

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

| Drafting Number: Prime Sponsors: | LLS 24-1150 Sen. Fenberg; Gardner Rep. Synder | Date: Bill Status: Fiscal Analyst: | July 23, 2024 Signed into Law Shukria Maktabi 303-866-4720 shukria.maktabi@coleg.gov | | |
|-------------------------------------|--|--|---|--|--|
| Bill Topic: | LICENSING FOR CLINICS THAT PROVIDE FERTILITY SERVICES | | | | |
| Summary of Fiscal Impact: | ☑ State Revenue☑ State Expenditure | ☑ State Transfer □ TABOR Refund | Local Government Statutory Public Entity | | |
| | The bill makes changes to the licensing requirements for gamete agencies, gamete banks, and fertility clinics. The bill increases state expenditures and requires state transfers beginning in FY 2025-26. | | | | |
| Appropriation Summary: | No appropriation is required. | | | | |
| Fiscal Note Status: | The final fiscal note reflects the enacted bill. | | | | |

Table 1 State Fiscal Impacts Under SB 24-223

| | | Budget Year FY 2024-25 | Out Year FY 2025-26 |
|------------------------|----------------------|---------------------------|------------------------|
| Revenue | | - | - |
| Expenditures | Cash Funds | - | \$125,000 |
| | Total Expenditures | - | \$125,000 |
| Transfers ¹ | General Fund | - | (\$125,000) |
| | Cash Funds | - | \$125,000 |
| | Net Transfer | - | \$0 |
| Other Budget Impacts | General Fund Reserve | - | \$18,750 |

¹ This transfer is made via an appropriation from the General Fund.

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Summary of Legislation

Gamete agencies, gamete banks, and fertility clinics are required to be licensed by the Department of Public Health and Environment (CDPHE) beginning January 1, 2025. The bill extends the deadline to become licensed to July 1, 2025; extends the deadline for rulemaking by the department to January 1, 2025; requires licensees to submit documentation that shows compliance with licensing requirements initially and upon license renewal; and authorizes the CDPHE to perform on-site inspections or investigations of complaints of clinics located outside of Colorado, subject to available appropriations. Finally, the bill appropriates \$125,000 annually from the General Fund to the Gamete Agency, Gamete Bank, or Fertility Clinic Fund beginning in FY 2025-26.

Background

Senate Bill 22-224 required gamete banks and fertility clinics to become licensed by the State Board of Health in the CDPHE. The bill appropriated funding from the General Fund to the CDPHE to implement the regulation in the first two years (FY 2022-23 and FY 2023-24), with costs in FY 2024-25 and beyond expected to be partially paid from the Gamete Agency, Gamete Bank, and Fertility Clinic Fund once fees for these facilities were established. The amount of annual fee revenue expected to be collected beginning in FY 2024-25 as a result of the January 1, 2025 licensing deadline was \$22,500.

State Revenue

By moving the licensing deadline from January 1, 2025 to July 1, 2025, some state revenue from licensing fees on gamete banks and fertility clinics may be shifted from FY 2024-25 to FY 2025-26. The total revenue is not expected to change due to this bill. These fees are subject to TABOR.

State Transfer

Beginning in FY 2025-26, the bill transfers \$125,000 annually from the General Fund to the Gamete Agency, Gamete Bank, or Fertility Clinic Fund. These annual transfers occur via appropriations to the fund from the General Fund.

State Expenditures

The bill increases state expenditures in the CDPHE by \$125,000 annually beginning in FY 2025-26, paid from the Gamete Agency, Gamete Bank, or Fertility Clinic Fund. Funding will be used to implement licensing for gamete banks and fertility clinics, including staff costs and costs for ensuring compliance, processing licenses, and providing technical assistance and education.

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Effective Date

This bill was signed into law by the Governor and took effect on May 22, 2024.

State and Local Government Contacts

Public Health and Environment

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the <u>General Assembly website</u>.