

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0687.01 Christopher McMichael x4775

HOUSE BILL 26-1257

HOUSE SPONSORSHIP

Gonzalez R. and Rutinel,

SENATE SPONSORSHIP

(None),

House Committees

Transportation, Housing & Local Government

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE LOCAL REGULATION OF MASSAGE FACILITIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law authorizes a local government to license and regulate the operation of massage facilities within the local government's jurisdiction and to prevent the operation of illicit massage businesses, which are businesses that engage in massage but also engage in human-trafficking-related offenses. For the purpose of local enforcement, the bill expands the definition of "illicit massage business" to include a massage business that engages in crimes other than human-trafficking-related offenses.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

Current law states that if a local government adopts a resolution or ordinance to establish business licensure requirements or to prohibit unlawful activities relating to illicit massage businesses, the resolution or ordinance must not be more restrictive than the requirements set forth in state law. The bill removes this limitation. The bill also allows a local government to impose local licensing requirements in addition to those requirements prescribed in state law.

Current law allows a local government to impose an administrative fee not to exceed \$150 for issuing or renewing a license. The bill removes the \$150 cap on such fees. Current law exempts businesses that held licenses before August 10, 2022, from the administrative fees. The bill removes this exemption.

Current law allows a local government to deny, revoke, or suspend a license under certain circumstances. The bill allows a local government to establish additional grounds to deny, revoke, or suspend a license.

Current law prohibits a person from owning a massage facility if the person:

- Has not submitted to a required background check at least 30 days before assuming an ownership interest in the massage facility; or
- Has been convicted of or entered a plea of nolo contendere that is accepted by the court for any of certain enumerated offenses.

The bill provides that, if a local government establishes business licensure requirements for massage facilities, the resolution or ordinance adopted by the local government must prohibit ownership of massage facilities by the types of persons that are prohibited from ownership in current law.

Current law states that preventing the operation of illicit massage businesses is a matter of statewide concern, and licensing and regulation of massage facilities is a matter of mixed statewide and local concern. The bill states that preventing the operation of illicit massage businesses is a matter of mixed statewide and local concern.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 30-15-401.4, **amend**
3 (1)(a)(III), (1)(a)(IV) introductory portion, (1)(a)(IV)(A), (1)(b)(I), (2)(d),
4 (3)(a), (4)(a) introductory portion, (4)(a)(II), (4)(a)(IV) introductory
5 portion, (4)(a)(XI.5) introductory portion, (4)(a)(XI.5)(C), (4)(a)(XII)
6 introductory portion, (4)(a)(XII)(D), (4.5)(a) introductory portion, (5)

1 introductory portion, (6), and (7) introductory portion; and **add**
2 (4)(a)(XIII) as follows:

3 **30-15-401.4. Statewide policy to prevent the operation of illicit**
4 **massage businesses - local regulation authorized - background checks**
5 **required - legislative declaration - definitions.**

6 (1) (a) The general assembly finds and declares that:

7 (III) All local governments in the state already have authority to
8 enact resolutions or ordinances to establish licensing authorities to
9 regulate or otherwise regulate massage facilities and to deter and shut
10 down illicit massage facilities WHERE THE FACILITIES EXIST OR ARE
11 REASONABLY LIKELY TO OCCUR; and

12 (IV) Because preventing the operation of illicit massage facilities
13 by requiring current and prospective operators, owners, and employees of
14 massage facilities to submit to periodic background checks ~~is a matter of~~
15 ~~statewide concern and licensing~~ and other regulation of massage facilities
16 is a matter of mixed statewide and local concern, ~~that~~ AND BECAUSE local
17 governments have significant discretion to ~~address~~ ADOPT ORDINANCES
18 AND RESOLUTIONS in accordance with local needs, it is necessary,
19 appropriate, and in the best interest of all Coloradans to:

20 (A) Require ~~uniformly throughout the state as a matter of~~
21 ~~statewide policy~~, that every current and prospective operator, owner, and
22 employee of a massage facility submit to a background check, which
23 generally means a fingerprint-based criminal history record check, as
24 required by this section; and

25 (b) The general assembly further finds and declares that:

26 (I) A local government may adopt a resolution or ordinance to
27 establish business licensure requirements to regulate massage facilities or

1 to regulate and prohibit unlawful activities for the ~~sole~~ purpose of
2 deterring illicit massage businesses and preventing human trafficking;

3 (2) As used in this section, unless the context otherwise requires:

4 (d) "Illicit massage business" means a business that ~~may provide~~
5 PROVIDES massage ~~but~~ AND:

6 (I) Engages in human-trafficking-related offenses, as described in
7 ~~sections~~ SECTION 18-3-503 ~~and~~ OR 18-3-504; OR

8 (II) COMMITS OTHER OFFENSES AS DEFINED BY STATE LAW OR
9 LOCAL ORDINANCE.

10 (3) (a) In addition to any other powers, a local government may
11 adopt a resolution or ordinance to establish business licensure
12 requirements or to regulate and prohibit unlawful activities to prevent the
13 operation of illicit massage businesses that engage in human
14 trafficking-related offenses as described in sections 18-3-503 and
15 18-3-504 ~~If a local government adopts a resolution or ordinance to~~
16 ~~establish business licensure requirements pursuant to subsection (4) of~~
17 ~~this section or to prohibit unlawful activities pursuant to subsection (5) of~~
18 ~~this section, the resolution or ordinance must not be more restrictive than~~
19 ~~the requirements set forth in this section~~ OR COMMIT OTHER OFFENSES AS
20 DEFINED BY STATE LAW OR LOCAL ORDINANCE.

21 (4) (a) If a local government adopts a resolution or ordinance to
22 establish business licensure requirements for massage facilities as set
23 forth in subsection (3)(a) of this section, the business licensure
24 requirements may ~~only~~ include:

25 (II) Requiring a reasonable administrative fee ~~not to exceed one~~
26 ~~hundred fifty dollars~~ for issuing or renewing licensure applications. The
27 fee must not be based on the number of employees. ~~This subsection~~

1 ~~(4)(a)(H) applies only to new businesses applying for a license or renewal~~
2 ~~on or after August 10, 2022. Businesses that hold a license before August~~
3 ~~10, 2022, are exempt from the administrative fees described in this~~
4 ~~subsection (4)(a)(H).~~

5 (IV) Allowing a licensing authority, or ~~a~~ THE licensing authority's
6 designee, to deny an application FOR REASONS DESCRIBED IN THE
7 ORDINANCE OR RESOLUTION ADOPTED BY THE LOCAL GOVERNMENT,
8 INCLUDING if:

9 (XI.5) Granting ~~the~~ A licensing authority, or the licensing
10 authority's designees, authority to revoke or suspend a license FOR
11 REASONS DESCRIBED IN THE ORDINANCE OR RESOLUTION ADOPTED BY THE
12 LOCAL GOVERNMENT, INCLUDING if:

13 (C) An owner of the licensed massage facility has been convicted
14 of or entered a plea of nolo contendere that is accepted by the court for an
15 offense listed in subsection (4)(a)(IV)(C) of this section or is registered
16 as a sex offender or is required by law to register as a sex offender, as
17 described in section 16-22-103; ~~and~~

18 (XII) Granting a licensing authority, or THE licensing authority's
19 designees, the authority to revoke or suspend a license for violating
20 prohibited acts pursuant to subsection (5) of this section. A licensing
21 authority, or the licensing authority's designees, may temporarily suspend
22 a license ~~with~~ AND SCHEDULE a hearing ~~to be scheduled~~ within fifteen
23 days ~~when~~ AFTER the licensing authority MAKES FINDINGS AS DESCRIBED
24 IN THE ORDINANCE OR RESOLUTION ADOPTED BY THE LOCAL GOVERNMENT
25 OR finds:

26 (D) The licensee failed to permit an inspection at a time the
27 massage facility was open for business; AND

1 (XIII) ANY OTHER PROVISIONS RELATED TO THE BUSINESS
2 LICENSURE OR OPERATION OF MASSAGE FACILITIES THAT ARE DEEMED
3 NECESSARY BY THE LOCAL GOVERNMENT.

4 (4.5) (a) ~~A person is prohibited from being an owner if the person~~
5 ~~either~~ IF A LOCAL GOVERNMENT ADOPTS A RESOLUTION OR ORDINANCE TO
6 ESTABLISH BUSINESS LICENSURE REQUIREMENTS FOR MASSAGE FACILITIES
7 IN ACCORDANCE WITH THIS SECTION, THE BUSINESS LICENSURE
8 REQUIREMENTS MUST PROHIBIT A PERSON FROM OWNING A MASSAGE
9 FACILITY IF THE PERSON:

10 (5) A local government may adopt a resolution or ordinance to
11 prohibit activities to prevent the operation of illicit massage businesses
12 that engage in human trafficking-related offenses as described in sections
13 18-3-503 and 18-3-504. Prohibited activities MAY include:

14 (6) (a) If authorized by the ~~local government~~ COUNTY resolution
15 or ordinance, a law enforcement officer may follow the penalty
16 assessment procedure described in section 16-2-201 for any violation of
17 the prohibitions set forth in subsection (5) of this section. As part of the
18 ~~local government~~ COUNTY ordinance or resolution authorizing the penalty
19 assessment procedure, the ~~local government~~ COUNTY may adopt a
20 graduated fine schedule for violations of the prohibitions set forth in
21 subsection (5) of this section. A graduated fine schedule may provide for
22 increased penalty assessments for repeat offenses by the same person.

23 (b) A ~~local government~~ COUNTY may specify in the resolution or
24 ordinance that a massage facility that engages in two or more violations
25 of the resolution or ordinance is a public nuisance, as described in section
26 16-13-303, unless the violation is already a public nuisance, as described
27 in section 16-13-303. The county attorney of a county, the city attorney

1 of a city and county, ~~the city or town attorney of a municipality~~, or the
2 district attorney acting pursuant to section 16-13-302 may bring an action
3 in the district court of the county for an injunction against the massage
4 facility that violates the resolution or ordinance.

5 (7) A RESOLUTION OR ORDINANCE ADOPTED BY A LOCAL
6 GOVERNMENT PURSUANT TO THIS SECTION MUST NOT CONSIDER ANY OF
7 THE FOLLOWING TO BE A massage facility: ~~does not include:~~

8 **SECTION 2.** In Colorado Revised Statutes, 31-15-401, **add** (1)(s)
9 as follows:

10 **31-15-401. General police powers.**

11 (1) In relation to the general police power, the governing bodies
12 of municipalities have the following powers:

13 (s) TO LICENSE AND REGULATE THE ESTABLISHMENT AND
14 OPERATION OF MASSAGE FACILITIES TO PREVENT HUMAN TRAFFICKING
15 AND THE OPERATION OF ILLICIT MASSAGE FACILITIES IN ACCORDANCE
16 WITH SECTION 30-15-401.4.

17 **SECTION 3.** In Colorado Revised Statutes, 31-15-407, **amend**
18 (1) as follows:

19 **31-15-407. Statewide policy to prevent the operation of illicit**
20 **massage businesses - background checks required - legislative**
21 **declaration.**

22 (1) The general assembly finds and declares that because
23 preventing the operation of illicit massage businesses, as defined in
24 section 30-15-401.4, ~~is a matter of statewide concern, and licensing and~~
25 ~~regulation of massage facilities~~ is a matter of mixed statewide and local
26 concern, it is necessary, appropriate, and in the best interest of all
27 Coloradans to require, uniformly throughout the state as a matter of

1 statewide policy, that every current and prospective operator, owner, and
2 employee of a massage facility submit to a background check, as defined
3 in section 30-15-401.4 (2)(a.5), which generally means a
4 fingerprint-based criminal history record check as required by section
5 30-15-401.4.

6 **SECTION 4. Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly (August
9 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
10 referendum petition is filed pursuant to section 1 (3) of article V of the
11 state constitution against this act or an item, section, or part of this act
12 within such period, then the act, item, section, or part will not take effect
13 unless approved by the people at the general election to be held in
14 November 2026 and, in such case, will take effect on the date of the
15 official declaration of the vote thereon by the governor.