

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0780.01 Shelby Ross x4510

**SENATE BILL 26-113**

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**SENATE SPONSORSHIP**

**Amabile and Ball,**

**HOUSE SPONSORSHIP**

**Carter and McCormick,**

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**Senate Committees**  
Health & Human Services

**House Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING REQUIRING A RECOVERY RESIDENCE TO OBTAIN A**  
102     **LICENSE FROM THE BEHAVIORAL HEALTH ADMINISTRATION.**

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**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 requires a recovery residence operated in Colorado to be certified by a third-party certifying body, unless the recovery residence has been operating in Colorado for 30 or more years as of May 23, 2019.

Beginning July 1, 2027, the bill requires a recovery residence to obtain a license from the behavioral health administration. The bill sets forth application procedures and rules for minimum standards of

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.

operating a recovery residence.

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

2           **SECTION 1.** In Colorado Revised Statutes, 27-50-101, **add**  
3           (17.5) as follows:

4           **27-50-101. Definitions.**

5           As used in this article 50, unless the context otherwise requires:

6           (17.5) (a) "RECOVERY RESIDENCE" MEANS A LICENSED PREMISES,  
7           PLACE, FACILITY, OR BUILDING THAT PROVIDES HOUSING  
8           ACCOMMODATION FOR INDIVIDUALS WITH A PRIMARY DIAGNOSIS OF A  
9           BEHAVIORAL HEALTH DISORDER AND THAT:

10           (I) IS FREE FROM ALCOHOL AND NONPRESCRIBED OR ILLICIT DRUGS;

11           (II) PROMOTES INDEPENDENT LIVING AND LIFE-SKILL  
12           DEVELOPMENT; AND

13           (III) PROVIDES STRUCTURED ACTIVITIES AND RECOVERY SUPPORT  
14           SERVICES THAT ARE PRIMARILY INTENDED TO PROMOTE AND SUSTAIN  
15           RECOVERY FROM BEHAVIORAL HEALTH DISORDERS.

16           (b) "RECOVERY RESIDENCE" DOES NOT INCLUDE:

17           (I) A PRIVATE RESIDENCE IN WHICH AN INDIVIDUAL RELATED TO  
18           THE OWNER OF THE RESIDENCE BY BLOOD, ADOPTION, OR MARRIAGE IS  
19           REQUIRED TO ABSTAIN FROM SUBSTANCE USE OR RECEIVE BEHAVIORAL  
20           HEALTH SERVICES FOR A BEHAVIORAL HEALTH DISORDER AS A CONDITION  
21           OF RESIDING IN THE RESIDENCE;

22           (II) A BEHAVIORAL HEALTH ENTITY LICENSED BY THE BHA TO  
23           PROVIDE RESIDENTIAL TREATMENT;

24           (III) PERMANENT SUPPORTIVE HOUSING UNITS INCORPORATED INTO  
25           AFFORDABLE HOUSING DEVELOPMENTS;

7                   **SECTION 2.** In Colorado Revised Statutes, **add** part 10 to article  
8       50 of title 27 as follows:

16 (2) (a) A PERSON THAT VIOLATES SUBSECTION (1) OF THIS SECTION  
17 IS GUILTY OF A MISDEMEANOR AND, UPON CONVICTION, SHALL BE  
18 PUNISHED BY A FINE OF NOT LESS THAN FIFTY DOLLARS BUT NOT MORE  
19 THAN FIVE HUNDRED DOLLARS.

20 (b) A PERSON THAT HAS BEEN FOUND TO HAVE VIOLATED  
21 SUBSECTION (1) OF THIS SECTION BY A COURT OF COMPETENT  
22 JURISDICTION MAY BE SUBJECT TO A CIVIL PENALTY ASSESSED BY THE  
23 BHA OF NOT LESS THAN FIFTY DOLLARS BUT NOT MORE THAN ONE  
24 HUNDRED DOLLARS FOR EACH DAY THE UNLICENSED RECOVERY  
25 RESIDENCE VIOLATED SUBSECTION (1) OF THIS SECTION. THE ASSESSED  
26 PENALTY ACCRUES FROM THE DATE THE BHA FINDS THAT THE PERSON IS  
27 IN VIOLATION OF THIS SECTION. THE BHA SHALL ASSESS, ENFORCE, AND

1 COLLECT THE PENALTY IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24 AND  
2 CREDIT THE MONEY TO THE GENERAL FUND. ENFORCEMENT AND  
3 COLLECTION OF THE PENALTY OCCURS FOLLOWING THE DECISION REACHED  
4 IN ACCORDANCE WITH PROCEDURES SET FORTH IN SECTION 24-4-105.

5 (3) THE BHA SHALL TAKE ACTION ON AN APPLICATION FOR  
6 LICENSURE WITHIN THIRTY DAYS AFTER THE DATE THAT THE BHA  
7 RECEIVES THE COMPLETE APPLICATION.

8 (4) (a) BEGINNING JULY 1, 2027, A PERSON SHALL NOT OPERATE A  
9 RECOVERY RESIDENCE, AND A LICENSED, REGISTERED, OR CERTIFIED  
10 HEALTH-CARE PROVIDER; A BEHAVIORAL HEALTH ADMINISTRATIVE  
11 SERVICES ORGANIZATION; A MANAGED CARE ENTITY, AS DEFINED IN  
12 SECTION 25.5-5-802(5); A MANAGED CARE ORGANIZATION, AS DEFINED IN  
13 SECTION 25.5-5-403 (5); OR A LICENSED HEALTH-CARE FACILITY SHALL  
14 NOT REFER AN INDIVIDUAL TO A RECOVERY RESIDENCE.

15 (b) A RECOVERY RESIDENCE THAT HAS OPERATED WITH A  
16 THIRD-PARTY CERTIFICATION PRIOR TO JULY 1, 2027, MUST SUBMIT AN  
17 APPLICATION FOR LICENSURE PURSUANT TO THIS SECTION NO LATER THAN  
18 MAY 1, 2027.

19 (5) (a) A RECOVERY RESIDENCE OWNER, EMPLOYEE, OR  
20 ADMINISTRATOR, OR AN INDIVIDUAL RELATED TO A RECOVERY RESIDENCE  
21 OWNER, EMPLOYEE, OR ADMINISTRATOR, SHALL NOT DIRECTLY OR  
22 INDIRECTLY:

23 (I) SOLICIT, ACCEPT, OR RECEIVE A COMMISSION, PAYMENT,  
24 TRADE, FEE, OR ANYTHING OF MONETARY OR MATERIAL VALUE FOR AN  
25 APPLICATION TO RESIDE IN THE RECOVERY RESIDENCE OR FOR ANY  
26 PROCESS TO DETERMINE WHETHER AN INDIVIDUAL WILL RESIDE IN THE  
27 RECOVERY RESIDENCE; OR

1                   (II) SOLICIT, ACCEPT, OR RECEIVE A COMMISSION, PAYMENT,  
2 TRADE, FEE, OR ANYTHING OF MONETARY OR MATERIAL VALUE FROM A  
3 TOXICOLOGY LABORATORY THAT PROVIDES CONFIRMATION TESTING OR  
4 POINT-OF-CARE TESTING FOR RECOVERY RESIDENTS.

5                   (b) SUBSECTION (5)(a)(I) OF THIS SECTION DOES NOT PREVENT A  
6 RECOVERY RESIDENCE FROM RECEIVING PAYMENT OR FEES:

7                   (I) FOR AN INDIVIDUAL TO RESIDE AND RECEIVE SUPPORTS IN A  
8 RECOVERY RESIDENCE; OR

9                   (II) FOR SUPPORTIVE SERVICES THAT ARE REQUIRED TO PLACE THE  
10 RECOVERY RESIDENT.

11                   (6) A RECOVERY RESIDENCE MAY ADMIT INDIVIDUALS WHO ARE  
12 RECEIVING MEDICATION-ASSISTED TREATMENT, INCLUDING AGONIST  
13 TREATMENT, FOR SUBSTANCE USE DISORDERS; EXCEPT THAT A RECOVERY  
14 RESIDENCE RECEIVING STATE MONEY OR PROVIDING SERVICES THAT ARE  
15 PAID FOR THROUGH STATE PROGRAMS SHALL NOT DENY ADMISSION TO  
16 INDIVIDUALS WHO ARE PARTICIPATING IN PRESCRIBED  
17 MEDICATION-ASSISTED TREATMENT, AS DEFINED IN SECTION 23-21-803,  
18 FOR A SUBSTANCE USE DISORDER.

19                   (7) A RECOVERY RESIDENCE THAT IS LICENSED AS A BEHAVIORAL  
20 HEALTH ENTITY TO PROVIDE ONSITE OUTPATIENT SERVICES TO RECOVERY  
21 RESIDENTS MUST BE LICENSED AS A RECOVERY RESIDENCE. THE BHA  
22 SHALL ADOPT RULES TO CREATE STREAMLINED REGULATIONS FOR A  
23 RECOVERY RESIDENCE THAT IS LICENSED AS A BEHAVIORAL HEALTH  
24 ENTITY, BUT THE RULES MUST NOT DUPLICATE OVERSIGHT REGULATIONS  
25 FOR A BEHAVIORAL HEALTH ENTITY THAT IS LICENSED TO PROVIDE ONSITE  
26 OUTPATIENT SERVICES. AT A MINIMUM, THE RULES MUST INCLUDE, BUT  
27 ARE NOT LIMITED TO, RECOVERY RESIDENT RIGHTS, PHYSICAL

1 ENVIRONMENT STANDARDS, AND INCIDENT REPORTING.

2 **27-50-1002. Rules for minimum standards of operation -**  
3 **criminal history background check for employment or contract for**  
4 **services.**

5 (1) NO LATER THAN MAY 1, 2027, THE BHA SHALL ADOPT RULES  
6 THAT ESTABLISH THE MINIMUM STANDARDS FOR OPERATING A RECOVERY  
7 RESIDENCE IN THE STATE, WHICH RULES MUST INCLUDE:

8 (a) REQUIREMENTS THAT MUST BE MET TO ENSURE THE HEALTH,  
9 SAFETY, AND WELFARE OF ALL RECOVERY RESIDENTS, INCLUDING  
10 REQUIREMENTS RELATED TO:

11 (I) RECOVERY RESIDENT RIGHTS AND CONSUMER NOTICE;

12 (II) ADMINISTRATIVE AND OPERATIONAL STANDARDS FOR  
13 GOVERNANCE, CONSUMER RECORDS AND RECORD RETENTION, PERSONNEL,  
14 ADMISSION AND DISCHARGE CRITERIA, POLICIES AND PROCEDURES TO  
15 ENSURE COMPLIANCE WITH REGULATORY AND CONTRACT REQUIREMENTS,  
16 QUALITY MANAGEMENT, DISCHARGE AND TRANSFER POLICIES, INDIVIDUAL  
17 RELAPSE AND SAFETY PLANS, AND PROGRAM AGREEMENTS;

18 (III) DATA REPORTING;

19 (IV) PHYSICAL RESIDENCE STANDARDS, WHICH MAY INCLUDE  
20 LOCAL FIRE INSPECTIONS; AND

21 (V) OCCURRENCE REPORTING PURSUANT TO SECTION 27-50-1006;

22 (b) OWNER AND MANAGER REQUIREMENTS, INCLUDING CRIMINAL  
23 HISTORY BACKGROUND CHECK REQUIREMENTS;

24 (c) PROCEDURES FOR MANDATORY BHA INSPECTIONS OF  
25 RECOVERY RESIDENCES;

26 (d) PROCEDURES FOR WRITTEN PLANS FOR A RECOVERY RESIDENCE  
27 TO CORRECT VIOLATIONS IDENTIFIED AS A RESULT OF AN INSPECTION;

1 (e) INTERMEDIATE ENFORCEMENT REMEDIES, AS DESCRIBED IN  
2 SECTION 27-50-1005 (3);

3 (f) FACTORS THAT A RECOVERY RESIDENCE MUST CONSIDER WHEN  
4 DETERMINING WHETHER AN APPLICANT'S CONVICTION OR PLEA OF GUILTY  
5 OR NOLO CONTENDERE TO AN OFFENSE DISQUALIFIES THE APPLICANT FROM  
6 EMPLOYMENT WITH THE RECOVERY RESIDENCE. THE STATE BOARD SHALL  
7 DETERMINE WHICH OFFENSES REQUIRE CONSIDERATION OF THESE  
8 FACTORS.

23           **27-50-1003. Applications - investigations - inspections -**  
24           **criminal history background checks for owners and managers.**

25 (1) AN APPLICATION FOR A LICENSE TO OPERATE A RECOVERY  
26 RESIDENCE MUST BE SUBMITTED ANNUALLY TO THE BHA IN THE FORM  
27 AND MANNER PRESCRIBED BY THE BHA.

6 (b) THE BHA SHALL INSPECT THE APPLICANT'S FACILITY AS IT  
7 DEEMS NECESSARY TO ENSURE THE HEALTH, SAFETY, AND WELFARE OF  
8 THE RECOVERY RESIDENTS ARE PROTECTED. THE RECOVERY RESIDENCE  
9 SHALL SUBMIT IN WRITING, IN A FORM PRESCRIBED BY THE BHA, A PLAN  
10 DETAILING THE MEASURES THAT THE RECOVERY RESIDENCE WILL TAKE TO  
11 CORRECT VIOLATIONS FOUND BY THE BHA AS A RESULT OF INSPECTIONS  
12 UNDERTAKEN PURSUANT TO THIS SUBSECTION (2).

19 (4) (a) AFTER SUBMITTING AN APPLICATION FOR A LICENSE TO  
20 OPERATE A RECOVERY RESIDENCE, OR WITHIN TEN DAYS AFTER A CHANGE  
21 IN OWNERSHIP OR MANAGEMENT OF A RECOVERY RESIDENCE, EACH  
22 APPLICANT OR OWNER AND MANAGER SHALL SUBMIT TO A  
23 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK. THE APPLICANT  
24 OR OWNER AND MANAGER MUST PAY THE COSTS ASSOCIATED WITH THE  
25 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK.

26 (b) AFTER SUBMITTING AN APPLICATION FOR A LICENSE OR WITHIN  
27 TEN DAYS AFTER A CHANGE IN OWNERSHIP OR MANAGEMENT, THE

1 APPLICANT OR OWNER AND MANAGER SHALL HAVE THE APPLICANT'S OR  
2 OWNER'S AND MANAGER'S FINGERPRINTS TAKEN BY A LOCAL LAW  
3 ENFORCEMENT AGENCY, OR ANY THIRD PARTY APPROVED BY THE  
4 COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF OBTAINING  
5 A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK. THE APPLICANT  
6 OR OWNER AND MANAGER SHALL AUTHORIZE THE ENTITY TAKING THE  
7 APPLICANT'S OR OWNER'S AND MANAGER'S FINGERPRINTS TO SUBMIT, AND  
8 THE ENTITY SHALL SUBMIT, THE COMPLETE SET OF THE APPLICANT'S OR  
9 OWNER'S AND MANAGER'S FINGERPRINTS TO THE COLORADO BUREAU OF  
10 INVESTIGATION FOR THE PURPOSE OF CONDUCTING A FINGERPRINT-BASED  
11 CRIMINAL HISTORY RECORD CHECK.

12 (c) IF AN APPROVED THIRD PARTY TAKES THE APPLICANT'S OR  
13 OWNER'S AND MANAGER'S FINGERPRINTS, THE FINGERPRINTS MAY BE  
14 ELECTRONICALLY CAPTURED USING COLORADO BUREAU OF  
15 INVESTIGATION-APPROVED LIVESCAN EQUIPMENT. THIRD-PARTY VENDORS  
16 SHALL NOT KEEP THE APPLICANT'S OR OWNER'S AND MANAGER'S  
17 INFORMATION FOR MORE THAN THIRTY DAYS.

18 (d) THE COLORADO BUREAU OF INVESTIGATION SHALL USE THE  
19 APPLICANT'S OR OWNER'S AND MANAGER'S FINGERPRINTS TO CONDUCT A  
20 CRIMINAL HISTORY RECORD CHECK USING THE BUREAU'S RECORDS. THE  
21 COLORADO BUREAU OF INVESTIGATION SHALL ALSO FORWARD THE  
22 FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION FOR THE  
23 PURPOSE OF CONDUCTING A FINGERPRINT-BASED CRIMINAL HISTORY  
24 RECORD CHECK. THE COLORADO BUREAU OF INVESTIGATION, APPLICANT  
25 OR OWNER AND MANAGER, BHA, AND THE ENTITY TAKING FINGERPRINTS  
26 SHALL COMPLY WITH THE FEDERAL BUREAU OF INVESTIGATION'S  
27 REQUIREMENTS TO CONDUCT A CRIMINAL HISTORY RECORD CHECK.

5 (f) THE BHA SHALL USE THE INFORMATION RESULTING FROM THE  
6 CRIMINAL HISTORY RECORD CHECKS TO INVESTIGATE AND DETERMINE  
7 WHETHER AN APPLICANT OR OWNER AND MANAGER IS QUALIFIED TO HOLD  
8 A LICENSE TO OPERATE A RECOVERY RESIDENCE PURSUANT TO THIS PART  
9 10. THE BHA SHALL CONSIDER THAT INDIVIDUALS IN RECOVERY MAY  
10 HAVE A HISTORY OF CRIMINAL JUSTICE INVOLVEMENT AND THAT CRIMINAL  
11 HISTORY DOES NOT REQUIRE A DISMISSAL OF AN APPLICATION FOR A  
12 LICENSE. THE BHA SHALL KEEP INFORMATION OBTAINED IN ACCORDANCE  
13 WITH THIS SUBSECTION (4) CONFIDENTIAL.

10 (b) AS A CONDITION OF OBTAINING A PROVISIONAL LICENSE, THE  
11 APPLICANT SHALL PROVIDE EVIDENCE TO THE BHA THAT ATTEMPTS ARE  
12 BEING MADE TO CONFORM AND COMPLY WITH THE APPLICABLE  
13 STANDARDS REQUIRED, AND RULES ADOPTED, PURSUANT TO THIS PART 10.

14 (c) THE BHA SHALL NOT ISSUE A PROVISIONAL LICENSE PRIOR TO  
15 THE COMPLETION OF A CRIMINAL HISTORY RECORD CHECK IN ACCORDANCE  
16 WITH SUBSECTION (4) OF THIS SECTION AND A DETERMINATION IN  
17 ACCORDANCE WITH SUBSECTION (5) OF THIS SECTION.

18 (d) THE BHA MAY ISSUE A SECOND PROVISIONAL LICENSE TO  
19 EFFECT COMPLIANCE. THE BHA SHALL NOT ISSUE A THIRD OR  
20 SUBSEQUENT PROVISIONAL LICENSE TO AN APPLICANT IN A YEAR.

21                   **27-50-1004. Fees - rules.**

22 (1) (a) NO LATER THAN MAY 1, 2027, THE COMMISSIONER SHALL  
23 ADOPT RULES ESTABLISHING A SCHEDULE OF LICENSE APPLICATION FEES,  
24 INCLUDING RENEWAL APPLICATION FEES, SUFFICIENT TO MEET THE DIRECT  
25 AND INDIRECT COSTS OF ADMINISTRATION AND ENFORCEMENT OF THIS  
26 PART 10.

27 (b) THE BHA SHALL ASSESS AND COLLECT, FROM RECOVERY

1 RESIDENCES SUBJECT TO LICENSURE PURSUANT TO SECTION 27-50-1001,  
2 FEES IN ACCORDANCE WITH THE FEE SCHEDULE ESTABLISHED PURSUANT  
3 TO SUBSECTION (1)(a) OF THIS SECTION.

4 (2) THE BHA SHALL TRANSMIT FEES COLLECTED PURSUANT TO  
5 THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY  
6 TO THE BEHAVIORAL HEALTH LICENSING CASH FUND CREATED PURSUANT  
7 TO SECTION 27-50-506.

8 **27-50-1005. Denial, suspension, or revocation of license -  
9 restrictions - fines.**

10 (1) (a) WHEN THE BHA DENIES AN APPLICATION FOR AN INITIAL  
11 LICENSE TO OPERATE A RECOVERY RESIDENCE PURSUANT TO SECTION  
12 27-50-1003, THE BHA SHALL NOTIFY THE APPLICANT IN WRITING BY  
13 MAILING A NOTICE TO THE ADDRESS SHOWN ON THE APPLICATION. AN  
14 APPLICANT AGGRIEVED BY A DENIAL MAY PURSUE A REVIEW AS PROVIDED  
15 IN ARTICLE 4 OF TITLE 24 AND THE BHA SHALL FOLLOW THE PROCEDURES  
16 SPECIFIED IN ARTICLE 4 OF TITLE 24.

17 (b) THE BHA MAY DENY AN APPLICATION IF THE APPLICANT, AN  
18 AFFILIATE OF THE APPLICANT, A PERSON EMPLOYED BY THE APPLICANT, OR  
19 A PERSON WHO RESIDES WITH THE APPLICANT IS THE SUBJECT OF, OR HAS  
20 PREVIOUSLY BEEN THE SUBJECT OF, A NEGATIVE LICENSING ACTION OR  
21 CERTIFICATION WITHDRAWAL OR TERMINATION.

22 (2) (a) THE BHA MAY SUSPEND, REVOKE, OR REFUSE TO RENEW  
23 THE LICENSE OF A RECOVERY RESIDENCE THAT IS OUT OF COMPLIANCE  
24 WITH THE REQUIREMENTS OF, OR RULES ADOPTED PURSUANT TO, THIS PART  
25 10. SUSPENSION, REVOCATION, OR REFUSAL MUST NOT OCCUR UNTIL  
26 AFTER A HEARING AND IN COMPLIANCE WITH THE PROVISIONS AND  
27 PROCEDURES SPECIFIED IN ARTICLE 4 OF TITLE 24; EXCEPT THAT THE BHA

1       MAY SUMMARILY SUSPEND A RECOVERY RESIDENCE'S LICENSE BEFORE A  
2       HEARING IN ACCORDANCE WITH SECTION 24-4-104 (4)(a).

3               (b) AFTER CONDUCTING A HEARING IN ACCORDANCE WITH ARTICLE  
4       4 OF TITLE 24, THE BHA MAY REVOKE OR REFUSE TO RENEW A RECOVERY  
5       RESIDENCE'S LICENSE IF THE OWNER, MANAGER, OR ADMINISTRATOR OF  
6       THE RECOVERY RESIDENCE HAS BEEN CONVICTED OF A FELONY OR  
7       MISDEMEANOR INVOLVING CONDUCT THAT THE BHA DETERMINES COULD  
8       POSE A RISK TO THE HEALTH, SAFETY, OR WELFARE OF THE RECOVERY  
9       RESIDENTS.

10               (3) THE BHA MAY IMPOSE INTERMEDIATE RESTRICTIONS OR  
11       CONDITIONS ON A RECOVERY RESIDENCE THAT MAY INCLUDE AT LEAST  
12       ONE OF THE FOLLOWING:

13               (a) RETAINING A CONSULTANT TO ADDRESS CORRECTIVE  
14       MEASURES;

15               (b) MONITORING BY THE BHA FOR A SPECIFIC PERIOD;

16               (c) PROVIDING ADDITIONAL TRAINING TO EMPLOYEES, OWNERS, OR  
17       OPERATORS OF THE RECOVERY RESIDENCE;

18               (d) COMPLYING WITH A DIRECTED WRITTEN PLAN TO CORRECT THE  
19       VIOLATION; OR

20               (e) PAYING A CIVIL FINE IN LIEU OF SUSPENSION, REVOCATION,  
21       REFUSAL, OR ANY OTHER ADVERSE LICENSING ACTION, WHICH FINE MUST  
22       NOT EXCEED TWO THOUSAND DOLLARS IN A CALENDAR YEAR. THE BHA  
23       SHALL TRANSMIT MONEY RECEIVED PURSUANT TO THIS SUBSECTION (3)(e)  
24       TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE  
25       GENERAL FUND.

26               **27-50-1006. Report of occurrences - investigations - rules -**  
27       **definition.**

3 (a) ANY OCCURRENCE THAT RESULTS IN THE DEATH OF A  
4 RECOVERY RESIDENT OF A RECOVERY RESIDENCE AND IS REQUIRED TO BE  
5 REPORTED TO THE CORONER PURSUANT TO SECTION 30-10-606 AS ARISING  
6 FROM AN UNEXPLAINED CAUSE OR UNDER SUSPICIOUS CIRCUMSTANCES;

9 (I) BRAIN OR SPINAL CORD INJURIES;

10 (II) LIFE-THREATENING COMPLICATIONS OF ANESTHESIA OR  
11 LIFE-THREATENING TRANSFUSION ERRORS OR REACTIONS; OR

12 (III) SECOND- OR THIRD-DEGREE BURNS INVOLVING TWENTY  
13 PERCENT OR MORE OF THE BODY SURFACE AREA OF AN ADULT RECOVERY  
14 RESIDENT OR FIFTEEN PERCENT OR MORE OF THE BODY SURFACE AREA OF  
15 A CHILD PATIENT OR RECOVERY RESIDENT;

16 (c) ANY OCCURRENCE INVOLVING PHYSICAL, SEXUAL, OR VERBAL  
17 ABUSE OF A RECOVERY RESIDENT BY ANOTHER RESIDENT, AN EMPLOYEE  
18 OF THE RECOVERY RESIDENCE, OR A VISITOR, AS DESCRIBED IN SECTION  
19 18-3-202, 18-3-203, 18-3-204, 18-3-206, 18-3-402, 18-3-404, OR  
20 18-3-405;

21 (d) ANY OCCURRENCE INVOLVING CARETAKER NEGLECT OF A  
22 RECOVERY RESIDENT, AS DEFINED IN SECTION 26-3.1-101 (2.3);

23 (e) ANY OCCURRENCE INVOLVING MISAPPROPRIATION OF A  
24 RECOVERY RESIDENT'S PROPERTY. AS USED IN THIS SUBSECTION (1)(e),  
25 "MISAPPROPRIATION OF A RECOVERY RESIDENT'S PROPERTY" MEANS A  
26 PATTERN OF OR DELIBERATELY MISPLACING, EXPLOITING, OR  
27 WRONGFULLY USING, EITHER TEMPORARILY OR PERMANENTLY, A

1       RECOVERY RESIDENT'S BELONGINGS OR MONEY WITHOUT THE RECOVERY  
2       RESIDENT'S CONSENT.

3               (f) ANY OCCURRENCE IN WHICH DRUGS INTENDED FOR USE BY A  
4       RECOVERY RESIDENT ARE DIVERTED FOR USE BY ANOTHER PERSON. IF THE  
5       DIVERTED DRUGS ARE INJECTABLE, THE RECOVERY RESIDENCE SHALL ALSO  
6       REPORT THE FULL NAME AND DATE OF BIRTH OF ANY INDIVIDUAL WHO  
7       DIVERTED THE INJECTABLE DRUGS, IF KNOWN.

8               (g) ANY OCCURRENCE INVOLVING THE MALFUNCTION OR  
9       INTENTIONAL OR ACCIDENTAL MISUSE OF RECOVERY RESIDENT CARE  
10       EQUIPMENT THAT OCCURS DURING TREATMENT OR DIAGNOSIS OF A  
11       RECOVERY RESIDENT AND THAT SIGNIFICANTLY ADVERSELY AFFECTS OR,  
12       IF NOT AVERTED, WOULD HAVE SIGNIFICANTLY ADVERSELY AFFECTED A  
13       RECOVERY RESIDENT OF THE FACILITY.

14               (2) THE STATE BOARD SHALL ADOPT RULES SPECIFYING THE  
15       MANNER, TIME PERIOD, AND FORM IN WHICH THE REPORTS REQUIRED  
16       PURSUANT TO THIS SECTION MUST BE MADE.

17               (3) A REPORT SUBMITTED PURSUANT TO SUBSECTION (1) OF THIS  
18       SECTION IS STRICTLY CONFIDENTIAL; EXCEPT THAT INFORMATION IN A  
19       REPORT MAY BE TRANSMITTED TO AN APPROPRIATE REGULATORY AGENCY  
20       HAVING JURISDICTION FOR DISCIPLINARY OR LICENSE SANCTIONS. THE  
21       INFORMATION IN THE REPORTS MUST NOT BE MADE PUBLIC UPON  
22       SUBPOENA, SEARCH WARRANT, DISCOVERY PROCEEDINGS, OR OTHERWISE,  
23       EXCEPT AS PROVIDED IN SUBSECTION (5) OF THIS SECTION, AND IS EXEMPT  
24       FROM DISCLOSURE PURSUANT TO SECTION 24-72-204.

25               (4) THE BHA SHALL INVESTIGATE EACH REPORT SUBMITTED  
26       PURSUANT TO SUBSECTION (1) OF THIS SECTION THAT THE BHA  
27       DETERMINES WAS APPROPRIATELY SUBMITTED. FOR EACH REPORT

1 INVESTIGATED, THE BHA SHALL PREPARE A SUMMARY OF ITS FINDINGS,  
2 INCLUDING THE BHA'S CONCLUSIONS AND WHETHER THERE WAS A  
3 VIOLATION OF LICENSING STANDARDS OR A DEFICIENCY AND WHETHER THE  
4 RECOVERY RESIDENCE ACTED APPROPRIATELY IN RESPONSE TO THE  
5 OCCURRENCE. IF THE INVESTIGATION IS NOT CONDUCTED ON SITE, THE  
6 BHA SHALL SPECIFY IN THE SUMMARY HOW THE INVESTIGATION WAS  
7 CONDUCTED. AN INVESTIGATION CONDUCTED PURSUANT TO THIS  
8 SUBSECTION (4) IS IN ADDITION TO AND NOT IN LIEU OF AN INSPECTION  
9 REQUIRED TO BE CONDUCTED PURSUANT TO SECTION 27-50-503 (2) WITH  
10 REGARD TO LICENSING.

11 (5) (a) THE BHA SHALL MAKE THE FOLLOWING INFORMATION  
12 AVAILABLE TO THE PUBLIC:

13 (I) INVESTIGATION SUMMARIES PREPARED PURSUANT TO  
14 SUBSECTION (4) OF THIS SECTION;

15 (II) COMPLAINTS AGAINST A RECOVERY RESIDENCE THAT HAVE  
16 BEEN FILED WITH THE BHA AND THAT THE BHA HAS INVESTIGATED,  
17 INCLUDING THE CONCLUSIONS REACHED BY THE BHA AND WHETHER  
18 THERE WAS A VIOLATION OF LICENSING OR APPROVAL STANDARDS OR A  
19 DEFICIENCY AND WHETHER THE RECOVERY RESIDENCE ACTED  
20 APPROPRIATELY IN RESPONSE TO THE SUBJECT OF THE COMPLAINT; AND

21 (III) A LISTING OF DEFICIENCY CITATIONS ISSUED AGAINST EACH  
22 RECOVERY RESIDENCE.

23 (b) THE INFORMATION RELEASED PURSUANT TO THIS SUBSECTION  
24 (5) MUST NOT IDENTIFY THE RECOVERY RESIDENT OR THE HEALTH-CARE  
25 PROFESSIONAL INVOLVED IN THE REPORT.

26 (6) PRIOR TO THE COMPLETION OF AN INVESTIGATION PURSUANT  
27 TO THIS SECTION, THE BHA MAY RESPOND TO AN INQUIRY REGARDING A

1 REPORT RECEIVED PURSUANT TO SUBSECTION (1) OF THIS SECTION BY  
2 CONFIRMING THAT THE BHA HAS RECEIVED THE REPORT AND THAT AN  
3 INVESTIGATION IS PENDING.

4 (7) IN ADDITION TO THE REPORT TO THE BHA FOR AN OCCURRENCE  
5 DESCRIBED IN SUBSECTION (1)(c) OF THIS SECTION, THE OCCURRENCE  
6 MUST BE REPORTED TO A LAW ENFORCEMENT AGENCY.

7 **SECTION 3.** In Colorado Revised Statutes, **amend** 27-50-506 as  
8 follows:

9 **27-50-506. Behavioral health licensing cash fund - creation.**

10 The behavioral health licensing cash fund, referred to in this  
11 section as the "fund", is created in the state treasury. The fund consists of  
12 money credited to the fund pursuant to section 27-50-504 (2). The money  
13 in the fund is subject to annual appropriation by the general assembly for  
14 the direct and indirect costs of the BHA in performing its duties pursuant  
15 to this part 5 AND PART 10 OF THIS ARTICLE 50. At the end of any state  
16 fiscal year, all unexpended and unencumbered money in the fund remains  
17 in the fund and must not be credited or transferred to the general fund or  
18 any other fund.

19 **SECTION 4.** In Colorado Revised Statutes, 27-80-129, **add** (13)  
20 as follows:

21 **27-80-129. Regulation of recovery residences - rules -**  
22 **definitions - repeal.**

23 (13) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

24 **SECTION 5.** In Colorado Revised Statutes, 27-50-105, **amend**  
25 (1)(a); and **repeal** (1)(ff) as follows:

26 **27-50-105. Administration of behavioral health programs -**  
27 **state plan - sole mental health authority - gifts, grants, or donations.**

(1) The BHA shall administer and provide the following behavioral health programs and services:

(a) The regulation of recovery residences pursuant to section 27-80-129 PART 10 OF THIS ARTICLE 50;

(ff) The recovery residence certifying body pursuant to section 27-80-122;

**SECTION 6.** In Colorado Revised Statutes, 27-80-122, **add** (3) as follows:

**27-80-122. Recovery residence certifying body - competitive selection process - appropriation - repeal.**

11 (3) THIS SECTION IS REPEALED, EFFECTIVE JUNE 30, 2027.

12                   **SECTION 7.** In Colorado Revised Statutes, 27-80-125, amend  
13                   (3) as follows:

## **27-80-125. Housing assistance for individuals with a substance use disorder - report - rules - appropriation.**

20                   **SECTION 8.** In Colorado Revised Statutes, 30-28-115, amend  
21                   (2)(b.7) as follows:

**30-28-115. Public welfare to be promoted - legislative declaration - construction - definitions.**

24 (2) (b.7) The general assembly finds and declares that it is the  
25 policy of the state to encourage, promote, and assist persons who are in  
26 recovery from substance use disorders to live in residential  
27 neighborhoods. Further, the general assembly declares that the use of

1 recovery residences, as defined in ~~section 27-80-129 (1)(b)~~ SECTION  
2 27-50-101, by persons in recovery from substance use disorders is a  
3 matter of statewide concern and that recovery residences are a residential  
4 use of property for zoning purposes and subject only to the regulations of  
5 like dwellings in the same zone.

6 **SECTION 9.** In Colorado Revised Statutes, 31-23-303, **amend**  
7 (2)(b.7) as follows:

8 **31-23-303. Legislative declaration.**

9 (2) (b.7) The general assembly finds and declares that it is the  
10 policy of the state to encourage, promote, and assist persons who are in  
11 recovery from substance use disorders to live in residential  
12 neighborhoods. Further, the general assembly declares that the use of  
13 recovery residences, as defined in ~~section 27-80-129 (1)(b)~~ SECTION  
14 27-50-101, by persons in recovery from substance use disorders is a  
15 matter of statewide concern and that recovery residences are a residential  
16 use of property for zoning purposes and subject only to the regulations of  
17 like dwellings in the same zone.

18 **SECTION 10.** In Colorado Revised Statutes, 44-3-108, **amend**  
19 (2)(b) as follows:

20 **44-3-108. Substance use disorders - recovery - retail liquor  
21 sales - stakeholder group - rules - repeal.**

22 (2) The liquor enforcement division shall convene a stakeholder  
23 group of the following members to develop the rules required in  
24 subsection (1) of this section:

25 (b) Two individuals representing a recovery residence, as defined  
26 in ~~section 27-80-129 (1)(b)~~ SECTION 27-50-101;

27 **SECTION 11.** In Colorado Revised Statutes, **repeal** 27-80-107.7.

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