

CHAPTER 390

GOVERNMENT - STATE

HOUSE BILL 22-1029

BY REPRESENTATIVE(S) Bird and Sandridge, Exum, Sirota, Amabile, Bacon, Bennett, Boesenecker, Caraveo, Cutter, Daugherty, Esgar, 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, Garnett;
also SENATOR(S) Kolker and Priola, Buckner, Cooke, Coram, Donovan, Fields, Gardner, Ginal, Gonzales, Hansen, Hinrichsen, Holbert, Jaquez Lewis, Kirkmeyer, Lee, Liston, Lundeen, Moreno, Pettersen, Rankin, Rodriguez, Scott, Simpson, Smallwood, Sonnenberg, Story, Winter, Woodward, Zenzinger, Fenberg.

AN ACT

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

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

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

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

(6) IN ORDER TO RECOMPENSE THE ASSOCIATION FOR A DISTRIBUTION IN AN AMOUNT EQUAL TO TWO HUNDRED TWENTY-FIVE MILLION DOLLARS THAT IT HAD BEEN SCHEDULED TO RECEIVE ON JULY 1, 2020, PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION BUT DID NOT RECEIVE DUE TO THE ENACTMENT OF HOUSE BILL 20-1379, WHICH AMENDED SUBSECTION (1)(a) OF THIS SECTION AND ADDED SUBSECTION (1)(b) OF THIS SECTION TO ELIMINATE THE DISTRIBUTION, IN ADDITION

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.

TO THE WARRANTS ISSUED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, ON THE EFFECTIVE DATE OF THIS SUBSECTION (6), OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL ISSUE A WARRANT TO THE ASSOCIATION IN THE AMOUNT OF THREE HUNDRED EIGHTY MILLION DOLLARS. THE WARRANT SHALL BE PAID TO THE ASSOCIATION FROM THE PERA PAYMENT CASH FUND CREATED IN SECTION 24-51-416.

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

(8) THE AMOUNT OF THE WARRANT TO BE ISSUED ON JULY 1, 2024, TO THE ASSOCIATION PURSUANT TO SUBSECTION (1) OF THIS SECTION IS REDUCED BY THE LESSER OF AN AMOUNT EQUAL TO SEVEN AND ONE-QUARTER PERCENT MULTIPLIED BY THREE HUNDRED EIGHTY MILLION DOLLARS OR AN AMOUNT EQUAL TO THE ASSOCIATION'S ANNUAL RATE OF RETURN ON INVESTMENTS AS REPORTED IN THE ASSOCIATION'S ANNUAL REPORT FOR 2022 MULTIPLIED BY THREE HUNDRED EIGHTY MILLION DOLLARS; EXCEPT THAT THERE SHALL BE NO REDUCTION IF THE RATE OF RETURN IS ZERO OR LESS.

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

Approved: June 7, 2022