statement has been prepared for an initiative approved for petition circulation by the Secretary of State. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available.

Summary of Measure

Under current law, grocery stores, convenience stores, and liquor stores can deliver alcohol in sealed containers to customers as long as they use their own employees who are 21 years of age or older and use a company-owned vehicle, among other provisions. Under this measure, these retailers may contract with a third-party company to deliver alcohol to customers beginning on March 1, 2023, with no restrictions on the amount of alcohol delivered.

Under current law, alcohol delivery by bars and restaurants is scheduled to repeal July 1, 2025. Under the measure, these establishments would be able to use a third-party to deliver alcohol, similar to retailers, with certain restrictions on the amount of alcohol delivered.

Finally, the measure outlines processes that third-party alcohol delivery companies are required to follow, including requirements to obtain delivery permits, as well as training and safety provisions to follow.

State Revenue

The third-party delivery service permit will increase fee revenue to the Liquor Enforcement Division Cash Fund in the Department of Revenue beginning in the last four months of FY 2022-23 by an estimated \$105,000 per year, prorated to a four month impact in the first fiscal year. Applicants for permits must pay initial and renewal fees on a schedule to be determined by the department. Exact revenue to the state will depend on the number of applicants and the fee schedule set by the department.

Taxpayer Impact

The measure is not anticipated to significantly impact taxpayers.

State Expenditures

Beginning in FY 2022-23, the bill increases costs in the Department of Revenue by an estimated \$105,000 and 1.2 FTE per year, paid from the Liquor Enforcement Division Cash Fund, prorated for four months in the first fiscal year. The department requires additional administrative and enforcement staff to process applications and conduct delivery compliance checks. Enforcement staff will require a vehicle lease and personnel equipment. The department's licensing system will be modified to include the new permit.

Local Government

Any impact to local liquor licensing authorities is expected to be minimal, as the third-party delivery permit will be administered by the state licensing authority. To the extent that local jurisdictions increase enforcement, workload and costs may increase.

Effective Date

If approved by voters at the 2022 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Revenue

Other Sources Considered

No proponents or interested persons submitted estimates for the fiscal impact summary.