

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

March 30, 2017

Date

Committee on Business Affairs and Labor.

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

HB17-1263 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 **"SECTION 1.** In Colorado Revised Statutes, **add** part 17 to
4 article 4 of title 10 as follows:

PART 17

SELF-STORAGE INSURANCE LIMITED LICENSES

7 **10-4-1701. Definitions.** AS USED IN THIS PART 17, UNLESS THE
8 CONTEXT OTHERWISE REQUIRES:

9 (1) "INSURER" MEANS AN ADMITTED COMPANY OR AUTHORIZED
10 COMPANY, AS DEFINED IN SECTION 10-1-102 (3), APPROVED TO TRANSACT
11 INSURANCE IN THIS STATE.

12 (2) "LIMITED LINES SELF-STORAGE INSURANCE PRODUCER" MEANS
13 A LICENSED INSURANCE PRODUCER WHO IS DESIGNATED BY AN INSURER AS
14 THE SUPERVISING ENTITY FOR A SELF-STORAGE RETAILER PURSUANT TO
15 THIS PART 17.

16 (3) "OCCUPANT" MEANS A PERSON OR HIS OR HER LESSEE,
17 SUCCESSOR, OR ASSIGNEE ENTITLED TO THE USE OF A SELF-STORAGE SPACE
18 AT A SELF-SERVICE STORAGE FACILITY, TO THE EXCLUSION OF OTHERS,
19 UNDER A SELF-STORAGE RENTAL AGREEMENT.

(4) "OFFER AND DISSEMINATE" MEANS TO PROVIDE GENERAL INFORMATION ABOUT SELF-STORAGE INSURANCE, INCLUDING A DESCRIPTION OF THE COVERAGE AND PRICE, AS WELL AS PROCESSING THE APPLICATION, COLLECTING PREMIUMS, AND PERFORMING OTHER

1 NONLICENSEABLE ACTIVITIES PERMITTED BY THE STATE.

2 (5) "SELF-SERVICE STORAGE FACILITY" MEANS REAL PROPERTY
3 DESIGNED AND USED FOR THE SOLE PURPOSE OF RENTING OR LEASING
4 INDIVIDUAL STORAGE SPACE TO OCCUPANTS WHO ARE GIVEN ACCESS TO
5 A SELF-STORAGE SPACE FOR THE SOLE PURPOSE OF STORING AND
6 REMOVING PERSONAL PROPERTY.

7 (6) "SELF-STORAGE INSURANCE" MEANS INSURANCE COVERAGE
8 FOR PROPERTY LOSS INCIDENTAL TO THE RENTAL OF A SELF-STORAGE
9 SPACE AT A SELF-SERVICE STORAGE FACILITY.

10 (7) "SELF-STORAGE RENTAL AGREEMENT" MEANS A WRITTEN
11 AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS GOVERNING THE
12 USE OF A SELF-STORAGE SPACE PROVIDED BY A SELF-SERVICE STORAGE
13 FACILITY FOR RENT OR LEASE.

14 (8) "SELF-STORAGE RETAILER" MEANS A BUSINESS ENTITY THAT
15 RENTS SELF-STORAGE UNITS AND MAY OFFER AND DISSEMINATE
16 SELF-STORAGE INSURANCE AS A SERVICE TO ITS CUSTOMERS ON BEHALF OF
17 AND UNDER THE DIRECTION OF A SUPERVISING ENTITY. FOR THE PURPOSES
18 OF THIS SUBSECTION (8), "BUSINESS ENTITY" INCLUDES AN INDIVIDUAL
19 WORKING FOR OR ACTING ON BEHALF OF THE SELF-STORAGE RETAILER.

20 (9) "SELF-STORAGE SPACE" MEANS A DESIGNATED STORAGE UNIT
21 OR OTHER DESIGNATED SPACE AT A SELF-SERVICE STORAGE FACILITY.

22 (10) "SUPERVISING ENTITY" MEANS A BUSINESS ENTITY OR PERSON
23 THAT IS A LIMITED LINES SELF-STORAGE INSURANCE PRODUCER
24 AUTHORIZED BY AN INSURER TO SUPERVISE A SELF-STORAGE RETAILER.

25 **10-4-1702. Authority to issue license.** (1) A SUPERVISING
26 ENTITY MUST HOLD A LIMITED LINES SELF-STORAGE INSURANCE PRODUCER
27 LICENSE ISSUED BY THE DIVISION IN ACCORDANCE WITH PART 4 OF ARTICLE
28 2 OF THIS TITLE 10 IN ORDER TO SELL, SOLICIT, OR NEGOTIATE
29 SELF-STORAGE INSURANCE.

30 (2) AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF A
31 SELF-STORAGE RETAILER MAY OFFER AND DISSEMINATE SELF-STORAGE
32 INSURANCE TO A CUSTOMER AT EACH SELF-STORAGE RETAILER LOCATION
33 AT WHICH THE EMPLOYEE OR AUTHORIZED REPRESENTATIVE IS
34 SUPERVISED BY A SUPERVISING ENTITY.

35 (3) AN EMPLOYEE OR AUTHORIZED REPRESENTATIVE OF A
36 SELF-STORAGE RETAILER SHALL NOT ADVERTISE, REPRESENT, OR
37 OTHERWISE HOLD HIMSELF OR HERSELF OUT AS A LICENSED INSURER,
38 INSURANCE AGENT, OR INSURANCE PRODUCER, AND SHALL NEITHER
39 EVALUATE NOR INTERPRET THE TECHNICAL TERMS, BENEFITS, OR
40 CONDITIONS OF THE OFFERED SELF-STORAGE INSURANCE WITH THE
41 OCCUPANT OR EVALUATE OR PROVIDE ADVICE CONCERNING AN

1 OCCUPANT'S EXISTING INSURANCE COVERAGE.

2 (4) UNLESS THE SELF-STORAGE RETAILER IS A SUPERVISING
3 ENTITY, THE SELF-STORAGE RETAILER SHALL NOT ADVERTISE, REPRESENT,
4 OR OTHERWISE HOLD ITSELF OUT AS A LICENSED INSURER, INSURANCE
5 AGENT, OR INSURANCE PRODUCER, AND SHALL NEITHER EVALUATE NOR
6 INTERPRET THE TECHNICAL TERMS, BENEFITS, OR CONDITIONS OF THE
7 OFFERED SELF-STORAGE INSURANCE WITH THE OCCUPANT OR EVALUATE
8 OR PROVIDE ADVICE CONCERNING AN OCCUPANT'S EXISTING INSURANCE
9 COVERAGE.

10 (5) A SUPERVISING ENTITY SHALL MAINTAIN A REGISTRY OF
11 SELF-STORAGE RETAILER LOCATIONS THAT ARE AUTHORIZED TO OFFER
12 AND DISSEMINATE SELF-STORAGE INSURANCE COVERAGE IN THIS STATE.
13 UPON REQUEST BY THE COMMISSIONER AND WITH TEN DAYS' NOTICE TO
14 THE SUPERVISING ENTITY, THE SUPERVISING ENTITY SHALL MAKE THE
15 REGISTRY OPEN TO INSPECTION AND EXAMINATION BY THE COMMISSIONER
16 DURING REGULAR BUSINESS HOURS OF THE SUPERVISING ENTITY.

17 (6) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A LICENSE
18 ISSUED PURSUANT TO THIS PART 17 AUTHORIZES THE LICENSEE AND ITS
19 EMPLOYEES OR AUTHORIZED REPRESENTATIVES TO ENGAGE IN THOSE
20 ACTIVITIES THAT ARE PERMITTED IN THIS PART 17.

21 **10-4-1703. License - application - restrictions.** (1) (a) BEFORE
22 BEING ISSUED A LIMITED LINES SELF-STORAGE INSURANCE PRODUCER
23 LICENSE, A PERSON MUST SUBMIT AN APPLICATION FOR A LIMITED LINES
24 SELF-STORAGE LICENSE IN ACCORDANCE WITH SECTION 10-2-404; EXCEPT
25 THAT THE APPLICANT IS NOT REQUIRED TO PROVIDE THE INFORMATION
26 SPECIFIED IN SECTION 10-2-404 (2).

27 (b) A SUPERVISING ENTITY IS RESPONSIBLE FOR COMPLIANCE WITH
28 THIS PART 17. IF A SELF-STORAGE RETAILER HAS MORE THAN ONE
29 SUPERVISING ENTITY, THE COMMISSIONER MAY HOLD ALL SUPERVISING
30 ENTITIES RESPONSIBLE FOR A VIOLATION OF THIS PART 17 IN ACCORDANCE
31 WITH SECTION 10-4-1709. IF A SELF-STORAGE RETAILER DERIVES MORE
32 THAN FIFTY PERCENT OF ITS REVENUE FROM THE SALE OF LIMITED LINES
33 SELF-STORAGE INSURANCE, THE SELF-STORAGE RETAILER SHALL PROVIDE
34 THE LOCATION OF THE SELF-STORAGE RETAILER'S HOME OFFICE AND THE
35 NAME, RESIDENTIAL ADDRESS, AND OTHER INFORMATION REQUIRED BY
36 THE COMMISSIONER FOR ALL OFFICERS, DIRECTORS, AND SHAREHOLDERS
37 OF RECORD HAVING BENEFICIAL OWNERSHIP OF TEN PERCENT OR MORE OF
38 ANY CLASS OF THE SELF-STORAGE RETAILER'S SECURITIES REGISTERED
39 UNDER FEDERAL SECURITIES LAWS. FOR PURPOSES OF THIS SECTION:

40 (I) A SUPERVISING ENTITY IS NOT REQUIRED TO BE AN OFFICER,
41 PARTNER, OR DIRECTOR OF THE SELF-STORAGE RETAILER; AND

4 (c) BY JULY 1, 2018, A PERSON ENGAGED IN THE SALE,
5 SOLICITATION, OR NEGOTIATION OF SELF-STORAGE INSURANCE BEFORE THE
6 EFFECTIVE DATE OF THIS PART 17 SHALL EITHER APPLY FOR A LIMITED
7 LINES SELF-STORAGE INSURANCE PRODUCER LICENSE OR CEASE ENGAGING
8 IN THE SALE OF SELF-STORAGE INSURANCE. TO SELL, SOLICIT, OR
9 NEGOTIATE SELF-STORAGE INSURANCE ON OR AFTER JULY 1, 2018, A
10 PERSON MUST FIRST OBTAIN A LIMITED LINES SELF-STORAGE INSURANCE
11 PRODUCER LICENSE. A LIMITED LINES SELF-STORAGE INSURANCE
12 PRODUCER LICENSE APPLICATION MUST BE ACCCOMPANIED BY A FEE
13 PRESCRIBED BY THE COMMISSIONER IN ACCORDANCE WITH SECTION
14 10-2-413. A LIMITED LINES SELF-STORAGE INSURANCE PRODUCER LICENSE
15 MUST BE RENEWED AS SET FORTH IN SECTION 10-2-408.

23 **10-4-1704. Disclosures to occupant.** (1) BEFORE ISSUING A
24 POLICY UNDER THIS PART 17, A SELF-STORAGE RETAILER SHALL PROVIDE
25 AN OCCUPANT WITH A WRITTEN SELF-STORAGE INSURANCE POLICY OR
26 SELF-STORAGE INSURANCE CERTIFICATE THAT:

27 (a) SUMMARIZES CLEARLY AND CORRECTLY THE MATERIAL TERMS
28 OF COVERAGE OFFERED TO THE OCCUPANT, INCLUDING THE IDENTITY AND
29 CONTACT INFORMATION OF BOTH THE INSURER AND THE SUPERVISING
30 ENTITY;

31 (b) STATES THE BENEFITS OF COVERAGE;

32 (c) STATES THAT THE SELF-STORAGE INSURANCE BEING OFFERED
33 MAY PROVIDE A DUPLICATION OF INSURANCE COVERAGE ALREADY
34 PROVIDED BY A HOMEOWNER'S INSURANCE POLICY OR OTHER SOURCE OF
35 COVERAGE IN EFFECT FOR THE OCCUPANT. THE STATEMENT MUST INCLUDE
36 A SPACE THAT ALLOWS THE OCCUPANT TO WRITE THE OCCUPANT'S INITIALS
37 TO SIGNIFY THE OCCUPANT'S ACKNOWLEDGMENT AND UNDERSTANDING OF
38 THE POTENTIAL DUPLICATION REFERENCED IN THIS SUBSECTION (1)(c).
39 THE RETAILER SHALL SPECIFICALLY BRING THE POTENTIAL DUPLICATION
40 REFERENCED IN THIS SUBSECTION (1)(c) AND THE OPPORTUNITY TO WRITE
41 THE OCCUPANT'S INITIALS TO THE OCCUPANT'S ATTENTION BY ORALLY

1 OFFERING THE OCCUPANT AN OPPORTUNITY TO READ THE STATEMENT AND
2 WRITE THE OCCUPANT'S INITIALS IN THE SPACE PROVIDED;

3 (d) STATES THE DEDUCTIBLE OF THE SELF-STORAGE INSURANCE
4 COVERAGE AND DESCRIBES THE PROCESS FOR FILING A CLAIM;

5 (e) STATES WHETHER THE POLICY COVERS FLOOD DAMAGE TO
6 STORED PROPERTY; AND

7 (f) STATES THAT THE SELF-STORAGE RETAILER CAN ANSWER
8 GENERAL INFORMATION ABOUT THE SELF-STORAGE INSURANCE OFFERED,
9 INCLUDING A DESCRIPTION OF THE COVERAGE AND PREMIUM, BUT IS
10 NEITHER QUALIFIED NOR AUTHORIZED TO ANSWER TECHNICAL QUESTIONS
11 ABOUT THE TERMS AND CONDITIONS OF THE SELF-STORAGE INSURANCE
12 OFFERED AND DISSEMINATED BY THE LIMITED LINES SELF-STORAGE
13 INSURANCE PRODUCER OR TO EVALUATE THE ADEQUACY OF THE
14 OCCUPANT'S EXISTING INSURANCE COVERAGE, IF ANY.

15 (2) IF THE SELF-STORAGE RENTAL AGREEMENT REQUIRES THE
16 OCCUPANT TO PROVIDE PROOF OF INSURANCE, THIS INSURANCE COVERAGE
17 REQUIREMENT MAY BE SATISFIED IF THE OCCUPANT:

18 (a) PURCHASES THIS COVERAGE FROM A SELF-STORAGE RETAILER;
19 OR

20 (b) PROVIDES EVIDENCE OF THIS COVERAGE FROM ANOTHER
21 SOURCE.

22 **10-4-1705. Supervision of issuance - training.** (1) A
23 SUPERVISING ENTITY SHALL SUPERVISE THE ADMINISTRATION OF THE
24 OFFERING AND DISSEMINATING OF SELF-STORAGE INSURANCE. THE
25 SUPERVISING ENTITY SHALL DEVELOP A TRAINING PROGRAM FOR THE
26 OFFERING AND DISSEMINATING OF THE SELF-STORAGE INSURANCE AND
27 SHALL REQUIRE ANY INDIVIDUAL WORKING FOR OR ACTING ON BEHALF OF
28 THE SELF-STORAGE RETAILER TO ATTEND THE TRAINING.

29 (2) THE TRAINING PROGRAM REQUIRED PURSUANT TO SUBSECTION
30 (1) OF THIS SECTION IS MANDATORY FOR ANY INDIVIDUAL WORKING FOR
31 OR ACTING ON BEHALF OF A SELF-STORAGE RETAILER THAT IS DIRECTLY
32 ENGAGED IN THE ACTIVITY OF OFFERING OR DISSEMINATING SELF-STORAGE
33 INSURANCE AND MUST INCLUDE THE FOLLOWING:

34 (a) AN EDUCATION PROGRAM REGARDING SELF-STORAGE
35 INSURANCE THAT IS CONDUCTED AND OVERSEEN BY THE SUPERVISING
36 ENTITY;

37 (b) INSTRUCTION TO ANY INDIVIDUAL OR BUSINESS ENTITY
38 WORKING FOR OR ACTING ON BEHALF OF A SELF-STORAGE RETAILER
39 ABOUT THE SELF-STORAGE INSURANCE OFFERED TO OCCUPANTS AND THE
40 DISCLOSURES REQUIRED PURSUANT TO THIS PART 17; AND

41 (c) INSTRUCTION THAT ANY INDIVIDUAL OR BUSINESS ENTITY

1 WORKING FOR OR ACTING ON BEHALF OF A SELF-STORAGE RETAILER SHALL
2 NOT:

3 (I) ADVERTISE, REPRESENT, OR OTHERWISE HOLD HIMSELF OR
4 HERSELF OUT AS A LICENSED INSURANCE PRODUCER OF ANY KIND; OR

5 (II) EVALUATE OR INTERPRET TECHNICAL TERMS, BENEFITS, OR
6 CONDITIONS OF THE OFFERED SELF-STORAGE INSURANCE OR EVALUATE AN
7 OCCUPANT'S EXISTING INSURANCE COVERAGE, IF THE OCCUPANT HAS ANY
8 SUCH COVERAGE.

9 (3) THE SELF-STORAGE RETAILER MAY BILL AND COLLECT
10 PREMIUMS FOR SELF-STORAGE INSURANCE. THESE SELF-STORAGE
11 INSURANCE PREMIUMS MUST BE SEPARATELY ITEMIZED IF THEY ARE NOT
12 INCLUDED IN THE COST OF THE RENTAL. IF THE PREMIUMS ARE INCLUDED
13 IN THE COST OF THE RENTAL OF THE SELF-STORAGE SPACE, A SUPERVISING
14 ENTITY SHALL ENSURE THAT IT IS CLEARLY AND CONSPICUOUSLY
15 DISCLOSED TO THE OCCUPANT THAT THE SELF-STORAGE INSURANCE IS
16 INCLUDED WITH THE RENTAL FEES FOR THE SELF-STORAGE SPACE. A
17 SUPERVISING ENTITY SHALL ESTABLISH A SEPARATE FIDUCIARY ACCOUNT
18 FOR THE COLLECTED COVERAGE PREMIUMS BUT IS NOT REQUIRED TO
19 SEGREGATE THE INDIVIDUAL OCCUPANTS' PREMIUMS IN THAT ACCOUNT.
20 A SUPERVISING ENTITY SHALL REMIT THE COVERAGE PREMIUM CHARGES
21 TO THE INSURER WITHIN SIXTY DAYS AFTER RECEIPT. ALL COVERAGE
22 PREMIUMS HELD BY A SUPERVISING ENTITY ARE HELD IN TRUST BY THE
23 SUPERVISING ENTITY IN A FIDUCIARY CAPACITY FOR THE BENEFIT OF THE
24 INSURER.

25 **10-4-1706. Compensation.** (1) THIS PART 17 DOES NOT PROHIBIT
26 THE PAYMENT OR RECEIPT OF RELATED COMPENSATION IN THE FORM OF A
27 COMMISSION, SERVICE FEE, BROKERAGE, OR OTHER VALUABLE
28 CONSIDERATION FOR THE SALE OF SELF-STORAGE INSURANCE THAT THE
29 SUPERVISING ENTITY IS AUTHORIZED TO SELL, SOLICIT, OR NEGOTIATE
30 UNDER THIS PART 17 IF THE SUPERVISING ENTITY WAS DULY LICENSED
31 UNDER THIS PART 17 FOR THE PERFORMANCE OF THE SERVICES AND HAS
32 MET ALL CONDITIONS AS SET FORTH IN THIS PART 17.

33 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A
34 SELF-STORAGE RETAILER SHALL NOT COMPENSATE EMPLOYEES OR THE
35 OPERATOR BASED PRIMARILY ON THE NUMBER OF OCCUPANTS ENROLLED
36 FOR LIMITED LINES SELF-STORAGE INSURANCE, BUT THE SELF-STORAGE
37 RETAILER MAY COMPENSATE EMPLOYEES OR THE OPERATOR FOR
38 ACTIVITIES UNDER THE LIMITED LINES EMPLOYEE'S OR SUPERVISING
39 ENTITY'S OVERALL COMPENSATION.

40 **10-4-1707. Exemption from requirements.** NOTWITHSTANDING
41 ANY OTHER PROVISION OF THIS PART 17, RULE PROMULGATED BY THE

1 COMMISSIONER, OR ORDER ISSUED BY THE COMMISSIONER, A SUPERVISING
2 ENTITY IS NOT REQUIRED TO MEET THE PRELICENSURE EDUCATIONAL
3 REQUIREMENTS IN SECTION 10-2-201, CONTINUING EDUCATION
4 REQUIREMENTS IN SECTION 10-2-301, OR EXAMINATION AND CONTINUING
5 EDUCATION REQUIREMENTS IN SECTION 10-2-403.

6 **10-4-1708. Notification.** (1) NOTWITHSTANDING ANY OTHER
7 PROVISION OF LAW:

8 (a) (I) WHENEVER WRITTEN NOTICE OR CORRESPONDENCE WITH
9 RESPECT TO A POLICY IS REQUIRED, THE INSURER SHALL SEND THE NOTICE
10 WITHIN THE NOTICE PERIOD, IF ANY, SPECIFIED BY LAW AND MAY SEND
11 NOTICES AND CORRESPONDENCE BY EITHER MAIL OR ELECTRONIC MEANS.
12 FOR PURPOSES OF THIS SUBSECTION (1)(a)(I), AN OCCUPANT'S PROVISION
13 OF AN E-MAIL ADDRESS TO THE INSURER OR SUPERVISING ENTITY IS
14 CONSENT TO RECEIVE WRITTEN NOTICES AND CORRESPONDENCE BY
15 ELECTRONIC MEANS.

16 (II) IF THE WRITTEN NOTICE IS MAILED, THE INSURER SHALL SEND
17 IT TO THE SUPERVISING ENTITY AT THE SUPERVISING ENTITY'S ADDRESS AS
18 WELL AS TO THE LAST-KNOWN ADDRESS OF THE OCCUPANT AND SHALL
19 MAINTAIN PROOF OF MAILING IN A FORM AUTHORIZED OR ACCEPTED BY
20 THE UNITED STATES POSTAL SERVICE OR OTHER COMMERCIAL MAIL
21 DELIVERY SERVICE.

22 (III) IF THE WRITTEN NOTICE IS SENT BY ELECTRONIC MEANS, THE
23 INSURER SHALL SEND IT TO THE SUPERVISING ENTITY AT THE SUPERVISING
24 ENTITY'S E-MAIL ADDRESS AND TO THE OCCUPANT'S LAST-KNOWN E-MAIL
25 ADDRESS AS PROVIDED BY THE OCCUPANT AND SHALL MAINTAIN PROOF
26 THAT THE WRITTEN NOTICE WAS SENT.

27 (b) A SUPERVISING ENTITY MAY SEND ANY NOTICE OR
28 CORRESPONDENCE REQUIRED BY THIS SECTION OR OTHERWISE REQUIRED
29 BY LAW ON BEHALF OF THE INSURER OR SELF-STORAGE RETAILER.

30 **10-4-1709. Enforcement.** (1) THE COMMISSIONER MAY, AFTER
31 NOTICE AND OPPORTUNITY FOR A HEARING, RESPOND TO A VIOLATION OF
32 A PROVISION OF THIS PART 17 BY:

33 (a) TAKING DISCIPLINARY ACTION AGAINST ANY SUPERVISING
34 ENTITY PURSUANT TO SECTION 10-2-801;

35 (b) IMPOSING OTHER PENALTIES, INCLUDING SUSPENDING THE
36 LICENSE OF A SUPERVISING ENTITY FOR A VIOLATION OF THIS PART 17
37 OCCURRED, AS THE COMMISSIONER CONSIDERS NECESSARY OR
38 CONVENIENT TO CARRY OUT THIS PART 17; OR

39 (c) SUSPENDING OR REVOKING THE ABILITY OF ANY INDIVIDUAL
40 WORKING FOR OR ACTING ON BEHALF OF A SELF-STORAGE RETAILER TO
41 ACT UNDER THE LIMITED LINES SELF-STORAGE INSURANCE PRODUCER

1 LICENSE.

2 **SECTION 2. Act subject to petition - effective date -**
3 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
4 the expiration of the ninety-day period after final adjournment of the
5 general assembly (August 9, 2017, if adjournment sine die is on May 10,
6 2017); except that, if a referendum petition is filed pursuant to section 1
7 (3) of article V of the state constitution against this act or an item, section,
8 or part of this act within such period, then the act, item, section, or part
9 will not take effect unless approved by the people at the general election
10 to be held in November 2018 and, in such case, will take effect on the
11 date of the official declaration of the vote thereon by the governor.

12 (2) This act applies to conduct occurring on or after the applicable
13 effective date of this act.".

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