

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

May 11, 2021

Committee on Appropriations.

After consideration on the merits, the Committee recommends the following:

HB21-1208 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend the Finance Committee Report, dated April 5, 2021, page 1, after
- 2 line 3 insert:

- 3 "Page 4 of the bill, line 1, strike "SECTION 10-4-122," and substitute
- 4 "SUBSECTION (4) OF THIS SECTION,".

- 5 Page 1 of the report, after line 7 insert:

- 6 "Page 6 of the bill, line 4, after "IMPOSED BY" insert " SUBSECTION (4) OF
- 7 THIS SECTION AND".

- 8 Page 6 of the bill, line 6, strike "(4)" and substitute "(5)".

- 9 Page 6 of the bill, line 8, strike "(6)" and substitute "(7)".

- 10 Page 1 of the report, strike lines 9 through 17 and substitute:

- 11 "Page 7 of the bill, strike line 8, and substitute
- 12 "(I) IMPOSE THE FEE DESCRIBED IN SUBSECTION (4) OF THIS
- 13 SECTION;".

- 14 Page 7 of the bill, line 10, strike "(6)" and substitute "(7)".

- 15 Page 2 of the report, after line 3 insert:

1 "Page 9 of the bill, after line 13 insert:

2 "(4) **Fee.** (a) EACH INSURER THAT HAS A POLICY OR CONTRACT OF
3 INSURANCE OF THE TYPES LISTED IN SECTION 10-4-122 (2) COVERING
4 PROPERTY OR RISKS IN THE STATE SHALL PAY A FEE IMPOSED BY THE
5 ENTERPRISE TO FUND THE ENTERPRISE. FOR EACH INSURER, THE AMOUNT
6 OF THE FEE MUST EQUAL TWO DOLLARS MULTIPLIED BY THE NUMBER OF
7 CERTAIN POLICIES OR CONTRACTS OF INSURANCE OF THE TYPES LISTED IN
8 SECTION 10-4-122 (2) COVERING PROPERTY OR RISKS IN THE STATE.

9 (b) ON OR BEFORE JULY 1, 2023, AN INSURER SHALL:

10 (I) PAY THE FEE FOR THE POLICIES OR CONTRACTS OF INSURANCE
11 OF THE TYPES LISTED IN SECTION 10-4-122 (2) COVERING PROPERTY OR
12 RISKS IN THE STATE FROM MARCH 1, 2022, THROUGH DECEMBER 31, 2022,
13 AND HELD BY THE INSURER FROM MARCH 1, 2022, THROUGH DECEMBER
14 31, 2022; AND

15 (II) REPORT TO THE DIVISION OF INSURANCE THE NUMBER OF
16 POLICIES OR CONTRACTS OF INSURANCE OF THE TYPES LISTED IN SECTION
17 10-4-122 (2) COVERING PROPERTY OR RISKS IN THE STATE FROM MARCH
18 1, 2022, THROUGH DECEMBER 31, 2022, AND HELD BY THE INSURER FROM
19 MARCH 1, 2022, THROUGH DECEMBER 31, 2022.

20 (c) ON OR BEFORE JULY 1, 2024, AND ON OR BEFORE JULY 1 OF
21 EACH YEAR THEREAFTER THROUGH 2029, AN INSURER SHALL:

22 (I) PAY THE FEE FOR THE POLICIES OR CONTRACTS OF INSURANCE
23 OF THE TYPES LISTED IN SECTION 10-4-122 (2) COVERING PROPERTY OR
24 RISKS IN THE STATE DURING THE PREVIOUS CALENDAR YEAR AND HELD BY
25 THE INSURER IN THE PREVIOUS CALENDAR YEAR; AND

26 (II) REPORT TO THE DIVISION OF INSURANCE THE NUMBER OF
27 POLICIES OR CONTRACTS OF INSURANCE OF THE TYPES LISTED IN SECTION
28 10-4-122 (2) COVERING PROPERTY OR RISKS IN THE STATE DURING THE
29 PREVIOUS CALENDAR YEAR AND HELD BY THE INSURER IN THE PREVIOUS
30 CALENDAR YEAR.

31 (d) ON OR BEFORE DECEMBER 31, 2023, AND ON OR BEFORE
32 DECEMBER 31 EACH YEAR THEREAFTER THROUGH 2029, THE DIVISION OF
33 INSURANCE SHALL COMPARE THE LIST OF INSURERS WHO PAID THE FEE
34 WITH THE LIST OF THOSE INSURERS THAT HAVE POLICIES OR CONTRACTS OF
35 THE TYPES LISTED IN SECTION 10-4-122 (2) COVERING PROPERTY OR RISKS
36 IN THE STATE. IF AN INSURER FAILS TO PAY THE FEE OR PAYS AN
37 INSUFFICIENT AMOUNT, THE DIVISION OF INSURANCE SHALL NOTIFY THE
38 INSURER OF THE REQUIREMENT TO PAY THE FEE AND THE AMOUNT OF ANY
39 DEFICIENCY. IF THE INSURER FAILS TO PAY THE FEE WITHIN FIFTEEN DAYS
40 AFTER RECEIVING THE NOTICE, THE DIVISION OF INSURANCE MAY IMPOSE

1 A CIVIL PENALTY OF NOT MORE THAN ONE HUNDRED TWENTY PERCENT OF
2 THE AMOUNT DUE. THE INSURER SHALL PAY THE CIVIL PENALTY TO THE
3 DIVISION OF INSURANCE. THE DIVISION OF INSURANCE SHALL TRANSFER
4 THE AMOUNT RECEIVED TO THE STATE TREASURER WHO SHALL CREDIT THE
5 SAME TO THE FUND.

6 (e) EACH INSURER SUBJECT TO THE PROVISIONS OF THIS
7 SUBSECTION (4) IS AUTHORIZED TO RECOUP THE FEE DESCRIBED IN THIS
8 SUBSECTION (4) FROM ITS POLICY HOLDERS.

9 (f) EACH INSURER SUBJECT TO THE PROVISIONS OF THIS
10 SUBSECTION (4) SHALL NOT RAISE ITS PREMIUMS BASED ON THE FEE
11 DESCRIBED IN THIS SUBSECTION (4).

12 (g) THE FEE DESCRIBED IN THIS SUBSECTION (4) MUST NOT BE
13 CONSIDERED A PREMIUM FOR ANY PURPOSE, INCLUDING THE COMPUTATION
14 OF THE GROSS PREMIUM TAX DESCRIBED IN SECTION 10-3-209 OR THE
15 PRODUCER'S COMMISSION.

16 (h) THE ENTERPRISE SHALL ALSO ENSURE, BY LOWERING THE FEE
17 IMPOSED BY THIS SUBSECTION (4) TO THE EXTENT NECESSARY, THAT THE
18 TOTAL AMOUNT OF FEE REVENUE DOES NOT EXCEED ONE HUNDRED
19 MILLION DOLLARS OVER THE FIRST FIVE FISCAL YEARS OF THE
20 ENTERPRISE'S EXISTENCE."

21 Renumber succeeding subsections accordingly.

22 Page 10 of the bill, line 2, strike "(6)" and substitute "(7)".

23 Page 11 of the bill, line 5, strike "(6)" and substitute "(7)".

24 Page 11 of the bill, line 10, strike "(6)." and substitute "(7)".

25 Page 11 of the bill, line 12, strike "(5)" and substitute "(6)".

26 Page 2 of the report, after line 4 insert:

27 "Page 12 of the bill, line 7, strike "AND".

28 Page 12 of the bill, line 9, strike "COMMUNITIES." and substitute
29 "COMMUNITIES; AND".

30 Page 12 of the bill, after line 9 insert:

31 "(IV) THE DEGREE TO WHICH THE ELIGIBLE ENTITY'S PROPOSAL
32 DEMONSTRATES CONSULTATION AND COLLABORATION WITH



- 1 UNDERSERVED COMMUNITIES."."
- 2 Page 2 of the report, after line 5 insert:
- 3 "Page 13 of the bill, line 5, strike "(6)." and substitute "(7)".
- 4 Page 13 of the bill, line 15, strike "(6)" and substitute "(7)".
- 5 Page 14 of the bill, line 5, strike "(5)" and substitute "(6)".
- 6 Page 2 of the report, line 8, strike "2028." and substitute "2030.".
- 7 Page 2 of the report, line 13, strike "(3)(c)(I)" and insert "(4)".
- 8 Page 2 of the report, after line 17 insert:
- 9 "Page 15 of the bill, line 18, strike "(4)" and substitute "(5)".
- 10 Page 2 of the report, line 19, strike "2028." and substitute "2030.".

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