

CHAPTER 2

LABOR AND INDUSTRY

HOUSE BILL 12S-1002

BY REPRESENTATIVE(S) Liston and Pabon, Pace, Acree, Barker, Baumgardner, Bradford, Casso, Coram, Court, DelGrosso, Duran, Ferrandino, Fields, Fischer, Gardner B., Gerou, Hamner, Holbert, Hullinghorst, Jones, Kefalas, Kerr A., Kerr J., Labuda, Lee, Levy, Looper, Massey, Miklosi, Murray, Nikkel, Peniston, Priola, Ryden, Schafer S., Scott, Singer, Solano, Sonnenberg, Soper, Swalm, Swerdfeger, Szabo, Todd, Tyler, Vaad, Vigil, Williams A., Wilson, Young, McNulty, Becker, Kagan, McCann, Ramirez, Stephens;
 also SENATOR(S) Jahn, Aguilar, Bacon, Boyd, Cadman, Carroll, Foster, Giron, Guzman, Heath, Hodge, Hudak, Johnston, King K., King S., Morse, Newell, Roberts, Steadman, Tochtrop, White, Williams S., Shaffer B.

AN ACT

CONCERNING ADMINISTRATION OF THE UNEMPLOYMENT INSURANCE PROGRAM IN ORDER TO STABILIZE UNEMPLOYMENT INSURANCE RATES, AND, IN CONNECTION THEREWITH, FACILITATING THE ISSUANCE OF UNEMPLOYMENT REVENUE BONDS, ACCELERATING THE CREATION OF THE DIVISION OF UNEMPLOYMENT INSURANCE IN THE DEPARTMENT OF LABOR AND EMPLOYMENT, AND MAKING TECHNICAL CHANGES TO PROVISIONS ENACTED AS PART OF HOUSE BILL 11-1288 TO ENSURE APPROPRIATE TRANSITION TO THE NEW UNEMPLOYMENT INSURANCE PREMIUM RATE STRUCTURE.

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

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

(a) The purpose of this act is to establish a bond payment structure that allows Colorado employers to receive positive recognition in the calculation of unemployment insurance premium payments for the payment of bonds that may be issued to finance the unemployment insurance trust fund; and

(b) Nothing in this act is intended to either increase or decrease state unemployment benefits, now or in the future.

SECTION 2. In Colorado Revised Statutes, 8-70-103, **amend** (6.5) and (13) as follows:

8-70-103. Definitions. As used in articles 70 to 82 of this title, unless the context

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

otherwise requires:

(6.5) "Chargeable wages" means those wages paid to an individual employee during a calendar year on which the employer of that employee is required to pay premiums as provided by article 76 of this title, including all wages subject to a tax under federal law, which imposes a tax against which credit may be taken for premiums required to be paid into a state unemployment fund. For each calendar year, chargeable wages is the first ten thousand dollars paid to an individual; except that, effective January 1, 2012, chargeable wages for each calendar year is the first eleven thousand dollars paid to an individual and EXCEPT THAT, after receipt by the revisor of statutes of written notice under DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE REVISOR OF STATUTES RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all advances in accordance with the conditions specified in Title XII of the federal "Social Security Act", as amended, have been repaid, chargeable wages for the following calendar year is the first eleven thousand dollars paid to an individual, adjusted by the change in the average weekly earnings prescribed in section 8-73-102, rounded to the nearest one hundred dollars. As used in articles 70 to 82 of this title, chargeable wages paid includes chargeable wages constructively paid as well as chargeable wages actually paid.

(13) "Fund" means the unemployment compensation fund, established in section 8-77-101 (1), to which all premiums required and from which all benefits under articles 70 to 82 of this title shall be AND BONDS ISSUED UNDER SECTION 8-71-103 (2) (d) ARE paid AND FROM WHICH PAYMENTS MAY BE MADE TO THE COLORADO HOUSING AND FINANCE AUTHORITY UNDER SECTION 29-4-710.7, C.R.S.

SECTION 3. In Colorado Revised Statutes, 8-70-114, amend (2) (g) (III) (A) as follows:

8-70-114. Employing unit - definitions - rules - employee leasing company certification fund - repeal. (2) (g) (III) Each employee leasing company shall annually certify and provide evidence to the department that it meets one of the following criteria to provide securitization of unemployment premiums:

(A) Execute and file a surety bond or deposit with the division money or a letter of credit equivalent to fifty percent of the average annual amount of unemployment premium assessed within the previous calendar year for all covered employees regardless of the election made pursuant to subparagraph (VII) of paragraph (b) of this subsection (2). For a new employee leasing company, the initial bond amount will be the standard premium rate, as determined pursuant to section 8-76-103, multiplied by fifty percent of the estimated projected chargeable payroll for the current calendar year as estimated by the employee leasing company. This sub-subparagraph (A) is repealed, effective upon receipt by DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE REVISOR OF STATUTES OF RECEIVES THE written notice under REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all advances in accordance with the conditions specified in Title XII of the federal "Social Security Act", as amended, have been repaid.

SECTION 4. In Colorado Revised Statutes, 8-71-103, **amend** (2) (b) (I) and (2) (d) as amended by section 5 of chapter 27 (HB 12-1120), Session Laws of Colorado 2012, as follows:

8-71-103. Organization of division. (2) (b) (I) Except as provided in subparagraph (II) of this paragraph (b), the enterprise established pursuant to this subsection (2) has all the powers and duties authorized by articles 70 to 82 of this title pertaining to unemployment insurance and unemployment compensation. THE UNEMPLOYMENT COMPENSATION FUND, CREATED IN SECTION 8-77-101, CONSTITUTES PART OF THE ENTERPRISE ESTABLISHED PURSUANT TO THIS SUBSECTION (2).

~~(d) (I) Subject to approval by the general assembly, either by bill or by joint resolution, and after approval by the governor pursuant to section 39 of article V of the state constitution, the division is hereby authorized to issue revenue bonds for the expenses of the division, secured by any revenues of the division UPON RECEIVING THE CERTIFICATIONS SPECIFIED IN SUBPARAGRAPHS (III) AND (IV) OF THIS PARAGRAPH (d), THE DIVISION MAY ISSUE REVENUE BONDS FOR THE SAME PURPOSES AND ON THE SAME TERMS AND LEVY AND APPLY THE PROCEEDS OF BOND ASSESSMENTS FOR THE SAME PURPOSES AND IN THE SAME MANNER AS THE COLORADO HOUSING AND FINANCE AUTHORITY MAY ISSUE BONDS AND LEVY AND APPLY THE PROCEEDS OF BOND ASSESSMENTS UNDER SECTION 29-4-710.7, C.R.S., SUBSTITUTING REFERENCES TO THE DIVISION FOR REFERENCES TO THE AUTHORITY UNDER THAT SECTION. BOND ASSESSMENTS LEVIED BY THE DIVISION MAY BE USED TO PAY REVENUE BONDS ISSUED BY THE DIVISION UNDER THIS PARAGRAPH (d) OR REVENUE BONDS ISSUED BY THE COLORADO HOUSING AND FINANCE AUTHORITY UNDER SECTION 29-4-710.7, C.R.S.~~

(II) ANY BONDS ISSUED PURSUANT TO THIS PARAGRAPH (d) MUST BE EXECUTED AND DELIVERED BY THE DIRECTOR OF THE DIVISION AND MAY BE IN THE FORM, MAY BE SOLD AND MAY HAVE THE SAME TERMS AS PROVIDED IN SECTION 43-4-807 (1) (b) AND (1) (c), C.R.S., MAY CONTAIN THE PROVISIONS PERMITTED BY SECTION 43-4-807 (1) (d), C.R.S., SHALL BE LEGAL INVESTMENTS FOR THE ENTITIES DESCRIBED IN, SUBJECT TO THE TERMS SET FORTH IN, SECTION 43-4-807 (3), C.R.S., AND SHALL BE EXEMPT FROM TAXATION AND ASSESSMENTS IN THE STATE AS PROVIDED IN SECTION 43-4-807 (4), C.R.S. THE DIVISION MAY INVEST OR DEPOSIT ANY PROCEEDS AND INTEREST FROM THE SALE OF SUCH BONDS AS PROVIDED IN SECTION 43-4-807 (2), C.R.S. THE DIVISION SHALL HAVE THE POWER TO ENTER INTO ALL OTHER CONTRACTS OR AGREEMENTS, WHICH CONTRACTS AND AGREEMENTS ARE NOT SUBJECT TO THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24, C.R.S., THAT ARE NECESSARY OR INCIDENTAL TO THE EXERCISE OF ITS POWERS AND DUTIES UNDER THIS PARAGRAPH (d), INCLUDING THE POWER TO ENGAGE THE SERVICES OF CONSULTANTS, FINANCIAL ADVISORS, UNDERWRITERS, BOND INSURERS, LETTER OF CREDIT BANKS, RATING AGENCIES, AGENTS AND OTHER PERSONS WHOSE SERVICES MAY BE REQUIRED OR DEEMED ADVANTAGEOUS BY THE DIVISION, AND THE POWER TO ENTER INTO INTEREST RATE EXCHANGE AGREEMENTS FOR BONDS THAT HAVE BEEN ISSUED IN ACCORDANCE WITH THIS PARAGRAPH (d). THE AMOUNT OF OUTSTANDING LIABILITY FOR BONDS ISSUED PURSUANT TO THIS PARAGRAPH (d) OR SECTION 29-4-710.7, C.R.S., IS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF RATE SETTING UNDER ARTICLE 76 OF THIS TITLE.

(III) THE DIVISION MAY NOT ISSUE ITS BONDS PURSUANT TO THIS PARAGRAPH (d) UNTIL THE MONTHLY BALANCE IN THE UNEMPLOYMENT COMPENSATION FUND IS EQUAL TO OR LESS THAN NINE-TENTHS OF ONE PERCENT OF THE TOTAL WAGES REPORTED BY RATABLE EMPLOYERS FOR THE CALENDAR YEAR, OR FOR THE MOST RECENT AVAILABLE FOUR CONSECUTIVE QUARTERS PRIOR TO THE LAST COMPUTATION DATE, AND THE GOVERNOR, THE STATE TREASURER, AND THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR AND EMPLOYMENT HAVE EACH CERTIFIED IN WRITING TO THE DIVISION:

(A) THAT OTHER FUNDING ALTERNATIVES TO THE ISSUANCE OF BONDS BY THE DIVISION UNDER THIS PARAGRAPH (d) HAVE BEEN CONSIDERED AND THAT THE ISSUANCE OF SUCH BONDS IS THE MOST COST-EFFECTIVE MEANS FOR THE DIVISION TO MAINTAIN ADEQUATE BALANCES IN THE UNEMPLOYMENT COMPENSATION FUND OR TO REPAY MONEYS ADVANCED TO THE STATE PURSUANT TO 42 U.S.C. SEC. 1321;

(B) THE AMOUNT OF MONEY REQUIRED TO MAINTAIN ADEQUATE BALANCES IN THE UNEMPLOYMENT COMPENSATION FUND OR TO REPAY MONEYS ADVANCED TO THE STATE PURSUANT TO 42 U.S.C. SEC. 1321, OR BOTH; AND

(C) THE AMOUNT OF BONDS TO BE ISSUED.

(IV) IN ADDITION TO THE WRITTEN CERTIFICATIONS SPECIFIED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH (d), THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL CERTIFY IN WRITING THAT THE ISSUANCE OF BONDS AS AUTHORIZED BY LAW WOULD NOT RESULT IN DECERTIFICATION OF COLORADO'S UNEMPLOYMENT INSURANCE PROGRAM, IMPACT ANY CAP APPLICATION, AFFECT THE RECEIPT OF EMERGENCY UNEMPLOYMENT COMPENSATION FUNDS, CREATE AN INELIGIBILITY FOR RECEIPT OF FEDERAL FUNDS, OR RESULT IN OTHER PENALTIES OR SANCTIONS UNDER THE FEDERAL "SOCIAL SECURITY ACT", AS AMENDED, OR THE "FEDERAL UNEMPLOYMENT TAX ACT", AS AMENDED, 26 U.S.C. SEC. 3301 ET SEQ.

SECTION 5. In Colorado Revised Statutes, 8-72-110, **amend** (2) (a) (II) as follows:

8-72-110. Reciprocal interstate agreements - repeal. (2) (a) (II) This paragraph (a) is repealed, effective ~~upon receipt by~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE REVISOR OF STATUTES ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all advances in accordance with the conditions specified in Title XII of the federal "Social Security Act", as amended, have been repaid.

SECTION 6. In Colorado Revised Statutes, 8-73-104, **amend** (2) (a) (II) as follows:

8-73-104. Duration of benefits - repeal. (2) (a) (II) This paragraph (a) is repealed, effective ~~upon receipt by~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH the revisor of statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero

dollars and all advances in accordance with the conditions specified in Title XII of the federal "Social Security Act", as amended, have been repaid.

SECTION 7. In Colorado Revised Statutes, 8-75-203, **amend** (1) (a) (II) as follows:

8-75-203. Work share program - work share plan - eligibility of employer - approval - denial - repeal. (1) (a) (II) This paragraph (a) is repealed, effective ~~upon receipt by~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH the revisor of statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all advances in accordance with the conditions specified in Title XII of the federal "Social Security Act", as amended, have been repaid.

SECTION 8. In Colorado Revised Statutes, 8-76-102, **amend** (6) as follows:

8-76-102. Rate of premiums - surcharge - repeal. (6) This section is repealed, effective ~~upon receipt by the~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE revisor of statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all advances in accordance with Title XII of the federal "Social Security Act", as amended, have been repaid.

SECTION 9. In Colorado Revised Statutes, 8-76-103, **amend** (8) as follows:

8-76-103. Future rates based on benefit experience - definitions - repeal. (8) This section is repealed, effective ~~upon receipt by the~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE revisor of statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all advances in accordance with the conditions specified in Title XII of the federal "Social Security Act", as amended, have been repaid.

SECTION 10. In Colorado Revised Statutes, 8-76-104, **amend** (1) (c) (I) (B) as follows:

8-76-104. Transfer of experience - assignment of rates - definitions - repeal. (1) (c) (I) (B) This subparagraph (I) is repealed, effective ~~upon receipt by the~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE revisor of statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all advances in accordance with the conditions specified in Title XII of the federal "Social Security Act", as amended, have been repaid.

SECTION 11. In Colorado Revised Statutes, 8-77-101, **amend** (1) (a) as amended by section 16 of chapter 27 (HB 12-1120), Session Laws of Colorado 2012, as follows:

8-77-101. Unemployment compensation fund - state treasurer custodian.

(1) (a) There is hereby established the unemployment compensation fund, which is a special fund administered by the division exclusively for the purposes of articles 70 to 82 of this title. The state treasurer is the custodian of the fund and is liable under his or her official bond for the faithful performance of all his or her duties in connection with the fund. The state treasurer shall establish and maintain within the fund the accounts specified in this article and such other accounts as may be necessary to reflect the administration of the fund by the division. NOTWITHSTANDING ANY OTHER LAW, IN LIEU OF OR IN ADDITION TO THE ASSESSMENT DESCRIBED IN SECTION 29-4-710.7, C.R.S., THE DIVISION MAY PAY AMOUNTS NECESSARY AND APPROPRIATE FROM THE UNEMPLOYMENT COMPENSATION FUND TO THE COLORADO HOUSING AND FINANCE AUTHORITY FOR THE REPAYMENT OF THE PRINCIPAL OF BONDS ISSUED UNDER SECTION 29-4-710.7, C.R.S., AND MAY APPLY AMOUNTS NECESSARY AND APPROPRIATE FROM THE UNEMPLOYMENT COMPENSATION FUND TO THE REPAYMENT OF PRINCIPAL OF BONDS ISSUED UNDER SECTION 8-71-103 (2) (d).

SECTION 12. In Colorado Revised Statutes, 8-77-103.5, **amend** (2) as follows:

8-77-103.5. Issuance of unemployment revenue bonds and notes - unemployment bond repayment account - creation. (2) There is hereby created the unemployment bond repayment account, which shall be credited with ~~all~~ bond assessments FOR NONPRINCIPAL-RELATED BOND COSTS collected on behalf of the Colorado housing and finance authority ~~pursuant to the provisions of~~ UNDER section 29-4-710.7, C.R.S., OR BY THE DIVISION UNDER SECTION 8-71-103. After the division's costs have been deducted from the bond repayment account, moneys in the fund shall be ~~transferred~~ PAID to the account or accounts maintained by the Colorado housing and finance authority ~~pursuant to the provisions of~~ UNDER section 29-4-710.7, C.R.S., OR BY THE DIVISION WITH RESPECT TO BONDS ISSUED UNDER SECTION 8-71-103.

SECTION 13. In Colorado Revised Statutes, 8-77-109, **amend** (1) (a) (II), (1) (b) (I), and (2) (a.9) (I) (B) as follows:

8-77-109. Employment support fund - employment and training technology fund - created - uses - repeal. (1) (a) (II) This paragraph (a) is repealed, effective ~~upon receipt by the~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE REVISOR OF statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all advances in accordance with the conditions specified in Title XII of the federal "Social Security Act", as amended, have been repaid.

(b) (I) There is hereby established the employment support fund. This fund consists of the first 0.0011 assessed as part of each employer's premium under section 8-76-102.5 (3) (a) or the amount expended from the employment support fund in the year prior to July 1, 2011, adjusted by the same percentage change prescribed in section 8-70-103 (6.5), whichever is less. The division must transfer to the unemployment compensation fund amounts in excess of the amount expended from the employment support fund in the year prior to July 1, 2011, adjusted each year by the same percentage change prescribed in section 8-70-103 (6.5). IN

ADDITION, REVENUES TO PAY NONPRINCIPAL-RELATED BOND COSTS FOR BONDS ISSUED UNDER SECTION 29-4-710.7, C.R.S., OR SECTION 8-71-103 (2) (d) MAY BE ADDED TO AMOUNTS ASSESSED UNDER THIS SECTION. THE DIVISION MAY TRANSFER ANY MONEYS IN THE EMPLOYMENT SUPPORT FUND TO THE UNEMPLOYMENT BOND REPAYMENT ACCOUNT CREATED IN SECTION 8-77-103.5 TO PAY NONPRINCIPAL-RELATED BOND COSTS FOR BONDS ISSUED UNDER SECTION 29-4-710.7, C.R.S., OR SECTION 8-71-103 (2) (d). The employment support fund ~~shall~~ IS NOT ~~be~~ included in or administered by the enterprise established pursuant to section 8-71-103 (2).

(2) (a.9) (I) (B) This subparagraph (I) is repealed, effective ~~upon receipt by the~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE revisor of statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all advances in accordance with the conditions specified in Title XII of the federal "Social Security Act", as amended, have been repaid.

SECTION 14. In Colorado Revised Statutes, 8-79-104, **amend** (1) (a) (I) (B) as follows:

8-79-104. Failure to file true report - penalty - repeal. (1) (a) (I) (B) This subparagraph (I) is repealed, effective ~~upon receipt by the~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE revisor of statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of the unemployment compensation fund on any June 30 is equal to or greater than zero dollars and all advances in accordance with the conditions specified in Title XII of the federal "Social Security Act", as amended, have been repaid.

SECTION 15. In Colorado Revised Statutes, 29-4-710.7, **amend** (1) (b) (I) and (1) (b) (III); and **add** (1) (b) (IV) as amended by section 29 of chapter 27 (HB 12-1120), Session Laws of Colorado 2012, as follows:

29-4-710.7. Powers of the board - issuance of bonds to maintain balances in the unemployment compensation fund. (1) Upon receiving the certifications specified in subsection (2) of this section, the authority, in addition to the other powers granted by this part 7, has the following powers:

(b) To levy certain bond assessments as follows:

(I) (A) All bonds and notes issued pursuant to this section are limited obligations of the authority, payable solely from revenues generated through the levy by the authority of a bond assessment against each employer, as defined in section 8-70-113, C.R.S., subject to experience rating under articles 70 to 82 of title 8, C.R.S., in an aggregate amount sufficient to satisfy subparagraph (II) of this paragraph (b) ~~OR FROM REVENUES GENERATED THROUGH THE LEVY BY THE DIVISION OF UNEMPLOYMENT INSURANCE OF A BOND ASSESSMENT UNDER SECTION 8-71-103 (2) (d), C.R.S., FROM PAYMENTS FROM THE DIVISION OF UNEMPLOYMENT INSURANCE TO THE AUTHORITY OR MONEYS APPLIED BY THE DIVISION UNDER SECTION 8-77-101 (1), C.R.S., FROM PROCEEDS DERIVED FROM THE SALE OF BONDS AND NOTES ISSUED~~

UNDER THIS SECTION AND FROM THE EARNINGS ON THOSE PROCEEDS, AND ALL MONEY AND SECURITIES IN ALL SPECIAL ACCOUNTS CREATED BY AND UNDER THE CONTROL OF THE AUTHORITY UNDER THIS SECTION. The division of unemployment insurance shall collect and administer the bond assessment ~~on behalf of the authority~~ in substantially the same manner as other employer premiums and surcharges required ~~pursuant to the provisions of~~ UNDER articles 70 to 82 of title 8, C.R.S. Subject to articles 70 to 82 of title 8, C.R.S., the assessment does not apply to the covered employers of state and local government, to those nonprofit organizations that are reimbursable employers, or to political subdivisions electing the special rate.

(B) THE DIVISION OF UNEMPLOYMENT INSURANCE MAY DEPOSIT ALL OR ANY PORTION OF MONEYS COLLECTED FROM ASSESSMENTS FOR PRINCIPAL-RELATED BOND REPAYMENT COSTS INTO THE UNEMPLOYMENT COMPENSATION FUND. THE PORTION OF THESE REVENUES DEPOSITED INTO THE UNEMPLOYMENT COMPENSATION FUND CONSTITUTES PART OF EACH EMPLOYER'S UNEMPLOYMENT INSURANCE CONTRIBUTIONS, AND THE DIVISION OF UNEMPLOYMENT INSURANCE SHALL PAY AMOUNTS FROM THESE REVENUES TO THE AUTHORITY FOR THE REPAYMENT OF THE PRINCIPAL OF BONDS ISSUED UNDER THIS SECTION OR SECTION 8-71-103 (2) (d), C.R.S.

(III) ~~All bond~~ EMPLOYERS SHALL SUBMIT BOND assessments described in this paragraph (b) ~~must be submitted~~ ASSOCIATED WITH NONPRINCIPAL-RELATED BOND REPAYMENT COSTS in the same manner as the employer's normal premiums and surcharges paid ~~pursuant to the provisions of~~ UNDER articles 70 to 82 of title 8, C.R.S., AND THE ASSESSMENTS are a lien upon the real and personal property of ~~any such~~ AN employer in the manner and to the extent set forth in section 8-79-103, C.R.S. ~~must be segregated by the division of unemployment insurance in a special account under the control of the division, and must~~ THE DIVISION OF UNEMPLOYMENT INSURANCE SHALL DEPOSIT THESE ASSESSMENTS INTO THE UNEMPLOYMENT BOND REPAYMENT ACCOUNT CREATED IN SECTION 8-77-103.5, C.R.S., AND SHALL, after offsetting the division's costs for collecting and administering the bond assessments, ~~be used~~ USE THESE FUNDS only for ~~transfer~~ PAYMENT from time to time to one or more special accounts created by and under the control of the ~~authority~~ ISSUER OF THE BONDS. The ~~authority~~ ISSUER OF THE BONDS shall use all moneys accruing in ~~any such~~ A special account only to pay ~~the~~ NONPRINCIPAL-RELATED BOND REPAYMENT costs described in subparagraph (II) of this paragraph (b), and the ~~authority~~ ISSUER OF THE BONDS shall ~~transfer~~ PAY any moneys remaining in such AN account and not required to pay ~~such~~ NONPRINCIPAL-RELATED BOND REPAYMENT costs to the division of unemployment insurance for deposit in the unemployment compensation fund.

(IV) EMPLOYERS SHALL SUBMIT BOND ASSESSMENTS DESCRIBED IN THIS PARAGRAPH (b) ASSOCIATED WITH PRINCIPAL-RELATED BOND REPAYMENT COSTS IN THE SAME MANNER AS THE EMPLOYER'S NORMAL PREMIUMS AND SURCHARGES PAID UNDER ARTICLES 70 TO 82 OF TITLE 8, C.R.S., AND THE ASSESSMENTS ARE A LIEN UPON THE REAL AND PERSONAL PROPERTY OF AN EMPLOYER IN THE MANNER AND TO THE EXTENT SET FORTH IN SECTION 8-79-103, C.R.S. THE DIVISION OF UNEMPLOYMENT INSURANCE MAY DEPOSIT ALL OR ANY PORTION OF THE ASSESSMENTS INTO THE UNEMPLOYMENT COMPENSATION FUND. THE PORTION OF THE ASSESSMENTS DEPOSITED INTO THE UNEMPLOYMENT COMPENSATION FUND CONSTITUTE PART OF EACH EMPLOYER'S UNEMPLOYMENT INSURANCE

CONTRIBUTIONS. BOND ASSESSMENTS DESCRIBED IN THIS PARAGRAPH (b) ASSOCIATED WITH PRINCIPAL-RELATED BOND REPAYMENT COSTS ARE AVAILABLE FOR PAYMENT FROM TIME TO TIME TO ONE OR MORE SPECIAL ACCOUNTS CREATED BY AND UNDER THE CONTROL OF THE ISSUER OF THE BONDS. ALL MONEYS ACCRUING IN A SPECIAL ACCOUNT FOR PRINCIPAL-RELATED BOND REPAYMENT COSTS CAN BE USED BY THE ISSUER OF THE BONDS ONLY TO PAY THE PRINCIPAL COSTS OF THE BONDS.

SECTION 16. In Session Laws of Colorado 2012, **amend** section 33 of chapter 27 (HB 12-1120); and **add** section 34 to chapter 27 as follows:

Section 33. ~~Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2012, if adjournment sine die is on May 9, 2012), except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2012 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor. Effective date.~~ This act takes effect June 1, 2012.

Section 34. **Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

SECTION 17. Effective date. This act takes effect June 1, 2012.

SECTION 18. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 8, 2012