



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 24-0592	Date:	July 12, 2024
Prime Sponsors:	Sen. Hinrichsen Rep. Brown	Bill Status:	Signed into Law
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Bill Topic: **WORKERS' COMPENSATION STATE EMPLOYEES**

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input checked="" type="checkbox"/> Statutory Public Entity

The bill requires the state to solicit quotes for workers' compensation insurance and restricts the use of certain conditions in workers' compensation settlements. It increases state and statutory public entity workload on an ongoing basis beginning in FY 2024-25.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The final fiscal note reflects the enacted bill.

Summary of Legislation

The bill prohibits the state from requiring an employee to resign or from barring an employee from future state employment as a settlement condition when negotiating with workers' compensation claim filers, and it requires the Department of Personnel and Administration (DPA) to periodically solicit quotes for workers' compensation insurance from Pinnacle Assurance and at least five other insurance companies and present those quotes to the General Assembly.

State Expenditures

The bill increases workload in DPA to solicit additional insurance quotes and prepare the report for the General Assembly. This workload is expected to be minimal and no change in appropriations is required.

In addition, prohibiting the state from barring future employment with the state as a settlement condition will allow more former state employees to be covered by the state's workers' compensation policies. This may increase expenditures to the extent that employees, if reinjured, are more likely to file claims due to familiarity with the workers' compensation system. Any increase in expenditures will be addressed through the annual budget process.

Statutory Public Entity

The bill increases workload for Pinnacol Assurance to provide quotes for workers' compensation insurance to the state.

Effective Date

This bill was signed into law by the Governor and took effect on June 7, 2024.

Departmental Difference

DPA estimates that expenditures will increase by up to \$9 million per year for additional workers' compensation payments to employees who would have agreed not to seek future employment with the state if the bill did not prohibit such settlement terms for workers' compensation claims. The fiscal note instead assumes that cases in which an employee is rehired by the state, reinjured, and due payments in the first year will be minimal and that any future increases, if they are incurred, will grow incrementally over time and be addressed through the annual budget process as needed.

State and Local Government Contacts

Labor and Employment

Law

Personnel and Administration

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).