

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 24-0795.01 Rebecca Bayetti x4348

HOUSE BILL 24-1119

HOUSE SPONSORSHIP

Mauro and Taggart, Bird, Boesenecker, Jodeh, Kipp, Lindstedt, Marshall, Martinez

SENATE SPONSORSHIP

Smallwood, Kirkmeyer, Lundein, Pelton R., Priola, Rich

House Committees

Finance

Senate Committees

Finance

SENATE
3rd Reading Unamended
March 11, 2024

101

CONCERNING THE USE OF MULTI-STATE FILING SYSTEMS FOR

102

INSURANCE TAX FILINGS.

SENATE
2nd Reading Unamended
March 8, 2024

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://leg.colorado.gov>.)

HOUSE
3rd Reading Unamended
February 26, 2024

The bill requires insurance premium taxes, surplus lines taxes, and other associated state-specific insurance tax filings to be filed through a secure web-based application identified by the division of insurance. The bill also authorizes the commissioner of the division of insurance to contract with a third party to provide a secure web-based application system that allows premium taxes, surplus lines taxes, and other

HOUSE
Amended 2nd Reading
February 23, 2024

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

state-specific filings to be filed for multiple states on a single application system.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Secure web-based applications, including OPTins developed
5 by the National Association of Insurance Commissioners, facilitate the
6 submission of premium tax, surplus lines tax, and other state-specific
7 filings and payments to participating states.

8 (b) Premium tax and surplus lines filings and payment systems
9 allow insurance companies and other taxpayers to electronically submit
10 their premium tax filings, surplus lines tax filings, and associated
11 payments electronically and efficiently.

12 (c) The premium tax and surplus lines tax filings and payment
13 systems may also simplify filings and payments and allow insurance
14 companies to submit premium tax, surplus lines tax, and state-specific
15 filings and payments due to multiple states through a single system. The
16 option for widespread use of state and national platforms provides
17 carriers with the ability to create accounts, making duplicative data entry
18 unnecessary, which results in consistency in their filings and reduced
19 administrative costs.

20 (d) Many other states have transitioned or are contemplating
21 transitioning to national and multi-state premium tax collection systems
22 that simplify and streamline the collection of premium taxes and related
23 filings. OPTins is currently used by at least nineteen United States
24 jurisdictions for premium tax filings and payments. The state of Florida
25 has created, through legislation, the not-for-profit Florida Surplus Lines

1 Service Office, which currently services twelve states.

2 **SECTION 2.** In Colorado Revised Statutes, 10-3-209, **add (6)** as
3 follows:

4 **10-3-209. Tax on premiums collected - exemptions - penalties**

5 **- filing system - division to contract with third parties.** (6) (a) ALL
6 TAXES, PENALTIES, FINES, ~~FEES~~, AND ASSOCIATED FILINGS REQUIRED
7 UNDER THIS SECTION MUST BE SUBMITTED TO THE DIVISION OF INSURANCE
8 THROUGH A SECURE WEB-BASED APPLICATION SYSTEM IDENTIFIED BY THE
9 DIVISION OF INSURANCE. THE COMMISSIONER MAY ENTER INTO A
10 CONTRACT WITH A QUALIFIED THIRD PARTY, INCLUDING THE NATIONAL
11 ASSOCIATION OF INSURANCE COMMISSIONERS, FOR A SECURE WEB-BASED
12 APPLICATION SYSTEM THAT WOULD ALLOW PREMIUM TAXES PAID BY
13 INSURANCE COMPANIES TO BE FILED FOR MULTIPLE STATES ON A SINGLE
14 WEB-BASED APPLICATION SYSTEM. THE THIRD PARTY MAY CHARGE THE
15 INSURANCE COMPANY A NOMINAL FEE FOR THIS SERVICE THAT IS
16 REASONABLY RELATED TO THE OVERALL COST OF THE SERVICE OF
17 COLLECTING FILINGS AND PAYMENTS AND TRANSMITTING THOSE FILINGS
18 AND PAYMENTS TO THE DIVISION OF INSURANCE. A FEE CHARGED BY THE
19 THIRD PARTY AS PART OF THIS SUBSECTION (6) IS NOT SUBJECT TO SECTION
20 10-3-207 OR SUBSECTION (4)(a) OF THIS SECTION.

21 (b) PURSUANT TO ARTICLE 4 OF TITLE 24, THE COMMISSIONER MAY
22 PROMULGATE RULES NECESSARY TO IMPLEMENT, OPERATE, AND ENFORCE
23 THIS SUBSECTION (6).

24 (c) IN CONTRACTING WITH A QUALIFIED THIRD PARTY FOR A
25 SECURE WEB-BASED APPLICATION SYSTEM DESCRIBED IN THIS SUBSECTION
26 (6), THE COMMISSIONER IS EXEMPT FROM THE "PROCUREMENT CODE",
27 ARTICLES 101 TO 112 OF TITLE 24.

1 **SECTION 3.** In Colorado Revised Statutes, 10-5-111, **add** (3) as
2 follows:

3 **10-5-111. Tax on premiums - filing system - division to**
4 **contract with third parties - definition.** (3) (a) ALL TAXES, PENALTIES,
5 FINES, ~~FEES~~, AND ASSOCIATED FILINGS REQUIRED PURSUANT TO THIS
6 SECTION MUST BE SUBMITTED TO THE DIVISION OF INSURANCE THROUGH
7 A SECURE WEB-BASED APPLICATION SYSTEM IDENTIFIED BY THE DIVISION
8 OF INSURANCE. THE COMMISSIONER MAY ENTER INTO A CONTRACT WITH
9 A QUALIFIED THIRD PARTY, INCLUDING THE FLORIDA SURPLUS LINE
10 SERVICES OFFICE, FOR A SECURE WEB-BASED APPLICATION SYSTEM THAT
11 WOULD ALLOW TAXPAYERS TO FILE TAXES FOR MULTIPLE STATES ON A
12 SINGLE WEB-BASED APPLICATION SYSTEM. THE THIRD PARTY MAY CHARGE
13 THE TAXPAYER A NOMINAL FEE FOR THIS SERVICE THAT IS REASONABLY
14 RELATED TO THE OVERALL COST OF THE SERVICE OF COLLECTING FILINGS
15 AND PAYMENTS AND TRANSMITTING THOSE FILINGS AND PAYMENTS TO
16 THE DIVISION OF INSURANCE. A FEE CHARGED BY THE THIRD PARTY AS
17 PART OF THIS SUBSECTION (3) IS NOT SUBJECT TO THIS SECTION, SECTION
18 10-3-207, SECTION 10-3-209 (4)(a), OR SECTION 10-5-111.5 (1).

19 (b) PURSUANT TO ARTICLE 4 OF TITLE 24, THE COMMISSIONER MAY
20 PROMULGATE RULES NECESSARY TO IMPLEMENT, OPERATE, AND ENFORCE
21 THIS SUBSECTION (3).

22 (c) IN CONTRACTING WITH A QUALIFIED THIRD PARTY FOR A
23 SECURE WEB-BASED APPLICATION SYSTEM DESCRIBED IN THIS SUBSECTION
24 (3), THE COMMISSIONER IS EXEMPT FROM THE "PROCUREMENT CODE",
25 ARTICLES 101 TO 112 OF TITLE 24.

26 (d) AS USED IN THIS SUBSECTION (3), "TAXPAYER" MEANS A
27 PERSON SUBJECT TO TAX UNDER THIS SECTION 10-5-111.

1 **SECTION 4. Applicability.** This act applies to tax filings
2 submitted on or after January 1, 2025.

3 **SECTION 5. Safety clause.** The general assembly finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, or safety or for appropriations for
6 the support and maintenance of the departments of the state and state
7 institutions.