Initiative 122

Legislative
Council Staff
Nonpartisan Services for Colorado's Legislature

Fiscal Summary

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LCS TITLE: THIRD-PARTY DELIVERY OF ALCOHOL BEVERAGES

Fiscal Summary of Initiative 122

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at www.colorado.gov/bluebook. This fiscal summary identifies the following impact.

State revenue. The measure creates a new delivery service permit, which will increase fee revenue to the Department of Revenue. Applicants for permits must pay initial and renewal fees. Exact revenue to the state will depend on the number of applicants and the fee schedule set by the department, and is preliminarily estimated to be about $100,000 to cover the department's administrative and enforcement costs.

State expenditures. The measure's modifications to state laws regarding alcohol sales and delivery will increase costs by at least $100,000 per year in the Department Revenue to process additional applications and conduct enforcement.

Local government impact. Similar to the state impact, local liquor licensing authorities will have an increase in workload to process additional applications, and an increase in fee revenue from local application and permit fees. The impact will depend on the number of applications in any individual jurisdiction.

Economic impacts. While Initiative 122 may shift the location of some alcohol sales, the overall volume of alcohol sales is not expected to change significantly. The measure may shift income and employment opportunities across different retailers and increase income to third-party delivery businesses. To the extent that consumers increase spending on delivery fees, spending in other areas of the economy may be reduced.