

CHAPTER 38

INSURANCE

HOUSE BILL 24-1119

BY REPRESENTATIVE(S) Mauro and Taggart, Bird, Boesenecker, Jodeh, Kipp, Lindstedt, Marshall, Martinez;
also SENATOR(S) Smallwood, Kirkmeyer, Lundeen, Priola, Rich, Pelton R.

AN ACT**CONCERNING THE USE OF MULTI-STATE FILING SYSTEMS FOR INSURANCE TAX FILINGS.**

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) Secure web-based applications, including OPTins developed by the National Association of Insurance Commissioners, facilitate the submission of premium tax, surplus lines tax, and other state-specific filings and payments to participating states.

(b) Premium tax and surplus lines filings and payment systems allow insurance companies and other taxpayers to electronically submit their premium tax filings, surplus lines tax filings, and associated payments electronically and efficiently.

(c) The premium tax and surplus lines tax filings and payment systems may also simplify filings and payments and allow insurance companies to submit premium tax, surplus lines tax, and state-specific filings and payments due to multiple states through a single system. The option for widespread use of state and national platforms provides carriers with the ability to create accounts, making duplicative data entry unnecessary, which results in consistency in their filings and reduced administrative costs.

(d) Many other states have transitioned or are contemplating transitioning to national and multi-state premium tax collection systems that simplify and streamline the collection of premium taxes and related filings. OPTins is currently used by at least nineteen United States jurisdictions for premium tax filings and payments. The

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

state of Florida has created, through legislation, the not-for-profit Florida Surplus Lines Service Office, which currently services twelve states.

SECTION 2. In Colorado Revised Statutes, 10-3-209, **add** (6) as follows:

10-3-209. Tax on premiums collected - exemptions - penalties - filing system - division to contract with third parties. (6) (a) ALL TAXES, PENALTIES, FINES, FEES, AND ASSOCIATED FILINGS REQUIRED UNDER THIS SECTION MUST BE SUBMITTED TO THE DIVISION OF INSURANCE THROUGH A SECURE WEB-BASED APPLICATION SYSTEM IDENTIFIED BY THE DIVISION OF INSURANCE. THE COMMISSIONER MAY ENTER INTO A CONTRACT WITH A QUALIFIED THIRD PARTY, INCLUDING THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, FOR A SECURE WEB-BASED APPLICATION SYSTEM THAT WOULD ALLOW PREMIUM TAXES PAID BY INSURANCE COMPANIES TO BE FILED FOR MULTIPLE STATES ON A SINGLE WEB-BASED APPLICATION SYSTEM. THE THIRD PARTY MAY CHARGE THE INSURANCE COMPANY A NOMINAL FEE FOR THIS SERVICE THAT IS REASONABLY RELATED TO THE OVERALL COST OF THE SERVICE OF COLLECTING FILINGS AND PAYMENTS AND TRANSMITTING THOSE FILINGS AND PAYMENTS TO THE DIVISION OF INSURANCE. A FEE CHARGED BY THE THIRD PARTY AS PART OF THIS SUBSECTION (6) IS NOT SUBJECT TO SECTION 10-3-207 OR SUBSECTION (4)(a) OF THIS SECTION.

(b) PURSUANT TO ARTICLE 4 OF TITLE 24, THE COMMISSIONER MAY PROMULGATE RULES NECESSARY TO IMPLEMENT, OPERATE, AND ENFORCE THIS SUBSECTION (6).

(c) IN CONTRACTING WITH A QUALIFIED THIRD PARTY FOR A SECURE WEB-BASED APPLICATION SYSTEM DESCRIBED IN THIS SUBSECTION (6), THE COMMISSIONER IS EXEMPT FROM THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24.

SECTION 3. In Colorado Revised Statutes, 10-5-111, **add** (3) as follows:

10-5-111. Tax on premiums - filing system - division to contract with third parties - definition. (3) (a) ALL TAXES, PENALTIES, FINES, FEES, AND ASSOCIATED FILINGS REQUIRED PURSUANT TO THIS SECTION MUST BE SUBMITTED TO THE DIVISION OF INSURANCE THROUGH A SECURE WEB-BASED APPLICATION SYSTEM IDENTIFIED BY THE DIVISION OF INSURANCE. THE COMMISSIONER MAY ENTER INTO A CONTRACT WITH A QUALIFIED THIRD PARTY, INCLUDING THE FLORIDA SURPLUS LINE SERVICES OFFICE, FOR A SECURE WEB-BASED APPLICATION SYSTEM THAT WOULD ALLOW TAXPAYERS TO FILE TAXES FOR MULTIPLE STATES ON A SINGLE WEB-BASED APPLICATION SYSTEM. THE THIRD PARTY MAY CHARGE THE TAXPAYER A NOMINAL FEE FOR THIS SERVICE THAT IS REASONABLY RELATED TO THE OVERALL COST OF THE SERVICE OF COLLECTING FILINGS AND PAYMENTS AND TRANSMITTING THOSE FILINGS AND PAYMENTS TO THE DIVISION OF INSURANCE. A FEE CHARGED BY THE THIRD PARTY AS PART OF THIS SUBSECTION (3) IS NOT SUBJECT TO THIS SECTION, SECTION 10-3-207, SECTION 10-3-209 (4)(a), OR SECTION 10-5-111.5 (1).

(b) PURSUANT TO ARTICLE 4 OF TITLE 24, THE COMMISSIONER MAY PROMULGATE RULES NECESSARY TO IMPLEMENT, OPERATE, AND ENFORCE THIS SUBSECTION (3).

(c) IN CONTRACTING WITH A QUALIFIED THIRD PARTY FOR A SECURE WEB-BASED APPLICATION SYSTEM DESCRIBED IN THIS SUBSECTION (3), THE COMMISSIONER IS EXEMPT FROM THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24.

(d) AS USED IN THIS SUBSECTION (3), "TAXPAYER" MEANS A PERSON SUBJECT TO TAX UNDER THIS SECTION 10-5-111.

SECTION 4. Applicability. This act applies to tax filings submitted on or after January 1, 2025.

SECTION 5. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: March 22, 2024