

HB 25-1220: REGULATION OF MEDICAL NUTRITION THERAPY

Prime Sponsors:

Rep. McCormick; Hartsook Sen. Pelton B.; Mullica

Bill Outcome: Vetoed by Governor **Drafting number:** U.S. 25-0441

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Fiscal Analyst:

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Fiscal note status: This final fiscal note reflects the enrolled bill. The bill was vetoed by the Governor on

May 23, 2025; therefore, the impacts identified in this analysis do not take effect.

Summary Information

Overview. The bill would have established the regulation of dieticians and nutritionists in the Department of Regulatory Agencies.

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

State Expenditures

TABOR Refunds

• State Revenue

Appropriations. For FY 2025-26, the bill would have required and included an appropriation of \$100,584 to the Department of Regulatory Agencies.

Table 1 State Fiscal Impacts

	Budget Year	Out Year	Out Year
Type of Impact ¹	FY 2025-26	FY 2026-27	FY 2027-28
State Revenue	\$0	\$464,000	\$420,800
State Expenditures	\$111,739	\$473,652	\$381,450
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$464,000	not estimated
Change in State FTE	0.7 FTE	3.8 FTE	2.9 FTE

¹ Fund sources for these impacts are shown in the tables below.

Table 1A State Revenue

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$464,000	\$420,800
Total Revenue	\$0	\$464,000	\$420,800

Table 1B State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Cash Funds	\$100,584	\$411,106	\$333,481
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$11,155	\$62,546	\$47,969
Total Expenditures	\$111,739	\$473,652	\$381,450
Total FTE	0.7 FTE	3.8 FTE	2.9 FTE

Summary of Legislation

The bill enacts the Dietetic and Nutrition Practice Act, which establishes the regulation of dieticians and nutritionists who practice medical nutrition therapy (MNT) in the Department of Regulatory Agencies (DORA).

Director Oversight

The Director of the Division of Professions and Occupations (DPO) in DORA is required to regulate and oversee the professions of dietician and nutritionist by adopting licensure standards, reviewing applications, levying fees, administering continuing education requirements, and enforcing regulatory provisions, among other duties.

Dietetics and Nutrition Advisory Committee

The Dietetics and Nutrition Advisory Committee is created in the DPO to advise the Director in the regulation of medical nutrition therapy. The Director must appoint a seven-member committee consisting of licensed dieticians and nutritionists, a licensed physician, and an unlicensed member of the public. By May 2026, the committee must begin meeting at least once per year to perform their duties.

Licensure

The bill requires all practicing dieticians and nutritionists who practice MNT to become licensed by September 1, 2026. Applicants for licensure must meet educational requirements, complete at least 1,000 hours of supervised practice, and pass an approved examination. Alternatively, an applicant for dietetic licensure may submit proof of third-party registration to be eligible, and, an applicant for nutrition licensure may submit proof of three years of employment and six months of unsupervised practice to be eligible.

Supervision

Upon filing an application, the Director may issue provisional licenses, which permits a dietician or nutritionist to practice under the supervision of a licensed professional for up to one year. The bill establishes the requirements of supervising professionals for medical nutrition therapy, including qualifications, scope of practice, and exemptions.

Enforcement

The bill authorizes the Director to take disciplinary action against licensed individuals under certain circumstances. The bill also makes practicing as a dietician or nutritionist without a license a class 2 misdemeanor and repeals the deceptive trade practice of claiming to be a dietician without meeting certain criteria.

The regulation of dieticians and nutritionists repeals on September 1, 2035, following a sunset review by DORA.

Comparable Crime Analysis

Legislative Council Staff is required to include certain information in the fiscal note for any bill that creates a new crime, changes the classification of an existing crime, or creates a new factual basis for an existing crime. The following section outlines crimes that are comparable to the offense in this bill and discusses assumptions on future rates of criminal convictions resulting from the bill.

Prior Conviction Data and Assumptions

This bill creates the new offense of practicing as a dietician or nutritionist without a license, a class 2 misdemeanor. To form an estimate on the prevalence of this new crime, the fiscal note analyzed the existing offense of practicing massage therapy without a license as a comparable crime. From FY 2021-22 to FY 2023-24, two offenders have been sentenced and convicted for this existing offense. Based on this small number of prior cases, the fiscal note assumes that there will be minimal or no additional case filings or convictions for the new offense under the bill. Because the bill is not expected to have a tangible impact on criminal justice related revenue or expenditures at the state or local levels, these potential impacts are not discussed further in this fiscal note. Visit leg.colorado.gov/fiscalnotes for more information about criminal justice costs in fiscal notes.

Assumptions

The fiscal note assumes that the costs of regulating the new professions will be paid through an annual fee levied on all licensed dieticians and nutritionists in the state. Based on DORA's sunrise review of dieticians and nutritionists, it is assumed that approximately 2,850 dieticians and 50 nutritionists operate in the state. Of this amount, an estimated 85 percent will apply for licensure to practice MNT, based on licensure rates for similar programs in other states.

Data from the <u>U.S. Bureau of Labor and Statistics</u> projects the professions of dietician and nutritionist to grow by 7 percent over the next ten years, which equates to 16 additional applicants per year beginning in FY 2027-28. Some revenue and expenditures could shift between fiscal years if participation differs from these assumptions.

Costs to administer the program begin in FY 2025-26, but DORA will not collect fee revenue until FY 2026-27. The fiscal note assumes that the DPO Cash Fund will cover the expenditures incurred in FY 2025-26 until fee revenue is collected in FY 2026-27 to cover administrative costs. If the DPO Cash Fund cannot support these expenditures, a General Fund appropriation to DORA would be required in the first year.

State Revenue

The bill increases cash fund revenue by \$464,000 in FY 2026-27 to the Division of Professions and Occupations Cash Fund in DORA to cover the costs of implementing and administering the new regulatory program. On an ongoing basis, revenue will increase by about \$421,000 per year, assuming the licensing fees are charged annually. These impacts are shown in Table 2A and 2B, and discussed in more detail below. This revenue is subject to TABOR.

Table 2A
Fee Impact on Dieticians and Nutritionists
FY 2026-27

FY 2026-27	Estimated Fee	Number Affected	Total Fee Impact
Registration Fee	\$200	2,320	\$464,000
Renewal Fee	\$180	0	\$0
Total Fee Revenue – FY 2026-27			\$464,000

Table 2B Fee Impact on Dieticians and Nutritionists FY 2027-28 and Future Years

FY 2027-28	Estimated Fee	Number Affected	Total Fee Impact
Registration Fee	\$200	16	\$3,200
Renewal Fee	\$180	2,320	\$417,600
Total Fee Revenue – FY 2027-28 ¹			\$420,800

Revenue will increase further in future years as the regulated population grows. Fees will be set to cover costs.

Fee Impact on Dieticians and Nutritionists

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The bill increases licensing fees on dieticians and nutritionists, as shown in Tables 2A and 2B above.

In FY 2026-27, DORA will collect \$464,000 in initial registration fees from 2,320 assumed applicants. Beginning in FY 2027-28 and every year thereafter, DORA will collect \$3,200 in new registration fees and about \$418,000 in renewal fees from dieticians and nutritionists. As shown in Table 2A and 2B, the fiscal note estimates a registration fee of \$200 and a reduced renewal fee of \$180 to cover implementation and ongoing costs to administer the program. These proposed fees are estimates only; actual fees will be set administratively by DORA based on cash fund balance, estimated program costs, and the number of licensees subject to the fee.

State Expenditures

The bill increases state expenditures in DORA by about \$112,000 in FY 2025-26, \$474,000 in FY 2026-27, and \$381,000 in future years. These costs are paid from the DPO Cash Fund and shown in Table 3 below. Workload may also minimally increase in the Judicial Department and Department of Personnel and Administration.

Table 3
State Expenditures
Department of Regulatory Agencies

	Budget Year	Out Year	Out Year
Cost Component	FY 2025-26	FY 2026-27	FY 2027-28
Personal Services	\$53,152	\$245,099	\$195,212
Operating Expenses	\$640	\$4,096	\$3,072
Capital Outlay Costs	\$6,670	\$13,340	\$0
Consultant Fees	\$0	\$4,800	\$4,800
Legal Services	\$40,122	\$143,771	\$130,397
Centrally Appropriated Costs	\$11,155	\$62,546	\$47,969
FTE – Personal Services	0.5 FTE	3.2 FTE	2.4 FTE
FTE – Legal Services	0.2 FTE	0.6 FTE	0.5 FTE
Total Costs	\$111,739	\$473,652	\$381,450
Total FTE	0.7 FTE	3.8 FTE	2.9 FTE

Department of Regulatory Agencies

DORA will incur costs to administer the regulatory program and enforce agency rules beginning in FY 2025-26, paid from the DPO Cash Fund and shown below in Table 3.

Director Oversight

Starting in FY 2025-26, DORA requires 1.0 FTE Program Management II to support the Director, establish plans and objectives, liaise with external stakeholders, and represent the DPO in disciplinary hearings. Beginning in FY 2026-27, DORA requires an additional 1.0 FTE Technician III to provide technical assistance to the Director for compliance and enforcement, as well as manage applications referred to the Director. Staff costs and FTE are prorated in the first year based on a start date of January 1, 2026.

Administration

In FY 2026-27 only, DORA requires 0.1 FTE Marketing and Communications Specialist to conduct education and outreach to practicing dieticians and nutritionists and 0.6 FTE Technician III to process initial licensing applications.

Enforcement

Beginning in FY 2026-27, DORA requires 0.5 FTE Criminal Investigator III to conduct witness interviews, gather evidence, and generate reports from increased complaints related to unlicensed and noncompliant dieticians and nutritionists. The fiscal note assumes that 39 complaints will be referred to the Office of Investigation and require an average of 23 hours to resolve each. DORA also requires an estimated \$4,800 per year to hire an investigative consultant to assist with at least four formal complaints.

Legal Services

DORA requires 300 hours of legal services in FY 2025-26, 1,075 hours in FY 2026-27, and 975 hours in future years for rulemaking, program implementation, and disciplinary actions. The fiscal note assumes that at least three complaints will be referred to the Attorney General annually and require 300 hours of legal service per complaint. Legal services are provided by the Department of Law at a rate of \$133.74 per hour.

Other Agency Impacts

Starting in FY 2026-27, trial courts in the Judicial Department may experience an increase in workload to adjudicate civil cases or appeals for occupational noncompliance. The bill may also increase workload in the Department of Personnel and Administration for administrative law judges in the Office of Administrative Courts to hear cases challenging disciplinary actions by DORA. This workload is expected to be minimal and no change in appropriations is required.

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 include employee insurance and supplemental employee retirement payments, are shown in the expenditure table(s) above.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to offenses committed on or after this date.

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State Appropriations

For FY 2025-26, the bill requires an appropriation of \$100,584 from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies, and 0.5 FTE. Of this amount, \$40,122 is reappropriated to the Department of Law with an additional 0.2 FTE.

State and Local Government Contacts

Governor Law

Information Technology Public Safety

Judicial Regulatory Agencies