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Final Fiscal Note

Drafting Number: LLS 24-0576 Date: August 6, 2024
Prime Sponsors: Rep. Hamrick; Bradley Bill Status: Signed into Law
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Bill Topic: SUNSET REGULATION OF NONTRANSPLANT TISSUE BANKS

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

Sunset bill. The bill continues the regulation of nontransplant tissue banks, which is scheduled for repeal on September 1, 2024, and creates new requirements. State fiscal impacts include the continuation of the program's current revenue and expenditures. Changes to the program under the bill have minimal workload impact. The program is continued through September 1, 2033.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 24-1254

Table with 3 columns: Category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include New Impacts (Revenue, Expenditures), Continuing Impacts (Revenue, Expenditures), Transfers, and Other Budget Impacts (TABOR Refunds).

1 Table 1 shows the new impacts resulting from changes to the program under the bill, and the continuing impacts from extending the program beyond its current repeal date. Because the bill continues a program with minor changes, the new impacts are minimal and not quantified. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

The bill continues the regulation of nontransplant tissue banks for 9 years from September 1, 2024, to September 1, 2033.

The bill also:

- grants the Department of Regulatory Agencies (DORA) rulemaking authority;
- places record-keeping, consent, and disclosure requirements on banks;
- prohibits banks from paying for remains; and
- strengthens the conflict of interest requirements.

Currently, violation of the regulations is a class 1 misdemeanor. The bill specifies that violation of the disclosure or the conflict of interest requirements are subject to civil action and penalties ranging from \$3,500 to \$10,500 per remain involved in violation or the total profit received by the bank plus the plaintiff's reasonable costs.

Background

Nontransplant tissue banks have been regulated in Colorado since 2018. There are currently 3 registered nontransplant tissue banks in Colorado. The full sunset report and recommendations on the regulation of these entities can be found [here](#).

Continuing Program Impacts

Based on the 2023 sunset report, DORA is expected to have revenue of \$750 and expenditures of \$1,915 annually to administer the regulation of nontransplant tissue banks. Continuing expenditures are based on costs in FY 2021-22, which are representative of typical annual costs for the program (the more recent FY 2022-23 included one-time system modification costs that will not continue in future years).

If this bill is enacted, these impacts will continue for the program starting in FY 2025-26. This continuing revenue is subject to the TABOR. If this bill is not enacted, the program will end on September 1, 2024, followed by a wind-down period, and state revenue and expenditures will decrease starting in FY 2025-26 by the amounts shown in Table 1. Additional rulemaking authority for DORA under the bill may minimally increase workload, but no change in appropriations is required for this purpose.

State Revenue and Expenditures

To the extent that additional civil cases are filed, the bill may increase state revenue and expenditures for the Judicial Department. Any increase in workload or fine and fee revenue is expected to be minimal, and no change in appropriation is required.

Effective Date

The bill was signed into law by the Governor on May 24, 2024, and takes effect on August 7, 2024, assuming no referendum petition is filed.

State and Local Government Contacts

District Attorneys
Regulatory Agencies

Judicial

Law

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 [General Assembly website](#).