Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1330: ALCOHOL BEVERAGES ENTERTAINMENT DISTRICTS

Prime Sponsors:
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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill modifies requirements for the operation for entertainment districts and common consumption areas by local liquor licensing authorities.

Types of impacts. The bill is projected to affect the following areas beginning in FY 2026-27:

- 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

Entertainment Districts

Under current law, entertainment districts are defined as designated areas that are at least 100 acres and contain at least 20,000 square feet of liquor licensed premises. The bill removes the acre restriction and changes the square footage restriction to a combined premises of at least 5,000 square feet for two or more licensees. The bill allows local authorities to establish days and hours of operation for entertainment districts to serve alcohol.

Common Consumption Areas

The bill specifies that only licensed premises that are authorized by a local authority to attach to a common consumption area may sell or serve alcohol to be consumed in the common consumption area. It also prohibits persons from entering a licensed premises from a common consumption area with an alcoholic beverage from a different and attached licensed premises, and removes the following limits:

- selling alcohol in a container larger than 16 ounces;
- selling alcohol in a container that does not contain the name of the vendor in at least 24-point font; and,
- permitting customers to leave the premises with an alcoholic beverage unless the container complies with the other two requirements.

The bill allows local licensing authorities to set the days and hours for alcoholic beverages to be both sold and served, including when beverages may be consumed in either a common consumption area or on a licensed premises if the common consumption area is not in operation.

The Liquor Enforcement Division (LED) in the Department of Revenue may adopt rules to regulate and control the sale of alcoholic beverages under these new requirements for entertainment districts and common consumption areas.

State Expenditures

The LED may have an increase in workload to modify rules to establish guidance for local authorities for new requirements around entertainment districts and common consumption areas. This additional workload is assumed to be minimal and no change in appropriations is required.

Local Government

If local licensing authorities change the days and hours for alcohol to be sold or to set up additional entertainment districts and common consumption areas, revenue and workload will increase. Workload may also increase to ensure enforcement procedures align with the bill's requirements. These impacts will depend on decisions made by each local authority.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties

Local Affairs

Municipalities

Public Safety

Revenue