



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1243: CDPHE REGULATION OF ABORTION CLINICS

Prime Sponsors:

Rep. Bottoms

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

Summary Information

Overview. The bill requires the Department of Public Health and Environment to regulate abortion clinics.

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

- State Revenue
- State Expenditures
- TABOR Refunds

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$23,151
State Expenditures	\$0	\$34,733	\$23,151
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	not estimated
Change in State FTE	0.0 FTE	0.3 FTE	0.2 FTE

Fund sources for these impacts are shown in the tables below.

Table 1A
State Revenue

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$0	\$23,151
Total Revenue	\$0	\$0	\$23,151

Table 1B
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	\$28,065	\$0
Cash Funds	\$0	\$0	\$18,659
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$6,668	\$4,492
Total Expenditures	\$0	\$34,733	\$23,151
Total FTE	0.0 FTE	0.3 FTE	0.2 FTE

Summary of Legislation

The bill requires the Department of Public Health and Environment (CDPHE) to regulate abortion clinics that perform medical or surgical induced abortions after the first trimester of pregnancy, excluding facilities that are regulated separately.

Background and Assumptions

Abortion Clinics

As of February 2025, it is estimated that eight facilities in Colorado perform second- and third-trimester abortions and are not already licensed by the CDPHE.

Optional Licensure

The bill adds facilities that perform second- and third-trimester abortions to the list of facilities that the CDPHE licenses and regulates. However, the bill does not require these clinics to have a license to operate, thus making licensure optional. The fiscal note assumes that all eight of the facilities will become licensed as a result of the bill. If some or all choose not to become licensed, state revenue from licensing fees and state expenditures from inspections and investigations will decrease proportionally.

Timeline

The fiscal note estimates that stakeholder meetings and rulemaking to establish facility licensure requirements will be completed by December 31, 2027. After facility inspections, it is assumed that initial licensure will begin July 1, 2028, and re-licensure will occur annually thereafter.

State Revenue

The bill increases state revenue by about \$23,000 beginning in FY 2028-29 to CDPHE's General Licensure Cash Fund to cover the costs of administering the licensing program. This revenue is shown in Table 2 and discussed below.

Table 2
Fee Impact on Abortion Clinics

Fiscal Year	Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
FY 2028-29	Initial Licensing Fee	\$2,894	8	\$23,151
FY 2029-30	Licensure Renewal Fee	\$2,894	8	\$23,151

Fee Impact on Abortion Clinics

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. It is estimated that eight abortion clinics will pay about \$2,900 per year to become licensed and regulated by the CDPHE beginning in FY 2028-29. These proposed fees are estimates only; actual fees will be set administratively by the CDPHE based on cash fund balance, estimated program costs, and the number of registrants subject to the fee. This revenue is subject to TABOR.

State Expenditures

The bill increases state expenditures in the CPDHE by about \$35,000 in FY 2027-28 and \$23,000 in future years. Costs in the first year are paid from the General Fund, while ongoing expenditures are paid from the General Licensure Cash Fund once fee revenue has been established. These impacts are shown in Table 3 and discussed below.

Table 3
State Expenditures
Department of Public Health and Environment

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$0	\$24,917	\$17,110
Travel Expenses	\$0	\$3,148	\$1,549
Centrally Appropriated Costs	\$0	\$6,668	\$4,492
Total Costs	\$0	\$34,733	\$23,151
Total FTE	0.0 FTE	0.3 FTE	0.2 FTE

Department of Public Health and Environment

CDPHE requires staff, travel costs, and legal services to implement the bill starting in FY 2027-28.

Staff

In FY 2027-28, the CDPHE requires 0.3 FTE to conduct rulemaking, manage stakeholder meetings, provide policy expertise on facility licensure, and coordinate Board of Health hearings. Beginning in FY 2028-29, the CDPHE only requires 0.2 FTE to inspect and license facilities, resolve complaints, and conduct investigations.

Travel Expenses

Costs in the CDPHE will increase by about \$3,000 for staff to travel to an estimated three clinics located outside the Denver Metro area for initial inspection and licensure. In future years, travel expenses are reduced to \$1,500 as a result of fewer facilities requiring compliance surveying. Costs include a \$92 per diem rate and a \$150 lodging rate.

Legal Services

The CDPHE may require legal services, provided by the Department of Law, which can be accomplished within existing legal services appropriations. Legal counsel is related to rulemaking, implementation, and ongoing administration of the licensing program.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2 above.

TABOR Refunds

A forecast of state revenue subject to TABOR is not available beyond FY 2027-28. Increased cash fund revenue under the bill will reduce the amount of General Fund available to spend or save in any future years when the state is over its revenue limit.

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

Law

Public Health and Environment