

**First Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

REENGROSSED

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

LLS NO. 09-1038.01 Bart Miller

SENATE BILL 09-273

SENATE SPONSORSHIP

White, Keller, Tapia

HOUSE SPONSORSHIP

Marostica, Ferrandino, Pommer

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING CHANGES IN THE LAWS GOVERNING PINNACOL**
102 **ASSURANCE TO ALLOW THE STATE TO MAKE USE OF CERTAIN**
103 **FUNDS AUTHORIZED BY STATUTE TO BE COLLECTED BY**
104 **PINNACOL ASSURANCE, AND, IN CONNECTION THEREWITH,**
105 **AUGMENTING STATE REVENUES BY REQUIRING THE**
106 **TRANSMITTAL OF CERTAIN SURPLUS FUNDS OF PINNACOL**
107 **ASSURANCE TO THE STATE TREASURY AND CLARIFYING THE**
108 **LAWS GOVERNING PINNACOL ASSURANCE'S FUNDS. ==**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

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.

SENATE
3rd Reading Unamended
April 13, 2009

SENATE
Amended 2nd Reading
April 9, 2009

Budget Package Bill. As soon as possible between July 1, 2009, and September 1, 2009, requires the board of Pinnacol Assurance to transmit \$500,000,000 to the state treasurer, who shall credit such sum to the general fund.

Clarifies the laws governing Pinnacol Assurance to make clear its status as a political subdivision of the state and that funds of Pinnacol Assurance are not its sole property.

Adjusts the 2009-10 general appropriation act to appropriate \$300,495,615 to the department of higher education to restore reductions made to the department's budget in the 2009-10 general appropriation act.

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

2 **SECTION 1.** Article 45 of title 8, Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW SECTION to read:

4 **8-45-118.5. Transmittal of surplus Pinnacol Assurance funds**
5 **to general fund.** (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
6 ARTICLE, AS SOON AS POSSIBLE BETWEEN JULY 1, 2009, AND SEPTEMBER
7 1, 2009, THE BOARD OF PINNACOL ASSURANCE SHALL TRANSMIT OR CAUSE
8 TO BE TRANSMITTED FIVE HUNDRED MILLION DOLLARS FROM PINNACOL
9 ASSURANCE'S SURPLUS FUNDS TO THE STATE TREASURER, WHO SHALL
10 CREDIT SUCH SUM TO THE GENERAL FUND.

11 (2) NO LATER THAN JUNE 1, 2009, THE BOARD OF PINNACOL
12 ASSURANCE, THROUGH ITS CHIEF EXECUTIVE OFFICER, SHALL REPORT IN
13 WRITING TO THE JOINT BUDGET COMMITTEE AND THE STATE TREASURER
14 WITH PINNACOL ASSURANCE'S PLAN FOR THE TRANSMITTAL OF FUNDS
15 PURSUANT TO SUBSECTION (1) OF THIS SECTION.

16 **SECTION 2.** 8-45-101 (1) and (2) (c), Colorado Revised Statutes,
17 are amended to read:

18 **8-45-101. Pinnacol Assurance - creation - powers and duties.**

19 (1) There is hereby created Pinnacol Assurance, which shall be a political

1 subdivision of the state and shall operate as a domestic mutual insurance
2 company except as otherwise provided by law OFFER WORKERS'
3 COMPENSATION INSURANCE COVERAGE AND BE REGULATED BY THE
4 COMMISSIONER OF INSURANCE AS PROVIDED BY LAW. Pinnacol Assurance
5 shall not be an agency of state government, nor shall it be subject to
6 administrative direction by any state agency except as provided in this
7 article, and except for the purposes of the "Colorado Governmental
8 Immunity Act", article 10 of title 24, C.R.S. Pinnacol Assurance shall not
9 be dissolved except by the general assembly. Section 10-12-411, C.R.S.,
10 shall not apply to Pinnacol Assurance.

11 (2) (c) The board shall have the powers, rights, and duties of the
12 board of directors of a domestic mutual insurance company, except as SET
13 FORTH IN THIS ARTICLE AND otherwise provided by law.

14 **SECTION 3. Repeal.** 8-45-102 (5), Colorado Revised Statutes,
15 is repealed as follows:

16 **8-45-102. Pinnacol Assurance fund created - control of fund.**

17 (5) ~~The moneys in the Pinnacol Assurance fund shall be continuously~~
18 ~~available for the purposes of this article and shall not be transferred to or~~
19 ~~revert to the general fund of the state at the end of any fiscal year. All~~
20 ~~revenues, moneys, and assets of Pinnacol Assurance belong solely to~~
21 ~~Pinnacol Assurance. The state of Colorado has no claim to nor any~~
22 ~~interest in such revenues, moneys, and assets and shall not borrow,~~
23 ~~appropriate, or direct payments from such revenues, moneys, and assets~~
24 ~~for any purpose.~~

25 **SECTION 4. Repeal.** 8-45-117 (6), (7), and (8), Colorado
26 Revised Statutes, are repealed as follows:

27 **8-45-117. Regulation by commissioner of insurance.**

1 ~~(6) Notwithstanding the provisions of sections 8-45-102 (1) and~~
2 ~~8-45-118, upon the attainment of a reasonable surplus as set forth in~~
3 ~~section 8-45-111 and verified by audit and examination performed in~~
4 ~~accordance with section 8-45-121, all of the moneys in the Pinnacol~~
5 ~~Assurance fund shall be transferred out of the state treasury and into the~~
6 ~~custody of the board of Pinnacol Assurance. The board shall thereafter~~
7 ~~control the investment of the fund pursuant to the requirements set forth~~
8 ~~in part 2 of article 3 of title 10, C.R.S.~~

9 ~~(7) Notwithstanding the provisions of sections 8-45-102 (1) and~~
10 ~~8-45-118, upon the transfer of the moneys in the Pinnacol Assurance fund~~
11 ~~in accordance with subsection (6) of this section, the board of Pinnacol~~
12 ~~Assurance shall make all disbursements, and such disbursements shall not~~
13 ~~be made upon state warrants.~~

14 ~~(8) Notwithstanding the provisions of sections 8-45-102 (1) and~~
15 ~~8-45-119, upon the transfer of the moneys in the Pinnacol Assurance fund~~
16 ~~in accordance with subsection (6) of this section, the state treasurer shall~~
17 ~~not be required to give any bond as custodian of the Pinnacol Assurance~~
18 ~~fund.~~

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20 **SECTION 5. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety.