



Legislative Council Staff
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Fiscal Note

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Prime Sponsors:

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Bill Status: Bill Request
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Bill Topic: OVERDOSE PREVENTION CENTERS

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill allows for overdose prevention centers and instructs the Department of Public Health and Environment to promulgate rules for their operation. The bill increases state expenditures and may increase local government workload on an ongoing basis.

Appropriation Summary: The bill requires an appropriation of \$16,747 in the current FY 2023-24 and \$91,428 for FY 2024-25 to the Department of Public Health and Environment.

Fiscal Note Status: The fiscal note reflects the bill draft requested by the Opioid and Other Substance Use Disorders Study Committee.

Table 1
State Fiscal Impacts Under Bill 5

Table with 5 columns: Category, Sub-category, Current Year FY 2023-24, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill permits municipalities to authorize the operation of an overdose prevention center within their boundaries for up to five years per center. Municipal authorization must be specific to individual centers and locations (or areas of operation if it is a mobile center) and must specify approved hours of operation.

The Department of Public Health and Environment (CDPHE) must promulgate rules around minimum standards for overdose prevention centers by October 1, 2024. The bill creates the Overdose Prevention Centers Advisory Committee to assist with that process.

In the event that an overdose prevention center is authorized, the bill requires CDPHE to conduct an annual community impact study of the one-mile area surrounding each center. The bill specifies several potential areas of impact and indicators that must be studied.

Finally, the bill creates liability protections for any entity involved with the approval or operation of an overdose prevention center in compliance with applicable laws. Overdose centers are also exempt from the Colorado Clean Indoor Air Act, except that tobacco products are prohibited on premises of the center.

Background and Assumptions

Overdose prevention centers are facilities providing space for individuals to use previously obtained controlled substances under the supervision of health care professionals or other trained staff for the purpose of providing life-saving treatment in the event of a potential overdose. "Harm reduction center" is a broader term for facilities that seek to minimize the impact of drug use. They may operate as overdose prevention centers when legally allowable.

Based on voting history, it is assumed that only the Denver City Council will authorize overdose prevention centers within the time frame of this fiscal note. There are currently four harm reduction centers operating within Denver. The fiscal note assumes that all would seek and be granted authorization to operate as overdose prevention centers for five years.

State Expenditures

The bill increases state expenditures in CDPHE by about \$19,000 in the current FY 2023-24, \$113,000 in FY 2024-25, and \$82,000 in FY 2025-26, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under Bill 5

	FY 2023-24 <i>(current year)</i>	FY 2024-25	FY 2025-26
Department of Public Health and Environment			
Personal Services	\$9,949	\$83,222	\$63,323
Operating Expenses	\$128	\$1,536	\$1,280
Capital Outlay Costs	\$6,670	\$6,670	-
Centrally Appropriated Costs ¹	\$2,087	\$21,649	\$17,475
Total	\$18,834	\$113,077	\$82,078
Total FTE	0.1 FTE	1.2 FTE	1.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Public Health and Environment. CDPHE requires staff to implement the bill, as outlined below.

- **Rulemaking.** CDPHE will promulgate rules around overdose center operations with a temporary 0.3 FTE who will start in May 2024, driving the need for a current year appropriation.
- **Community impact studies.** Given the assumptions outlined above, CDPHE requires 1.0 FTE to conduct the community impact studies required by the bill. This FTE will start in July 2024, three months before impact studies may begin, to develop a system for conducting the studies and advise on rulemaking where appropriate.
- **Advisory committee.** It is assumed that the advisory committee will meet three times between July and October of 2024. Given the low meeting occurrence, meeting costs can be absorbed within existing resources.

Governor's Office. Workload will minimally increase for the Governor's Office of Boards and Commissions to make the required appointment under the bill. This work can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Local Government

Conditional upon municipal approval, the bill may increase municipal workload associated with any regulatory role over an overdose prevention center.

Effective Date

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

State Appropriations

For the current FY 2023-24, the bill requires an appropriation of \$16,747 from the General Fund to the Department of Public Health and Environment and 0.1 FTE

For FY 2024-25, the bill requires an appropriation of \$91,428 from the General Fund to the Department of Public Health and Environment and 1.2 FTE

State and Local Government Contacts

Behavioral Health Administration
Health Care Policy and Financing
Municipalities

District Attorneys
Judicial
Human Services

Governor
Public Health and Environment
Regulatory Agencies