



**Colorado  
Legislative  
Council  
Staff**

**HB16-1068**

**FISCAL NOTE**

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

**Drafting Number:** LLS 16-0587  
**Prime Sponsor(s):** Rep. Lundeen  
 Sen. Lambert

**Date:** January 25, 2016  
**Bill Status:** House SVMA  
**Fiscal Analyst:** Bill Zepernick (303-866-4777)

**BILL TOPIC:** REGULATION OF METHADONE TREATMENT FACILITIES

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None.		
Future Year Impacts: None.		

**Summary of Legislation**

The bill requires the Department of Human Services to adopt additional regulatory requirements for methadone clinics. Specifically, methadone treatment facilities approved on or after January 1, 2016, must be located more than 1,000 feet from a school, university, seminary, residential child care facility, or public park. The bill specifies that the establishment of methadone clinics is a matter of statewide concern. Municipalities cannot consider a methadone treatment facility as a medical clinic for zoning purposes unless approval is given by the governing body of the municipality.

In addition, methadone clinics are required to report to the Department of Human Services any infractions in this state or another state by the owner of the facility, its holding company, or any other entity within the same holding company. Infractions that must be reported include, but are not limited to, those involving excessive caseload, inadequate treatment plans, or the failure to fully account for all controlled substances. Disclosure of infractions must be made for the preceding three years when submitting an initial or renewal application for licensure. New infractions must be disclosed within 30 days of being discovered.

For clinics seeking an initial or renewal license, the Department of Human Services must deny the application if there are any infractions disclosed, unless approving the clinic would be in the public interest due to lack of capacity at other facilities in the area. For new infractions, the Department of Human Services must investigate to determine whether the public interest requires suspending, revoking, limiting, or restricting the prior license approval. Prior to determining which action to take regarding new infractions or infractions during the license application process, the Department of Human Services must hold a public hearing to solicit public input.

**Background**

Methadone is an opioid medication that is used as part of drug addiction detoxification and maintenance programs to reduce withdrawal symptoms in people addicted to heroin or other narcotic drugs. Methadone treatment facilities are regulated as a substance abuse treatment facility by the Department of Human Services. Currently, there are 14 methadone clinics in the state. There have been an average of four infractions per year over the last three years involving methadone treatment facilities in Colorado for the infractions listed in the bill. However, data is not available on infractions committed by associated entities in other states.

**State Expenditures**

The bill is expected to increase workload in the Department of Human Services in the following areas:

- rulemaking to reflect the new regulatory requirements of the bill;
- receiving, processing, and evaluating infraction disclosures submitted by methadone treatment facilities; and
- holding public meetings to seek public input on actions that should be taken regarding methadone treatment facilities.

While it is unknown how many infractions will be generated by associated entities in other states, the fiscal note estimates that the number of infractions requiring public meetings will be relatively low. Assuming 10-15 infractions per year by methadone treatment facilities in Colorado and in other states and 3 hours of work per infraction, the Department of Human Services will have up to 45 hours of additional work per year. Given this minimal increase, it is assumed the department can accomplish this workload within existing appropriations. To the extent that the number of infractions exceeds this estimate, it is assumed the department will seek additional appropriations through the annual budget process.

**Local Government Impact**

The bill reduces the authority of municipalities to zone methadone treatment facilities as medical facilities. Municipalities wishing to zone methadone treatment facilities in such a manner must have the matter considered by the governing body of the municipality. This additional process may increase workload for municipal staff by a minimal amount.

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**State and Local Government Contacts**

Counties	Human Services	Law
Municipalities	Office of Information Technology	Public Health & Environment