

CHAPTER 199

**LABOR AND INDUSTRY**

**HOUSE BILL 94-1271**

BY REPRESENTATIVES Friednash, Blue, Greenwood, Hagedorn, Hernandez, Pierson, and Williams;  
also SENATORS Schroeder, Norton, R. Powers, and Tebedo.

**AN ACT**

**CONCERNING THE PREVENTION OF FRAUD IN THE WORKERS' COMPENSATION SYSTEM, AND MAKING AN APPROPRIATION THEREFOR.**

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

**SECTION 1.** Part 1 of article 47 of title 8, Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

**8-47-111. Division efforts to ensure employer compliance with workers' compensation coverage requirements - legislative declaration.** (1) THE GENERAL ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT IT IS IN THE BEST INTERESTS OF THE PUBLIC TO ASSURE THAT ALL EMPLOYERS WHO FALL UNDER THE PROVISIONS OF ARTICLES 40 TO 47 OF THIS TITLE HAVE IN EFFECT CURRENT POLICIES OF INSURANCE OR SELF-INSURANCE FOR WORKERS' COMPENSATION LIABILITY.

(2) IN ORDER TO IMPLEMENT THE DECLARATION IN SUBSECTION (1) OF THIS SECTION, THE DIVISION SHALL DEVELOP, BY JANUARY 1, 1995, A PROCEDURE FOR VERIFYING WHETHER OR NOT ALL EMPLOYERS DOING BUSINESS IN THE STATE OF COLORADO COMPLY WITH THE REQUIREMENTS OF ARTICLE 44 OF THIS TITLE. THIS PROCEDURE SHALL INCLUDE, BUT IS NOT LIMITED TO, CROSS-REFERENCING EMPLOYER RECORDS OF THE DIVISION OF EMPLOYMENT AND TRAINING AND THE DIVISION OF WORKERS' COMPENSATION. UPON IDENTIFYING EMPLOYERS THAT ARE NOT IN COMPLIANCE WITH ARTICLE 44 OF THIS TITLE, THE DIVISION, WITH THE ASSISTANCE AND COOPERATION OF THE ATTORNEY GENERAL, SHALL USE ALL AVAILABLE MEANS UNDER ARTICLES 40 TO 47 OF THIS TITLE TO ENSURE COMPLIANCE. EVERY INSURANCE CARRIER AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE, INCLUDING THE COLORADO COMPENSATION INSURANCE AUTHORITY, WHICH INSURES EMPLOYERS AGAINST LIABILITY FOR COMPENSATION UNDER THE PROVISIONS OF ARTICLES 40 TO 47 OF THIS TITLE, SHALL FURNISH THE DIVISION, UPON REQUEST, ALL INFORMATION

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

REQUIRED BY IT TO ACCOMPLISH THE PURPOSES OF THIS SECTION. THE DIVISION SHALL FILE A REPORT ON THE IMPLEMENTATION OF THIS SECTION WITH THE BUSINESS AFFAIRS AND LABOR COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES BY JANUARY 31, 1995.

**SECTION 2. Appropriations.** (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the workers' compensation cash fund not otherwise appropriated, to the department of labor and employment, for allocation to the division of workers' compensation, for the fiscal year beginning July 1, 1994, the sum of forty-one thousand one hundred sixty-eight dollars (\$41,168), or so much thereof as may be necessary, for the implementation of this act.

(2) In addition to any other appropriation, there is hereby appropriated, to the department of administration, for allocation to the general government computer center, for the fiscal year beginning July 1, 1994, the sum of four thousand dollars (\$4,000), or so much thereof as may be necessary, for the implementation of this act. Such sum shall be from cash funds appropriated to the department of labor and employment pursuant to subsection (1) of this section.

**SECTION 3. 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: May 19, 1994