

An Act

SENATE BILL 26-178

BY SENATOR(S) Mullica and Jodeh, Cutter, Danielson, Daugherty, Exum, Gonzales J., Kipp, Lindstedt, Marchman, Roberts;
also REPRESENTATIVE(S) Brown and Gilchrist, Bacon, Boesenecker, Camacho, Clifford, Froelich, Hamrick, Jackson, Lindsay, Lukens, McCormick, Nguyen, Paschal, Ricks, Rutinel, Rydin, Sirota, Smith, Stewart K., Zokaie, McCluskie.

CONCERNING MEASURES TO ADDRESS THE AFFORDABILITY OF HEALTH INSURANCE.

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

SECTION 1. In Colorado Revised Statutes, 10-16-1203, **add** (1.3) and (1.5) as follows:

10-16-1203. Definitions.

As used in this part 12, unless the context otherwise requires:

(1.3) "BOND" MEANS ANY BOND, NOTE, INTERIM CERTIFICATE, COMMERCIAL PAPER, CONTRACT, OR OTHER EVIDENCE OF INDEBTEDNESS OF

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

THE ENTERPRISE AUTHORIZED BY THIS PART 12.

(1.5) "BOND OBLIGATIONS" MEANS THE DEBT SERVICE ON, AND RELATED COSTS AND OBLIGATIONS IN CONNECTION WITH, BONDS, INCLUDING:

(a) PAYMENTS WITH RESPECT TO PRINCIPAL, INTEREST, PREPAYMENT PREMIUMS, RESERVE FUNDS, SURPLUS FUNDS, SINKING FUNDS, AND COSTS OF ISSUANCE;

(b) PAYMENTS RELATED TO ANY CREDIT ENHANCEMENT, LIQUIDITY SUPPORT, OR INTEREST RATE PROTECTION FOR BONDS;

(c) FEES AND EXPENSES OF ANY TRUSTEE, BOND REGISTRAR, PAYING AGENT, AUTHENTICATING AGENT, REBATE ANALYST OR CONSULTANT, CALCULATION AGENT, REMARKETING AGENT, OR CREDIT ENHANCEMENT, LIQUIDITY SUPPORT, OR INTEREST RATE PROTECTION PROVIDER;

(d) COVERAGE REQUIREMENTS; AND

(e) OTHER COSTS, FEES, AND EXPENSES RELATED TO ANY OF THE OBLIGATIONS SPECIFIED IN SUBSECTIONS (1.5)(a) TO (1.5)(d) OF THIS SECTION AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE PROVISIONS OF ANY DOCUMENTS AUTHORIZING THE ISSUANCE OF THE BONDS.

SECTION 2. In Colorado Revised Statutes, 10-16-1204, **amend** (2)(d), (2)(f), and (2)(g); and **add** (2)(h) as follows:

10-16-1204. Health insurance affordability enterprise - creation - powers and duties - assess and allocate enterprise fees and assessments.

(2) The enterprise's primary powers and duties are:

(d) To issue revenue bonds payable from the revenues AND OTHER AVAILABLE MONEY of the enterprise PLEDGED FOR THEIR PAYMENT AS AUTHORIZED IN SECTION 10-16-1213;

(f) To engage in outreach and related efforts to increase enrollment

in health benefit plans across the state; and

(g) To adopt and amend or repeal policies for the regulation of its affairs and the conduct of its business consistent with this part 12; AND

(h)(I) TO INVEST MONEY IN THE FUND, OTHER THAN PROCEEDS FROM THE SALE OF BONDS OR EARNINGS ON SUCH PROCEEDS INVESTED PURSUANT TO SECTION 10-16-1213 (2), WITHOUT REGARD TO THE LIMITATIONS SET FORTH IN SECTION 24-36-103, 24-75-601.1, OR 24-75-603.

(II) FOR PURPOSES OF INVESTING THE MONEY IN THE FUND, THE ENTERPRISE MAY ENTER INTO CONTRACTS WITH PRIVATE PROFESSIONAL FUND MANAGERS TO PROVIDE EXPERTISE, TECHNICAL SUPPORT, AND ADVICE ON INVESTMENT MARKET CONDITIONS. IN SEEKING BIDS FOR SUCH CONTRACTS, THE ENTERPRISE SHALL EMPLOY STANDARD PUBLIC BIDDING PRACTICES, INCLUDING THE USE OF REQUESTS FOR INFORMATION, REQUESTS FOR PROPOSALS, OR ANY OTHER STANDARD VENDOR SELECTION PRACTICES DETERMINED BY THE ENTERPRISE TO BE BEST SUITED FOR SELECTING AN APPROPRIATE PRIVATE PROFESSIONAL FUND MANAGER.

SECTION 3. In Colorado Revised Statutes, 10-16-1205, **amend** (2)(d)(I) introductory portion; **repeal** (2)(e)(III); and **add** (2)(f) as follows:

10-16-1205. Health insurance affordability fee - special assessment on hospitals - allocation of revenues.

(2)(d)(I) Except as provided in subsections (2)(d)(IV) and (2)(e) of this section, the enterprise shall allocate the revenues collected in 2023 ~~and each year thereafter~~ THROUGH 2026, and any other money deposited in the fund in 2023 ~~and each year thereafter~~ THROUGH 2026, in the following amounts and order of priority:

(e)(III) ~~This subsection (2)(e) takes effect on January 1, 2026, only if the condition specified in section 10-16-1209 (1) occurs.~~

(f)(I) THE ENTERPRISE SHALL ALLOCATE AT LEAST THE FOLLOWING REVENUES ASSESSED FOR THE 2027 CALENDAR YEAR AND FOR EACH CALENDAR YEAR THEREAFTER, THE PROCEEDS FROM THE ISSUANCE OF REVENUE BONDS PURSUANT TO SECTION 10-16-1213, THE MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 10-16-1206 (6), AND

ANY OTHER MONEY DEPOSITED IN THE FUND FOR ALLOCATION IN THE 2027 CALENDAR YEAR AND IN EACH CALENDAR YEAR THEREAFTER AS FOLLOWS:

(A) FIRST, AT LEAST TWENTY PERCENT FOR SUBSIDIES FOR STATE-SUBSIDIZED INDIVIDUAL HEALTH COVERAGE PLANS PURCHASED BY QUALIFIED INDIVIDUALS WHO PAY A PREMIUM FOR SUCH PLANS, AS SPECIFIED IN RULES ADOPTED PURSUANT TO SECTION 10-16-1215;

(B) SECOND, AT LEAST FIFTY PERCENT TO THE REINSURANCE PROGRAM CASH FUND;

(C) THIRD, AT LEAST TWENTY-FIVE PERCENT TO REDUCE THE COSTS OF INDIVIDUAL HEALTH BENEFIT PLANS FOR INDIVIDUALS WHO PURCHASE AN INDIVIDUAL HEALTH BENEFIT PLAN ON THE EXCHANGE;

(D) FOURTH, UP TO THREE PERCENT FOR ACTUAL ADMINISTRATIVE COSTS AS SET FORTH IN SUBSECTION (1)(b)(IV) OF THIS SECTION; AND

(E) FIFTH, THE ACTUAL COSTS OF ENSURING COMPLIANCE WITH THE FEDERAL HYDE AMENDMENT OR A SIMILAR AMENDMENT.

(II) THE ENTERPRISE SHALL ALLOCATE ANY AMOUNT OF REVENUES REMAINING AFTER ALLOCATING REVENUES PURSUANT TO SUBSECTION (2)(f)(I) OF THIS SECTION AND AFTER ANY REDUCTION IN THE AMOUNT OF BONDS ISSUED PURSUANT TO SECTION 10-16-1213 (1)(a) RELATED TO THE ADJUSTMENT IN THE STATEWIDE AVERAGE PREMIUM REDUCTION IN THE REINSURANCE PROGRAM TO MEET THE FOLLOWING OBJECTIVES:

(A) TO ATTAIN A STATEWIDE AVERAGE PREMIUM REDUCTION IN THE REINSURANCE PROGRAM OF EIGHTEEN PERCENT, PROVIDE PREMIUM ASSISTANCE FOR INDIVIDUALS WHO PURCHASE INSURANCE ON THE EXCHANGE AT THE SAME LEVEL OF PREMIUM ASSISTANCE PROVIDED IN THE 2026 CALENDAR YEAR, AND PROVIDE COVERAGE FOR QUALIFIED INDIVIDUALS AT THE ENROLLMENT LEVEL ACHIEVED IN THE 2026 CALENDAR YEAR; AND

(B) TO SUPPORT ADDITIONAL AFFORDABILITY EFFORTS TO MAINTAIN OR INCREASE COVERAGE IN THE INDIVIDUAL MARKET.

(III) IN ANY CALENDAR YEAR, AFTER MAKING THE ALLOCATIONS

SPECIFIED IN SUBSECTIONS (2)(f)(I) AND (2)(f)(II) OF THIS SECTION, IF THERE IS MONEY REMAINING IN THE FUND ON AUGUST 1 OF THAT CALENDAR YEAR, THE ENTERPRISE MAY REALLOCATE ANY AMOUNT OF THE REVENUES COLLECTED AND ALLOCATED PURSUANT TO SUBSECTION (2)(f)(I) OR (2)(f)(II) OF THIS SECTION THAT HAVE NOT BEEN EXPENDED ON OR BEFORE AUGUST 1 OF THAT CALENDAR YEAR FOR ANY OTHER PURPOSE SPECIFIED IN SUBSECTION (2)(f)(I) OR (2)(f)(II) OF THIS SECTION EXCEPT THE ADMINISTRATIVE COSTS DESCRIBED IN SUBSECTION (2)(f)(I)(D) OF THIS SECTION.

SECTION 4. In Colorado Revised Statutes, 10-16-1206, **amend** (1)(d) and (2); and **add** (6) as follows:

10-16-1206. Health insurance affordability cash fund - creation - repeal.

(1) There is created in the state treasury the health insurance affordability cash fund. The fund consists of:

(d) The ~~revenue~~ PROCEEDS collected from revenue bonds issued pursuant to ~~section 10-16-1204 (1)(b)(II)~~ SECTION 10-16-1213 AND ANY EARNINGS ON THE INVESTMENT OF BOND PROCEEDS INVESTED PURSUANT TO SECTION 10-16-1213 (2);

(2) (a) Money in the fund shall not be transferred to any other fund, except as provided in section 10-16-1205 (2), and shall not be used for any purpose other than the purposes specified in this part 12.

(b) BEFORE ALLOCATING ANY MONEY IN THE FUND FOR PROGRAMS FUNDED BY THE ENTERPRISE PURSUANT TO THIS PART 12, THE ENTERPRISE SHALL FIRST PAY FOR BOND OBLIGATIONS ON REVENUE BONDS ISSUED PURSUANT TO SECTION 10-16-1213.

(6) BY JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER FORTY MILLION DOLLARS FROM THE MARIJUANA TAX CASH FUND CREATED IN SECTION 39-28.8-501 TO THE FUND.

SECTION 5. In Colorado Revised Statutes, 10-16-1207, **amend** (4.5); and **add** (4)(c.5)(I.5) as follows:

10-16-1207. Health insurance affordability board - creation - membership - powers and duties - subject to open meetings and public records laws - annual report - commissioner rules.

(4) The board is authorized to:

(c.5) Further recommend, for approval and establishment by the commissioner by rule, additional parameters for implementing the subsidies for state-subsidized individual health coverage plans authorized by this part 12, including that the coverage required pursuant to state-subsidized individual health coverage plans must:

(I.5) PRIORITIZE ENROLLMENT STABILITY AND CUSTOMER PREDICTABILITY;

(4.5) Prior to making any final recommendation pursuant to subsection (4) of this section regarding plans, coverage, and the number of eligible slots, the board shall seek input and recommendations from individuals directly affected by programs funded by the enterprise and shall discuss any input and recommendations received at a board meeting held in accordance with subsection (6) of this section. The board shall TAKE REASONABLE STEPS TO provide opportunities for individuals to provide input and recommendations in AT LEAST English and Spanish, INCLUDING MAKING WRITTEN MATERIALS AND PRESENTATIONS AVAILABLE NOT LATER THAN SEVEN DAYS AFTER MEETINGS, AND, TO THE EXTENT PRACTICABLE AND UPON A REQUEST SUBMITTED AT LEAST SEVEN DAYS IN ADVANCE OF THE TIME FOR PROVIDING INPUT AND RECOMMENDATIONS, IN OTHER LANGUAGES. THE BOARD SHALL ALSO INDICATE HOW INPUT AND RECOMMENDATIONS FROM INDIVIDUALS DIRECTLY AFFECTED BY ENTERPRISE PROGRAMS WERE INCORPORATED INTO ANY FINAL RECOMMENDATIONS MADE PURSUANT TO SUBSECTION (4) OF THIS SECTION.

SECTION 6. In Colorado Revised Statutes, 10-16-1211, **amend** (1)(b)(I)(F) as follows:

10-16-1211. Performance audit of the enterprise - repeal.

(1) By December 31, 2027, the state auditor shall complete a performance audit of the enterprise. In conducting the audit, the state auditor shall:

(b) Specify, for each year since the creation of the enterprise:

(I) The annual revenue deposited in the fund from:

(F) Any revenue collected from revenue bonds pursuant to ~~section 10-16-1204(1)(b)(H)~~ SECTION 10-16-1213;

SECTION 7. In Colorado Revised Statutes, **add** 10-16-1212, 10-16-1213, 10-16-1214, 10-16-1215, and 10-16-1216 as follows:

10-16-1212. Study concerning optimization of health insurance affordability programs - repeal.

(1) THE ENTERPRISE SHALL CONDUCT OR CONTRACT WITH A THIRD PARTY TO CONDUCT A STUDY, TO BE COMPLETED NO LATER THAN JULY 1, 2027, TO:

(a) EVALUATE THE FEASIBILITY OF RESTRUCTURING THE ENTERPRISE PROGRAMS TO INCREASE AFFORDABILITY AND MAXIMIZE ENROLLMENT, INCLUDING THE POTENTIAL CREATION OF A BASIC HEALTH PROGRAM PURSUANT TO SECTION 1331 OF THE FEDERAL ACT, 42 U.S.C. SEC. 18051; AND

(b) EVALUATE OR EXPLORE ANY OTHER RELATED ISSUES.

(2) WITHIN THIRTY DAYS AFTER THE STUDY IS COMPLETED, THE ENTERPRISE SHALL SUBMIT THE RESULTS OF THE STUDY TO THE HEALTH AND HUMAN SERVICES COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES.

(3) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2028.

10-16-1213. Bonds - investments - bonds eligible for investment and exempt from taxation.

(1) (a) ON OR AFTER JANUARY 1, 2027, THE ENTERPRISE MAY ISSUE BONDS TO GENERATE PROCEEDS OF UP TO A TOTAL OF ONE HUNDRED MILLION DOLLARS FOR ANY OF THE BUSINESS PURPOSES SPECIFIED IN THIS PART 12, INCLUDING TO FUND THE PROGRAMS SPECIFIED IN THIS PART 12; EXCEPT THAT, IN DETERMINING THE TOTAL AMOUNT OF BONDS TO ISSUE, THE

ENTERPRISE SHALL TAKE INTO ACCOUNT AND REDUCE THE AMOUNT OF BONDS ISSUED BASED ON THE SAVINGS REALIZED BY THE ADJUSTMENT IN THE STATEWIDE AVERAGE PREMIUM REDUCTION UNDER THE REINSURANCE PROGRAM PURSUANT TO SECTION 10-16-1205 (2)(f)(II)(A). THE BONDS SHALL BE ISSUED PURSUANT TO RESOLUTION OF THE BOARD AND SHALL BE PAYABLE SOLELY OUT OF ALL OR A SPECIFIED PORTION OF THE MONEY IN THE FUND.

(b) BONDS MAY BE EXECUTED AND DELIVERED BY THE ENTERPRISE AT SUCH TIMES; MAY BE IN SUCH FORM AND DENOMINATIONS AND INCLUDE SUCH TERMS AND MATURITIES; MAY BE SUBJECT TO OPTIONAL OR MANDATORY REDEMPTION PRIOR TO MATURITY WITH OR WITHOUT A PREMIUM; MAY BE IN FULLY REGISTERED FORM OR BEARER FORM REGISTRABLE AS TO PRINCIPAL OR INTEREST OR BOTH; MAY BEAR SUCH CONVERSION PRIVILEGES; MAY BE PAYABLE IN SUCH INSTALLMENTS AND AT SUCH TIMES NOT EXCEEDING FORTY-FIVE YEARS FROM THE DATE OF ISSUANCE; MAY BE PAYABLE AT SUCH PLACE OR PLACES WHETHER WITHIN OR WITHOUT THE STATE; MAY BEAR INTEREST AT SUCH RATE OR RATES PER ANNUM, WHICH MAY BE FIXED OR VARY ACCORDING TO INDEX, PROCEDURE, OR FORMULA OR AS DETERMINED BY THE ENTERPRISE OR ITS AGENTS, WITHOUT REGARD TO ANY INTEREST RATE LIMITATION APPEARING IN ANY OTHER LAW OF THE STATE; MAY BE SUBJECT TO PURCHASE AT THE OPTION OF THE HOLDER OR THE ENTERPRISE; MAY BE EVIDENCED IN SUCH MANNER; MAY BE EXECUTED BY SUCH OFFICERS OF THE ENTERPRISE, INCLUDING THE USE OF ONE OR MORE FACSIMILE SIGNATURES SO LONG AS AT LEAST ONE MANUAL SIGNATURE APPEARS ON THE BONDS, WHICH MAY BE EITHER OF AN OFFICER OF THE ENTERPRISE OR OF AN AGENT AUTHENTICATING THE SAME; MAY BE IN THE FORM OF COUPON BONDS THAT HAVE ATTACHED INTEREST COUPONS BEARING A MANUAL OR FACSIMILE SIGNATURE OF AN OFFICER OF THE ENTERPRISE; AND MAY CONTAIN SUCH PROVISIONS NOT INCONSISTENT WITH THIS PART 12, ALL AS PROVIDED IN THE RESOLUTION OF THE BOARD UNDER WHICH THE BONDS ARE AUTHORIZED TO BE ISSUED OR AS PROVIDED IN A TRUST INDENTURE BETWEEN THE ENTERPRISE AND ANY COMMERCIAL BANK OR TRUST COMPANY HAVING FULL TRUST POWERS.

(c) BONDS OF THE ENTERPRISE MAY BE SOLD AT PUBLIC OR PRIVATE SALE AT SUCH PRICE OR PRICES, IN SUCH MANNER, AND AT SUCH TIMES AS DETERMINED BY THE BOARD, AND THE BOARD MAY PAY ALL FEES, EXPENSES, AND COMMISSIONS THAT IT DEEMS NECESSARY OR ADVANTAGEOUS IN CONNECTION WITH THE SALE OF THE BONDS. THE POWER TO FIX THE DATE OF

SALE OF THE BONDS, TO RECEIVE BIDS OR PROPOSALS, TO AWARD AND SELL BONDS, TO FIX INTEREST RATES, AND TO TAKE ALL OTHER ACTION NECESSARY TO SELL AND DELIVER THE BONDS MAY BE DELEGATED TO AN OFFICER OR AGENT OF THE ENTERPRISE. ANY OUTSTANDING BONDS MAY BE REFUNDED BY THE ENTERPRISE PURSUANT TO ARTICLE 56 OF TITLE 11. ALL BONDS AND ANY INTEREST COUPONS APPLICABLE TO THE BONDS ARE DECLARED TO BE NEGOTIABLE INSTRUMENTS.

(d) THE RESOLUTION OR TRUST INDENTURE AUTHORIZING THE ISSUANCE OF THE BONDS MAY PLEDGE ALL OR A PORTION OF THE FUND; MAY PLEDGE ALL OR A PORTION OF THE RIGHTS OF THE ENTERPRISE TO IMPOSE, AND RECEIVE THE REVENUES GENERATED BY, THE FEE AUTHORIZED BY SECTION 10-16-1205 (1)(a)(I) AND ANY OTHER REVENUES GENERATED OR RECEIVED BY THE ENTERPRISE, OTHER THAN ANY FEDERAL MONEY THE ENTERPRISE MAY RECEIVE; MAY CONTAIN SUCH PROVISIONS FOR PROTECTING AND ENFORCING THE RIGHTS AND REMEDIES OF HOLDERS OF ANY OF THE BONDS AS THE ENTERPRISE DEEMS APPROPRIATE; MAY SET FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF ANY OF THE BONDS; AND MAY CONTAIN PROVISIONS THAT THE ENTERPRISE DEEMS APPROPRIATE FOR THE SECURITY OF THE HOLDERS OF THE BONDS, INCLUDING PROVISIONS FOR LETTERS OF CREDIT, INSURANCE, STANDBY CREDIT AGREEMENTS, OR OTHER FORMS OF CREDIT ENSURING TIMELY PAYMENT OF THE BONDS, INCLUDING THE REDEMPTION PRICE OR THE PURCHASE PRICE.

(e) ANY PLEDGE OF THE FUND IS VALID AND BINDING FROM THE TIME THE PLEDGE IS MADE. THE PLEDGED FUND IS IMMEDIATELY SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT ANY PHYSICAL DELIVERY OR FURTHER ACT, AND THE LIEN OF THE PLEDGE IS VALID AND BINDING AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT, OR OTHERWISE AGAINST THE PLEDGING PARTY REGARDLESS OF WHETHER THE CLAIMING PARTY HAS NOTICE OF THE LIEN. THE INSTRUMENT BY WHICH THE PLEDGE IS CREATED NEED NOT BE RECORDED OR FILED.

(f) NEITHER THE MEMBERS OF THE BOARD, NOR EMPLOYEES OF THE ENTERPRISE, NOR ANY PERSON EXECUTING THE BONDS IS LIABLE PERSONALLY ON THE BONDS OR SUBJECT TO ANY PERSONAL LIABILITY BY REASON OF THE ISSUANCE OF THE BONDS.

(g) THE ENTERPRISE MAY PURCHASE ITS BONDS OUT OF ANY AVAILABLE MONEY AND MAY HOLD, PLEDGE, CANCEL, OR RESELL SUCH

BONDS SUBJECT TO AND IN ACCORDANCE WITH AGREEMENTS WITH THE BOND HOLDERS.

(2) THE ENTERPRISE MAY INVEST OR DEPOSIT ANY PROCEEDS AND ANY INTEREST FROM THE SALE OF BONDS IN THE MANNER PROVIDED BY PART 6 OF ARTICLE 75 OF TITLE 24. IN ADDITION, AN ISSUING ENTERPRISE MAY DIRECT A CORPORATE TRUSTEE THAT HOLDS THE BOND PROCEEDS AND ANY INTEREST TO INVEST OR DEPOSIT THE PROCEEDS AND INTEREST IN INVESTMENTS OR DEPOSITS OTHER THAN THOSE SPECIFIED BY SAID PART 6 IF THE BOARD DETERMINES, BY RESOLUTION, THAT THE INVESTMENT OR DEPOSIT MEETS THE STANDARD ESTABLISHED IN SECTION 15-1-304, THE INCOME IS AT LEAST COMPARABLE TO INCOME AVAILABLE ON INVESTMENTS OR DEPOSITS SPECIFIED BY SAID PART 6, AND THE INVESTMENT WILL ASSIST THE ENTERPRISE IN FUNDING PROGRAMS SPECIFIED IN THIS PART 12.

(3) ALL BANKS, TRUST COMPANIES, SAVINGS AND LOAN ASSOCIATIONS, INSURANCE COMPANIES, EXECUTORS, ADMINISTRATORS, GUARDIANS, TRUSTEES, AND OTHER FIDUCIARIES MAY LEGALLY INVEST ANY MONEY WITHIN THEIR CONTROL IN ANY BONDS ISSUED UNDER THIS PART 12. PUBLIC ENTITIES, AS DEFINED IN SECTION 24-75-601 (1), MAY INVEST PUBLIC MONEY IN SUCH BONDS ONLY IF THE BONDS SATISFY THE INVESTMENT REQUIREMENTS ESTABLISHED IN PART 6 OF ARTICLE 75 OF TITLE 24.

(4) THE INCOME OR OTHER REVENUES OF THE ENTERPRISE, BONDS ISSUED BY THE ENTERPRISE, AND THE TRANSFER OF AND THE INCOME FROM ANY BONDS ISSUED BY THE ENTERPRISE ARE EXEMPT FROM ALL TAXATION AND ASSESSMENTS IN THE STATE. IN THE RESOLUTION OR INDENTURE AUTHORIZING THE BONDS, THE ENTERPRISE MAY WAIVE THE EXEMPTION FROM FEDERAL INCOME TAXATION FOR INTEREST ON THE BONDS. BONDS ISSUED BY THE ENTERPRISE ARE EXEMPT FROM THE PROVISIONS OF ARTICLE 51 OF TITLE 11.

10-16-1214. Report to joint budget committee - annual briefing.

(1) STARTING WITH THE FORECAST ISSUED IN SEPTEMBER OF 2026, WITHIN TWO WEEKS AFTER THE LEGISLATIVE COUNCIL STAFF RELEASES THE SEPTEMBER, MARCH, AND JUNE STATE REVENUE FORECASTS, THE ENTERPRISE SHALL SUBMIT A WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY REGARDING THE STATUS OF THE FUND, INCLUDING:

(a) THE AMOUNT OF REVENUE GENERATED THROUGH FEES, FROM THE ISSUANCE OF REVENUE BONDS PURSUANT TO SECTION 10-16-1213, AND FROM ANY OTHER SOURCES, THE AMOUNT OF FEDERAL PASS-THROUGH FUNDING RECEIVED PURSUANT TO THE STATE INNOVATION WAIVER UNDER SECTION 10-16-1109 AND SECTION 1332 OF THE FEDERAL ACT, 42 U.S.C. SEC. 18052, AND ANY OTHER MONEY DEPOSITED IN OR TRANSFERRED TO THE FUND DURING THE IMMEDIATELY PRECEDING TWELVE MONTHS; AND

(b) THE AMOUNT OF REVENUE THE ENTERPRISE ANTICIPATES GENERATING OR RECEIVING FROM ALL SOURCES IN THE NEXT TWELVE MONTHS.

(2) (a) NO LATER THAN JANUARY 15, 2027, AND NO LATER THAN JANUARY 15 OF EACH YEAR THEREAFTER, THE ENTERPRISE SHALL PROVIDE AN IN-PERSON BRIEFING TO THE JOINT BUDGET COMMITTEE ON THE ENTERPRISE, ITS REVENUES FROM ALL SOURCES, THE PROGRAMS IT FUNDS AND THE AMOUNT ALLOCATED TO EACH PROGRAM, AND ANY OTHER INFORMATION REQUESTED BY THE JOINT BUDGET COMMITTEE.

(b) AS PART OF THE BRIEFING IN JANUARY, 2027, THE ENTERPRISE SHALL ALSO PROVIDE TO THE JOINT BUDGET COMMITTEE:

(I) AN ANALYSIS OF THE EFFECTS OF CHANGING THE STATEWIDE AVERAGE PREMIUM REDUCTION IN THE REINSURANCE PROGRAM TO FIFTEEN PERCENT, INCLUDING THE EFFECTS OF THAT CHANGE ON:

(A) TOTAL SAVINGS FOR THE ENTERPRISE;

(B) FEDERAL PASS-THROUGH FUNDING FROM THE STATE INNOVATION WAIVER UNDER SECTION 10-16-1109 AND SECTION 1332 OF THE FEDERAL ACT, 42 U.S.C. SEC. 18052;

(C) PREMIUMS IN THE NINE GEOGRAPHIC RATING AREAS IN THE STATE; AND

(D) ENROLLMENT IN THE INDIVIDUAL MARKET; AND

(II) AN ANALYSIS OF THE EFFECTS OF CREATING A TIERED STRUCTURE, BASED ON INCOME LEVELS, FOR PREMIUM ASSISTANCE FOR INDIVIDUALS WHO PURCHASE INSURANCE ON THE EXCHANGE FOR THE

PREMIUM WRAP, INCLUDING THE EFFECTS OF THAT STRUCTURE ON:

(A) TOTAL SAVINGS FOR THE ENTERPRISE;

(B) FEDERAL PASS-THROUGH FUNDING FROM THE STATE INNOVATION WAIVER UNDER SECTION 10-16-1109 AND SECTION 1332 OF THE FEDERAL ACT, 42 U.S.C. SEC. 18052;

(C) PREMIUMS IN THE NINE GEOGRAPHIC RATING AREAS IN THE STATE; AND

(D) ENROLLMENT IN THE INDIVIDUAL MARKET.

(3) NOTWITHSTANDING SECTION 24-1-136 (11)(a), THE REQUIREMENT IN THIS SECTION TO REPORT TO THE JOINT BUDGET COMMITTEE CONTINUES INDEFINITELY.

10-16-1215. Rules.

EFFECTIVE FOR THE 2027 CALENDAR YEAR AND FOR EACH CALENDAR YEAR THEREAFTER, THE COMMISSIONER, IN CONSULTATION WITH THE BOARD, SHALL ADOPT RULES SPECIFYING THE PREMIUMS FOR STATE-SUBSIDIZED INDIVIDUAL HEALTH COVERAGE PLANS PURCHASED BY QUALIFIED INDIVIDUALS.

10-16-1216. Tax credit for contributions to the enterprise - allocation notice - rules.

(1) (a) FOR THE TAX YEAR 2027 AND EACH TAX YEAR THEREAFTER, A CREDIT AGAINST THE TAX IMPOSED BY SECTIONS 10-3-209 AND 10-6-128 IS ALLOWED TO ANY INSURANCE COMPANY THAT BECOMES A QUALIFIED TAXPAYER BY MAKING A CONTRIBUTION TO THE ENTERPRISE PURSUANT TO THIS SECTION.

(b) A QUALIFIED TAXPAYER CLAIMING A CREDIT AGAINST PREMIUM TAX LIABILITY UNDER THIS SECTION IS NOT REQUIRED TO PAY ANY ADDITIONAL RETALIATORY TAX AS A RESULT OF CLAIMING THE CREDIT.

(2) THE COMMISSIONER MAY ADOPT RULES NECESSARY FOR THE ADMINISTRATION OF THE TAX CREDIT ALLOWED BY SUBSECTION (1) OF THIS

SECTION.

(3) (a) FOR THE TAX YEAR 2027 AND EACH TAX YEAR THEREAFTER, SUBJECT TO SUBSECTION (4)(c) OF THIS SECTION, AN INSURANCE COMPANY BECOMES A QUALIFIED TAXPAYER IF ALL OF THE FOLLOWING CONDITIONS ARE MET:

(I) THE INSURANCE COMPANY DECLARES WITH ITS QUARTERLY TAX PAYMENT DUE ON OR ABOUT JULY 31, IN THE MANNER PRESCRIBED BY THE COMMISSIONER, ITS INTENT TO CONTRIBUTE TO THE ENTERPRISE ON OR BEFORE OCTOBER 31 AN AMOUNT OF MONEY EQUAL TO THE PREMIUM TAXES PAID BY THE INSURANCE COMPANY PURSUANT TO THE JULY 31 TAX PAYMENT OR A LESSER AMOUNT AS SPECIFIED BY THE COMMISSIONER IF REQUIRED PURSUANT TO SUBSECTION (4)(b) OF THIS SECTION;

(II) THE TOTAL AMOUNT OF THE TAX CREDITS GRANTED BY THE COMMISSIONER DOES NOT EXCEED NINE MILLION DOLLARS; AND

(III) THE INSURANCE COMPANY:

(A) RECEIVES AN ALLOCATION NOTICE FROM THE COMMISSIONER;
AND

(B) MAKES THE CONTRIBUTION TO THE ENTERPRISE AS SPECIFIED IN THE ALLOCATION NOTICE ON OR BEFORE OCTOBER 31.

(b) SUBJECT TO SUBSECTION (4)(c) OF THIS SECTION, AN INSURANCE COMPANY THAT BECOMES A QUALIFIED TAXPAYER MAY CLAIM THE TAX CREDIT ON ONE OR MORE SUBSEQUENT QUARTERLY OR ANNUAL TAX PAYMENTS BEGINNING ON OR ABOUT OCTOBER 31.

(c) WHEN THE BOARD RECEIVES A CONTRIBUTION PURSUANT TO THIS SECTION, THE BOARD SHALL PROMPTLY NOTIFY THE COMMISSIONER OF THE AMOUNT AND DATE OF THE CONTRIBUTION AND THE NAME OF THE CONTRIBUTOR.

(4) (a) SUBJECT TO SUBSECTION (4)(c) OF THIS SECTION, BY SEPTEMBER 30 OF EACH YEAR, THE COMMISSIONER SHALL:

(I) SEND AN ALLOCATION NOTICE TO EACH INSURANCE COMPANY

WHOSE DECLARATION OF INTENT TO CONTRIBUTE TO THE ENTERPRISE HAS BEEN ACCEPTED PURSUANT TO THIS SUBSECTION (4). THE ALLOCATION NOTICE SHALL SPECIFY THE AMOUNT OF TAX CREDITS ALLOCATED TO THE INSURANCE COMPANY AND THE AMOUNT OF CASH THE INSURANCE COMPANY MUST CONTRIBUTE TO THE EXCHANGE BY OCTOBER 31, WHICH AMOUNTS SHALL BE IDENTICAL AND NOT EXCEED THE AMOUNT OF PREMIUM TAXES PAID BY THE INSURANCE COMPANY IN ITS QUARTERLY TAX PAYMENT DUE ON OR ABOUT JULY 31.

(II) POST ON THE DIVISION'S WEBSITE WHETHER THE FULL AMOUNT OF TAX CREDITS AUTHORIZED TO BE ALLOCATED EACH YEAR HAS BEEN ALLOCATED.

(b) (I) SUBJECT TO SUBSECTION (4)(c) OF THIS SECTION, THE COMMISSIONER SHALL ALLOCATE NO MORE THAN A TOTAL OF NINE MILLION DOLLARS OF PREMIUM TAX CREDITS PER YEAR.

(II) EXCEPT AS PROVIDED IN SUBSECTION (4)(b)(III) OF THIS SECTION, THE COMMISSIONER SHALL ALLOCATE TO AN INSURANCE COMPANY THAT HAS DECLARED ITS INTENT TO CONTRIBUTE TO THE ENTERPRISE PURSUANT TO THIS SECTION TAX CREDITS IN AN AMOUNT EQUAL TO THE AMOUNT OF PREMIUM TAXES PAID BY THE INSURANCE COMPANY IN ITS QUARTERLY TAX PAYMENT DUE ON OR ABOUT JULY 31 IN THE ORDER IN WHICH THE DIVISION RECEIVES SUCH QUARTERLY TAX PAYMENTS UNTIL THE FULL AMOUNT OF CREDITS AVAILABLE PURSUANT TO THIS SECTION HAS BEEN ALLOCATED; EXCEPT THAT THE COMMISSIONER SHALL PRIORITIZE TAX CREDIT ALLOCATIONS FIRST TO INSURANCE COMPANIES THAT HAVE PURCHASED BONDS ISSUED BY THE ENTERPRISE PURSUANT TO SECTION 10-16-1213.

(III) IF THE AMOUNT OF PREMIUM TAXES OR THE SUM OF ALL THE PREMIUM TAXES FILED BY ALL THE INSURANCE COMPANIES ON ANY ONE DAY WOULD EXCEED, SINGLY OR IN THE AGGREGATE, THE ANNUAL MAXIMUM AGGREGATE AMOUNT OF TAX CREDITS AVAILABLE UNDER THIS SECTION, THE COMMISSIONER SHALL REDUCE THE ALLOCATION TO THE INSURANCE COMPANY WHOSE CONTRIBUTION FIRST EXCEEDS THE ANNUAL MAXIMUM AGGREGATE TO THE AMOUNT NEEDED TO SATISFY THE ANNUAL MAXIMUM AGGREGATE. IF THE COMMISSIONER IS UNABLE TO DETERMINE THE ORDER OF RECEIPT OF TAX PAYMENTS ON THAT DAY, THE COMMISSIONER SHALL ALLOCATE THE TAX CREDITS TO THE COMPANY OR AMONG THE COMPANIES

ON A PRO RATA BASIS BASED ON THE RATIO SUCH COMPANY'S QUARTERLY TAX PAYMENT BEARS TO THE TOTAL AMOUNT OF ALL SUCH COMPANIES' QUARTERLY TAX PAYMENTS UNTIL THE FULL AMOUNT OF CREDITS AVAILABLE PURSUANT TO THIS SECTION HAS BEEN ALLOCATED.

(c) (I) FOR THE TAX YEAR 2027 AND EACH TAX YEAR THEREAFTER, THE COMMISSIONER SHALL ALLOW INSURANCE COMPANIES TO DECLARE THEIR INTENT TO CONTRIBUTE TO THE ENTERPRISE PURSUANT TO THIS SECTION ON THE INSURANCE COMPANIES' QUARTERLY TAX PAYMENTS DUE ON OR ABOUT OCTOBER 31 AND SHALL SEND SUCH COMPANIES ALLOCATION NOTICES BY FEBRUARY 1 IF:

(A) THE FULL AMOUNT OF TAX CREDITS AVAILABLE IN ANY ONE YEAR HAS NOT BEEN FULLY ALLOCATED BY THE COMMISSIONER PURSUANT TO STATEMENTS OF INTENT FILED WITH INSURANCE COMPANIES' QUARTERLY TAX PAYMENTS DUE ON OR ABOUT JULY 31; OR

(B) THE TOTAL AMOUNT OF TAX CREDITS HAS BEEN CLAIMED, BUT ONE OR MORE INSURANCE COMPANIES FAILED TO TIMELY MAKE A CONTRIBUTION TO THE ENTERPRISE.

(II) AN INSURANCE COMPANY THAT DECLARES ITS INTENT TO CONTRIBUTE TO THE ENTERPRISE PURSUANT TO THIS SUBSECTION (4)(c) SHALL MAKE THE CONTRIBUTION TO THE ENTERPRISE AS SPECIFIED IN THE ALLOCATION NOTICE ON OR BEFORE MARCH 1 AND MAY CLAIM THE TAX CREDIT ON ONE OR MORE SUBSEQUENT QUARTERLY OR ANNUAL TAX PAYMENTS DUE ON OR ABOUT MARCH 1.

(5) THE BOARD SHALL USE MONEY CONTRIBUTED TO THE ENTERPRISE AS SPECIFIED IN THIS PART 12.

SECTION 8. In Colorado Revised Statutes, 10-22-110, **amend** (1)(a), (3)(a), (4)(b), (4)(c)(I) introductory portion, (4)(c)(II), and (5); and **add** (6) as follows:

10-22-110. Tax credit for contributions to the exchange or enterprise - allocation notice - rules - repeal.

(1) (a) For the tax year 2013 ~~and each tax year thereafter~~ THROUGH THE TAX YEAR 2026, a credit against the tax imposed by sections 10-3-209

and 10-6-128 is allowed to any insurance company that becomes a qualified taxpayer by making a contribution to the exchange pursuant to this section.

(3) (a) FOR EACH TAX YEAR THROUGH THE TAX YEAR 2026, subject to subsection (4)(c) of this section, an insurance company shall become a qualified taxpayer if all of the following conditions are met:

(I) The insurance company declares with its quarterly tax payment due on or about July 31 in the manner prescribed by the commissioner its intent to contribute to the exchange on or before October 31 an amount of money equal to the premium taxes paid by the company pursuant to the July 31 tax payment or a lesser amount as specified by the commissioner if required pursuant to ~~paragraph (b) of subsection (4)~~ SUBSECTION (4)(b) of this section;

(II) The total amount of the tax credits granted by the commissioner does not exceed five million dollars; except that, on and after September 1, 2022, through ~~August 31, 2028~~ AUGUST 31, 2027, the total amount of the tax credits does not exceed nine million dollars; and

(III) The insurance company receives an allocation notice from the commissioner and the insurance company makes the contribution to the exchange as specified in the allocation notice on or before October 31.

(4) (b) (I) Subject to subsection (4)(c) of this section, the commissioner shall allocate no more than the following total amounts of premium tax credits per year:

(A) Before September 1, 2022, a total of five million dollars; AND

(B) On and after September 1, 2022, through ~~August 31, 2028~~ AUGUST 31, 2027, a total of nine million dollars. ~~and~~

(C) ~~On and after September 1, 2028, a total of five million dollars.~~

(II) FOR EACH TAX YEAR THROUGH THE TAX YEAR 2026, except as provided in subsection (4)(b)(III) of this section, the commissioner shall allocate to an insurance company that has declared its intent to contribute to the exchange pursuant to this section tax credits in an amount equal to the amount of premium taxes paid by the insurance company in its quarterly tax

payment due on or about July 31 in the order in which the division receives such quarterly tax payments until the full amount of credits available pursuant to this section has been allocated.

(c) (I) FOR EACH TAX YEAR THROUGH THE TAX YEAR 2026, the commissioner shall allow insurance companies to declare their intent to contribute to the exchange pursuant to this section on the insurance companies' quarterly tax payments due on or about October 31 and shall send such companies allocation notices by February 1 if:

(II) An insurance company that declares its intent to contribute to the exchange pursuant to this ~~paragraph (c)~~ SUBSECTION (4)(c) shall make the contribution to the exchange as specified in the allocation notice on or before March 1 and may claim the tax credit on one or more subsequent quarterly or annual tax payments due on or about March 1.

(5) The board shall use money contributed to the exchange as follows:

(a) The amount of contributions from insurers to which the first five million dollars of tax credits is allocated pursuant to subsection (4)(b) of this section and the interest derived from the deposit and investment of the money, to operate and sustain the exchange and to build reserves. ~~except that, on and after September 1, 2028, the total amount of contributions and interest derived from the deposit and investment of the money shall be used for the purposes specified in this subsection (5)(a).~~

(b) (I) Any amount of contributions from insurers to which any amount in excess of the first five million dollars of tax credits is allocated pursuant to subsection (4)(b) of this section and the interest derived from the deposit and investment of the money, for the public awareness and education campaign in section 10-22-115.

(II) ~~This subsection (5)(b) is repealed, effective December 31, 2028.~~

(6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2027.

SECTION 9. In Colorado Revised Statutes, 39-28.8-501, **add** (4.1) as follows:

39-28.8-501. Marijuana tax cash fund - creation - distribution - legislative declaration - repeal.

(4.1) (a) BY JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER FORTY MILLION DOLLARS FROM THE FUND TO THE HEALTH INSURANCE AFFORDABILITY CASH FUND CREATED IN SECTION 10-16-1206 (1).

(b) THIS SUBSECTION (4.1) IS REPEALED, EFFECTIVE JULY 1, 2027.

SECTION 10. In Session Laws of Colorado 2025, section 1 of chapter 476, (SB25-206), **amend** (2)(c), (2)(h) introductory portion, and (2)(h)(I) as follows:

Section 1. **Definitions - general provisions.** As used in this act, the following definitions and general provisions shall apply:

(2) The funds designated to constitute the state emergency reserve for the 2025-26 fiscal year are:

(c) The marijuana tax cash fund created in section 39-28.8-501 (1), C.R.S., up to a maximum of ~~\$100,000,000~~ **\$60,000,000**;

(h) Up to ~~\$39,775,000~~ **\$79,775,000** of state properties as follows:

(I) The capitol annex building located at 1375 Sherman Street, Denver, Colorado, 80203, which has a value of ~~\$28,225,000~~ **\$68,225,000**; and

SECTION 11. Amend as added by Section 1 of House Bill 26-1410, (2)(c), (2)(h) introductory portion, and (2)(h)(I) as follows:

Section 1. **Definitions - general provisions.** As used in this act, the following definitions and general provisions shall apply:

(2) The funds designated to constitute the state emergency reserve for the 2026-27 fiscal year are:

(c) The marijuana tax cash fund created in section 39-28.8-501 (1), C.R.S., up to a maximum of ~~\$100,000,000~~ **\$60,000,000**;

(h) Up to ~~\$53,337,711~~ **\$93,337,711** of state properties as follows:

(I) The capitol annex building located at 1375 Sherman Street, Denver, Colorado, 80203, which has a value of ~~\$37,237,711~~ **\$77,237,711**; and

SECTION 12. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO