



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-130: MEDICAL SPAS DECEPTIVE TRADE PRACTICES

Prime Sponsors:

Sen. Kipp; Frizell
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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill makes it a deceptive trade practice for facilities that offer medical services as cosmetic or lifestyle treatments to administer prescription drugs that are acquired, stored, or used improperly.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- Local Government

Appropriations. No appropriation is required.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
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

Summary of Legislation

The bill makes it an unfair or deceptive trade practice for facilities that offer medical services as cosmetic or lifestyle treatments (medical spas) to use of prescription drugs improperly.

Specifically, the bill requires medical spas to:

- handle prescription drugs in compliance with standards set by federal law, state law, generally accepted medical practice, and FDA labeling practices;
- maintain reasonable safeguards to prevent contamination, theft, or misuse of prescription drugs;
- designate a licensed health care provider with prescriptive authority to provide clinical oversight of prescription drugs; and
- maintain records, available to the Attorney General upon request, of serious adverse events related to prescription drugs.

The Attorney General or a district attorney may enforce violations, and the Department of Law may adopt rules to implement the bill.

State Revenue

The bill may increase 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 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

The bill increases workload for the Department of Law, the Judicial Department, and the Department of Regulatory Agencies, as discussed below.

Department of Law

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. Any rulemaking will be accomplished within existing resources.

Judicial Department

The bill 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 people 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.

Department of Regulatory Agencies

The bill may result in additional complaints or disciplinary procedures for state regulatory boards and the Division of Professions and Occupations. Given that complaints against regulated professionals may already be filed, the bill is not anticipated to increase complaints. Thus, any increase in workload is anticipated to be minimal and can be accomplished within existing appropriations.

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.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

Departmental Difference

DORA estimates that the bill requires \$49,595 and 0.5 FTE in FY 2026-27 and future years, paid from the Division of Professions and Occupations Cash Fund, with a correlating increase in fee revenue. This department estimate assumes that the bill will result in a 2 percent increase in complaints filed against regulated professionals.

The fiscal note assumes the division is already receiving complaints against any regulated professionals involved in medical spas, and that this bill will not create additional complaints. As such, it has not included the revenue and expenditure impact identified by DORA.

State and Local Government Contacts

District Attorneys

Public Health and Environment

Judicial

Regulatory Agencies

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](#).