

HOUSE COMMITTEE OF REFERENCE REPORT

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Chair of Committee

March 24, 2026  
Date

Committee on Health & Human Services.

After consideration on the merits, the Committee recommends the following:

HB26-1327 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

- 1 Amend printed bill, page 6, strike line 24 and substitute "(6), OR A PUBLIC
- 2 ENTITY AS DEFINED IN SECTION 24-10-103 (5); OR".
  
- 3 Page 6, line 26, after "INCLUDES" insert "AFFORDABLE".
  
- 4 Page 8, strike lines 6 through 11 and substitute:  
  
5 "(13) "WORKER" MEANS AN EMPLOYEE, AS DEFINED IN SECTION  
6 8-4-101 (5), OF A LARGE EMPLOYER."
  
- 7 Page 10, strike lines 19 and 20 and substitute:  
  
8 "(g) ENGAGE THE STATE DEPARTMENT AS NECESSARY TO REVIEW  
9 ADMINISTRATIVE DATA FOR PURPOSES OF IDENTIFYING LARGE EMPLOYERS  
10 AND DETERMINING A LARGE EMPLOYER'S NUMBER OF SUPPORTED  
11 WORKERS;  
12 (h) ENGAGE THE DEPARTMENT OF REVENUE TO COLLECT AND  
13 ENFORCE THE LARGE EMPLOYER HEALTH-CARE SUPPORT FEE;"
  
- 14 Reletter succeeding paragraphs accordingly.
  
- 15 Page 14, strike lines 21 through 23 and substitute "FOR THE OPERATION OF  
16 THE ENTERPRISE; AND".
  
- 17 Reletter succeeding paragraph accordingly.
  
- 18 Page 15, strike lines 6 through 27 and substitute:

1           "(6) IN DETERMINING THE USE AND ALLOCATION OF ENTERPRISE  
2 REVENUE, THE BOARD SHALL PRIORITIZE MAINTAINING MEDICAL  
3 ASSISTANCE BENEFITS FOR SUPPORTED WORKERS AND SHALL ENSURE THAT  
4 EXPENDITURES ARE REASONABLY RELATED TO THE COST OF THE SERVICES  
5 PROVIDED TO LARGE EMPLOYERS.

6           **25.5-1-1206. Large employer health-care support fee - annual**  
7 **employer report - imposition and collection of enterprise fee - penalty**  
8 **- rules.**

9           (1) FOR THE 2027 CALENDAR YEAR, AND CONTINUING EACH  
10 CALENDAR YEAR THEREAFTER, THE ENTERPRISE SHALL IMPOSE, ASSESS,  
11 AND COLLECT THE LARGE EMPLOYER HEALTH-CARE SUPPORT FEE FROM  
12 EACH LARGE EMPLOYER.

13           (2) (a) (I) ON OR BEFORE JANUARY 31, 2028, AND NO LATER THAN  
14 EACH JANUARY 31 THEREAFTER, EVERY EMPLOYER THAT EMPLOYED FIVE  
15 HUNDRED OR MORE EMPLOYEES IN THE STATE AT ANY TIME DURING THE  
16 PRECEDING CALENDAR YEAR SHALL REPORT TO THE ENTERPRISE THE  
17 EMPLOYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER, THE AVERAGE  
18 NUMBER OF FULL-TIME, PART-TIME, AND 1099 EMPLOYEES, AND THE  
19 NUMBER OF INDIVIDUALS SUBCONTRACTED FOR THE PRIMARY WORK OF  
20 THE EMPLOYER, AND, WITH RESPECT TO EACH OF THE EMPLOYER'S  
21 EMPLOYEES THAT WERE EMPLOYED AT ANY TIME DURING THE PRECEDING  
22 CALENDAR YEAR:

- 23           (A) THE EMPLOYEE'S FULL LEGAL NAME AND DATE OF BIRTH;
- 24           (B) THE DATES WHEN THE EMPLOYEE WAS EMPLOYED DURING THE  
25 YEAR;
- 26           (C) THE AVERAGE NUMBER OF HOURS WORKED PER MONTH FOR  
27 EACH EMPLOYEE; AND
- 28           (D) ANY OTHER INFORMATION REQUIRED BY THE ENTERPRISE.

29           (II) THE ENTERPRISE MAY REQUIRE AN EMPLOYER TO FILE THE  
30 REPORT REQUIRED PURSUANT TO SUBSECTION (2)(a)(I) OF THIS SECTION  
31 ELECTRONICALLY.

32           (III) IN ADDITION TO THE EMPLOYERS REQUIRED TO FILE A REPORT  
33 PURSUANT TO SUBSECTION (2)(a)(I) OF THIS SECTION, THE ENTERPRISE  
34 MAY REQUIRE ANY OTHER EMPLOYER DOING BUSINESS IN THE STATE TO  
35 FILE A REPORT DETAILING THE INFORMATION SET FORTH IN SUBSECTION  
36 (2)(a)(I) OF THIS SECTION.

37           (IV) IF AN EMPLOYER NEGLECTS OR REFUSES TO FILE A REPORT  
38 PURSUANT TO SUBSECTION (2)(a)(I) OR (2)(a)(III) OF THIS SECTION, OR TO  
39 PROVIDE A COPY OF RECORDS AS SET FORTH IN SUBSECTION (2)(e) OF THIS  
40 SECTION, THE ENTERPRISE SHALL ESTIMATE THE AMOUNT OF THE LARGE  
41 EMPLOYER HEALTH-CARE SUPPORT FEE DUE USING THE BEST INFORMATION  
42 THAT MAY BE AVAILABLE. THE AMOUNT OF THE FEE MAY BE ESTIMATED  
43 AND ASSESSED BY THE ENTERPRISE AT ANY TIME WITHIN THREE YEARS

1 AFTER THE REPORT IS DUE.

2 (b) (I) ON OR BEFORE MARCH 31, 2028, AND NO LATER THAN EACH  
3 MARCH 31 THEREAFTER, THE ENTERPRISE SHALL DETERMINE WHETHER AN  
4 EMPLOYER IS A LARGE EMPLOYER, CALCULATE AND IMPOSE THE LARGE  
5 EMPLOYER HEALTH-CARE SUPPORT FEE DUE FOR EACH LARGE EMPLOYER,  
6 AND SEND WRITTEN NOTICE PURSUANT TO SUBSECTION (2)(b)(IV) OF THIS  
7 SECTION TO EACH LARGE EMPLOYER AND TO THE DEPARTMENT OF  
8 REVENUE.

9 (II) THE ENTERPRISE SHALL DETERMINE THE AMOUNT OF THE FEE  
10 THAT IS REASONABLE BASED ON THE COST OF SERVICES PROVIDED TO  
11 LARGE EMPLOYERS, INCLUDING MEDICAL ASSISTANCE SERVICES PROVIDED  
12 TO SUPPORTED WORKERS, WHICH FEE AMOUNT THE ENTERPRISE MAY  
13 ADJUST PURSUANT TO SUBSECTION (4) OF THIS SECTION.

14 (III) THE ENTERPRISE SHALL DETERMINE THE NUMBER OF  
15 SUPPORTED WORKERS FOR EACH EMPLOYER USING AVAILABLE  
16 ADMINISTRATIVE DATA AND DATA FROM THE ANNUAL EMPLOYER REPORT  
17 REQUIRED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION. THE  
18 ENTERPRISE SHALL ENTER INTO DATA-SHARING AGREEMENTS WITH THE  
19 DEPARTMENT OF REVENUE AND THE DEPARTMENT OF LABOR AND  
20 EMPLOYMENT, IN ADDITION TO ANY OTHER AGENCIES WITH DATA  
21 NECESSARY TO IMPLEMENT THIS SECTION.

22 (IV) THE ENTERPRISE SHALL ISSUE TO EACH LARGE EMPLOYER AND  
23 TRANSMIT TO THE DEPARTMENT OF REVENUE A WRITTEN NOTICE OF THE  
24 AMOUNT OF THE LARGE EMPLOYER HEALTH-CARE SUPPORT FEE DUE,  
25 INSTRUCTIONS AND DUE DATES FOR PAYING THE FEE, AND AN  
26 EXPLANATION OF THE PROCEDURE TO REVIEW THE IDENTIFICATION AS A  
27 LARGE EMPLOYER, THE CALCULATION OF SUPPORTED WORKERS, OR TO  
28 CLAIM THE EXEMPTION FROM THE FEE SPECIFIED IN SUBSECTION (2)(d) OF  
29 THIS SECTION. THE NOTICE MAY BE SENT ELECTRONICALLY. THE NOTICE  
30 MUST INCLUDE THE LARGE EMPLOYER'S NAME, THE LARGE EMPLOYER'S  
31 FEDERAL EMPLOYER IDENTIFICATION NUMBER, THE AMOUNT OF THE LARGE  
32 EMPLOYER HEALTH-CARE SUPPORT FEE THAT THE LARGE EMPLOYER IS  
33 REQUIRED TO PAY, AND THE DATE THE PAYMENT IS DUE PURSUANT TO THIS  
34 SUBSECTION (2).

35 (c) (I) WITHIN SIXTY DAYS AFTER THE DATE OF THE NOTICE ISSUED  
36 PURSUANT TO SUBSECTION (2)(b)(IV) OF THIS SECTION, THE EMPLOYER TO  
37 WHOM NOTICE WAS ISSUED MAY FILE WITH THE ENTERPRISE A WRITTEN  
38 REQUEST FOR REVIEW. THE REQUEST MUST SET FORTH THE REASONS FOR  
39 REQUESTED CHANGES TO THE NOTICE. THE REQUEST MAY STATE A CLAIM  
40 OF EXEMPTION FROM THE FEE PURSUANT TO SUBSECTION (2)(d) OF THIS  
41 SECTION. THE EMPLOYER REQUESTING REVIEW HAS THE BURDEN OF PROOF  
42 WITH RESPECT TO ISSUES RAISED IN THE REQUEST. THE ENTERPRISE SHALL  
43 NOTIFY THE DEPARTMENT OF REVENUE WHEN A REQUEST FOR REVIEW IS

1 MADE BY AN EMPLOYER, AND THE DEPARTMENT OF REVENUE SHALL HOLD  
2 IN ABEYANCE ANY ACTION TO COLLECT THE FEE UNTIL THE DEPARTMENT  
3 OF REVENUE RECEIVES NOTICE OF THE ENTERPRISE'S FINAL  
4 DETERMINATION PURSUANT TO SUBSECTION (2)(c)(II) OF THIS SECTION.

5 (II) UNLESS THE ENTERPRISE SUMMARILY CANCELS THE NOTICE,  
6 THE ENTERPRISE SHALL HOLD A HEARING ON THE REQUEST FOR REVIEW IN  
7 ACCORDANCE WITH ARTICLE 4 OF TITLE 24. BASED UPON THE EVIDENCE  
8 PRESENTED AT THE HEARING OR FILED WITH THE REQUEST, THE  
9 ENTERPRISE SHALL MAKE A FINAL DETERMINATION ON THE REQUEST. THE  
10 ENTERPRISE MAY AFFIRM, MODIFY, OR CANCEL THE NOTICE OR MAY GRANT  
11 AN EXEMPTION PURSUANT TO SUBSECTION (2)(d)(I) OF THIS SECTION. AN  
12 EMPLOYER IS NOT ENTITLED TO A SECOND HEARING REGARDING THE  
13 NOTICE. THE ENTERPRISE SHALL PROVIDE WRITTEN NOTICE OF ITS FINAL  
14 DETERMINATION TO THE EMPLOYER AND TO THE DEPARTMENT OF  
15 REVENUE. THE LARGE EMPLOYER SHALL PAY THE AMOUNT FOUND BY THE  
16 ENTERPRISE TO BE DUE WITHIN SIXTY DAYS AFTER THE MAILING OF THE  
17 FINAL DETERMINATION.

18 (d) (I) THE ENTERPRISE SHALL EXEMPT A LARGE EMPLOYER FROM  
19 PAYMENT OF THE LARGE EMPLOYER HEALTH-CARE SUPPORT FEE IF THE  
20 LARGE EMPLOYER DEMONSTRATES THAT THE LARGE EMPLOYER HAS  
21 OFFERED AFFORDABLE HEALTH COVERAGE TO WORKERS WHO WORK  
22 TWENTY OR MORE HOURS PER WEEK OR EIGHTY OR MORE HOURS PER  
23 MONTH.

24 (II) IF AT ANY TIME DURING THE THREE YEARS FOLLOWING THE  
25 GRANTING OF THE EXEMPTION BY THE ENTERPRISE THE LARGE EMPLOYER  
26 CEASES OFFERING AFFORDABLE HEALTH COVERAGE TO EACH WORKER WHO  
27 WORKS TWENTY OR MORE HOURS PER WEEK OR EIGHTY OR MORE HOURS  
28 PER MONTH, THE LARGE EMPLOYER SHALL NOTIFY THE ENTERPRISE THAT  
29 COVERAGE HAS CEASED. THE ENTERPRISE SHALL COMPUTE THE LARGE  
30 EMPLOYER HEALTH-CARE SUPPORT FEE THAT WOULD HAVE BEEN IMPOSED  
31 SINCE THE DATE THE EXEMPTION WAS GRANTED AND ISSUE THE LARGE  
32 EMPLOYER THE NOTICE REQUIRED BY SUBSECTION (2)(b)(IV) OF THIS  
33 SECTION. THE LARGE EMPLOYER MAY REQUEST REVIEW OF THE NOTICE AS  
34 SET FORTH IN SUBSECTION (2)(c) OF THIS SECTION.

35 (e) EVERY EMPLOYER DOING BUSINESS IN THE STATE THAT  
36 EMPLOYS FIVE HUNDRED OR MORE EMPLOYEES DURING THE CALENDAR  
37 YEAR SHALL KEEP COMPLETE AND ACCURATE RECORDS NECESSARY FOR  
38 THE DETERMINATION OF THE CORRECT AMOUNT OF THE LARGE EMPLOYER  
39 HEALTH-CARE SUPPORT FEE BY THE ENTERPRISE. AN EMPLOYER SHALL  
40 PROVIDE A COPY OF THE RECORDS REQUIRED TO BE KEPT PURSUANT TO  
41 THIS SUBSECTION (2)(e) AND ANY OTHER RECORDS DEEMED NECESSARY  
42 BY THE ENTERPRISE FOR THE DETERMINATION OF THE CORRECT AMOUNT  
43 OF THE LARGE EMPLOYER HEALTH-CARE SUPPORT FEE TO THE ENTERPRISE,

1 IF SO REQUESTED. THE ENTERPRISE MAY ESTABLISH THE ACCEPTABLE  
2 FORM OF SUCH RECORDS.

3 (f) THE ENTERPRISE AND DEPARTMENT OF REVENUE SHALL ADOPT  
4 POLICIES OR RULES CONSISTENT WITH THE RULES CONCERNING THE FILING  
5 AND PAYMENT PROVISIONS OF SECTION 39-21-119 THAT APPLY TO THE  
6 FILING AND PAYMENT DUTIES IMPOSED BY THIS SECTION.

7 (3) (a) (I) THE DEPARTMENT OF REVENUE SHALL COLLECT AND  
8 ENFORCE THE LARGE EMPLOYER HEALTH-CARE SUPPORT FEE ON BEHALF  
9 OF THE ENTERPRISE FOLLOWING NOTICE FROM THE ENTERPRISE TO THE  
10 DEPARTMENT OF REVENUE PURSUANT TO SUBSECTION (2)(b)(IV) OF THIS  
11 SECTION OR UPON RECEIPT OF NOTICE OF FINAL DETERMINATION  
12 PURSUANT TO SUBSECTION (2)(c)(II) OF THIS SECTION.

13 (II) THE DEPARTMENT OF REVENUE SHALL RETAIN AN AMOUNT  
14 THAT DOES NOT EXCEED THE TOTAL COST OF COLLECTING,  
15 ADMINISTERING, AND ENFORCING THE LARGE EMPLOYER HEALTH-CARE  
16 SUPPORT FEE AND SHALL TRANSMIT THE AMOUNT RETAINED TO THE STATE  
17 TREASURER, WHO SHALL CREDIT IT TO THE APPROPRIATE CASH FUND FOR  
18 THE DEPARTMENT OF REVENUE.

19 (b) (I) A LARGE EMPLOYER SHALL PAY THE DEPARTMENT OF  
20 REVENUE THE AMOUNT SET FORTH IN THE NOTICE ISSUED BY THE  
21 ENTERPRISE PURSUANT TO SUBSECTION (2)(b)(IV) OF THIS SECTION  
22 WITHIN SIXTY DAYS AFTER THE MAILING OF THE NOTICE UNLESS THE  
23 EMPLOYER TIMELY FILED A WRITTEN REQUEST FOR REVIEW. IF A TIMELY  
24 REQUEST FOR REVIEW IS FILED, THE LARGE EMPLOYER SHALL PAY THE  
25 DEPARTMENT OF REVENUE THE AMOUNT DUE, IF ANY, AS STATED IN THE  
26 FINAL DETERMINATION OF THE ENTERPRISE WITHIN SIXTY DAYS AFTER THE  
27 MAILING OF THE FINAL DETERMINATION. THE DEPARTMENT OF REVENUE  
28 MAY REQUIRE ELECTRONIC PAYMENT OF ANY AMOUNT DUE PURSUANT TO  
29 THIS SECTION.

30 (c) (I) IF A LARGE EMPLOYER DOES NOT PAY THE LARGE EMPLOYER  
31 HEALTH-CARE SUPPORT FEE DUE, THE DEPARTMENT OF REVENUE SHALL  
32 ADD INTEREST, PURSUANT TO SECTION 39-21-110.5, TO THE UNPAID  
33 AMOUNT AND A PENALTY EQUAL TO THE GREATER OF:

34 (A) FIFTEEN DOLLARS; OR

35 (B) TEN PERCENT OF THE UNPAID AMOUNT, PLUS ONE-HALF  
36 PERCENT PER MONTH FROM THE DATE WHEN DUE, NOT TO EXCEED  
37 EIGHTEEN PERCENT IN THE AGGREGATE.

38 (II) THE DEPARTMENT OF REVENUE SHALL PROCEED TO COLLECT  
39 THE UNPAID AMOUNT, AND ANY INTEREST OR PENALTY ADDED TO THE  
40 UNPAID AMOUNT, PURSUANT TO ARTICLE 21 OF TITLE 39 IN THE SAME  
41 MANNER AS ANY UNPAID TAX, PENALTY, OR INTEREST ASSESSED  
42 PURSUANT TO ARTICLE 21 OF TITLE 39. ALL METHODS OF COLLECTION AND  
43 REMEDIES AUTHORIZED BY ARTICLE 21 OF TITLE 39 ARE AVAILABLE TO

1 THE DEPARTMENT OF REVENUE FOR PURPOSES OF ENFORCING THIS  
2 SECTION.

3 (III) THE DEPARTMENT OF REVENUE SHALL NOT FILE A NOTICE OF  
4 LIEN, ISSUE A DISTRAINT WARRANT, INSTITUTE A SUIT FOR COLLECTION, OR  
5 TAKE ANY OTHER ACTION TO COLLECT THE AMOUNT DUE MORE THAN  
6 THREE YEARS AFTER THE PAYMENT IS DUE; EXCEPT THAT A NOTICE OF LIEN  
7 THAT HAS BEEN FILED PRIOR TO THE EXPIRATION OF THE THREE-YEAR  
8 PERIOD SHALL CONTINUE FOR ONE YEAR AFTER THE EXPIRATION OF THE  
9 THREE-YEAR PERIOD.

10 (d) THE DEPARTMENT OF REVENUE MAY:

11 (I) GRANT A REASONABLE EXTENSION OF TIME FOR PAYING THE  
12 LARGE EMPLOYER HEALTH-CARE SUPPORT FEE;

13 (II) WAIVE, FOR GOOD CAUSE SHOWN, ANY PENALTY OR INTEREST  
14 ASSESSED PURSUANT TO THIS SECTION;

15 (III) COMPROMISE ANY CIVIL CASE ARISING PURSUANT TO THIS  
16 SECTION AS SET FORTH IN SECTION 39-21-106; AND

17 (IV) ADOPT, AMEND, OR RESCIND RULES NECESSARY FOR THE  
18 ADMINISTRATION OF THIS SECTION IN ACCORDANCE WITH ARTICLE 4 OF  
19 TITLE 24.

20 (e) EXCEPT FOR THE AMOUNT RETAINED BY THE DEPARTMENT OF  
21 REVENUE PURSUANT TO SUBSECTION (3)(a)(II) OF THIS SECTION, MONEY  
22 THAT THE DEPARTMENT OF REVENUE COLLECTS PURSUANT TO THIS  
23 SECTION IS CUSTODIAL MONEY HELD TEMPORARILY BY THE DEPARTMENT  
24 OF REVENUE AND THE STATE TREASURER SOLELY FOR THE PURPOSE OF  
25 TRANSFERRING THE MONEY TO THE LARGE EMPLOYER HEALTH-CARE  
26 SUPPORT FUND FOR USE BY THE ENTERPRISE. BASED ON THE ENTERPRISE'S  
27 STATUS AS AN ENTERPRISE, THE MONEY COLLECTED AND TRANSFERRED TO  
28 THE LARGE EMPLOYER HEALTH-CARE SUPPORT FUND IS NOT SUBJECT TO  
29 SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AT ANY TIME  
30 DURING THE MONEY'S COLLECTION, TRANSFER, AND USE.

31 (4) THE ENTERPRISE MAY ANNUALLY ADJUST THE FEE AS  
32 DETERMINED PURSUANT TO SUBSECTION (2)(b)(II) OF THIS SECTION FOR  
33 INFLATION, TO REFLECT THE COST OF SERVICES PROVIDED TO LARGE  
34 EMPLOYERS, INCLUDING MEDICAL ASSISTANCE COSTS FOR SUPPORTED  
35 WORKERS OR FOR OTHER REASONS DETERMINED BY THE BOARD.

36 (5) THE ENTERPRISE MAY PAY, FROM FEE REVENUE RECEIVED BY  
37 THE ENTERPRISE, REASONABLE AND NECESSARY DIRECT AND INDIRECT  
38 EXPENSES RELATING TO:

39 (a) SERVICES OR SUPPORT PROVIDED TO THE ENTERPRISE BY THE  
40 STATE DEPARTMENT RELATING TO THE PURPOSES OF THE ENTERPRISE; AND

41 (b) THE DEPARTMENT OF REVENUE'S COLLECTION AND  
42 ENFORCEMENT OF THE FEE FROM LARGE EMPLOYERS AND TRANSMITTAL  
43 OF THE FEE TO THE STATE TREASURER.

1           (6) FOR PURPOSES OF IMPOSING, ASSESSING, AND COLLECTING THE  
2 FEE, AN EMPLOYER SHALL COMPLY WITH REQUESTS FOR DATA FROM THE  
3 ENTERPRISE, AND ANY STATE AGENCIES REQUESTING DATA ON BEHALF OF  
4 THE ENTERPRISE, THAT ARE NECESSARY TO IMPLEMENT THE ENTERPRISE'S  
5 POWERS AND DUTIES PURSUANT TO THIS PART 12."

6 Strike pages 16 through 18.

7 Page 19, strike lines 1 through 15.

8 Page 19, strike lines 23 and 24.

9 Reletter succeeding paragraphs accordingly.

10 Page 20, strike lines 13 through 27.

11 Page 21, strike lines 1 through 25 and substitute:

12           **"SECTION 2.** In Colorado Revised Statutes, 39-21-102, **add** (10)  
13 as follows:

14           **39-21-102. Scope.**

15           (10) THIS ARTICLE 21 APPLIES TO THE FEE IMPOSED PURSUANT TO  
16 SECTION 25.5-1-1206, BUT ONLY TO THE EXTENT THAT THIS ARTICLE 21 IS  
17 NOT INCONSISTENT WITH SECTION 25.5-1-1206."

18 Renumber succeeding sections accordingly.

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