

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 22-0174.01 Jason Gelender x4330

HOUSE BILL 22-1029

HOUSE SPONSORSHIP

Bird and Sandridge, Exum, Sirota, Amabile, Bacon, Bennett, Boesenecker, Caraveo, Cutter, Daugherty, Esgar, Garnett, Gonzales-Gutierrez, Gray, Herod, Holtorf, Jodeh, Kennedy, Kipp, Larson, Lindsay, Lontine, Lynch, McCluskie, McCormick, McKean, McLachlan, Michaelson Jenet, Mullica, Ortiz, Ricks, Roberts, Snyder, Tipper, Titone, Valdez D., Weissman, Woodrow, Woog, Young

SENATE SPONSORSHIP

Kolker and Priola, Garcia

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT THE STATE MAKE AN ADDITIONAL**
102 **DIRECT DISTRIBUTION TO THE PUBLIC EMPLOYEES' RETIREMENT**
103 **ASSOCIATION TO FULLY RECOMPENSE THE ASSOCIATION FOR**
104 **THE CANCELLATION OF A PREVIOUSLY SCHEDULED JULY 1, 2020,**
105 **DIRECT DISTRIBUTION.**

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/>.)

Pension Review Commission. In order to fully recompense the public employees' retirement association (PERA) for the cancellation of

HOUSE
Amended 3rd Reading
May 10, 2022

HOUSE
Amended 2nd Reading
May 9, 2022

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

a previously scheduled July 1, 2020, direct distribution of \$225 million, the bill requires an additional direct distribution to PERA of \$303.57 million to be made on July 1, 2022. \$303.57 million is the sum of \$225 million plus an estimate of investment gains that would have accrued on that amount from July 1, 2020, through June 30, 2022, based on PERA's actual one-year total fund policy benchmark return from July 1, 2020, through June 30, 2021, plus PERA's assumed one-year rate of return of 7.25% from July 1, 2021, through June 30, 2022.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-51-414, **amend**
3 (1)(a); and **add** (6), (7), and (8) as follows:

4 **24-51-414. Direct distribution.** (1) (a) EXCEPT AS OTHERWISE
5 PROVIDED IN SUBSECTIONS (6), (7), AND (8) OF THIS SECTION, on July 1,
6 2018, on July 1, 2019, on July 1, 2021, and on July 1 each year thereafter
7 until there are no unfunded actuarial accrued liabilities of any division of
8 the association that receives the distribution pursuant to this section, the
9 state treasurer shall issue a warrant to the association in an amount equal
10 to two hundred twenty-five million dollars. Such amount shall be paid to
11 the association from the general fund, or any other fund, subject to section
12 24-51-413.

13 (6) IN ORDER TO RECOMPENSE THE ASSOCIATION FOR A
14 DISTRIBUTION IN AN AMOUNT EQUAL TO TWO HUNDRED TWENTY-FIVE
15 MILLION DOLLARS THAT IT HAD BEEN SCHEDULED TO RECEIVE ON JULY 1,
16 2020, PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION BUT DID NOT
17 RECEIVE DUE TO THE ENACTMENT OF HOUSE BILL 20-1379, WHICH
18 AMENDED SUBSECTION (1)(a) OF THIS SECTION AND ADDED SUBSECTION
19 (1)(b) OF THIS SECTION TO ELIMINATE THE DISTRIBUTION, IN ADDITION TO
20 THE WARRANTS ISSUED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION,
21 ON THE EFFECTIVE DATE OF THIS SUBSECTION (6), OR AS SOON AS POSSIBLE

1 THEREAFTER, THE STATE TREASURER SHALL ISSUE A WARRANT TO THE
2 ASSOCIATION IN THE [REDACTED] AMOUNT OF THREE HUNDRED EIGHTY MILLION
3 DOLLARS. THE WARRANT SHALL BE PAID TO THE ASSOCIATION FROM THE
4 PERA PAYMENT CASH FUND CREATED IN SECTION 24-51-416.

5 (7) THE AMOUNT OF THE WARRANT TO BE ISSUED ON JULY 1, 2023,
6 TO THE ASSOCIATION PURSUANT TO SUBSECTION (1) OF THIS SECTION IS
7 REDUCED BY THE SUM OF ONE HUNDRED FIFTY-FIVE MILLION DOLLARS AND
8 AN AMOUNT EQUAL TO SEVEN AND ONE-QUARTER PERCENT MULTIPLIED BY
9 THREE HUNDRED EIGHTY MILLION DOLLARS; EXCEPT THAT, IF THE 2021
10 ANNUAL RATE OF RETURN ON INVESTMENTS AS REPORTED IN THE
11 ASSOCIATION'S ANNUAL REPORT FOR 2021 EXCEEDS SEVEN AND
12 ONE-QUARTER PERCENT, THEN THE REDUCTION SHALL BE THE SUM OF ONE
13 HUNDRED FIFTY-FIVE MILLION DOLLARS AND AN AMOUNT EQUAL TO THE
14 ASSOCIATION'S RATE OF RETURN ON INVESTMENTS MULTIPLIED BY THREE
15 HUNDRED EIGHTY MILLION DOLLARS. IF THE ANNUAL RATE OF RETURN IS
16 LESS THAN SEVEN AND ONE-QUARTER PERCENT BUT GREATER THAN ZERO,
17 THEN THE REDUCTION SHALL BE THE SUM OF ONE HUNDRED FIFTY-FIVE
18 MILLION DOLLARS AND AN AMOUNT EQUAL TO THE ANNUAL RATE OF
19 RETURN IN THE ASSOCIATION'S ANNUAL REPORT FOR 2021 MULTIPLIED BY
20 THREE HUNDRED EIGHTY MILLION DOLLARS. IN NO EVENT SHALL THE
21 TOTAL REDUCTION BE LESS THAN ONE HUNDRED FIFTY-FIVE MILLION
22 DOLLARS OR BE GREATER THAN ONE HUNDRED NINETY MILLION DOLLARS.

23 (8) THE AMOUNT OF THE WARRANT TO BE ISSUED ON JULY 1, 2024,
24 TO THE ASSOCIATION PURSUANT TO SUBSECTION (1) OF THIS SECTION IS
25 REDUCED BY THE LESSER OF AN AMOUNT EQUAL TO SEVEN AND
26 ONE-QUARTER PERCENT MULTIPLIED BY THREE HUNDRED EIGHTY MILLION
27 DOLLARS OR AN AMOUNT EQUAL TO THE ASSOCIATION'S ANNUAL RATE OF

1 RETURN ON INVESTMENTS AS REPORTED IN THE ASSOCIATION'S ANNUAL
2 REPORT FOR 2022 MULTIPLIED BY THREE HUNDRED EIGHTY MILLION
3 DOLLARS; EXCEPT THAT THERE SHALL BE NO REDUCTION IF THE RATE OF
4 RETURN IS ZERO OR LESS.

5 **SECTION 2. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, or safety.