



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 26-031: USE OF PRESCRIPTION PROD WITH CONTROLLED SUBSTANCE

Prime Sponsors:

Sen. Michaelson Jenet
Rep. Camacho; Soper

Fiscal Analyst:

Aaron Carpenter, 303-866-4918
aaron.carpenter@coleg.gov

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill provides a mechanism to align Colorado’s controlled substance schedule for any changes to the federal controlled substance schedule or approvals for prescription drug use.

Types of impacts. The bill potentially affects the following areas, conditional on future federal actions:

- State Revenue
- State Workload
- 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 exempts controlled substances from being a schedule 1 substance under Colorado's Uniform Control Substance Act if the substance:

- is included in a prescription drug product approved for prescription use by the federal Food and Drug Administration; and
- designated or rescheduled by the Federal Drug Enforcement Administration (DEA).

Any product containing the exempted substance must be controlled in the same manner as the DEA and any rescheduling of a prescription drug product is automatic and immediate upon the DEA's rescheduling.

State Revenue and Expenditures

Criminal Justice Agencies

Conditional on federal action, the bill may impact state revenue and expenditures to the extent rescheduling a substance changes criminal prosecutions and sentences. Rescheduling and approving certain schedule 1 substances for prescription use may decrease the number of criminal cases filed for possessing or selling the substance. However, criminal penalties for misuse of a prescription drug still apply. Any net change to the number of criminal cases filed or sentences imposed will depend on the current number of criminal cases for the controlled substance and the potential future violations related to prescription drug misuse, which may both vary depending on the substance/drug involved. Generally, it is assumed that any change from federal changes to reschedule and approve a substance for prescription use will decrease revenue to the Judicial Department from criminal fees and fines and reduce workload and costs in criminal justice agencies such as the Judicial Department, offices that represent indigent offenders, and the Department of Corrections.

Agencies that Regulate Schedule 1 Drugs

It is unclear how the bill will impact agencies that regulate current schedule 1 drugs under state law, specifically the regulation of marijuana and natural medicines. These substances are regulated under state law by the Departments of Revenue, Regulatory Agencies, and Public Health and Environment. Because it is unknown which drugs may be rescheduled and how that will interact with these regulatory programs, it is unknown how the bill will impact state revenue and expenditures of these departments. At a minimum, additional appropriations for outreach and legal services may be required to communicate changes and clarify legal requirements for businesses and professionals regulated under state law. Any impacts are conditional upon

federal action to reclassify and approve a schedule 1 drug for prescription use. It is assumed any adjustments to appropriations will be made through the annual budget process based on any future federal actions.

Local Government

Workload in district attorney offices may increase to track any rescheduling efforts by the federal government. This additional work is likely to be minimal due to the assumed infrequency that such federal action will occur. Similar to the state, it is assumed that any decrease in prosecutions for schedule 1 drug offenses may be offset by an increase in misuse of prescription drug offenses. Overall, it is assumed that the net change will be a reduction in costs to district attorneys and jails following any federal action.

Effective Date

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

State and Local Government Contacts

| | |
|--------------------|---------------------|
| Corrections | Regulatory Agencies |
| District Attorneys | Revenue |
| Judicial | |

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](#).