

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REVISED

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

LLS NO. 23-0556.01 Jessica Herrera x4218

HOUSE BILL 23-1106

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A BILL FOR AN ACT

101 **CONCERNING AUTHORIZING THE BOARD OF THE FIRE AND POLICE**
102 **PENSION ASSOCIATION TO PROVIDE NONCOMPOUNDING COST OF**
103 **LIVING ADJUSTMENTS.**

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>.)

Current law authorizes the board of the fire and police pension association (FPPA) to grant compounding cost of living adjustments (COLAs). The bill authorizes the board of FPPA, within certain limits, to also grant noncompounding COLAs.

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.

SENATE
2nd Reading Unamended
March 9, 2023

HOUSE
3rd Reading Unamended
February 9, 2023

HOUSE
2nd Reading Unamended
February 8, 2023

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

2 **SECTION 1.** In Colorado Revised Statutes, 31-31.5-410, **amend**
3 (1) and (2)(a) introductory portion as follows:

4 **31-31.5-410. Cost of living adjustments - definitions.** (1) ~~The~~
5 ~~benefits~~ COST OF LIVING ADJUSTMENTS payable under the lifetime benefit
6 components of the plan, IF ANY, may be ~~redetermined~~ PAID effective
7 October 1 each year. To be eligible ~~for redetermination~~ TO RECEIVE A
8 COST OF LIVING ADJUSTMENT, the benefits must have been paid for at least
9 twelve calendar months prior to the effective date of ~~redetermination~~ THE
10 COST OF LIVING ADJUSTMENT. SUBJECT TO THE LIMITS SET FORTH IN
11 SUBSECTION (2) OF THIS SECTION, THE BOARD HAS THE AUTHORITY TO
12 DETERMINE THE FORM IN WHICH A COST OF LIVING ADJUSTMENT MAY BE
13 PAID. THIS INCLUDES THE FREQUENCY OF PAYMENT, WHETHER THE
14 PAYMENT IS COMPOUNDED OR NONCOMPOUNDED, AND ANY OTHER FORM
15 IN WHICH TO PAY A COST OF LIVING ADJUSTMENT.

16 (2) (a) Any ~~redetermination of benefits~~ COST OF LIVING
17 ADJUSTMENT made pursuant to subsection (1) of this section shall be
18 determined by the board in its discretion as a fiduciary of the statewide
19 retirement plan after considering the funding level of the lifetime benefit
20 components, the cost of the ~~redetermination~~ ADJUSTMENT, the
21 components' ability to fund future benefits, and any other factors that the
22 board deems appropriate. The ~~redetermined benefits~~ COST OF LIVING
23 ADJUSTMENT shall not exceed the greater of:

24 **SECTION 2. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly; except

1 that, if a referendum petition is filed pursuant to section 1 (3) of article V
2 of the state constitution against this act or an item, section, or part of this
3 act within such period, then the act, item, section, or part will not take
4 effect unless approved by the people at the general election to be held in
5 November 2024 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.