



**Colorado
Legislative
Council
Staff**

HB17-1224

**REVISED
FISCAL NOTE**

(replaces fiscal note dated March 13, 2017)

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0996
Prime Sponsor(s): Rep. Kraft-Tharp
Sen. Gardner

Date: March 21, 2017
Bill Status: House Finance
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: MISBRANDED ADULTERATED COUNTERFEIT DRUGS PENALTY

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	<u><\$5,000</u>	<u><\$5,000</u>
General Fund	<5,000	<5,000
State Expenditures	Minimal workload increase. See State Expenditures section.	
TABOR Impact	<\$5,000	<\$5,000
Appropriation Required: None.		
Future Year Impacts: Ongoing revenue and workload increase.		

Summary of Legislation

As amended by the House Committee on Business Affairs and Labor, this bill amends the pharmacy practice law to make unlawful the possession, sale, dispensing, giving, receiving, or administering of a drug or device that is adulterated or misbranded as defined by the Colorado Food and Drug Act. The bill creates a new civil penalty of \$1,000 to \$10,000 for any unlawful act under the pharmacy practice law, including the violations created by this bill. Revenue from this penalty is deposited into the General Fund.

State Revenue

This bill will increase state General Fund revenue from fines by less than \$5,000 annually from civil penalties beginning in FY 2017-18. The fiscal note assumes a high rate of compliance, and given that the penalty is discretionary, a minimal amount of fine revenue is expected.

TABOR Impact

This bill increases state General Fund revenue from fines, which will increase the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR refunds are paid out of the General Fund. Since the bill increases both revenue to the General Fund and the refund obligation by equal amounts, there is no net impact on the amount of money available in the General Fund for the budget. However, the bill will increase money available for the General Fund budget in the future during years when the state does not collect money above the TABOR limit.

State Expenditures

This bill is expected to increase workload in Department of Regulatory Agencies beginning in FY 2017-18. The Division of Professions and Occupations receives approximately 60 complaints per year related to the dispensing and repackaging of drugs and devices. By expanding the authority of the division to investigate and take enforcement action on adulterated or misbranded drugs and devices, workload will increase by a minimal amount. This increase can be accomplished within existing appropriations.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Law Regulatory Agencies