

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

ENGROSSED

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

LLS NO. 24-0623.01 Christopher McMichael x4775

SENATE BILL 24-073

SENATE SPONSORSHIP

Smallwood and Rodriguez,

HOUSE SPONSORSHIP

Velasco,

Senate Committees
Health & Human Services

House Committees

A BILL FOR AN ACT

101 **CONCERNING A CHANGE TO THE MAXIMUM NUMBER OF EMPLOYEES**
102 **THAT AN EMPLOYER MAY EMPLOY TO QUALIFY AS A SMALL**
103 **EMPLOYER FOR HEALTH-CARE INSURANCE COVERAGE.**

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>.)

For the purposes of providing health insurance coverage, current law defines a "small employer" as any individual, firm, corporation, partnership, or association that employs between one and 100 employees during a calendar year. Effective January 1, 2026, the bill amends the definition to define a "small employer" as any person that employs

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

SENATE
2nd Reading Unamended
February 23, 2024

between one and 50 employees during a calendar year.

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

2 **SECTION 1.** In Colorado Revised Statutes, 10-16-102, **amend**
3 (40.5)(a) introductory portion, (40.5)(a)(II), (61)(b) introductory portion,
4 and (61)(b)(II) as follows:

5 **10-16-102. Definitions.** As used in this article 16, unless the
6 context otherwise requires:

7 (40.5) (a) "Large employer" means any person ~~firm, corporation,~~
8 ~~partnership, or association~~ that:

9 (II) Employed an average of more than ~~one hundred~~ FIFTY eligible
10 employees on business days during the immediately preceding calendar
11 year, except as provided in subsection (40.5)(c) of this section; and

12 (61) (b) ~~Effective January 1, 2016,~~ "Small employer" means any
13 person ~~firm, corporation, partnership, or association~~ that:

14 (II) Employed an average of at least one but not more than ~~one~~
15 ~~hundred~~ FIFTY eligible employees on business days during the
16 immediately preceding calendar year, except as provided in ~~paragraph (c)~~
17 ~~of this subsection (61)~~ SUBSECTION (61)(e) OF THIS SECTION; and

18 **SECTION 2.** In Colorado Revised Statutes, 10-16-105.1, **amend**
19 (3.5) as follows:

20 **10-16-105.1. Guaranteed renewability - exceptions - individual**
21 **and small employer health benefit plans - rules.** (3.5) (a) If a carrier
22 issues a small group health benefit plan to a small employer that, at the
23 time the plan was issued, was a small employer but subsequently employs
24 more than ~~one hundred~~ FIFTY eligible employees, this article 16 and any
25 rules promulgated by the commissioner concerning small group health

1 benefit plans continue to apply to the health benefit plan as long as the
2 employer renews its current small group health benefit plan or a similar
3 plan offered by the carrier pursuant to subsection (3.5)(b) of this section,
4 in accordance with the renewal requirements applicable to other small
5 group health benefit plans subject to this article 16 and rules promulgated
6 by the commissioner pursuant to this article 16.

7 (b) If a small employer was issued a small group health benefit
8 plan and subsequently employs more than ~~one hundred~~ FIFTY employees
9 and the employer opts to renew the small group health benefit plan, the
10 carrier that issued the small group health benefit plan shall offer the
11 employer the same small group health benefit plan or, if the same plan is
12 no longer being offered to any small employer, a similar small group
13 health benefit plan that the carrier offers to other small employers.

14 (c) A carrier that issued a small group health benefit plan to a
15 small employer shall notify the employer, within sixty days after
16 becoming aware that the employer employs more than ~~one hundred~~ FIFTY
17 employees, but no later than the anniversary date of the issuance of the
18 employer's health benefit plan, that the provisions of Colorado law
19 governing small group health benefit plans will cease to apply to the
20 employer if the employer fails to renew its current small group health
21 benefit plan or elects to enroll in a different health benefit plan.

22 **SECTION 3.** In Colorado Revised Statutes, 10-16-1401, **amend**
23 (15)(a) introductory portion and (15)(a)(II) as follows:

24 **10-16-1401. Definitions.** As used in this part 14, unless the
25 context otherwise requires:

26 (15) (a) "Large employer" means any person ~~firm, corporation,~~
27 ~~partnership, or association~~ that:

1 (II) Employed an average of more than ~~one hundred~~ FIFTY eligible
2 employees on business days during the immediately preceding calendar
3 year, except as provided in subsection (15)(c) of this section; and

4 **SECTION 4. Act subject to petition - effective date.** This act
5 takes effect January 1, 2026; except that, if a referendum petition is filed
6 pursuant to section 1 (3) of article V of the state constitution against this
7 act or an item, section, or part of this act within the ninety-day period
8 after final adjournment of the general assembly, then the act, item,
9 section, or part will not take effect unless approved by the people at the
10 general election to be held in November 2024 and, in such case, will take
11 effect January 1, 2026, or on the date of the official declaration of the
12 vote thereon by the governor, whichever is later.