



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# *Fiscal Note Memorandum*

**TO:** Members of the Senate Health and Human Services Committee

**FROM:** Kristine McLaughlin, Fiscal Analyst, [kristine.mclaughlin@coleg.gov](mailto:kristine.mclaughlin@coleg.gov), 303-866-4776

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## **Fiscal Assessment of L.003 to SB26-066**

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.003 to SB26-066. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

### **Summary of Proposed Amendment**

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Amendment L.003 strikes everything in the bill below the enacting clause and places new requirements on compounded versions of weight-loss medication produced by 503A compounding pharmacies. Specifically, the amendment requires a person involved in the sale, transfer, or distribution of a weight-loss medication compounded under Section 503A of the Federal Food, Drug, and Cosmetic Act to:

- use bulk drug substances that comply with certain national standards and that have been tested for quality control;
- label the drug as a compounded drug not approved by the FDA and not for resale; and
- list all ingredients and specific information about them, including the country of origin.

Additionally, Amendment L.003 places disclosure requirements on persons compounding weight-loss medication, specifies recordkeeping requirements and inspection procedures, and gives the Attorney General authority to inspect records. Violations are a deceptive trade practice.

The requirements of L.003 do not apply to the compounding of a drug administered by a practitioner at a licensed health facilities or a long-term care facility, or to drugs compounded for animal use.



## **Fiscal Impact of Amendment**

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Strike-below Amendment L.003 eliminates the expenditure and revenue impacts to the Division of Professions and Occupations in the Department of Regulatory Agencies shown in the published fiscal note dated March 3, 2026. Instead, the amendment will minimally increase state revenue and agency workload from creation of a new deceptive trade practice, as outlined in the section below.

## **Bill's Revised Fiscal Impact with Amendment**

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### **State Revenue**

Strike-below Amendment L.003 increases state revenue from fees and penalties by a minimal amount, as discussed below.

### **Civil Penalties**

Under the Colorado Consumer Protection Act, a person committing a deceptive trade practice may be subject to a civil penalty of up to \$20,000 for each violation. Additional penalties may be imposed for subsequent violations of a court order or injunction. This revenue is classified as a damage award and not subject to TABOR. Given the uncertainty about the number of cases that may be pursued by the Attorney General and district attorneys, as well as the wide range in potential penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

### **Filing Fees**

To the extent that the amended bill results in more civil filings with the trial courts, fee revenue to the Judicial Department may increase by a minimal amount. Revenue from filing fees is subject to TABOR.



## State Expenditures

Strike-below Amendment L.003 minimally increases workload for the Department of Law and the Judicial Department, as discussed below.

### Department of Law

With Amendment L.003, workload in the Department of Law will minimally increase to the extent that deceptive trade practice complaints are filed. The department will review complaints under the bill and prioritize investigations as necessary within the overall number of deceptive trade practice complaints and available resources.

### Judicial Department

Amendment L.003 will increase workload for the trial courts in the Judicial Department to handle any cases filed under the Colorado Consumer Protection Act from the addition of a new deceptive trade practice. It is assumed that persons compounding drugs as allowed by the bill will abide by the law and that any violation of the legislation will result in minimal number of new cases; no change in appropriations is required.

## Local Government

Similar to the state, to the extent district attorneys receive complaints related to the new deceptive trade practice under the bill, workload will increase to investigate complaints and seek relief when appropriate. It is assumed most such cases will be handled at the state level by the Attorney General.

**Table 1**  
**State Fiscal Impacts with Amendment L.003**

<b>Type of Impact</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE