



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-066: REGULATION OF COMPOUNDED WEIGHT-LOSS MEDICATION

Prime Sponsors:

Sen. Jodeh; Carson
Rep. Jackson

Fiscal Analyst:

Kristine McLaughlin, 303-866-4776
kristine.mclaughlin@coleg.gov

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Fiscal note status: This revised fiscal note reflects the reengrossed bill.

Summary Information

Overview. The bill regulates the sale, transfer, and distribution of compounded weight-loss medications.

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

- Minimal State Revenue
- Minimal 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 places new requirements on compounded versions of weight-loss medication produced by 503A compounding pharmacies (impacted drugs), with specified exemptions. Specifically, the bill makes it a deceptive trade practice to make false or misleading claims about the drug or distribute the drug without legal authorization.

Background

FDA Approval of Weight-Loss Medications

Glucagon-like peptide 1 (GLP-1) agonists can enhance the secretion of insulin. GLP-1 with the active ingredient semaglutide or tirzepatide have been shown to be especially effective for weight-loss by decreasing appetite and slowing digestion. Versions of these drugs have been approved for treating diabetes for many years. The semaglutide drug Wegovy was FDA-approved for weight loss in 2017 and the tirzepatide drug Zepbound was FDA-approved for weight loss in 2023.

Availability of Compounded Versions

Compounded drugs are not FDA-approved but may be allowed if the FDA-approved version of the drug is on the FDA drug shortage list or is not available in the prescribed dose or form.

Drugs may be compounded by various types of medical facilities and there are two types of compounding pharmacies, 503As and 503Bs. 503As fulfill patient specific prescriptions, tend to operate within one state, and are mostly regulated at the state level. 503Bs manufacture drugs in bulk to sell to health care facilities in multiple states and are mostly regulated at the federal level.

FDA-approved versions of semaglutide and tirzepatide were on the FDA drug shortage list from 2022 to 2024, when demand for the drugs was surging. As a result, several producers started offering compounded versions of the drugs. As of May 2025, compounded drug producers are no longer allowed to offer versions of the drugs that closely match an FDA-approved version in dose, ingredients, or form but several have continued offering the drugs in alternative versions.

State Revenue

The bill may increase state revenue from civil penalties and filing fees 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.

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 upon signature of the Governor, or upon becoming law without his signature, and applies to conduct occurring on or after this date.

State and Local Government Contacts

Law

Regulatory Agencies

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](#).