

# STATE and LOCAL FISCAL IMPACT

**Drafting Number:** LLS 12-0578**Prime Sponsor(s):** Rep. Wilson**Date:** February 10, 2012**Bill Status:** House Agriculture**Fiscal Analyst:** Alex Schatz (303-866-4375)

**TITLE:** CONCERNING INCENTIVES TO MINIMIZE THE DISPOSAL OF MEDICATIONS IN WATER, AND, IN CONNECTION THEREWITH, REQUIRING A POST-ENACTMENT REVIEW OF THE IMPLEMENTATION OF THIS ACT.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
<b>State Revenue</b>		
Cash Funds		
Medication Take-Back Program Fund	\$50,000*	\$50,000*
<b>State Expenditures</b>		
Cash Funds		
Medication Take-Back Program Fund	\$50,000*	\$50,000*
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature. The prohibition of water disposal of medications under the bill does not take effect until July 1, 2017.		
<b>Appropriation Summary for FY 2012-2013:</b> See State Appropriations section.		
<b>Local Government Impact:</b> See Local Government Impact section.		

\*These figures represent the minimum amount necessary from gifts, grants, and donations to support a viable grant program.

## Summary of Legislation

The bill creates the Medication Take-Back Program in the Division of Administration of the Colorado Department of Public Health and Environment (CDPHE). The program is authorized to seek and accept gifts, grants, and donations for deposit into a new cash fund, the Medication Take-Back Program Fund. The fund is to be used for certain state expenses and for grants to local governments, nonprofit organizations, and other entities that may use the grant for public education, drop boxes, and waste diversion (e.g., incineration) related to prescription and nonprescription medications. The program excludes controlled substances from its scope but makes provision for the disposal of controlled substances if collected inadvertently.

The Medication Take-Back Program Fund may also be used to cover CDPHE costs to run the programs or, if the Solid and Hazardous Waste Commission (SHWC) determines to adopt an enabling regulation, a public education campaign. The SHWC may adopt other rules governing use of the program's cash funds.

Participants in the program are required to incinerate all medication received as hazardous waste unless the SHWC has adopted a rule authorizing other disposal methods. Organizations that participate in the program are immune from civil liability arising from participating, except in circumstances where they have violated applicable law.

A statewide ban on disposing of medications by dumping or depositing into natural waters or other water systems is effective July 1, 2017. The bill also requires a post-enactment review 5 years after its effective date.

## **Background**

Many water supplies in the United States carry measurable amounts of pharmaceutical chemicals. These chemicals enter the environment and ultimately drinking water supplies through leaching from landfilled pharmaceutical waste and flushing of unused medicines into a septic field or sanitary sewer. Most wastewater treatment plants do not specifically treat effluent for pharmaceutical constituents.

State and local governments have recently engaged in efforts to encourage or require the disposal of pharmaceutical waste in a manner that does not place water supplies at risk. In Colorado, the CDPHE has a pilot program of 11 drop boxes statewide from which it intercepts and safely disposes of waste medications. The City of Glenwood Springs, as a local jurisdiction, has established a collection program through its police department.

## **State Revenue**

Gifts, grants, and donations to the Medication Take-Back Program Fund cannot be determined prior to operation of the program, but are estimated to be at least \$50,000 each fiscal year for minimum program viability.

The minimum level of grant expenditures that warrants CDPHE administration of the Medical Take-Back Program is assumed to be the amount of grant funding necessary for CDPHE to assist multiple local grantees annually. The cost to purchase and install a secure drop box, as an example of one activity for which local grants are authorized under the bill, is estimated at \$1,000 (\$700 for materials, including the box and hardware, and \$300 for labor). Currently, annual costs to service and maintain drop boxes in 7 Colorado counties are approximately \$5,000 per year. To provide multiple local grants for drop boxes, public education, and other medication disposal activities, and to cover CDPHE's associated costs, a viable cash funded program is assumed to require at least \$50,000 in gifts, grants, and donations annually.

## **State Expenditures**

Contingent upon receiving adequate gifts, grants, and donations, the CDPHE will expend at least \$50,000 in FY 2012-13 to establish and administer the Medication Take-Back Program. The fiscal note assumes most cash funds will be redistributed in the form of grants to local Colorado organizations.

Some funds may support CDPHE personal services or contractors developing educational materials concerning the disposal of unused medications. These efforts will complement existing medical waste diversion programs in CDPHE. The fiscal note assumes that workload increases resulting from the bill will be comparable to the current CDPHE program and will not require new appropriations. In the event that the program expands substantially under the bill, CDPHE will require additional personal services (i.e., to administer grants, develop educational materials), which will be requested through the annual budget process.

The bill authorizes, but does not require, rulemaking activities by the SHWC. A typical rulemaking requires CDPHE to incur 100 to 150 hours of legal services from the Department of Law, at \$75.71 per hour. Rulemaking under the bill would increase CDPHE costs by \$7,500 to \$11,500 if the SHWC determined to take such action.

## **Local Government Impact**

Local governments may receive grants as participants in the Medication Take-Back Program. Public education and other program activities may be credited as best practices in water quality compliance efforts. Reduced medical wasteload in local government water utilities may reduce treatment costs as such constituents become the subject of regulation. Such treatment standards are largely at the option of local government or unbudgeted in current practice; therefore, any savings or financial benefit to a local government receiving a grant under the bill is also voluntary and relatively small (e.g., \$1,000 to \$10,000 grants).

## **State Appropriations**

In FY 2012-13, the bill requires a cash funds appropriation of \$50,000 to the Colorado Department of Public Health and Environment from the Medication Take-Back Program Fund.

## **Departments Contacted**

Judicial  
Treasury  
Law

Public Health and Environment  
Natural Resources

Local Affairs  
Personnel and Administration