

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0679.01 Megan McCall x4215

HOUSE BILL 22-1133

HOUSE SPONSORSHIP

Gray,

SENATE SPONSORSHIP

Winter,

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 CONCERNING AN ADVANCE PAYMENT OF PREMIUMS FOR STATE
102 EMPLOYEE FAMILY AND MEDICAL LEAVE INSURANCE COVERAGE
103 FROM THE GENERAL FUND TO THE FAMILY AND MEDICAL LEAVE
104 INSURANCE FUND FOR USE BY THE DIVISION OF FAMILY AND
105 MEDICAL LEAVE INSURANCE TO IMPLEMENT SERVICES
106 PRESCRIBED UNDER THE "PAID FAMILY AND MEDICAL LEAVE
107 INSURANCE ACT".

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

The bill requires the state treasurer to transfer money from the general fund to the family and medical leave insurance fund for use by the division of family and medical leave insurance (division) created under the "Paid Family and Medical Leave Insurance Act" (act). The money is an advance payment of premiums for state employee coverage that the state is required to pay under the family and medical leave insurance program established by the act. The bill directs the division to credit the transferred money to state employer accounts and to annually continue to credit money to the state employer accounts until such accounts have a zero dollar balance and begin owing quarterly premiums as set forth in the act. The bill also requires the executive director of the department of labor and employment to submit a report concerning the state employer accounts to several state departments and agencies.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) In 2020, Colorado voters enacted the "Paid Family and
5 Medical Leave Insurance Act", codified at section 8-13.3-501, et seq.,
6 Colorado Revised Statutes. The "Paid Family and Medical Leave
7 Insurance Act" created an enterprise, the division of family and medical
8 leave insurance (division), to administer a new paid family and medical
9 leave program (program).

10 (b) To provide the services pursuant to the program, the division
11 will collect premiums for family and medical leave benefits. However,
12 prepayment of certain premiums is necessary to fund the staffing and
13 infrastructure necessary to establish the program.

14 (c) Given the importance of the program to Coloradans
15 experiencing major life events impacting their ability to work, the general
16 assembly desires to assist the division in establishing the program to
17 provide the services set forth by the "Paid Family and Medical Leave

1 Insurance Act" through advanced payment of premiums for state
2 employee coverage. The transfer of money for the advanced payment of
3 premiums to the division is a payment for services and is not a grant for
4 purposes of section 20 (2)(d) of article X of the state constitution or as
5 defined in section 24-77-102 (7), Colorado Revised Statutes.

6 **SECTION 2.** In Colorado Revised Statutes, 8-13.3-507, **amend**
7 (2) as follows:

8 **8-13.3-507. Premiums.** (2) NOTWITHSTANDING THE ADVANCE
9 PAYMENT OF PREMIUMS SET FORTH IN SECTION 8-13.3-518 (4)(a),
10 beginning on January 1, 2023, for each employee, an employer shall remit
11 to the fund established under section 8-13.3-518 premiums in the form
12 and manner determined by the division.

13 **SECTION 3.** In Colorado Revised Statutes, 8-13.3-518, **amend**
14 (1); and **add** (4) as follows:

15 **8-13.3-518. Family and medical leave insurance fund -**
16 **establishment and investment - repeal.** (1) There is hereby created in
17 the state treasury the family and medical leave insurance fund. The fund
18 consists of premiums paid pursuant to section 8-13.3-507, ~~and~~ revenues
19 from revenue bonds issued in accordance with section 8-13.3-508 (2)(d),
20 AND MONEY FROM THE GENERAL FUND TRANSFERRED PURSUANT TO
21 SUBSECTION (4) OF THIS SECTION. Money in the fund may be used only to
22 pay revenue bonds; to repay the general fund loan provided in subsection
23 (3) of this section; to reimburse employers who pay family and medical
24 leave insurance benefits directly to employees in accordance with section
25 8-13.3-515 (1); and to pay benefits under, and to administer, the program
26 pursuant to this part 5, including technology costs to administer the
27 program and outreach services developed under section 8-13.3-520.

1 Interest earned on the investment of money in the fund remains in the
2 fund. Any money remaining in the fund at the end of a fiscal year remains
3 in the fund and does not revert to the general fund or any other fund. State
4 money in the fund is continuously appropriated to the division for the
5 purpose of this section. The general assembly shall not appropriate money
6 from the fund for the general expenses of the state.

7 (4) (a) ON THE EFFECTIVE DATE OF THIS SUBSECTION (4), OR AS
8 SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER
9 FIFTY-SEVEN MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.
10 THE MONEY IS AN ADVANCE PAYMENT OF PREMIUMS FOR STATE EMPLOYEE
11 COVERAGE THAT THE STATE IS REQUIRED TO PAY UNDER THE FAMILY AND
12 MEDICAL LEAVE INSURANCE PROGRAM ESTABLISHED IN SECTION
13 8-13.3-516 AND IS NOT A GRANT FOR PURPOSES OF SECTION 20 (2)(d) OF
14 ARTICLE X OF THE STATE CONSTITUTION OR AS DEFINED IN SECTION
15 24-77-102 (7). LIABILITIES THAT ARE RECORDED IN THE FUND BUT ARE
16 NOT REQUIRED TO BE PAID IN THE CURRENT FISCAL YEAR SHALL NOT BE
17 CONSIDERED WHEN CALCULATING SUFFICIENT STATUTORY FUND BALANCE
18 FOR PURPOSES OF SECTION 24-75-109.

19 (b) (I) ON OR BEFORE DECEMBER 31, 2022, THE DIVISION SHALL
20 DETERMINE THE MANNER IN WHICH THE STATE WILL RECEIVE A CREDIT FOR
21 THE ADVANCED PAYMENT OF PREMIUMS IT HAS PAID PURSUANT TO
22 SUBSECTION (4)(a) OF THIS SECTION FOR PREMIUMS IT IS REQUIRED TO PAY
23 UNDER THE FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM
24 ESTABLISHED IN SECTION 8-13.3-516. THE STATE SHALL RECEIVE CREDIT
25 UNTIL THE AMOUNT OF PREMIUMS THE STATE IS REQUIRED TO PAY
26 EXCEEDS FIFTY-SEVEN MILLION DOLLARS. ON OR BEFORE DECEMBER 31,
27 2022, THE DIVISION SHALL SUBMIT A REPORT TO THE EXECUTIVE DIRECTOR

1 OF THE DEPARTMENT OF PERSONNEL, THE DIRECTOR OF THE OFFICE OF
2 STATE PLANNING AND BUDGETING, AND THE JOINT BUDGET COMMITTEE
3 SETTING FORTH THE MANNER IN WHICH IT DETERMINES TO CREDIT THE
4 STATE PURSUANT TO THIS SUBSECTION (4)(b)(I).

5 (II) ON JULY 1, 2023, AND ON JULY 1 OF EACH YEAR THEREAFTER,
6 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR AND
7 EMPLOYMENT SHALL SUBMIT A REPORT OF THE AMOUNT OF REMAINING
8 CREDIT THE STATE CAN RECEIVE FOR PREMIUMS IT IS REQUIRED TO PAY TO
9 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PERSONNEL, THE STATE
10 TREASURER, THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND
11 BUDGETING, AND THE JOINT BUDGET COMMITTEE.

12 (c) THE ADVANCE PAYMENT OF PREMIUMS BY THE STATE
13 PURSUANT TO THIS SUBSECTION (4) SHALL NOT CONSTITUTE OR BECOME
14 AN INDEBTEDNESS, A DEBT, OR A LIABILITY OF THE STATE. THE STATE
15 SHALL NOT BE LIABLE ON SUCH ADVANCE PAYMENT, NOR SHALL THE
16 ADVANCE PAYMENT CONSTITUTE THE GIVING, PLEDGING, OR LOANING OF
17 THE FULL FAITH AND CREDIT OF THE STATE. ADVANCE PAYMENTS SHALL
18 BE EXEMPT FROM THE STATE'S FISCAL RULES.

19 **SECTION 4. Safety clause.** The general assembly hereby finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, or safety.