First Regular Session Sixty-eighth General Assembly STATE OF COLORADO

REREVISED

This Version Includes All Amendments Adopted in the Second House HOUSE BILL 11-1288

LLS NO. 11-0848.01 Bart Miller

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A BILL FOR AN ACT

101	CONCERNING UNEMPLOYMENT INSURANCE SOLVENCY REFORM, AND,
102	IN CONNECTION THEREWITH, ENACTING MEASURES TO ENHANCE
103	THE SOLVENCY OF THE UNEMPLOYMENT COMPENSATION FUND,
104	AND MAKING AN APPROPRIATION.

Bill Summary

(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/billsummaries.)

The bill makes the following changes to the financing of the unemployment compensation system:

SENATE 3rd Reading Unam ended M ay 9,2011

SENATE 2nd Reading Unam ended M ay 6, 2011

Reading Unam ended

3 Ed

ended 2nd Reading April 11, 2011

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April 15, 2011

- ! Increases the taxable wage base from the first \$10,000 to the first \$11,000 in calendar year 2012. Beginning in the first year after solvency of the unemployment compensation system, estimated to be 2014, the taxable wage base will be indexed annually to the percentage change in the state's unemployment insurance average weekly earnings.
- ! In the first year after solvency is achieved, consolidates 2 of the 3 current assessments (base premium and socialized surcharge) and part of the third (solvency surcharge) into one combined premium and a new solvency surcharge.
- L In the first year after solvency is achieved, applies the consolidated premium to a new rate schedule based on employer experience and the balance of the unemployment compensation fund. Reduces the experience component of the new schedule from 50 to 26 intervals. The top and bottom experience factors remain intact and the 2 new employer standard rates are consolidated into one. Creates new unemployment compensation system fund balance intervals, adjusted annually based on a 1.4% solvency standard. Throughout the rate schedule, the stable and proportional increases in rates occur as the unemployment compensation system fund balance is reduced, thereby allowing the unemployment compensation system to generate more revenue during solvency and reducing the burden to employers during insolvency, which usually occurs in difficult economic times for employers.
- ! In the first calendar year after solvency is achieved, puts in place a premium credit based on a 1.6% solvency standard for employers with a positive experience history and that have paid more into the unemployment compensation system than was charged in benefits during the calendar year in which the 1.6% solvency standard is exceeded.
- Requires the division of employment and training to develop an internet self-service project to allow employers 24/7 access to their account information.
- ! Requires annual reports to the general assembly on the status of the unemployment compensation fund.
- ! Clarifies provisions relating to fraud and overpayments to claimants and requires notice to claimants of penalties for fraud and overpayments.

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

SECTION 1. 8-70-103 (6.5), Colorado Revised Statutes, is
 amended to read:

3

4

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

5 (6.5)"Chargeable wages" means those wages paid TO an 6 individual employee during a calendar year on which the employer of that 7 employee is required to pay premiums as provided by article 76 of this 8 title, including all wages subject to a tax under federal law, which 9 imposes a tax against which credit may be taken for premiums required 10 to be paid into a state unemployment fund. For each calendar year, the 11 chargeable wage WAGES is the first ten thousand dollars paid TO an 12 individual; EXCEPT THAT, EFFECTIVE JANUARY 1, 2012, CHARGEABLE 13 WAGES FOR EACH CALENDAR YEAR IS THE FIRST ELEVEN THOUSAND 14 DOLLARS PAID TO AN INDIVIDUAL AND AFTER RECEIPT BY THE REVISOR OF 15 STATUTES OF WRITTEN NOTICE UNDER SECTION 8-76-102.5(1) INDICATING 16 THAT THE FUND BALANCE OF THE UNEMPLOYMENT COMPENSATION FUND 17 ON ANY JUNE 30 IS EQUAL TO OR GREATER THAN ZERO DOLLARS, AND ALL 18 ADVANCES IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN TITLE XII 19 OF THE FEDERAL "SOCIAL SECURITY ACT", AS AMENDED, HAVE BEEN 20 REPAID, CHARGEABLE WAGES FOR THE FOLLOWING CALENDAR YEAR IS THE 21 FIRST ELEVEN THOUSAND DOLLARS PAID TO AN INDIVIDUAL, ADJUSTED BY 22 THE CHANGE IN THE AVERAGE WEEKLY EARNINGS PRESCRIBED IN SECTION 23 8-73-102, ROUNDED TO THE NEAREST ONE HUNDRED DOLLARS. AS USED 24 IN ARTICLES 70 TO 82 OF THIS TITLE, CHARGEABLE WAGES PAID INCLUDES 25 CHARGEABLE WAGES CONSTRUCTIVELY PAID AS WELL AS CHARGEABLE 26 WAGES ACTUALLY PAID.

27

SECTION 2. 8-72-101 (3), Colorado Revised Statutes, is

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1 amended to read:

2 **8-72-101.** Duties and powers of division. (3) (a) Whenever any 3 event occurs that may have a material effect on the adequacy of the fund, 4 whether to increase costs or decrease revenues or otherwise, the division 5 shall promptly analyze such THE potential effect and provide such THE 6 analysis to the governor and the general assembly. For purposes of this 7 subsection (3), "event" shall include but not be limited to INCLUDES 8 proposed federal or state legislation and administrative or judicial 9 adjudications.

10 (b) THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL UPDATE 11 THE GENERAL ASSEMBLY ANNUALLY ON THE STATUS OF THE FUND DURING 12 THE HEARING CONDUCTED PURSUANT TO SECTION 2-7-203, C.R.S. BY 13 AUGUST 31, 2012, AND BY EACH AUGUST 31 THEREAFTER, THE DIVISION 14 SHALL REPORT TO THE JOINT BUDGET COMMITTEE, THE ECONOMIC AND 15 BUSINESS DEVELOPMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES, 16 AND THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE 17 SENATE, OR THEIR SUCCESSOR COMMITTEES, REGARDING THE STATUS OF 18 THE FUND. THE REPORT SHALL INCLUDE AT LEAST THE FOLLOWING FROM 19 THE PRIOR CALENDAR YEAR:

20

(I) TOTAL FUND REVENUES AND EXPENDITURES;

(II) THE HIGHEST AND LOWEST TRUST FUND BALANCE FROM THE
PRIOR CALENDAR YEAR AND A COMPARISON OF THOSE BALANCES TO THE
FOLLOWING THREE SOLVENCY MEASURES: THE RESERVE RATIO, THE
HIGH-COST MULTIPLE, AND THE AVERAGE HIGH-COST MULTIPLE;

(III) AN ANALYSIS OF THE RESPONSIVENESS OF THE FUNDING
MECHANISM TO CHANGES IN ECONOMIC CONDITIONS, BOTH POSITIVE AND
NEGATIVE;

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(IV) AN ANALYSIS OF ANY MATERIAL CONCERNS IDENTIFIED BY
 THE DIVISION IN FUND SOLVENCY, REVENUE, AND EXPENDITURES;

3 (V) AN ANALYSIS OF THE IMPACT OF TOTAL PREMIUMS ASSESSED
4 TO EMPLOYERS BY EMPLOYER SIZE AND EMPLOYER EXPERIENCE;

5 (VI) THE TOTAL AMOUNT OF OVERPAYMENTS PAID TO CLAIMANTS
6 AND THE TOTAL AMOUNT OF OVERPAYMENTS RECOVERED; AND

7 (VII) AN ANALYSIS OF MEASURES TAKEN BY THE DIVISION TO
8 REDUCE THE TOTAL NUMBER AND AMOUNT OF OVERPAYMENTS AND
9 FRAUDULENT PAYMENTS.

SECTION 3. 8-72-109 (6), Colorado Revised Statutes, is
amended to read:

12 **8-72-109.** State-federal cooperation. (6) (a) The division may 13 afford reasonable cooperation with every agency of the United States 14 charged with the administration of any law providing for payment of 15 benefits arising out of unemployment. In so doing, the division may use 16 its personnel and equipment and accept and use federal funds and make 17 payments therefrom, but in so doing it is not required to neglect or to 18 carry on with less efficiency its own program, and the state of Colorado 19 and its employees shall be free from liability except in case of gross 20 negligence or attempt to defraud the United States.

(b) THE DIRECTOR OF THE DIVISION IS AUTHORIZED TO ENTER INTO
AGREEMENTS WITH EVERY AGENCY OF THE UNITED STATES CHARGED
WITH ADMINISTRATION OF INCOME OR WAGE VERIFICATION FOR THE
PURPOSE OF EXCHANGING INFORMATION AMONG AGENCIES AS A METHOD
OF CONTROLLING THE OVERPAYMENT OF UNEMPLOYMENT BENEFITS.

26 SECTION 4. 8-76-102, Colorado Revised Statutes, is amended
27 BY THE ADDITION OF A NEW SUBSECTION to read:

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8-76-102. Rate of premiums - surcharge - repeal. (6) This
 SECTION IS REPEALED, EFFECTIVE UPON RECEIPT BY THE REVISOR OF
 STATUTES OF WRITTEN NOTICE UNDER SECTION 8-76-102.5(1) INDICATING
 THAT THE FUND BALANCE OF THE UNEMPLOYMENT COMPENSATION FUND
 ON ANY JUNE 30 IS EQUAL TO OR GREATER THAN ZERO DOLLARS, AND ALL
 ADVANCES IN ACCORDANCE WITH TITLE XII OF THE FEDERAL "SOCIAL
 SECURITY ACT", AS AMENDED, HAVE BEEN REPAID.

8 SECTION 5. Article 76 of title 8, Colorado Revised Statutes, is
9 amended BY THE ADDITION OF A NEW SECTION to read:

10 8-76-102.5. Rates effective upon fund solvency - repeal of 11 prior rates - solvency surcharge - definitions. (1) ON EACH AUGUST 12 31, THE EXECUTIVE DIRECTOR SHALL FILE A WRITTEN REPORT WITH THE 13 GENERAL ASSEMBLY, THE GOVERNOR, AND THE LEGISLATIVE AUDIT 14 COMMITTEE INDICATING THE BALANCE IN THE UNEMPLOYMENT 15 COMPENSATION FUND. WHEN THE WRITTEN REPORT INDICATES THAT THE 16 FUND BALANCE ON ANY JUNE 30 IS EQUAL TO OR GREATER THAN ZERO 17 DOLLARS, AND ALL ADVANCES IN ACCORDANCE WITH THE CONDITIONS 18 SPECIFIED IN TITLE XII OF THE FEDERAL "SOCIAL SECURITY ACT", AS 19 AMENDED, HAVE BEEN REPAID, THE EXECUTIVE DIRECTOR SHALL ALSO 20 REPORT THESE FACTS IN WRITING TO THE REVISOR OF STATUES. UPON 21 RECEIPT BY THE REVISOR OF STATUTES OF THE WRITTEN REPORT, THE 22 FOLLOWING PROVISIONS ARE REPEALED, EFFECTIVE DECEMBER 31 OF THE 23 CALENDAR YEAR OF THE WRITTEN REPORT TO THE REVISOR OF STATUTES, 24 AND THEREAFTER THIS SECTION GOVERNS THE PAYMENT OF PREMIUMS: 25 (a) SECTION 8-76-102; AND

26 (b) SECTION 8-76-103.

27 (2) EFFECTIVE JANUARY 1 OF THE CALENDAR YEAR AFTER THE

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CALENDAR YEAR OF THE REPEAL OF THE PROVISIONS UNDER SUBSECTION
 (1) OF THIS SECTION, EACH EMPLOYER SHALL PAY PREMIUMS IN THE
 MANNER PRESCRIBED BY THIS SECTION.

4 (3) (a) (I) EACH EMPLOYER'S RATE FOR THE TWELVE MONTHS
5 COMMENCING JANUARY 1 OF ANY CALENDAR YEAR SHALL BE DETERMINED
6 ON THE BASIS OF THE EMPLOYER'S RECORD PRIOR TO THE COMPUTATION
7 DATE FOR THE YEAR. THE COMPUTATION DATE FOR ANY CALENDAR YEAR
8 IS JULY 1 OF THE YEAR PRECEDING THE CALENDAR YEAR FOR WHICH THE
9 RATE IS COMPUTED.

10 (II) THE TOTAL OF ALL OF AN EMPLOYER'S PREMIUMS PAID ON HIS 11 OR HER OWN BEHALF ON OR BEFORE THIRTY-ONE DAYS IMMEDIATELY 12 AFTER THE COMPUTATION DATE AND THE TOTAL BENEFITS THAT WERE 13 CHARGEABLE TO THE EMPLOYER'S ACCOUNT AND WERE PAID BEFORE THE 14 COMPUTATION DATE, WITH RESPECT TO WEEKS, OR ANY ESTABLISHED 15 PAYROLL PERIOD OF UNEMPLOYMENT, BEGINNING BEFORE THE 16 COMPUTATION DATE, SHALL BE USED TO COMPUTE HIS OR HER PREMIUM 17 RATE FOR THE ENSUING CALENDAR YEAR; EXCEPT THAT THE MAXIMUM 18 RATE FOR NEGATIVE EXCESS EMPLOYERS THAT IS CREDITED TO THE 19 UNEMPLOYMENT COMPENSATION FUND SHALL BE AT LEAST 0.0613 20 ASSESSED AS PART OF EACH EMPLOYER'S PREMIUM UNDER THIS 21 PARAGRAPH (a). AND FOR THESE EMPLOYERS THE MAXIMUM COMBINED 22 PREMIUM RATE SHALL BE AT LEAST 0.0628 BUT NOT GREATER THAN 23 0.1039. "PERCENT OF EXCESS" MEANS THE PERCENTAGE RESULTING FROM 24 DIVIDING THE EXCESS OF PREMIUMS PAID OVER BENEFITS CHARGED BY THE 25 AVERAGE CHARGEABLE PAYROLL, COMPUTED TO THE NEAREST ONE 26 PERCENT. THE WORD "TO" IN THE COLUMN HEADINGS, WHICH MAKE 27 REFERENCE TO FUND BALANCES (RESOURCES AVAILABLE FOR BENEFITS),

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- 1 MEANS "NOT INCLUDING". "RESERVE RATIO" MEANS THE FUND BALANCE
- 2 ON ANY JUNE 30 AS A PROPORTION OF TOTAL WAGES REPORTED BY
- 3 EXPERIENCE-RATED EMPLOYERS.

1	STANDARD PREMIUM RATE SCHEDULE									
2		RESERVE								
3		RATIO								
4		0.014 or	0.011 то	0.008 to	0.006 to	0.004 то	0.000 to	0.000 то		
5		GREATER	0.014	0.011	0.008	0.006	0.004	DEFICIT		
6	Eligible									
7	EMPLOYERS PERCENT OF EXCESS									
8	+20 OR MORE	e 0.0051	0.0056	0.0058	0.0062	0.0066	0.0071	0.0075		
9	+18 to +19	0.0057	0.0062	0.0064	0.0069	0.0073	0.0078	0.0082		
10	+16 to +17	0.0058	0.0063	0.0065	0.0070	0.0074	0.0079	0.0084		
11	+14 to +15	0.0061	0.0067	0.0069	0.0075	0.0080	0.0086	0.0091		
12	+12 to +13	0.0066	0.0072	0.0075	0.0082	0.0088	0.0095	0.0101		
13	+10 to +11	0.0075	0.0083	0.0087	0.0094	0.0102	0.0110	0.0118		
14	+8 TO +9	0.0095	0.0105	0.0110	0.0120	0.0130	0.0140	0.0150		
15	+6 TO +7	0.0116	0.0129	0.0135	0.0148	0.0160	0.0173	0.0186		
16	+4 TO +5	0.0138	0.0154	0.0161	0.0177	0.0192	0.0207	0.0223		
17	+2 TO +3	0.0193	0.0214	0.0225	0.0247	0.0269	0.0291	0.0313		
18	+0 to +1	0.0271	0.0302	0.0317	0.0348	0.0379	0.0410	0.0441		
19	UNRATED	0.0296	0.0326	0.0342	0.0373	0.0403	0.0434	0.0465		

1	-0 то -1	0.0346	0.0386	0.0406	0.0447	0.0487	0.0527	0.0568
2	-2 то -3	0.0368	0.0412	0.0433	0.0476	0.0519	0.0562	0.0606
3	-4 то -5	0.0391	0.0437	0.0460	0.0506	0.0552	0.0598	0.0644
4	-6 то -7	0.0414	0.0462	0.0487	0.0535	0.0584	0.0633	0.0682
5	-8 to -9	0.0436	0.0488	0.0514	0.0565	0.0617	0.0668	0.0720
6	-10 то -11	0.0459	0.0513	0.0540	0.0595	0.0649	0.0703	0.0758
7	-12 то -13	0.0481	0.0539	0.0567	0.0624	0.0681	0.0738	0.0796
8	-14 то -15	0.0504	0.0564	0.0594	0.0654	0.0714	0.0774	0.0834
9	-16 то -17	0.0527	0.0589	0.0621	0.0683	0.0746	0.0809	0.0872
10	-18 то -19	0.0549	0.0615	0.0648	0.0713	0.0779	0.0844	0.0910
11	-20 то -21	0.0572	0.0640	0.0674	0.0743	0.0811	0.0879	0.0948
12	-22 то -23	0.0594	0.0666	0.0701	0.0772	0.0843	0.0914	0.0986
13	-24 то -25	0.0617	0.0690	0.0727	0.0801	0.0875	0.0949	0.1023
14	MORE							
15	THAN -25	0.0628	0.0703	0.0740	0.0815	0.0890	0.0964	0.1039

(b) ONLY THOSE WAGES PAID FOR COVERED EMPLOYMENT THAT
 OCCURRED BEFORE THE COMPUTATION DATE AND WERE REPORTED TO THE
 DIVISION ON OR BEFORE THIRTY-ONE DAYS IMMEDIATELY FOLLOWING THE
 COMPUTATION DATE WILL BE USED TO DETERMINE THE EXPERIENCE RATE
 EFFECTIVE FOR THE NEXT CALENDAR YEAR.

6 (c) WHENEVER AN EMPLOYER SUBJECT TO ARTICLES 70 TO 82 OF 7 THIS TITLE ACOUIRES, BEFORE THE COMPUTATION DATE AND PURSUANT TO 8 SECTION 8-76-104, ALL OR A SEGREGABLE PORTION OF THE 9 ORGANIZATION, TRADE, AND BUSINESS OR SUBSTANTIALLY ALL OF THE 10 ASSETS OF AN EMPLOYER WHO WAS SUBJECT TO ARTICLES 70 TO 82 OF THIS 11 TITLE AT THE TIME OF THE ACQUISITION, AND THE SUCCESSOR SUBMITTED 12 IN WRITING THAT THE SUCCESSOR MET THE CONDITIONS SET FORTH IN 13 SECTION 8-76-104, A TOTAL OR PARTIAL TRANSFER OF THE EXPERIENCE 14 RATING RECORD OF THE PREDECESSOR EMPLOYER SHALL BE MADE AS 15 PROVIDED IN SECTION 8-76-104. NO MERGER OF THE ACCOUNTS FOR 16 EXPERIENCE RATING PURPOSES WILL BE MADE FOR THE RATE EFFECTIVE 17 THE NEXT CALENDAR YEAR UNLESS THE INFORMATION IS SUBMITTED TO 18 THE DIVISION ON OR BEFORE SIXTY DAYS FOLLOWING THE COMPUTATION 19 DATE.

20 (d) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, AN 21 EMPLOYER. AT ANY TIME BEFORE MARCH 15 OF ANY YEAR. MAY PAY 22 VOLUNTARY PREMIUMS IN ADDITION TO THE PREMIUMS AND SURCHARGES 23 PROVIDED UNDER ARTICLES 70 TO 82 OF THIS TITLE. VOLUNTARY 24 PREMIUMS SHALL ALLOW FOR A REDUCTION OF THE EMPLOYER'S 25 EXPERIENCE RATE AND SHALL BE CREDITED TO THE EMPLOYER'S ACCOUNT 26 AND BE USED IN DETERMINING THE EMPLOYER'S RATE FOR THE CURRENT 27 CALENDAR YEAR AND SUBSEQUENT CALENDAR YEARS; EXCEPT THAT, IF AN EMPLOYER IS DELINQUENT IN THE PAYMENT OF ANY PREMIUMS OR
 SURCHARGES DUE, THE VOLUNTARY PREMIUM PAYMENTS SHALL BE
 REDUCED BY THE TOTAL AMOUNT OF DELINQUENT PREMIUMS AND
 SURCHARGES BEFORE SUCH COMPUTATION IS MADE. NO VOLUNTARY
 PREMIUMS PAID PURSUANT TO THIS PARAGRAPH (d) SHALL BE REFUNDED
 OR APPLIED TO FUTURE PREMIUM LIABILITY.

7 (e) AS USED IN SECTIONS 8-76-101 TO 8-76-104, FOR THE PURPOSE 8 OF COMPUTING THE PREMIUM RATE OF ANY EMPLOYER, THE TERM 9 "ANNUAL PAYROLL" MEANS THE TOTAL AMOUNT OF WAGES FOR 10 EMPLOYMENT PAID BY AN EMPLOYER DURING THE TWELVE-MONTH PERIOD 11 ENDING ON JUNE 30. THE TERM "AVERAGE CHARGEABLE PAYROLL" 12 MEANS THE AVERAGE OF THE CHARGEABLE PAYROLLS FOR THE LAST 13 THREE FISCAL YEARS ENDING ON JUNE 30. FOR ANY EMPLOYER WHO HAS 14 NOT REPORTED PAYROLLS TO THE DIVISION FOR THIRTY-SIX CONSECUTIVE 15 MONTHS ENDING ON JUNE 30, THE DIVISION SHALL COMPUTE THE AVERAGE CHARGEABLE PAYROLL BY DIVIDING THE TOTAL CHARGEABLE PAYROLLS 16 17 OF THE EMPLOYER DURING THE THREE FISCAL YEARS ENDING ON JUNE 30 18 BY THE TOTAL MONTHS DURING WHICH SUCH WAGES WERE PAID AND 19 MULTIPLYING THE AMOUNT SO DETERMINED BY TWELVE.

20 (f) AN EMPLOYER SHALL HAVE SIXTY CALENDAR DAYS AFTER THE 21 MAILING DATE OR THE TRANSMISSION DATE AS RECORDED BY THE DIVISION 22 OF A OUARTERLY STATEMENT OF BENEFITS CHARGED TO THE EMPLOYER'S 23 ACCOUNT IN WHICH TO FILE A WRITTEN APPLICATION FOR A REVIEW AND 24 DETERMINATION OF BENEFIT CHARGES. THE APPLICATION MUST SPECIFY 25 IN DETAIL THE GROUNDS UPON WHICH THE EMPLOYER RELIES AND MAY BE 26 FILED IN PERSON, BY MAIL, OR BY ELECTRONIC MEANS IN ACCORDANCE 27 WITH SUCH RULES AS THE DIRECTOR OF THE DIVISION MAY PROMULGATE.

THE DIVISION SHALL INVESTIGATE THE MATTERS SPECIFIED AND SHALL
 GIVE THE EMPLOYER NOTICE OF ITS REDETERMINATION BY MAIL OR BY
 ELECTRONIC MEANS. IF THE EMPLOYER FAILS TO ACT WITHIN THE
 PRESCRIBED TIME, BENEFITS CHARGED TO THE ACCOUNT SHALL BE
 DEEMED CORRECT AND FINAL. APPEAL FROM THE REDETERMINATION
 DECISION MAY BE MADE PURSUANT TO SECTION 8-76-113 (2).

7 (g) BY DECEMBER 1 OF EACH YEAR, OR AS SOON AS PRACTICABLE, 8 THE DIVISION SHALL NOTIFY EACH EMPLOYER OF THE EMPLOYER'S 9 PREMIUM RATE AS DETERMINED FOR THE NEXT CALENDAR YEAR PURSUANT 10 TO SECTIONS 8-76-101 TO 8-76-104. THE NOTIFICATION SHALL INCLUDE 11 THE AMOUNT DETERMINED AS THE EMPLOYER'S AVERAGE ANNUAL 12 PAYROLL, THE TOTAL OF ALL THE EMPLOYER'S PREMIUMS PAID ON HIS OR 13 HER OWN BEHALF AND CREDITED TO HIS OR HER ACCOUNT FOR ALL PAST 14 YEARS, AND THE TOTAL BENEFITS CHARGED TO THE EMPLOYER'S ACCOUNT 15 FOR ALL SUCH YEARS.

(h) NO LATER THAN JANUARY 1, 2013, THE DIVISION SHALL
DEVELOP AN ON-LINE COMPUTER APPLICATION THAT ALLOWS EMPLOYERS
TO REVIEW AND MANAGE ACCOUNT INFORMATION. THE ON-LINE
COMPUTER APPLICATION SHALL INCLUDE AT LEAST THE FOLLOWING:

20 (I) A METHOD FOR EMPLOYERS TO FILE PREMIUM REPORTS AND
21 MAKE PREMIUM PAYMENTS;

(II) A METHOD FOR EMPLOYERS TO REVIEW ACCOUNT BALANCES,
CHARGING HISTORY, PREMIUM RATES, AND ACCOUNT STATUS;

24 (III) A METHOD FOR EMPLOYERS TO CHANGE THE PHYSICAL
25 ADDRESS OF AN ACCOUNT, REINSTATE AN ACCOUNT, AND CLOSE AN
26 ACCOUNT; AND

27 (IV) A METHOD FOR EMPLOYERS TO RECEIVE AND RETURN

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1 DIVISION FORMS AND CORRESPONDENCE.

(i) WHENEVER THERE HAS BEEN A PERIOD OF FIVE CONSECUTIVE
CALENDAR YEARS DURING WHICH THERE WERE NO CHARGEABLE WAGES
PAID FOR SERVICES CONSIDERED EMPLOYMENT UNDER ARTICLES 70 TO 82
OF THIS TITLE, ANY BALANCE SHOWN IN THE EMPLOYER'S ACCOUNT WILL
NOT BE TRANSFERRED NOR BE USED FOR PREMIUM RATING PURPOSES IF
THE EMPLOYER AGAIN BECOMES LIABLE UNDER ARTICLES 70 TO 82 OF THIS
TITLE.

9 (4) (a) NEW EMPLOYERS PAY THE SAME PREMIUMS AS UNRATED
10 EMPLOYERS AS PRESCRIBED IN SUBSECTION (3) OF THIS SECTION, UNLESS
11 THERE HAVE BEEN TWELVE CONSECUTIVE CALENDAR MONTHS
12 IMMEDIATELY PRECEDING THE COMPUTATION DATE DURING WHICH AN
13 EMPLOYER'S ACCOUNT HAS BEEN CHARGEABLE WITH BENEFIT PAYMENTS.
14 (b) AN EMPLOYER THAT ELECTS REIMBURSEMENT UNDER SECTIONS

15 8-76-108 TO 8-76-110 IS EXEMPT FROM THIS SECTION.

16 (c) AN "EMPLOYER NEWLY SUBJECT", AS USED IN THIS ARTICLE, 17 MEANS AN EMPLOYER WHO HAS NEVER, AT ANY TIME, BEEN AN EMPLOYER 18 UNDER ANY PROVISION OF ARTICLES 70 TO 82 OF THIS TITLE, AN EMPLOYER 19 WHO HAS LOST HIS OR HER PRIOR EXPERIENCE UNDER SUBSECTION (3) OF 20 THIS SECTION, OR AN EMPLOYER WHO, UNDER SECTION 8-76-110 (2) (e), 21 TERMINATES HIS OR HER ELECTION TO MAKE PAYMENTS IN LIEU OF 22 PREMIUMS OR WHOSE ELECTION TO MAKE PAYMENTS IN LIEU OF PREMIUMS 23 HAS BEEN TERMINATED BY THE DIVISION UNDER THE AUTHORITY OF 24 SECTION 8-76-110 (4) (e) OR (4) (f).

(5) (a) THOSE EMPLOYERS NEWLY SUBJECT TO ARTICLES 70 TO 82
OF THIS TITLE AND ASSIGNED THE THREE-DIGIT NORTH AMERICAN
INDUSTRY CLASSIFICATION CODE 236, 237, OR 238 FOR THE

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CONSTRUCTION INDUSTRY MUST PAY THE SAME PREMIUMS AS UNRATED
 EMPLOYERS AS PRESCRIBED IN SUBSECTION (3) OF THIS SECTION, AT THE
 ACTUAL EXPERIENCE RATE, AT A RATE EQUAL TO THE AVERAGE ACTUAL
 EXPERIENCE RATE, OR AT A RATE EQUAL TO THE AVERAGE INDUSTRY
 PREMIUM RATE AS DETERMINED BY THE DIVISION, WHICHEVER IS GREATER,
 UNLESS THERE HAVE BEEN THIRTY-SIX CONSECUTIVE CALENDAR MONTHS
 IMMEDIATELY PRECEDING THE COMPUTATION DATE.

8 (b) FOR PURPOSES OF THIS SUBSECTION (5), ASSIGNMENT BY THE 9 DIVISION OF EMPLOYMENT AND TRAINING OF INDUSTRIAL CLASSIFICATIONS 10 TO EMPLOYERS PURSUANT TO THIS SUBSECTION (5) MUST BE IN 11 ACCORDANCE WITH PROCEDURES AND GUIDELINES OF THE BUREAU OF 12 LABOR STATISTICS OF THE UNITED STATES DEPARTMENT OF LABOR AND 13 BE THE APPROPRIATE THREE-DIGIT SUBSECTOR LEVEL FOUND IN THE 14 NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM MANUAL ISSUED BY 15 THE OFFICE OF MANAGEMENT AND BUDGET.

16 (c) FOR PURPOSES OF THIS SUBSECTION (5), "AVERAGE INDUSTRY
17 PREMIUM RATE" MEANS THE AVERAGE PREMIUM RATE OF ALL EMPLOYERS
18 ASSIGNED THE SAME THREE-DIGIT NORTH AMERICAN INDUSTRY
19 CLASSIFICATION CODE PURSUANT TO THIS SUBSECTION (5). THE RATE IS
20 COMPUTED ANNUALLY BY THE DIVISION USING THE LATEST DATA AS OF
21 THE COMPUTATION DATE.

(6) (a) A POLITICAL SUBDIVISION OR ITS INSTRUMENTALITY THAT
HAS ELECTED TO BECOME A PREMIUM-PAYING EMPLOYER WILL HAVE ITS
ACCOUNT CHARGED WITH THE FULL AMOUNT OF ALL REGULAR AND
EXTENDED BENEFITS THAT ARE ATTRIBUTABLE TO SERVICE IN ITS EMPLOY.
(b) (I) THE PREMIUM RATE FOR POLITICAL SUBDIVISIONS OR THEIR
INSTRUMENTALITIES WILL BE EXAMINED ANNUALLY IN CONJUNCTION WITH

THE EMPLOYER'S BENEFIT EXPERIENCE AND MAY BE ADJUSTED ON A
 YEAR-BY-YEAR BASIS AS PRESCRIBED BY SUBPARAGRAPH (I) OF
 PARAGRAPH (a) OF SUBSECTION (3) OF THIS SECTION.

4 (II) THE DIVISION MUST NOTIFY ALL POLITICAL SUBDIVISIONS OR
5 THEIR INSTRUMENTALITIES, AS DEFINED IN PARAGRAPH (a) OF THIS
6 SUBSECTION (6), OF THE PREMIUM RATE NO LATER THAN JANUARY 1 OF
7 THE YEAR FOR WHICH THE RATE APPLIES.

8 (7) (a) A SOLVENCY SURCHARGE WILL BE ASSESSED WHEN THE 9 FUND BALANCE OF THE UNEMPLOYMENT COMPENSATION FUND ON ANY 10 JUNE 30 IS EQUAL TO OR LESS THAN 0.005 MULTIPLIED BY THE TOTAL 11 WAGES REPORTED BY EXPERIENCE-RATED EMPLOYERS FOR THE PREVIOUS 12 CALENDAR YEAR, OR FOR THE MOST RECENT AVAILABLE FOUR 13 CONSECUTIVE QUARTERS BEFORE THE LAST COMPUTATION DATE. THE 14 SOLVENCY SURCHARGE WILL BE ASSESSED ON ALL EXPERIENCE-RATED 15 EMPLOYERS BEGINNING WITH THE NEXT CALENDAR YEAR, AND THE 16 SOLVENCY SURCHARGE IS ADDED TO THE EMPLOYER'S PREMIUM RATE. 17 THE SOLVENCY SURCHARGE RATE ADDED TO THE EMPLOYER'S PREMIUM 18 RATE WILL ALSO BE IDENTIFIED SEPARATELY ON THE EMPLOYER'S 19 PREMIUM RATE NOTICE AS THE SOLVENCY SURCHARGE. THE SOLVENCY 20 SURCHARGE REMAINS IN EFFECT UNTIL THE JUNE 30 FUND BALANCE IN THE 21 UNEMPLOYMENT COMPENSATION FUND IS EQUAL TO OR GREATER THAN 22 0.007 MULTIPLIED BY THE TOTAL WAGES REPORTED BY 23 EXPERIENCE-RATED EMPLOYERS FOR THE CALENDAR YEAR, OR FOR THE 24 MOST RECENT AVAILABLE FOUR CONSECUTIVE QUARTERS:

25 ELIGIBLE EMPLOYERS SOLVENCY SURCHARGE

26 **PERCENT OF EXCESS**

27 +20 OR MORE 0.00100

1	+18 to +19		0.00150					
2	+16 to +17		0.00150					
3	+14 to +15		0.00150					
4	+12 to +13		0.00150					
5	+10 to +11		0.00175					
6	+8 TO +9		0.00275					
7	+6 TO +7		0.00375					
8	+4 TO +5		0.00475					
9	+2 TO +3		0.00725					
10	+0 TO +1		0.01100					
11	UNRATED		0.01350					
12	-0 то -1		0.01425					
13	-2 то -3		0.01525					
14	-4 то -5		0.01625					
15	-6 то -7		0.01725					
16	-8 то -9		0.01825					
17	-10 то -11		0.01925					
18	-12 то -13		0.02025					
19	-14 то -15		0.02125					
20	-16 то -17		0.02225					
21	-18 то -19		0.02325					
22	-20 то -21		0.02425					
23	-22 то -23		0.02525					
24	-24 то -25	0.02625						
25	MORE THAN -25		0.02700					
26	(b) THE SOLVENCY SURCHARGE SHALL NOT BE ASSESSED AGAINST:							
27	(I) TH	E COVERED	EMPLOYERS	OF	STATE	AND	LOCAL	

1 GOVERNMENTS;

2 (II) NONPROFIT ORGANIZATIONS THAT ARE REIMBURSING 3 EMPLOYERS; OR

4 (III) POLITICAL SUBDIVISIONS ELECTING THE SPECIAL RATE. 5 (8) (a) SUBJECT TO THE CONDITIONS STATED IN PARAGRAPH (b) OF 6 THIS SUBSECTION (8), AN EMPLOYER IS ELIGIBLE FOR A PREMIUM CREDIT, 7 AS DETERMINED BY THE DIVISION, OF A PROPORTIONATE AMOUNT OF THE 8 EXCESS OF THE AMOUNT SPECIFIED IN SUBPARAGRAPH (IV) OF PARAGRAPH 9 (b) OF THIS SUBSECTION (8). EACH EMPLOYER THAT QUALIFIES FOR THE 10 PREMIUM CREDIT RECEIVES A SHARE OF THE TOTAL AVAILABLE PREMIUM 11 CREDIT EQUAL TO HIS OR HER PROPORTIONATE SHARE OF THE TOTAL 12 CHARGEABLE WAGES PAID BY QUALIFYING EMPLOYERS.

13 (b) AN EMPLOYER DOES NOT RECEIVE PREMIUM CREDIT UNDER
14 THIS SUBSECTION (8) UNLESS ALL OF THE FOLLOWING CONDITIONS ARE
15 MET:

16 (I) AS OF THE MOST RECENT COMPUTATION DATE, THE EMPLOYER
17 HAS FILED ALL REQUIRED REPORTS AND PAID ALL PREMIUMS AND
18 SURCHARGES DUE UNDER ARTICLES 70 TO 82 OF THIS TITLE;

(II) THE EMPLOYER IS NOT A NEGATIVE EXCESS EMPLOYER UNDER
THE TABLE IN SUBSECTION (3) OF THIS SECTION;

(III) THE EMPLOYER HAS NOT ELECTED TO MAKE REIMBURSEMENT
 PAYMENTS IN LIEU OF PREMIUMS; AND

(IV) AS OF THE COMPUTATION DATE IMMEDIATELY PRECEDING THE
 CALENDAR YEAR FOR WHICH THE PREMIUM CREDIT IS TO BE TAKEN, THE
 UNEXPENDED AND UNENCUMBERED SURPLUS BALANCE IN THE
 UNEMPLOYMENT COMPENSATION FUND CREATED IN SECTION 8-77-101 (1)
 EXCEEDED ONE AND SIX-TENTHS PERCENT OF TOTAL WAGES REPORTED BY

EXPERIENCE-RATED EMPLOYERS. AMOUNTS IN EXCESS OF ONE AND
 SIX-TENTHS PERCENT OF TOTAL COVERED WAGES ARE CONSIDERED
 AVAILABLE FOR DISBURSEMENT AS PART OF THE PREMIUM CREDIT.

4 (9) ANY PREMIUM CREDIT REMAINING TO AN EMPLOYER AFTER THE
5 FIRST YEAR IN WHICH THE PREMIUM CREDIT IS APPLIED IS AVAILABLE TO
6 THE EMPLOYER IN SUBSEQUENT CALENDAR YEARS.

7 (10) As used in subsections (8) and (9) of this section, 8 "PREMIUM CREDIT" MEANS THE DOLLAR AMOUNT DISCOUNT AVAILABLE TO 9 ELIGIBLE EMPLOYERS UNDER THE CONDITIONS SET FORTH IN PARAGRAPH 10 (b) OF SUBSECTION (8) OF THIS SECTION TO BE APPLIED AGAINST PREMIUMS 11 DUE IN ANY GIVEN CALENDAR YEAR. FOR PURPOSES OF COMPUTING AN 12 EMPLOYER'S FUTURE RATE, ANY PREMIUM CREDIT CLAIMED BY AN 13 EMPLOYER UNDER SUBSECTION (8) OF THIS SECTION IS DISREGARDED, AND 14 THE PREMIUM THAT WOULD OTHERWISE BE DUE IS DEEMED PAID.

15 (11) (a) THE DIVISION SHALL MAINTAIN A SEPARATE ACCOUNT FOR 16 EACH EMPLOYER AND SHALL CREDIT THE EMPLOYER'S ACCOUNT WITH ALL 17 PREMIUMS AND SURCHARGES PAID ON THE EMPLOYER'S BEHALF. NOTHING 18 IN ARTICLES 70 TO 82 OF THIS TITLE SHALL BE CONSTRUED TO GRANT ANY 19 EMPLOYER OR INDIVIDUALS IN THE EMPLOYER'S SERVICE PRIOR CLAIMS OR 20 RIGHTS TO THE AMOUNTS PAID BY THE EMPLOYER INTO THE FUND, EITHER 21 ON THE EMPLOYER'S BEHALF OR ON BEHALF OF SUCH INDIVIDUALS. 22 BENEFITS PAID TO AN ELIGIBLE INDIVIDUAL SHALL BE CHARGED, IN THE 23 AMOUNT PROVIDED IN THIS SECTION, AGAINST THE ACCOUNTS OF HIS OR 24 HER EMPLOYERS IN THE BASE PERIOD IN THE INVERSE CHRONOLOGICAL 25 ORDER IN WHICH THE EMPLOYMENT OF THE INDIVIDUAL OCCURRED. 26 BENEFITS PAID TO A SEASONAL WORKER DURING THE NORMAL SEASONAL 27 PERIODS SHALL BE CHARGED AGAINST THE ACCOUNT OF HIS OR HER MOST

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RECENT SEASONAL EMPLOYERS IN THE CORRESPONDING NORMAL
 SEASONAL PERIOD OF HIS OR HER BASE PERIOD IN THE INVERSE
 CHRONOLOGICAL ORDER IN WHICH THE SEASONAL EMPLOYMENT OF THE
 INDIVIDUAL OCCURRED AND PRIOR TO THE CHARGING OF BENEFITS BASED
 ON NONSEASONAL EMPLOYMENT.

6 (b) THE MAXIMUM AMOUNT CHARGED AGAINST THE EXPERIENCE 7 RATING ACCOUNT OF ANY EMPLOYER PURSUANT TO PARAGRAPH (a) OF 8 THIS SUBSECTION (11) MAY NOT EXCEED ONE-THIRD OF THE WAGES PAID 9 TO AN INDIVIDUAL BY THE EMPLOYER FOR INSURED WORK DURING THE 10 INDIVIDUAL'S BASE PERIOD, BUT NOT MORE PER COMPLETED CALENDAR 11 QUARTER OR PORTION THEREOF THAN ONE-THIRD OF THE MAXIMUM WAGE 12 CREDITS AS COMPUTED IN SECTION 8-73-104. NOTHING IN SECTIONS 13 8-76-101 to 8-76-104 shall be construed to limit benefits payable 14 PURSUANT TO SECTIONS 8-73-101 TO 8-73-106. NOTWITHSTANDING 15 SECTION 8-73-108 OR ANY ADMINISTRATIVE PRACTICE THAT RESULTS IN 16 FUND CHARGING, A REIMBURSING EMPLOYER SHALL BEAR THE COST OF ALL 17 BENEFITS PAID TO ITS FORMER EMPLOYEES, WITH THE EXCEPTION OF 18 BENEFIT OVERPAYMENTS. THE DIRECTOR OF THE DIVISION, BY GENERAL 19 RULES, SHALL PRESCRIBE THE MANNER IN WHICH BENEFITS SHALL BE 20 CHARGED AGAINST THE ACCOUNTS OF SEVERAL EMPLOYERS FOR WHOM AN 21 INDIVIDUAL PERFORMED EMPLOYMENT AT THE SAME TIME.

(c) IF, BY REASON OF FRAUD, MISTAKE, OR CLERICAL ERROR, AN
INDIVIDUAL RECEIVES BENEFITS IN EXCESS OF THOSE TO WHICH HE OR SHE
IS ENTITLED AND THE EMPLOYER'S ACCOUNT IS CHARGED, THE EMPLOYER'S
ACCOUNT SHALL BE CREDITED AN AMOUNT EQUAL TO THE BENEFITS
ERRONEOUSLY CHARGED TO THE ACCOUNT.

27 SECTION 6. 8-76-103 (1), Colorado Revised Statutes, is

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1 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

8-76-103. Future rates based on benefit experience definitions - repeal. (1) (d) IF, BY REASON OF FRAUD, MISTAKE, OR
CLERICAL ERROR, AN INDIVIDUAL RECEIVES BENEFITS IN EXCESS OF THOSE
TO WHICH HE OR SHE IS ENTITLED AND THE EMPLOYER'S ACCOUNT IS
CHARGED, THE EMPLOYER'S ACCOUNT SHALL BE CREDITED AN AMOUNT
EQUAL TO THE BENEFITS ERRONEOUSLY CHARGED TO THE ACCOUNT.

8 SECTION 7. 8-76-103, Colorado Revised Statutes, is amended
9 BY THE ADDITION OF A NEW SUBSECTION to read:

10 8-76-103. Future rates based on benefit experience -11 definitions - repeal. (8) THIS SECTION IS REPEALED, EFFECTIVE UPON 12 RECEIPT BY THE REVISOR OF STATUTES OF WRITTEN NOTICE UNDER 13 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 15 GREATER THAN ZERO DOLLARS, AND ALL ADVANCES IN ACCORDANCE WITH 16 THE CONDITIONS SPECIFIED IN TITLE XII OF THE FEDERAL "SOCIAL 17 SECURITY ACT", AS AMENDED, HAVE BEEN REPAID.

18 SECTION 8. Article 76 of title 8, Colorado Revised Statutes, is
19 amended BY THE ADDITION OF A NEW SECTION to read:

8-76-103.5. Transitional provisions - combined premium rate
for 2012 - repeal. (1) FOR CALENDAR YEAR 2012, THE INCREMENTAL
INCREASE IN THE SOLVENCY SURCHARGE ESTABLISHED IN SECTION
8-76-102 WILL BE APPLIED, AND AN AMOUNT EQUAL TO THE AMOUNT OF
THE INCREASE IN THE SURCHARGE WILL BE SUBTRACTED FROM THE
COMPUTATION ON THE EXPERIENCE-RATED EMPLOYER'S RATE FOR THE
CALENDAR YEAR 2012.

27

(2) This section is repealed, effective January 1, 2014.

1 **SECTION 9.** 8-70-114 (2) (g) (III) (A), Colorado Revised 2 Statutes, is amended, and the said 8-70-114 (2) (g) (III) is further 3 amended BY THE ADDITION OF A NEW SUB-SUBPARAGRAPH, 4 to read:

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

10 (A) Execute and file a surety bond or deposit with the division 11 money or a letter of credit equivalent to fifty percent of the average 12 annual amount of unemployment premium assessed within the previous 13 calendar year for all covered employees regardless of the election made 14 pursuant to subparagraph (VII) of paragraph (b) of this subsection (2). 15 For a new employee leasing company, the initial bond amount will be the 16 standard premium rate, as determined pursuant to section 8-76-103, 17 multiplied by fifty percent of the estimated projected chargeable payroll 18 for the current calendar year as estimated by the employee leasing 19 company. THIS SUB-SUBPARAGRAPH (A) IS REPEALED, EFFECTIVE UPON 20 RECEIPT BY THE REVISOR OF STATUTES OF WRITTEN NOTICE UNDER 21 SECTION 8-76-102.5 (1) INDICATING THAT THE FUND BALANCE OF THE 22 UNEMPLOYMENT COMPENSATION FUND ON ANY JUNE 30 IS EQUAL TO OR 23 GREATER THAN ZERO DOLLARS, AND ALL ADVANCES IN ACCORDANCE WITH 24 THE CONDITIONS SPECIFIED IN TITLE XII OF THE FEDERAL "SOCIAL 25 SECURITY ACT", AS AMENDED, HAVE BEEN REPAID.

26 (A.5) ON AND AFTER THE REPEAL OF SUB-SUBPARAGRAPH (A) OF
 27 THIS SUBPARAGRAPH (III), EXECUTE AND FILE A SURETY BOND OR DEPOSIT

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1 WITH THE DIVISION MONEY OR A LETTER OF CREDIT EQUIVALENT TO FIFTY 2 PERCENT OF THE AVERAGE ANNUAL AMOUNT OF UNEMPLOYMENT 3 PREMIUM ASSESSED WITHIN THE PREVIOUS CALENDAR YEAR FOR ALL 4 COVERED EMPLOYEES REGARDLESS OF THE ELECTION MADE PURSUANT TO 5 SUBPARAGRAPH (VII) OF PARAGRAPH (b) OF THIS SUBSECTION (2). FOR A 6 NEW EMPLOYEE LEASING COMPANY, THE INITIAL BOND AMOUNT IS THE 7 UNRATED PREMIUM RATE, AS DETERMINED PURSUANT TO SECTION 8 8-76-102.5, MULTIPLIED BY FIFTY PERCENT OF THE ESTIMATED PROJECTED 9 CHARGEABLE PAYROLL FOR THE CURRENT CALENDAR YEAR AS ESTIMATED 10 BY THE EMPLOYEE LEASING COMPANY.

SECTION 10. 8-72-110 (2), Colorado Revised Statutes, is
amended to read:

13 8-72-110. Reciprocal interstate agreements - repeal. 14 (2)(a)(I) The division is authorized to enter into reciprocal arrangements 15 with appropriate and duly authorized agencies of other states or of the 16 federal government, or both, whereby wages for insured work paid in 17 another state or by the federal government shall be ARE deemed to be 18 wages for insured work under articles 70 to 82 of this title; and wages for insured work paid under the provisions of articles 70 to 82 of this title 19 20 shall be ARE deemed to be wages on the basis of which unemployment 21 insurance is payable under such law of another state or of the federal 22 government. No such arrangement shall be entered into unless it contains 23 provision for reimbursement to the fund for such of the benefits paid 24 under articles 70 to 82 of this title on the basis of such THE wages and 25 provision for reimbursement from the fund for such THE benefits paid 26 under such other law on the basis of wages for insured work as the 27 division finds will be fair and reasonable to all affected interests.

1 Reimbursements paid from the fund pursuant to this section shall be 2 deemed to be benefits for the purposes of articles 70 to 82 of this title; 3 except that no charge shall be made to a premium-paying employer's 4 account under sections 8-76-101 to 8-76-104. With the exception of 5 benefit overpayments, such noncharging shall not apply to reimbursing 6 employer accounts that will be charged in accordance with section 7 8-76-103 in the same amount and to the same extent as if the 8 reimbursement to another state had been benefits based solely on wages 9 paid by an employer covered by articles 70 to 82 of this title.

(II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE UPON RECEIPT
BY THE REVISOR OF STATUTES OF WRITTEN NOTICE UNDER SECTION
8-76-102.5 (1) INDICATING THAT THE FUND BALANCE OF THE
UNEMPLOYMENT COMPENSATION FUND ON ANY JUNE 30 IS EQUAL TO OR
GREATER THAN ZERO DOLLARS, AND ALL ADVANCES IN ACCORDANCE WITH
THE CONDITIONS SPECIFIED IN TITLE XII OF THE FEDERAL "SOCIAL
SECURITY ACT", AS AMENDED, HAVE BEEN REPAID.

17 (b) (I) THE DIVISION MAY ENTER INTO RECIPROCAL 18 ARRANGEMENTS WITH APPROPRIATE AND DULY AUTHORIZED AGENCIES OF 19 OTHER STATES OR OF THE FEDERAL GOVERNMENT, OR BOTH, WHEREBY 20 WAGES FOR INSURED WORK PAID IN ANOTHER STATE OR BY THE FEDERAL 21 GOVERNMENT ARE DEEMED TO BE WAGES FOR INSURED WORK UNDER 22 ARTICLES 70 TO 82 OF THIS TITLE; AND WAGES FOR INSURED WORK PAID 23 UNDER ARTICLES 70 TO 82 OF THIS TITLE ARE DEEMED TO BE WAGES ON 24 THE BASIS OF WHICH UNEMPLOYMENT INSURANCE IS PAYABLE UNDER A 25 CORRESPONDING LAW OF ANOTHER STATE OR OF THE FEDERAL 26 GOVERNMENT. NO SUCH ARRANGEMENT MAY BE ENTERED INTO UNLESS 27 IT CONTAINS PROVISION FOR REIMBURSEMENT TO THE FUND FOR THE

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1 BENEFITS PAID UNDER ARTICLES 70 TO 82 OF THIS TITLE ON THE BASIS OF 2 THE WAGES AND PROVISION FOR REIMBURSEMENT FROM THE FUND FOR 3 THE BENEFITS PAID UNDER SUCH OTHER LAW ON THE BASIS OF WAGES FOR 4 INSURED WORK AS THE DIVISION FINDS WILL BE FAIR AND REASONABLE TO 5 ALL AFFECTED INTERESTS. REIMBURSEMENTS PAID FROM THE FUND 6 PURSUANT TO THIS SECTION ARE DEEMED TO BE BENEFITS FOR THE 7 PURPOSES OF ARTICLES 70 TO 82 OF THIS TITLE; EXCEPT THAT NO CHARGE 8 MAY BE MADE TO A PREMIUM-PAYING EMPLOYER'S ACCOUNT UNDER 9 SECTIONS 8-76-101 TO 8-76-104. WITH THE EXCEPTION OF BENEFIT 10 OVERPAYMENTS, THE NONCHARGING SHALL NOT APPLY TO REIMBURSING 11 EMPLOYER ACCOUNTS THAT WILL BE CHARGED IN ACCORDANCE WITH 12 SECTION 8-76-102.5 IN THE SAME AMOUNT AND TO THE SAME EXTENT AS 13 IF THE REIMBURSEMENT TO ANOTHER STATE HAD BEEN BENEFITS BASED 14 SOLELY ON WAGES PAID BY AN EMPLOYER COVERED BY ARTICLES 70 TO 82 15 OF THIS TITLE.

16 (II) THIS PARAGRAPH (b) IS EFFECTIVE ON AND AFTER THE REPEAL
17 OF PARAGRAPH (a) OF THIS SUBSECTION (2).

18 SECTION 11. 8-73-104 (2), Colorado Revised Statutes, is
19 amended to read:

20 8-73-104. Duration of benefits repeal. 21 (2) (a) (I) Notwithstanding other provisions of this section, or section 22 8-76-103 (1) (a), benefits based upon regular part-time employment may 23 not be charged to the experience rating account of the regular part-time 24 employer until the claimant has become separated from such THE regular 25 part-time employment and then only for those weeks of unemployment 26 which THAT occur after said separation.

27 (II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE UPON RECEIPT

1 BY THE REVISOR OF STATUTES OF WRITTEN NOTICE UNDER SECTION 2 8-76-102.5 (1) INDICATING THAT THE FUND BALANCE OF THE 3 UNEMPLOYMENT COMPENSATION FUND ON ANY JUNE 30 IS EQUAL TO OR 4 GREATER THAN ZERO DOLLARS, AND ALL ADVANCES IN ACCORDANCE WITH 5 THE CONDITIONS SPECIFIED IN TITLE XII OF THE FEDERAL "SOCIAL 6 SECURITY ACT", AS AMENDED, HAVE BEEN REPAID.

(b) (I) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION
OR OF SECTION 8-76-102.5 (11) (a), BENEFITS BASED UPON REGULAR
PART-TIME EMPLOYMENT MAY NOT BE CHARGED TO THE EXPERIENCE
RATING ACCOUNT OF THE REGULAR PART-TIME EMPLOYER UNTIL THE
CLAIMANT HAS BECOME SEPARATED FROM THE REGULAR PART-TIME
EMPLOYMENT, AND THEN ONLY FOR THOSE WEEKS OF UNEMPLOYMENT
THAT OCCUR AFTER THE SEPARATION.

(II) THIS PARAGRAPH (b) IS EFFECTIVE ON AND AFTER THE REPEAL
OF PARAGRAPH (a) OF THIS SUBSECTION (2).

SECTION 12. 8-75-203 (1), Colorado Revised Statutes, is
amended to read:

18 8-75-203. Work share program - work share plan - eligibility 19 of employer - approval - denial - repeal. (1) (a) (I) The director shall 20 establish a voluntary work share program for the purpose of allowing the 21 payment of unemployment compensation benefits to employees whose 22 wages and hours have been reduced. In order to participate in the work 23 share program, an employer shall submit a work share plan in writing to 24 the director for approval. If the employer is subject to a collective 25 bargaining agreement, the collective bargaining unit must agree in writing 26 to the work share plan prior to implementation. An employer that is a 27 negative excess employer pursuant to section 8-76-103 (3) (b) is not

1 eligible to participate in the work share program.

(II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE UPON RECEIPT
BY THE REVISOR OF STATUTES OF WRITTEN NOTICE UNDER SECTION
8-76-102.5 (1) INDICATING THAT THE FUND BALANCE OF THE
UNEMPLOYMENT COMPENSATION FUND ON ANY JUNE 30 IS EQUAL TO OR
GREATER THAN ZERO DOLLARS, AND ALL ADVANCES IN ACCORDANCE WITH
THE CONDITIONS SPECIFIED IN TITLE XII OF THE FEDERAL "SOCIAL
SECURITY ACT", AS AMENDED, HAVE BEEN REPAID.

9 (b) (I) THE DIRECTOR SHALL ESTABLISH A VOLUNTARY WORK 10 SHARE PROGRAM FOR THE PURPOSE OF ALLOWING THE PAYMENT OF 11 UNEMPLOYMENT COMPENSATION BENEFITS TO EMPLOYEES WHOSE WAGES 12 AND HOURS HAVE BEEN REDUCED. IN ORDER TO PARTICIPATE IN THE WORK 13 SHARE PROGRAM, AN EMPLOYER SHALL SUBMIT A WORK SHARE PLAN IN 14 WRITING TO THE DIRECTOR FOR APPROVAL. IF THE EMPLOYER IS SUBJECT 15 TO A COLLECTIVE BARGAINING AGREEMENT, THE COLLECTIVE BARGAINING 16 UNIT MUST AGREE IN WRITING TO THE WORK SHARE PLAN PRIOR TO 17 IMPLEMENTATION. AN EMPLOYER THAT IS A NEGATIVE EXCESS EMPLOYER 18 PURSUANT TO SECTION 8-76-102.5 (3) IS NOT ELIGIBLE TO PARTICIPATE IN 19 THE WORK SHARE PROGRAM.

20 (II) THIS PARAGRAPH (b) IS EFFECTIVE ON AND AFTER THE REPEAL
21 OF PARAGRAPH (a) OF THIS SUBSECTION (1).

SECTION 13. 8-76-104 (1) (c), Colorado Revised Statutes, is
amended to read:

8-76-104. Transfer of experience - assignment of rates definitions - repeal. (1) (c) (I) (A) If, at the time of transfer, a person
who is not an employer under this section acquires the trade or business
of an employer and the division finds that the successor acquired the trade

or business solely or primarily for the purpose of obtaining a lower rate of contributions, the unemployment experience of the predecessor employer shall not be transferred to the successor and the division shall assign the successor the applicable new employer rate determined pursuant to section 8-76-103 (3).

6 (B) THIS SUBPARAGRAPH (I) IS REPEALED, EFFECTIVE UPON 7 RECEIPT BY THE REVISOR OF STATUTES OF WRITTEN NOTICE UNDER 8 SECTION 8-76-102.5 (1) INDICATING THAT THE FUND BALANCE OF THE 9 UNEMPLOYMENT COMPENSATION FUND ON ANY JUNE 30 IS EQUAL TO OR 10 GREATER THAN ZERO DOLLARS, AND ALL ADVANCES IN ACCORDANCE WITH 11 THE CONDITIONS SPECIFIED IN TITLE XII OF THE FEDERAL "SOCIAL 12 SECURITY ACT", AS AMENDED, HAVE BEEN REPAID.

13 (II) (A) IF, AT THE TIME OF TRANSFER, A PERSON WHO IS NOT AN 14 EMPLOYER UNDER THIS SECTION ACQUIRES THE TRADE OR BUSINESS OF AN 15 EMPLOYER AND THE DIVISION FINDS THAT THE SUCCESSOR ACQUIRED THE 16 TRADE OR BUSINESS SOLELY OR PRIMARILY FOR THE PURPOSE OF 17 OBTAINING A LOWER RATE OF CONTRIBUTIONS, THE UNEMPLOYMENT 18 EXPERIENCE OF THE PREDECESSOR EMPLOYER SHALL NOT BE 19 TRANSFERRED TO THE SUCCESSOR AND THE DIVISION SHALL ASSIGN THE 20 SUCCESSOR THE APPLICABLE NEW EMPLOYER RATE DETERMINED 21 PURSUANT TO SECTION 8-76-102.5 (4).

(B) THIS SUBPARAGRAPH (II) IS EFFECTIVE ON AND AFTER THE
REPEAL OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c).

24 SECTION 14. 8-77-109 (1) and (2) (a.9), Colorado Revised 25 Statutes, are amended to read:

26 8-77-109. Employment support fund - employment and
27 training technology fund - created - uses - repeal. (1) (a) (I) There is

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hereby established the employment support fund which shall be credited
with fifty percent of the premium surcharge established by section
8-76-102 (4) (d) beginning July 1, 1999. The employment support fund
shall not be included in or administered by the enterprise established
pursuant to section 8-71-103 (2).

6 (II) THIS PARAGRAPH (a) IS REPEALED, EFFECTIVE UPON RECEIPT 7 BY THE REVISOR OF STATUTES OF WRITTEN NOTICE UNDER SECTION 8 8-76-102.5 (1) INDICATING THAT THE FUND BALANCE OF THE 9 UNEMPLOYMENT COMPENSATION FUND ON ANY JUNE 30 IS EQUAL TO OR 10 GREATER THAN ZERO DOLLARS, AND ALL ADVANCES IN ACCORDANCE WITH 11 THE CONDITIONS SPECIFIED IN TITLE XII OF THE FEDERAL "SOCIAL 12 SECURITY ACT", AS AMENDED, HAVE BEEN REPAID.

13 (b) (I) THERE IS HEREBY ESTABLISHED THE EMPLOYMENT SUPPORT 14 FUND. THIS FUND CONSISTS OF THE FIRST 0.0011 ASSESSED AS PART OF 15 EACH EMPLOYER'S PREMIUM UNDER SECTION 8-76-102.5 (3) (a) OR THE 16 AMOUNT EXPENDED FROM THE EMPLOYMENT SUPPORT FUND IN THE YEAR 17 PRIOR TO THE EFFECTIVE DATE OF THIS PARAGRAPH (b), ADJUSTED BY THE 18 SAME PERCENTAGE CHANGE PRESCRIBED IN SECTION 8-70-103 (6.5), 19 THE DIVISION MUST TRANSFER TO THE WHICHEVER IS LESS. 20 UNEMPLOYMENT COMPENSATION FUND AMOUNTS IN EXCESS OF THE 21 AMOUNT EXPENDED FROM THE EMPLOYMENT SUPPORT FUND IN THE YEAR 22 PRIOR TO THE EFFECTIVE DATE OF THIS PARAGRAPH (b), ADJUSTED EACH 23 YEAR BY THE SAME PERCENTAGE CHANGE PRESCRIBED IN SECTION 24 8-70-103 (6.5). The employment support fund shall not be 25 INCLUDED IN OR ADMINISTERED BY THE ENTERPRISE ESTABLISHED 26 PURSUANT TO SECTION 8-71-103(2).

27

(II) THIS PARAGRAPH (b) IS EFFECTIVE ON AND AFTER THE REPEAL

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1 OF PARAGRAPH (a) OF THIS SUBSECTION (1).

2 (2) (a.9) (I) (A) Notwithstanding any provision of this subsection 3 (2) to the contrary, beginning July 1, 2009, through December 31, 2016, 4 twenty percent of the premium surcharge established by section 8-76-102 5 (4) shall be credited to the employment and training technology fund, 6 which is hereby created in the state treasury. Moneys in the employment 7 and training technology fund shall be used for employment and training 8 automation initiatives established by the director of the division. Moneys 9 in the employment and training technology fund shall be ARE subject to 10 annual appropriation by the general assembly for the implementation of 11 this paragraph (a.9) and shall not revert to the general fund or any other 12 fund at the end of any fiscal year. The moneys in the employment and 13 training technology fund shall be ARE exempt from section 24-75-402, 14 C.R.S. If the balance of the unemployment compensation fund created 15 in section 8-77-101 falls below twenty-five million dollars, the moneys 16 in the employment and training technology fund shall be allocated to the 17 unemployment compensation fund. At any other time, the moneys in the 18 employment and training technology fund may be allocated to the 19 unemployment compensation fund at the discretion of the executive 20 director of the department of labor and employment.

(B) THIS SUBPARAGRAPH (I) IS REPEALED, EFFECTIVE UPON
RECEIPT BY THE REVISOR OF STATUTES OF WRITTEN NOTICE UNDER
SECTION 8-76-102.5 (1) INDICATING THAT THE FUND BALANCE OF THE
UNEMPLOYMENT COMPENSATION FUND ON ANY JUNE 30 IS EQUAL TO OR
GREATER THAN ZERO DOLLARS, AND ALL ADVANCES IN ACCORDANCE WITH
THE CONDITIONS SPECIFIED IN TITLE XII OF THE FEDERAL "SOCIAL
SECURITY ACT", AS AMENDED, HAVE BEEN REPAID.

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1 (II) (A) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION 2 (2) TO THE CONTRARY, ON AND AFTER THE EFFECTIVE DATE OF THIS 3 SUBPARAGRAPH (II), 0.0004 ASSESSED AGAINST EACH EMPLOYER'S 4 PREMIUM UNDER SECTION 8-76-102.5 (3) (a) OR TEN MILLION DOLLARS OF 5 ALL REVENUE COLLECTED ANNUALLY UNDER SECTION 8-76-102.5 (3) (a), 6 WHICHEVER IS LESS, SHALL BE CREDITED TO THE EMPLOYMENT AND 7 TRAINING TECHNOLOGY FUND, ALSO REFERRED TO IN THIS PARAGRAPH 8 (a.9) AS THE "FUND", WHICH IS HEREBY CREATED IN THE STATE TREASURY. 9 ANY AMOUNT COLLECTED IN EXCESS OF TEN MILLION DOLLARS UNDER 10 THIS SUBPARAGRAPH (II) SHALL BE CREDITED TO THE UNEMPLOYMENT 11 COMPENSATION FUND. MONEYS IN THE FUND SHALL BE USED FOR 12 EMPLOYMENT AND TRAINING AUTOMATION INITIATIVES ESTABLISHED BY 13 THE DIRECTOR OF THE DIVISION. MONEYS IN THE FUND ARE SUBJECT TO 14 ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE PURPOSES 15 OF THIS PARAGRAPH (a.9) AND SHALL NOT REVERT TO THE GENERAL FUND 16 OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR. THE MONEYS IN 17 THE FUND ARE EXEMPT FROM SECTION 24-75-402, C.R.S. IF THE BALANCE 18 OF THE UNEMPLOYMENT COMPENSATION FUND CREATED IN SECTION 19 8-77-101 FALLS BELOW ONE HUNDRED MILLION DOLLARS, THE MONEYS IN 20 THE EMPLOYMENT AND TRAINING TECHNOLOGY FUND SHALL BE 21 ALLOCATED TO THE UNEMPLOYMENT COMPENSATION FUND. ONCE 22 CUMULATIVE REVENUE TO THE EMPLOYMENT AND TRAINING TECHNOLOGY 23 FUND EQUALS ONE HUNDRED MILLION DOLLARS, LESS ANY MONEYS 24 TRANSFERRED TO THE UNEMPLOYMENT COMPENSATION FUND, NO 25 ADDITIONAL MONEYS SHALL BE CREDITED TO THE EMPLOYMENT AND 26 TRAINING TECHNOLOGY FUND BUT INSTEAD SHALL BE ALLOCATED TO THE 27 UNEMPLOYMENT COMPENSATION FUND. AT ANY OTHER TIME, THE

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MONEYS IN THE EMPLOYMENT AND TRAINING TECHNOLOGY FUND MAY BE
 ALLOCATED TO THE UNEMPLOYMENT COMPENSATION FUND AT THE
 DISCRETION OF THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LABOR
 AND EMPLOYMENT.

5 (B) THIS SUBPARAGRAPH (II) IS EFFECTIVE ON AND AFTER THE
6 REPEAL OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (a.9).

7 SECTION 15. 8-79-104 (1) (a), Colorado Revised Statutes, is
8 amended to read:

9 8-79-104. Failure to file true report - penalty - repeal. 10 (1) (a) (I) (A) It is the responsibility of each employer subject to the 11 provisions of articles 70 to 82 of this title to file true and accurate reports 12 whether or not premiums or surcharges are due and to pay all premiums 13 and surcharges when due. Whenever an employer fails to furnish 14 premium reports required by the division by the due date, the employer 15 shall be assessed a penalty of fifty dollars for each occurrence; except that 16 an "employer newly subject" as defined by section 8-76-103 (3) (a) (IV) 17 shall be assessed a penalty of ten dollars for each such occurrence during 18 the first four quarters of coverage. Each subsequent quarter in which the 19 employer continues the failure to file such THE reports shall be IS 20 considered a separate occurrence. Penalties collected by the division 21 pursuant to this paragraph (a) shall be paid into the unemployment 22 revenue fund.

(B) THIS SUBPARAGRAPH (I) IS REPEALED, EFFECTIVE UPON
RECEIPT BY THE REVISOR OF STATUTES OF WRITTEN NOTICE UNDER
SECTION 8-76-102.5 (1) INDICATING THAT THE FUND BALANCE OF THE
UNEMPLOYMENT COMPENSATION FUND ON ANY JUNE 30 IS EQUAL TO OR
GREATER THAN ZERO DOLLARS, AND ALL ADVANCES IN ACCORDANCE WITH

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THE CONDITIONS SPECIFIED IN TITLE XII OF THE FEDERAL "SOCIAL
 SECURITY ACT", AS AMENDED, HAVE BEEN REPAID.

3 (II) (A) IT IS THE RESPONSIBILITY OF EACH EMPLOYER SUBJECT TO ARTICLES 70 to 82 of this title to file true and accurate reports, 4 5 WHETHER OR NOT PREMIUMS OR SURCHARGES ARE DUE, AND TO PAY ALL 6 PREMIUMS AND SURCHARGES WHEN DUE. WHENEVER AN EMPLOYER FAILS 7 TO FURNISH PREMIUM REPORTS REQUIRED BY THE DIVISION BY THE DUE 8 DATE, THE DIVISION SHALL ASSESS AGAINST THE EMPLOYER A PENALTY OF 9 FIFTY DOLLARS FOR EACH OCCURRENCE; EXCEPT THAT AN "EMPLOYER 10 NEWLY SUBJECT" AS DEFINED BY SECTION 8-76-102.5 (4) SHALL BE 11 ASSESSED A PENALTY OF TEN DOLLARS FOR EACH OCCURRENCE DURING 12 THE FIRST FOUR QUARTERS OF COVERAGE. EACH SUBSEQUENT QUARTER 13 IN WHICH THE EMPLOYER CONTINUES THE FAILURE TO FILE THE REPORTS 14 SHALL BE CONSIDERED A SEPARATE OCCURRENCE. PENALTIES COLLECTED 15 BY THE DIVISION PURSUANT TO THIS SUB-SUBPARAGRAPH (A) SHALL BE 16 PAID INTO THE UNEMPLOYMENT REVENUE FUND.

17 (B) THIS SUBPARAGRAPH (II) IS EFFECTIVE ON AND AFTER THE
18 REPEAL OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (a).

SECTION 16. 8-81-101 (4) (a), Colorado Revised Statutes, is
amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:
8-81-101. Penalties. (4) (a) (IV) THE PENALTIES ASSOCIATED
WITH AN OVERPAYMENT PURSUANT TO SUBPARAGRAPH (II) OF THIS
PARAGRAPH (a) SHALL BE MADE KNOWN TO INDIVIDUALS UPON FILING AN
UNEMPLOYMENT CLAIM AS DEFINED IN SECTION 8-70-112.

25 SECTION 17. 8-81-101 (4), Colorado Revised Statutes, is
 26 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

27 **8-81-101. Penalties.** (4) (d) UPON FINAL DETERMINATION

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PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (4), REPAYMENT OF AN
 OVERPAYMENT THAT IS A RESULT OF THE INDIVIDUAL'S FALSE
 REPRESENTATION OR WILLFUL FAILURE TO DISCLOSE A MATERIAL FACT
 PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION
 (4) SHALL BE MADE WITHIN THIRTY DAYS.

6 SECTION 18. Appropriation. In addition to any other 7 appropriation, there is hereby appropriated, out of any moneys in the 8 employment support fund created in section 8-77-109 (1), Colorado 9 Revised Statutes, not otherwise appropriated, to the department of labor 10 and employment, for allocation to the division of employment and 11 training, for unemployment insurance programs, for the fiscal year 12 beginning July 1, 2011, the sum of sixty-two thousand nine hundred 13 dollars (\$62,900) cash funds, or so much thereof as may be necessary, for 14 the implementation of this act.

15 SECTION 19. Effective date. This act shall take effect July 1,
2011.

SECTION 20. 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.