

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

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, CLARIFYING THE LAWS**
108 **GOVERNING PINNACOL ASSURANCE'S FUNDS, AND MAKING AN**
109 **APPROPRIATION.**

Bill Summary

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

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.*

adopted.)

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.~~

19 ==
20 **SECTION 5. Adjustments to the 2009 long bill.** (1) For the
21 implementation of this act, appropriations made in the annual general
22 appropriation act for the fiscal year beginning July 1, 2009, to the
23 department of higher education, shall be adjusted as follows:

24 (a) The general fund appropriation to the college opportunity fund
25 program, for stipends for students attending state institutions, is increased
26 by one hundred forty-seven million three hundred ninety-one thousand
27 three hundred fifty dollars (\$147,391,350), in order to increase the stipend

1 rate by one thousand one hundred ten dollars per thirty credit hours.

2 (b) The general fund appropriation to the college opportunity fund
3 program, for fee-for-service contracts with state institutions, is increased
4 by one hundred forty million nine hundred ninety-nine thousand eighteen
5 dollars (\$140,999,018).

6 (c) The general fund appropriation to the college opportunity fund
7 program, for stipends for students attending participating private
8 institutions, is increased by four hundred forty-four thousand dollars
9 (\$444,000), in order to increase the stipend rate by ninety dollars per
10 thirty credit hours.

11 (d) (I) The general fund appropriation to the college opportunity
12 fund program, for stipends for students attending participating private
13 institutions, is increased by fifty-one thousand six hundred fifteen dollars
14 (\$51,615), for application of the stipend rate increase identified in
15 paragraph (c) of this subsection (1) to the additional ninety-three eligible
16 full-time equivalent students estimated to attend participating private
17 institutions pursuant to House Bill 09-1267.

18 (II) This paragraph (d) shall take effect only if House Bill 09-1267
19 is enacted in 2009 and becomes law.

20 (e) The appropriation to the governing boards, trustees of Adams
21 state college, from reappropriated funds, is increased by six million two
22 hundred fifty-eight thousand four hundred fifty-nine dollars (\$6,258,459).

23 Said sum shall consist of the following amounts:

24 (I) One million four hundred forty-five thousand two hundred
25 twenty dollars (\$1,445,220) shall be from the appropriation made in
26 paragraph (a) of this subsection (1) for student stipend payments; and

27 (II) Four million eight hundred thirteen thousand two hundred

1 thirty-nine dollars (\$4,813,239) shall be from the appropriation made in
2 paragraph (b) of this subsection (1) for fee-for-service contracts.

3 (f) The appropriation to the governing boards, trustees of Mesa
4 state college, from reappropriated funds, is increased by ten million two
5 hundred seventy-nine thousand five dollars (\$10,279,005). Said sum
6 shall consist of the following amounts:

7 (I) Four million nine hundred five thousand ninety dollars
8 (\$4,905,090) shall be from the appropriation made in paragraph (a) of this
9 subsection (1) for student stipend payments; and

10 (II) Five million three hundred seventy-three thousand nine
11 hundred fifteen dollars (\$5,373,915) shall be from the appropriation made
12 in paragraph (b) of this subsection (1) for fee-for-service contracts.

13 (g) The appropriation to the governing boards, trustees of
14 Metropolitan state college of Denver, from reappropriated funds, is
15 increased by twenty million five hundred forty-six thousand three
16 hundred forty-seven dollars (\$20,546,347). Said sum shall consist of the
17 following amounts:

18 (I) Eighteen million eight hundred fourteen thousand five hundred
19 dollars (\$18,814,500) shall be from the appropriation made in paragraph
20 (a) of this subsection (1) for student stipend payments; and

21 (II) One million seven hundred thirty-one thousand eight hundred
22 forty-seven dollars (\$1,731,847) shall be from the appropriation made in
23 paragraph (b) of this subsection (1) for fee-for-service contracts.

24 (h) The appropriation to the governing boards, trustees of Western
25 state college, from reappropriated funds, is increased by five million two
26 hundred sixteen thousand four hundred twenty-three dollars (\$5,216,423).
27 Said sum shall consist of the following amounts:

1 (I) One million five hundred eighty-nine thousand five hundred
2 twenty dollars (\$1,589,520) shall be from the appropriation made in
3 paragraph (a) of this subsection (1) for student stipend payments; and

4 (II) Three million six hundred twenty-six thousand nine hundred
5 three dollars (\$3,626,903) shall be from the appropriation made in
6 paragraph (b) of this subsection (1) for fee-for-service contracts.

7 (i) The appropriation to the governing boards, board of governors
8 of the Colorado state university system, from reappropriated funds, is
9 increased by sixty-one million four hundred eighty-three thousand eight
10 hundred seventy-five dollars (\$61,483,875). Said sum shall consist of the
11 following amounts:

12 (I) Twenty-two million five hundred ninety-four thousand fifty
13 dollars (\$22,594,050) shall be from the appropriation made in paragraph
14 (a) of this subsection (1) for student stipend payments; and

15 (II) Thirty-eight million eight hundred eighty-nine thousand eight
16 hundred twenty-five dollars (\$38,889,825) shall be from the appropriation
17 made in paragraph (b) of this subsection (1) for fee-for-service contracts.

18 (j) The appropriation to the governing boards, trustees of Fort
19 Lewis college, from reappropriated funds, is increased by five million
20 three hundred fifty-four thousand two hundred eighty-five dollars
21 (\$5,354,285). Said sum shall consist of the following amounts:

22 (I) Two million five hundred sixty thousand seven hundred
23 seventy dollars (\$2,560,770) shall be from the appropriation made in
24 paragraph (a) of this subsection (1) for student stipend payments; and

25 (II) Two million seven hundred ninety-three thousand five
26 hundred fifteen dollars (\$2,793,515) shall be from the appropriation made
27 in paragraph (b) of this subsection (1) for fee-for-service contracts.

1 (k) The appropriation to the governing boards, regents of the
2 university of Colorado, from reappropriated funds, is increased by
3 eighty-nine million five hundred seventy thousand four hundred
4 fifty-eight dollars (\$89,570,458). Said sum shall consist of the following
5 amounts:

6 (I) Thirty-two million one hundred thirty-one thousand one
7 hundred seventy dollars (\$32,131,170) shall be from the appropriation
8 made in paragraph (a) of this subsection (1) for student stipend payments;
9 and

10 (II) Fifty-seven million four hundred thirty-nine thousand two
11 hundred eighty-eight dollars (\$57,439,288) shall be from the
12 appropriation made in paragraph (b) of this subsection (1) for
13 fee-for-service contracts.

14 (l) The appropriation to the governing boards, trustees of the
15 Colorado school of mines, from reappropriated funds, is increased by nine
16 million nine hundred eighty-five thousand one hundred forty-six dollars
17 (\$9,985,146). Said sum shall consist of the following amounts:

18 (I) Three million six thousand nine hundred ninety dollars
19 (\$3,006,990) shall be from the appropriation made in paragraph (a) of this
20 subsection (1) for student stipend payments; and

21 (II) Six million nine hundred seventy-eight thousand one hundred
22 fifty-six dollars (\$6,978,156) shall be from the appropriation made in
23 paragraph (b) of this subsection (1) for fee-for-service contracts.

24 (m) The appropriation to the governing boards, university of
25 northern Colorado, from reappropriated funds, is increased by eighteen
26 million nine hundred five thousand six hundred fifty dollars
27 (\$18,905,650). Said sum shall consist of the following amounts:

1 (I) Eight million five hundred seventy-two thousand five hundred
2 thirty dollars (\$8,572,530) shall be from the appropriation made in
3 paragraph (a) of this subsection (1) for student stipend payments; and

4 (II) Ten million three hundred thirty-three thousand one hundred
5 twenty dollars (\$10,333,120) shall be from the appropriation made in
6 paragraph (b) of this subsection (1) for fee-for-service contracts.

7 (h) The appropriation to the governing boards, state board for
8 community colleges and occupational education state system community
9 colleges, from reappropriated funds, is increased by sixty million seven
10 hundred ninety thousand seven hundred twenty dollars (\$60,790,720).

11 Said sum shall consist of the following amounts:

12 (I) Fifty-one million seven hundred seventy-one thousand five
13 hundred ten dollars (\$51,771,510) shall be from the appropriation made
14 in paragraph (a) of this subsection (1) for student stipend payments; and

15 (II) Nine million nineteen thousand two hundred ten dollars
16 (\$9,019,210) shall be from the appropriation made in paragraph (b) of this
17 subsection (1) for fee-for-service contracts.

18 (o) The general fund appropriation to local district junior college
19 grants pursuant to section 23-71-301, Colorado Revised Statutes, is
20 increased by six million eight hundred nine thousand one hundred ninety
21 dollars (\$6,809,190).

22 (p) The general fund appropriation to the division of occupational
23 education, for allocation to area vocational school support, is increased
24 by four million eight hundred thousand four hundred forty-two dollars
25 (\$4,800,442).

26 **SECTION 6. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.