

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 22-0679.01 Megan McCall x4215

HOUSE BILL 22-1133

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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 REVENUE LOSS RESTORATION CASH FUND TO THE**
104 **FAMILY AND MEDICAL LEAVE INSURANCE FUND FOR USE BY THE**
105 **DIVISION OF FAMILY AND MEDICAL LEAVE INSURANCE TO**
106 **IMPLEMENT SERVICES PRESCRIBED UNDER THE "PAID FAMILY**
107 **AND MEDICAL LEAVE 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.

HOUSE
3rd Reading Unamended
April 4, 2022

HOUSE
Amended 2nd Reading
April 1, 2022

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 advance payment of premiums for state employee
2 coverage. The transfer of money for the advance payment of premiums
3 to the division is a payment for services and is not a grant for purposes of
4 section 20 (2)(d) of article X of the state constitution or as defined in
5 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 █████ TRANSFERRED PURSUANT TO SUBSECTION (4) OF THIS
21 SECTION. Money in the fund may be used only to pay revenue bonds; to
22 repay the general fund loan provided in subsection (3) of this section; to
23 reimburse employers who pay family and medical leave insurance
24 benefits directly to employees in accordance with section 8-13.3-515 (1);
25 and to pay benefits under, and to administer, the program pursuant to this
26 part 5, including technology costs to administer the program and outreach
27 services developed under section 8-13.3-520. Interest earned on the

1 investment of money in the fund remains in the fund. Any money
2 remaining in the fund at the end of a fiscal year remains in the fund and
3 does not revert to the general fund or any other fund. State money in the
4 fund is continuously appropriated to the division for the purpose of this
5 section. The general assembly shall not appropriate money from the fund
6 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, AND NOTWITHSTANDING SECTION
9 24-75-227 (3)(c), THE STATE TREASURER SHALL TRANSFER FIFTY-SEVEN
10 MILLION DOLLARS FROM THE REVENUE LOSS RESTORATION CASH FUND TO
11 THE FUND. THE MONEY IS AN ADVANCE PAYMENT OF PREMIUMS FOR STATE
12 EMPLOYEE COVERAGE THAT THE STATE IS REQUIRED TO PAY UNDER THE
13 FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM ESTABLISHED IN
14 SECTION 8-13.3-516 AND IS NOT A GRANT FOR PURPOSES OF SECTION 20
15 (2)(d) OF ARTICLE X OF THE STATE CONSTITUTION OR AS DEFINED IN
16 SECTION 24-77-102 (7). LIABILITIES THAT ARE RECORDED IN THE FUND
17 BUT ARE NOT REQUIRED TO BE PAID IN THE CURRENT FISCAL YEAR SHALL
18 NOT BE CONSIDERED WHEN CALCULATING SUFFICIENT STATUTORY FUND
19 BALANCE FOR PURPOSES OF SECTION 24-75-109.

20 (b) (I) ON OR BEFORE DECEMBER 31, 2022, THE DIVISION SHALL
21 DETERMINE THE MANNER IN WHICH THE STATE WILL RECEIVE A CREDIT FOR
22 THE ADVANCE PAYMENT OF PREMIUMS IT HAS PAID PURSUANT TO
23 SUBSECTION (4)(a) OF THIS SECTION FOR PREMIUMS IT IS REQUIRED TO PAY
24 UNDER THE FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM
25 ESTABLISHED IN SECTION 8-13.3-516. THE CREDIT SHALL BE CALCULATED
26 BY MULTIPLYING THE CREDIT BALANCE ON THE STATE'S EMPLOYER
27 ACCOUNT OR ACCOUNTS AS OF JUNE 30, 2022, AND AS OF JUNE 30 OF EACH

1 YEAR THEREAFTER, BY A RATE EQUIVALENT TO THE RATE PER ANNUM ON
2 THE MOST RECENTLY ISSUED TEN-YEAR UNITED STATES TREASURY NOTE,
3 ROUNDED TO THE NEAREST ONE-TENTH OF ONE PERCENT, AS REPORTED BY
4 THE "WALL STREET JOURNAL", AS OF THE DATE OF THE TRANSFER
5 REQUIRED BY SUBSECTION (4)(a) OF THIS SECTION. THE STATE SHALL
6 RECEIVE CREDIT, CALCULATED IN THIS MANNER, UNTIL THE AMOUNT OF
7 PREMIUMS THE STATE IS REQUIRED TO PAY EXCEEDS FIFTY-SEVEN MILLION
8 DOLLARS PLUS THE AMOUNT OF INTEREST ACCRUED AS SET FORTH IN THIS
9 SUBSECTION (4)(b)(I). ON OR BEFORE DECEMBER 31, 2022, THE DIVISION
10 SHALL SUBMIT A REPORT TO THE EXECUTIVE DIRECTOR OF THE
11 DEPARTMENT OF PERSONNEL, THE DIRECTOR OF THE OFFICE OF STATE
12 PLANNING AND BUDGETING, AND THE JOINT BUDGET COMMITTEE SETTING
13 FORTH THE MANNER IN WHICH IT DETERMINES TO CREDIT THE STATE
14 PURSUANT TO THIS SUBSECTION (4)(b)(I).

15 (II) ON JULY 1, 2023, AND ON JULY 1 OF EACH YEAR THEREAFTER,
16 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR AND
17 EMPLOYMENT SHALL SUBMIT A REPORT OF THE AMOUNT OF REMAINING
18 CREDIT THE STATE CAN RECEIVE FOR PREMIUMS IT IS REQUIRED TO PAY TO
19 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PERSONNEL, THE STATE
20 TREASURER, THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND
21 BUDGETING, AND THE JOINT BUDGET COMMITTEE.

22 (c) THE ADVANCE PAYMENT OF PREMIUMS BY THE STATE
23 PURSUANT TO THIS SUBSECTION (4) SHALL NOT CONSTITUTE OR BECOME
24 AN INDEBTEDNESS, A DEBT, OR A LIABILITY OF THE STATE. THE STATE
25 SHALL NOT BE LIABLE ON SUCH ADVANCE PAYMENT, NOR SHALL THE
26 ADVANCE PAYMENT CONSTITUTE THE GIVING, PLEDGING, OR LOANING OF
27 THE FULL FAITH AND CREDIT OF THE STATE. ADVANCE PAYMENTS SHALL

1 BE EXEMPT FROM THE STATE'S FISCAL RULES.

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