

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING INCREASED TRANSPARENCY REPORTING REQUIREMENTS FOR CERTAIN PHARMACEUTICAL MANUFACTURERS.

Prime Sponsors: Senator Carroll M.
Representative Tyler

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Phone: 303-866-2061
Date Prepared: March 3, 2010

Summary of Amendments Made to the Bill After the 3/01/2010 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

XXX **Concurs** **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

The bill requires but does not contain an appropriation clause. Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$271,975 and 1.0 FTE cash funds from the Department of State Cash Fund to the Department of State for FY 2010-11.

Bill Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

1. Pursuant to Section 24-21-104 (3) (b), C.R.S., the Department of State is to set its filing fees to cover the direct and indirect costs of the Department's operations. It is reasonable to anticipate that over the long-term, this program will be cost-neutral because the Department will set the associated fees at an amount necessary to fund the program. However, given that the Department must first develop an online filing system and promulgate rules prior to receiving disclosure statement filings from manufacturers, and that the Legislative Council Staff Revised Fiscal Note dated 2/18/2010 anticipates that the Department will not receive the first filings until March, 2012, staff anticipates that the FY 2010-11 appropriation will be from the existing Department of State Cash Fund balance. Staff anticipates that over time the program will reimburse the Cash Fund balance for this expense.

2. The Department anticipates that it will refer cases of noncompliance to an administrative law judge (ALJ), thus increasing expenses in the Department of Personnel and Administration. However, these costs are impossible to quantify because it is unknown how many manufacturers will not comply with the reporting requirements.