

Dollars and Sense

CBI InstaCheck Transactions — Statewide (Source: CBI Monthly Statistics)

Year	Total Txns	FFL Sales	Denials	Fee Revenue @ \$10.50	YoY Change
2020	501,324	—	14,227	\$5,263,902	—
2021	452,777	—	9,717	\$4,754,159	-9.7%
2022	396,603	—	6,777	\$4,164,332	-12.4%
2023	367,332	—	5,358	\$3,856,986	-7.4%
2024	343,956	—	5,093	\$3,611,538	-6.4%
2025	318,721	314,904	3,817	\$3,346,571	-7.3%

5-Year Revenue Decline **-\$1,917,331 / yr** **-36.4%**

FFL Sales and Private Sales breakdown not reported by CBI prior to 2025. Revenue calculated as Total Transactions × \$10.50 InstaCheck fee.

WHAT THE STATE COLLECTS FROM FFLs	WHAT THIS BILL PUTS AT RISK
InstaCheck fees (2025) \$3,346,571 / year <small>318,721 transactions × \$10.50</small>	Fee revenue lost as dealers close Already declining \$1.9M / yr Down 36.4% since 2020 — before this bill
Dealer permit fees ~\$238,000 / year <small>1,783 FFLs × \$400 / 3-year cycle</small>	Permits lost as dealers surrender FFLs 41 FFLs closed in 3 months 80.5% were home-based. 0 new commercial entries.
Proposition KK excise tax 6.5% on firearms sales <small>Voter-approved 2024. Revenue not yet reported.</small>	Excise tax base shrinks with each closure Fewer dealers = fewer taxable sales <small>In-state purchases shift to online / out-of-state.</small>
DOR dealer program (HB24-1353) \$618,973 invested <small>General Fund appropriation, FY 2024–25</small>	Program built to regulate dealers that no longer exist Sunk cost if dealer base collapses <small>Fewer dealers to regulate = program without purpose</small>

Who This Hits

Colorado FFLs operating from residential addresses	1,403 (78.7% of all FFLs)
Colorado median household income (U.S. Census, 2024)	\$97,100
HB26-1126 home buildout as % of median household income	81%
Home buildout as % of typical home FFL gross revenue	132–263%
HB26-1126 fiscal note — private compliance cost identified	\$0

THE BOTTOM LINE

The state spent \$618,973 building a program to collect revenue from firearms dealers. **This bill prices those dealers out of business. When they close, the state loses the revenue stream. InstaCheck revenue is already down \$1.9 million per year. This bill accelerates the decline.**

The fiscal note says \$28,000. The real cost is \$110 million to private businesses and millions in lost state revenue.

Scenario A — Family Home (continued)

Estimated one-time buildout: \$79,007 | Ongoing: \$745–\$1,190 / year

Ongoing Annual Costs	Per Year
Central station monitoring + video storage + alarm permit renewal	\$745–\$1,190

Not included above: HOA variance costs (\$50–\$2,500+, may be denied) • Lost income during 2–4 week construction • Reduced home resale value • Fire code conflicts (IRC R310 egress vs. barred windows) • Additional costs under HB24-1353, HB25-1133, and Proposition KK.

The HB26-1126 fiscal note identifies \$0 in private compliance costs for firearms dealers.

Scenario B — Small Storefront (800–1,500 sq ft, 2 doors, 2 windows)

Line Item	Estimated Cost
Window security (2 openings) <i>Roll-down shutters or interior gates over plate glass</i>	\$5,500
Door security (front gate + rear hardware) <i>Roll-down gate over glass entry; rear steel door verification</i>	\$2,800
Lighting, wiring, cameras, alarm <i>Interior lighting to surveillance standard; 4–6 cameras, NVR, alarm panel, sensors</i>	\$14,000
Finish restoration + permits + GC (20%) <i>Minimal patching; permits; project management</i>	\$6,260
ESTIMATED TOTAL — SMALL STOREFRONT	\$28,560

Scenario C — Large Retail Store (2,500–5,000 sq ft, 4 doors, 4 windows)

Line Item	Estimated Cost
Window security (4 openings) <i>Roll-down shutters or interior gates; larger openings</i>	\$9,500
Door hardening (4 doors) <i>Main entry gate; upgrade secondary, receiving, emergency exits</i>	\$6,000
Lighting, wiring, cameras, alarm <i>Vault + back-of-house lighting; 8–12 cameras, expanded NVR, full sensor coverage</i>	\$23,500
Finish restoration + permits + GC (20%) <i>Minimal commercial patching; permits; project management</i>	\$10,440
ESTIMATED TOTAL — LARGE RETAIL	\$49,440

Commercial storefronts with existing security infrastructure may fall 20–30% below these estimates.

HB26-1126 Compliance Cost Estimate

Denver Metro Area — March 2026

Security mandate requirements per §18-12-406(2)(c)-(e) as amended — Effective October 1, 2027

Scenario A — Family Home

A licensed firearms dealer operating from their family home in Denver. 3-bedroom, single-family, wood-frame construction. 15 exterior windows. 3 exterior doors (2 entry, 1 sliding patio). One dedicated firearms room with safes.

Line Item	Estimated Cost (Installed)
Window Security Bars — 15 windows <i>Custom-fabricated steel bars w/ egress-compliant quick-release per IRC R310, powder-coated, through-bolted into wall framing. Denver ironwork fabrication + installation. ~\$935/window.</i>	\$14,000
Door Hardening — 3 doors <i>2 entry doors: 16-ga. hollow metal door + welded steel frame + commercial hardware + rough opening reinforcement (~\$2,750 ea.). 1 sliding patio: steel security gate w/ multi-point lock (~\$2,500).</i>	\$8,000
Structural Engineering Assessment <i>Licensed PE site visit, framing assessment at 18 openings, mounting detail design, stamped drawings for permit. (Denver avg: \$150-\$200/hr.)</i>	\$1,200
Interior Lighting Upgrade — 6-8 rooms <i>Upgraded fixtures in all door entry zones + firearms storage to level "sufficient to identify characteristics of a person on surveillance video." Recessed high-lumen LED layouts, new wiring runs, circuit additions. Bill sets no lux standard; DOR has not defined one. ~\$1,500/room avg.</i>	\$10,000
Security Wiring — cameras + alarm <i>Cat6 runs to 6 camera positions (\$2,000). 22/4 alarm wire to 18-22 door/window contacts, motion detectors, glass-break sensors, keypads (\$3,000). 2 dedicated 20A circuits (\$1,000).</i>	\$6,000
Security Alarm + Video Surveillance System <i>6 commercial IP cameras (6MP, vandal-rated, IR), 8-ch NVR w/ 4-8TB storage, commercial alarm panel (32-zone), 18+ sensors, cellular communicator, central station monitoring connection. Professional installation + programming.</i>	\$10,500
Finish Restoration — interior + exterior <i>Drywall patching at 15 window penetrations (\$3,750). Exterior siding/stucco repair at 15 openings (\$5,000). Interior + exterior painting touch-up (\$2,350).</i>	\$11,100
Equipment, Mobilization, Debris <i>Boom lift rental — 1 week (\$1,700). Dumpster — 10-yd, 7-day (\$475). Material deliveries (\$350). Site mobilization (\$500).</i>	\$3,025
Permits, Plan Review, Use Tax <i>Denver building permit (\$250). Plan review (\$150). Electrical permit (\$150). Alarm registration (\$50). Denver use tax on materials at 4.81% (\$335).</i>	\$935
SUBTOTAL — Direct Costs	\$64,760
General Contractor Overhead + Profit (22%) <i>Project management, subcontractor coordination (ironworker, electrician, security integrator, painter, drywall), insurance, bonding, warranty, profit. Denver residential renovation standard: 18-28%.</i>	\$14,247
ESTIMATED TOTAL — FAMILY HOME	\$79,007

This home-based dealer generates \$30,000-\$60,000 in annual revenue. This buildout is 132-263% of one year's gross income.