

First Extraordinary Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 12B-2007.01 Bart Miller x2173

**HOUSE BILL 12S-1002**

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**HOUSE SPONSORSHIP**

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**Jahn,**

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**House Committees**

Economic and Business Development

**Senate Committees**

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**A BILL FOR AN ACT**

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

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**Bill Summary**

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

HOUSE  
3rd Reading Unam ended  
May 15, 2012

HOUSE  
2nd Reading Unam ended  
May 14, 2012

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills/summaries>.)*

Under current law, the Colorado housing and finance authority may issue unemployment revenue bonds for the unemployment compensation fund. The bill makes the following changes to current law:

- ! Makes the unemployment insurance laws consistent with those of the Colorado housing and finance authority with respect to the issuance of unemployment revenue bonds by either the division of unemployment insurance or the Colorado housing and finance authority.
- ! Authorizes the deposit of all or any portion of bond assessments paid by employers for principal of the bonds into the unemployment compensation fund prior to being transferred to the issuer of the bonds. This allows these payments to count toward improving the experience rating of employers.
- ! Authorizes the assessment of interest and other bond costs through the employment support fund and requires the transfer of these assessments to the issuer of the bonds for the payment of interest and other costs associated with the bonds.

In order to facilitate the issuance of unemployment revenue bonds, the bill accelerates the date for the creation of the division of unemployment insurance by adding an effective date of June 1, 2012, to House Bill 12-1120 and placing a safety clause on that bill.

The bill also makes technical changes to language enacted in House Bill 11-1288 in order to ensure appropriate transition to the new unemployment insurance premium rate structure once solvency is established in the unemployment compensation fund.

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

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

4           (a) The purpose of this act is to establish a bond payment structure  
5 that allows Colorado employers to receive positive recognition in the  
6 calculation of unemployment insurance premium payments for the

1 payment of bonds that may be issued to finance the unemployment  
2 insurance trust fund; and

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

5 **SECTION 2.** In Colorado Revised Statutes, 8-70-103, **amend**  
6 (6.5) and (13) as follows:

7 **8-70-103. Definitions.** As used in articles 70 to 82 of this title,  
8 unless the context otherwise requires:

9 (6.5) "Chargeable wages" means those wages paid to an individual  
10 employee during a calendar year on which the employer of that employee  
11 is required to pay premiums as provided by article 76 of this title,  
12 including all wages subject to a tax under federal law, which imposes a  
13 tax against which credit may be taken for premiums required to be paid  
14 into a state unemployment fund. For each calendar year, chargeable  
15 wages is the first ten thousand dollars paid to an individual; except that,  
16 effective January 1, 2012, chargeable wages for each calendar year is the  
17 first eleven thousand dollars paid to an individual and EXCEPT THAT, after  
18 ~~receipt by the revisor of statutes of written notice under~~ DECEMBER 31 OF  
19 THE CALENDAR YEAR IN WHICH THE REVISOR OF STATUTES RECEIVES THE  
20 WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the  
21 fund balance of the unemployment compensation fund on any June 30 is  
22 equal to or greater than zero dollars and all advances in accordance with  
23 the conditions specified in Title XII of the federal "Social Security Act",  
24 as amended, have been repaid, chargeable wages ~~for the following~~  
25 ~~calendar year~~ is the first eleven thousand dollars paid to an individual,  
26 adjusted by the change in the average weekly earnings prescribed in  
27 section 8-73-102, rounded to the nearest one hundred dollars. As used in

1 articles 70 to 82 of this title, chargeable wages paid includes chargeable  
2 wages constructively paid as well as chargeable wages actually paid.

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

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

11 **8-70-114. Employing unit - definitions - rules - employee**  
12 **leasing company certification fund - repeal.** (2) (g) (III) Each  
13 employee leasing company shall annually certify and provide evidence to  
14 the department that it meets one of the following criteria to provide  
15 securitization of unemployment premiums:

16 (A) Execute and file a surety bond or deposit with the division  
17 money or a letter of credit equivalent to fifty percent of the average  
18 annual amount of unemployment premium assessed within the previous  
19 calendar year for all covered employees regardless of the election made  
20 pursuant to subparagraph (VII) of paragraph (b) of this subsection (2).  
21 For a new employee leasing company, the initial bond amount will be the  
22 standard premium rate, as determined pursuant to section 8-76-103,  
23 multiplied by fifty percent of the estimated projected chargeable payroll  
24 for the current calendar year as estimated by the employee leasing  
25 company. This sub-subparagraph (A) is repealed, effective ~~upon receipt~~  
26 ~~by~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH the revisor of statutes  
27 ~~of~~ RECEIVES THE written ~~notice under~~ REPORT PURSUANT TO section

1 8-76-102.5 (1) indicating that the fund balance of the unemployment  
2 compensation fund on any June 30 is equal to or greater than zero dollars  
3 and all advances in accordance with the conditions specified in Title XII  
4 of the federal "Social Security Act", as amended, have been repaid.

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

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

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

1 BOND ASSESSMENTS LEVIED BY THE DIVISION MAY BE USED TO PAY  
2 REVENUE BONDS ISSUED BY THE DIVISION UNDER THIS PARAGRAPH (d) OR  
3 REVENUE BONDS ISSUED BY THE COLORADO HOUSING AND FINANCE  
4 AUTHORITY UNDER SECTION 29-4-710.7, C.R.S.

5 (II) ANY BONDS ISSUED PURSUANT TO THIS PARAGRAPH (d) MUST  
6 BE EXECUTED AND DELIVERED BY THE DIRECTOR OF THE DIVISION AND  
7 MAY BE IN THE FORM, MAY BE SOLD AND MAY HAVE THE SAME TERMS AS  
8 PROVIDED IN SECTION 43-4-807 (1) (b) AND (1) (c), C.R.S., MAY CONTAIN  
9 THE PROVISIONS PERMITTED BY SECTION 43-4-807 (1) (d), C.R.S., SHALL  
10 BE LEGAL INVESTMENTS FOR THE ENTITIES DESCRIBED IN, SUBJECT TO THE  
11 TERMS SET FORTH IN, SECTION 43-4-807 (3), C.R.S., AND SHALL BE  
12 EXEMPT FROM TAXATION AND ASSESSMENTS IN THE STATE AS PROVIDED  
13 IN SECTION 43-4-807 (4), C.R.S. THE DIVISION MAY INVEST OR DEPOSIT  
14 ANY PROCEEDS AND INTEREST FROM THE SALE OF SUCH BONDS AS  
15 PROVIDED IN SECTION 43-4-807 (2), C.R.S. THE DIVISION SHALL HAVE THE  
16 POWER TO ENTER INTO ALL OTHER CONTRACTS OR AGREEMENTS, WHICH  
17 CONTRACTS AND AGREEMENTS ARE NOT SUBJECT TO THE "PROCUREMENT  
18 CODE", ARTICLES 101 TO 112 OF TITLE 24, C.R.S., THAT ARE NECESSARY  
19 OR INCIDENTAL TO THE EXERCISE OF ITS POWERS AND DUTIES UNDER THIS  
20 PARAGRAPH (d), INCLUDING THE POWER TO ENGAGE THE SERVICES OF  
21 CONSULTANTS, FINANCIAL ADVISORS, UNDERWRITERS, BOND INSURERS,  
22 LETTER OF CREDIT BANKS, RATING AGENCIES, AGENTS AND OTHER  
23 PERSONS WHOSE SERVICES MAY BE REQUIRED OR DEEMED ADVANTAGEOUS  
24 BY THE DIVISION, AND THE POWER TO ENTER INTO INTEREST RATE  
25 EXCHANGE AGREEMENTS FOR BONDS THAT HAVE BEEN ISSUED IN  
26 ACCORDANCE WITH THIS PARAGRAPH (d). THE AMOUNT OF OUTSTANDING  
27 LIABILITY FOR BONDS ISSUED PURSUANT TO THIS PARAGRAPH (d) OR

1 SECTION 29-4-710.7, C.R.S., IS NOT TAKEN INTO ACCOUNT FOR PURPOSES  
2 OF RATE SETTING UNDER ARTICLE 76 OF THIS TITLE.

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

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

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

22 (C) THE AMOUNT OF BONDS TO BE ISSUED.

23 (IV) IN ADDITION TO THE WRITTEN CERTIFICATIONS SPECIFIED IN  
24 SUBPARAGRAPH (III) OF THIS PARAGRAPH (d), THE EXECUTIVE DIRECTOR  
25 OF THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL CERTIFY IN  
26 WRITING THAT THE ISSUANCE OF BONDS AS AUTHORIZED BY LAW WOULD  
27 NOT RESULT IN DECERTIFICATION OF COLORADO'S UNEMPLOYMENT

1 INSURANCE PROGRAM, IMPACT ANY CAP APPLICATION, AFFECT THE  
2 RECEIPT OF EMERGENCY UNEMPLOYMENT COMPENSATION FUNDS, CREATE  
3 AN INELIGIBILITY FOR RECEIPT OF FEDERAL FUNDS, OR RESULT IN OTHER  
4 PENALTIES OR SANCTIONS UNDER THE FEDERAL "SOCIAL SECURITY ACT",  
5 AS AMENDED, OR THE "FEDERAL UNEMPLOYMENT TAX ACT", AS  
6 AMENDED, 26 U.S.C. SEC. 3301 ET SEQ.

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

9 **8-72-110. Reciprocal interstate agreements - repeal.**  
10 (2) (a) (II) This paragraph (a) is repealed, effective ~~upon receipt by~~  
11 DECEMBER 31 OF THE CALENDAR YEAR IN WHICH the revisor of statutes ~~of~~  
12 ~~written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT TO section  
13 8-76-102.5 (1) indicating that the fund balance of the unemployment  
14 compensation fund on any June 30 is equal to or greater than zero dollars  
15 and all advances in accordance with the conditions specified in Title XII  
16 of the federal "Social Security Act", as amended, have been repaid.

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

19 **8-73-104. Duration of benefits - repeal.** (2) (a) (II) This  
20 paragraph (a) is repealed, effective ~~upon receipt by~~ DECEMBER 31 OF THE  
21 CALENDAR YEAR IN WHICH the revisor of statutes ~~of written notice under~~  
22 RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1)  
23 indicating that the fund balance of the unemployment compensation fund  
24 on any June 30 is equal to or greater than zero dollars and all advances in  
25 accordance with the conditions specified in Title XII of the federal  
26 "Social Security Act", as amended, have been repaid.

27 **SECTION 7.** In Colorado Revised Statutes, 8-75-203, **amend** (1)

1 (a) (II) as follows:

2 **8-75-203. Work share program - work share plan - eligibility**  
3 **of employer - approval - denial - repeal.** (1) (a) (II) This paragraph (a)  
4 is repealed, effective ~~upon receipt by~~ DECEMBER 31 OF THE CALENDAR  
5 YEAR IN WHICH the revisor of statutes ~~of written notice under~~ RECEIVES  
6 THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that  
7 the fund balance of the unemployment compensation fund on any June 30  
8 is equal to or greater than zero dollars and all advances in accordance  
9 with the conditions specified in Title XII of the federal "Social Security  
10 Act", as amended, have been repaid.

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

13 **8-76-102. Rate of premiums - surcharge - repeal.** (6) This  
14 section is repealed, effective ~~upon receipt by the~~ DECEMBER 31 OF THE  
15 CALENDAR YEAR IN WHICH THE revisor of statutes ~~of written notice under~~  
16 RECEIVES THE WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1)  
17 indicating that the fund balance of the unemployment compensation fund  
18 on any June 30 is equal to or greater than zero dollars and all advances in  
19 accordance with Title XII of the federal "Social Security Act", as  
20 amended, have been repaid.

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

23 **8-76-103. Future rates based on benefit experience -**  
24 **definitions - repeal.** (8) This section is repealed, effective ~~upon receipt~~  
25 ~~by the~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE revisor of  
26 statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT  
27 TO section 8-76-102.5 (1) indicating that the fund balance of the

1 unemployment compensation fund on any June 30 is equal to or greater  
2 than zero dollars and all advances in accordance with the conditions  
3 specified in Title XII of the federal "Social Security Act", as amended,  
4 have been repaid.

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

7 **8-76-104. Transfer of experience - assignment of rates -**  
8 **definitions - repeal.** (1) (c) (I) (B) This subparagraph (I) is repealed,  
9 effective ~~upon receipt by the~~ DECEMBER 31 OF THE CALENDAR YEAR IN  
10 WHICH THE revisor of statutes ~~of written notice under~~ RECEIVES THE  
11 WRITTEN REPORT PURSUANT TO section 8-76-102.5 (1) indicating that the  
12 fund balance of the unemployment compensation fund on any June 30 is  
13 equal to or greater than zero dollars and all advances in accordance with  
14 the conditions specified in Title XII of the federal "Social Security Act",  
15 as amended, have been repaid.

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

19 **8-77-101. Unemployment compensation fund - state treasurer**  
20 **custodian.** (1) (a) There is hereby established the unemployment  
21 compensation fund, which is a special fund administered by the division  
22 exclusively for the purposes of articles 70 to 82 of this title. The state  
23 treasurer is the custodian of the fund and is liable under his or her official  
24 bond for the faithful performance of all his or her duties in connection  
25 with the fund. The state treasurer shall establish and maintain within the  
26 fund the accounts specified in this article and such other accounts as may  
27 be necessary to reflect the administration of the fund by the division.

1 NOTWITHSTANDING ANY OTHER LAW, IN LIEU OF OR IN ADDITION TO THE  
2 ASSESSMENT DESCRIBED IN SECTION 29-4-710.7, C.R.S., THE DIVISION  
3 MAY PAY AMOUNTS NECESSARY AND APPROPRIATE FROM THE  
4 UNEMPLOYMENT COMPENSATION FUND TO THE COLORADO HOUSING AND  
5 FINANCE AUTHORITY FOR THE REPAYMENT OF THE PRINCIPAL OF BONDS  
6 ISSUED UNDER SECTION 29-4-710.7, C.R.S., AND MAY APPLY AMOUNTS  
7 NECESSARY AND APPROPRIATE FROM THE UNEMPLOYMENT COMPENSATION  
8 FUND TO THE REPAYMENT OF PRINCIPAL OF BONDS ISSUED UNDER SECTION  
9 8-71-103 (2) (d).

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

12 **8-77-103.5. Issuance of unemployment revenue bonds and**  
13 **notes - unemployment bond repayment account - creation.** (2) There  
14 is hereby created the unemployment bond repayment account, which shall  
15 be credited with ~~all~~ bond assessments FOR NONPRINCIPAL-RELATED BOND  
16 COSTS collected on behalf of the Colorado housing and finance authority  
17 ~~pursuant to the provisions of~~ UNDER section 29-4-710.7, C.R.S., OR BY  
18 THE DIVISION UNDER SECTION 8-71-103. After the division's costs have  
19 been deducted from the bond repayment account, moneys in the fund  
20 shall be ~~transferred~~ PAID to the account or accounts maintained by the  
21 Colorado housing and finance authority ~~pursuant to the provisions of~~  
22 UNDER section 29-4-710.7, C.R.S., OR BY THE DIVISION WITH RESPECT TO  
23 BONDS ISSUED UNDER SECTION 8-71-103.

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

26 **8-77-109. Employment support fund - employment and**  
27 **training technology fund - created - uses - repeal.** (1) (a) (II) This

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

8 (b) (I) There is hereby established the employment support fund.  
9 This fund consists of the first 0.0011 assessed as part of each employer's  
10 premium under section 8-76-102.5 (3) (a) or the amount expended from  
11 the employment support fund in the year prior to July 1, 2011, adjusted  
12 by the same percentage change prescribed in section 8-70-103 (6.5),  
13 whichever is less. The division must transfer to the unemployment  
14 compensation fund amounts in excess of the amount expended from the  
15 employment support fund in the year prior to July 1, 2011, adjusted each  
16 year by the same percentage change prescribed in section 8-70-103 (6.5).  
17 IN ADDITION, REVENUES TO PAY NONPRINCIPAL-RELATED BOND COSTS FOR  
18 BONDS ISSUED UNDER SECTION 29-4-710.7, C.R.S., OR SECTION 8-71-103  
19 (2) (d) MAY BE ADDED TO AMOUNTS ASSESSED UNDER THIS SECTION. THE  
20 DIVISION SHALL TRANSFER REVENUES COLLECTED FOR  
21 NONPRINCIPAL-RELATED BOND COSTS FOR BONDS ISSUED UNDER SECTION  
22 29-4-710.7, C.R.S., OR SECTION 8-71-103 TO THE UNEMPLOYMENT BOND  
23 REPAYMENT ACCOUNT CREATED IN SECTION 8-77-103.5. The employment  
24 support fund ~~shall~~ IS NOT BE included in or administered by the enterprise  
25 established pursuant to section 8-71-103 (2).

26 (2) (a.9) (I) (B) This subparagraph (I) is repealed, effective ~~upon~~  
27 ~~receipt by the~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE

1     revisor of statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT  
2     PURSUANT TO section 8-76-102.5 (1) indicating that the fund balance of  
3     the unemployment compensation fund on any June 30 is equal to or  
4     greater than zero dollars and all advances in accordance with the  
5     conditions specified in Title XII of the federal "Social Security Act", as  
6     amended, have been repaid.

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

9             **8-79-104. Failure to file true report - penalty - repeal.**  
10     (1) (a) (I) (B) This subparagraph (I) is repealed, effective ~~upon receipt by~~  
11     ~~the~~ DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE revisor of  
12     statutes ~~of written notice under~~ RECEIVES THE WRITTEN REPORT PURSUANT  
13     TO section 8-76-102.5 (1) indicating that the fund balance of the  
14     unemployment compensation fund on any June 30 is equal to or greater  
15     than zero dollars and all advances in accordance with the conditions  
16     specified in Title XII of the federal "Social Security Act", as amended,  
17     have been repaid.

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

21             **29-4-710.7. Powers of the board - issuance of bonds to**  
22     **maintain balances in the unemployment compensation fund.**

23     (1) Upon receiving the certifications specified in subsection (2) of this  
24     section, the authority, in addition to the other powers granted by this part  
25     7, has the following powers:

26             (b) To levy certain bond assessments as follows:

27             (I) (A) All bonds and notes issued pursuant to this section are

1 limited obligations of the authority, payable solely from revenues  
2 generated through the levy by the authority of a bond assessment against  
3 each employer, as defined in section 8-70-113, C.R.S., subject to  
4 experience rating under articles 70 to 82 of title 8, C.R.S., in an aggregate  
5 amount sufficient to satisfy subparagraph (II) of this paragraph (b) OR  
6 FROM REVENUES GENERATED THROUGH THE LEVY BY THE DIVISION OF  
7 UNEMPLOYMENT INSURANCE OF A BOND ASSESSMENT UNDER SECTION  
8 8-71-103 (2) (d), C.R.S., FROM PAYMENTS FROM THE DIVISION OF  
9 UNEMPLOYMENT INSURANCE TO THE AUTHORITY OR MONEYS APPLIED BY  
10 THE DIVISION UNDER SECTION 8-77-101 (1), C.R.S., FROM PROCEEDS  
11 DERIVED FROM THE SALE OF BONDS AND NOTES ISSUED UNDER THIS  
12 SECTION AND FROM THE EARNINGS ON THOSE PROCEEDS, AND ALL MONEY  
13 AND SECURITIES IN ALL SPECIAL ACCOUNTS CREATED BY AND UNDER THE  
14 CONTROL OF THE AUTHORITY UNDER THIS SECTION. The division of  
15 unemployment insurance shall collect and administer the bond assessment  
16 ~~on behalf of the authority~~ in substantially the same manner as other  
17 employer premiums and surcharges required ~~pursuant to the provisions~~  
18 ~~of~~ UNDER articles 70 to 82 of title 8, C.R.S. Subject to articles 70 to 82 of  
19 title 8, C.R.S., the assessment does not apply to the covered employers of  
20 state and local government, to those nonprofit organizations that are  
21 reimbursable employers, or to political subdivisions electing the special  
22 rate.

23 (B) THE DIVISION OF UNEMPLOYMENT INSURANCE MAY DEPOSIT  
24 ALL OR ANY PORTION OF MONEYS COLLECTED FROM ASSESSMENTS FOR  
25 PRINCIPAL-RELATED BOND REPAYMENT COSTS INTO THE UNEMPLOYMENT  
26 COMPENSATION FUND. THE PORTION OF THESE REVENUES DEPOSITED INTO  
27 THE UNEMPLOYMENT COMPENSATION FUND CONSTITUTES PART OF EACH

1 EMPLOYER'S UNEMPLOYMENT INSURANCE CONTRIBUTIONS, AND THE  
2 DIVISION OF UNEMPLOYMENT INSURANCE SHALL PAY AMOUNTS FROM  
3 THESE REVENUES TO THE AUTHORITY FOR THE REPAYMENT OF THE  
4 PRINCIPAL OF BONDS ISSUED UNDER THIS SECTION OR SECTION 8-71-103  
5 (2) (d), C.R.S.

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

1 unemployment compensation fund.

2 (IV) EMPLOYERS SHALL SUBMIT BOND ASSESSMENTS DESCRIBED  
3 IN THIS PARAGRAPH (b) ASSOCIATED WITH PRINCIPAL-RELATED BOND  
4 REPAYMENT COSTS IN THE SAME MANNER AS THE EMPLOYER'S NORMAL  
5 PREMIUMS AND SURCHARGES PAID UNDER ARTICLES 70 TO 82 OF TITLE 8,  
6 C.R.S., AND THE ASSESSMENTS ARE A LIEN UPON THE REAL AND PERSONAL  
7 PROPERTY OF AN EMPLOYER IN THE MANNER AND TO THE EXTENT SET  
8 FORTH IN SECTION 8-79-103, C.R.S. THE DIVISION OF UNEMPLOYMENT  
9 INSURANCE MAY DEPOSIT ALL OR ANY PORTION OF THE ASSESSMENTS INTO  
10 THE UNEMPLOYMENT COMPENSATION FUND. THE PORTION OF THE  
11 ASSESSMENTS DEPOSITED INTO THE UNEMPLOYMENT COMPENSATION FUND  
12 CONSTITUTE PART OF EACH EMPLOYER'S UNEMPLOYMENT INSURANCE  
13 CONTRIBUTIONS. BOND ASSESSMENTS DESCRIBED IN THIS PARAGRAPH (b)  
14 ASSOCIATED WITH PRINCIPAL-RELATED BOND REPAYMENT COSTS ARE  
15 AVAILABLE FOR PAYMENT FROM TIME TO TIME TO ONE OR MORE SPECIAL  
16 ACCOUNTS CREATED BY AND UNDER THE CONTROL OF THE ISSUER OF THE  
17 BONDS. ALL MONEYS ACCRUING IN A SPECIAL ACCOUNT FOR  
18 PRINCIPAL-RELATED BOND REPAYMENT COSTS CAN BE USED BY THE ISSUER  
19 OF THE BONDS ONLY TO PAY THE PRINCIPAL COSTS OF THE BONDS.

20 **SECTION 16.** In Session Laws of Colorado 2012, **amend** section  
21 33 of chapter 27 (HB 12-1120); and **add** section 34 to chapter 27 as  
22 follows:

23 Section 33. ~~Act subject to petition - effective date.~~ This act takes  
24 effect at 12:01 a.m. on the day following the expiration of the ninety-day  
25 period after final adjournment of the general assembly (August 8, 2012,  
26 if adjournment sine die is on May 9, 2012); except that, if a referendum  
27 petition is filed pursuant to section 1 (3) of article V of the state

1 ~~constitution against this act or an item, section, or part of this act within~~  
2 ~~such period, then the act, item, section, or part will not take effect unless~~  
3 ~~approved by the people at the general election to be held in November~~  
4 ~~2012 and, in such case, will take effect on the date of the official~~  
5 ~~declaration of the vote thereon by the governor.~~ **Effective date.** This act  
6 takes effect June 1, 2012.

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

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

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