

## CHAPTER 285

---

**GOVERNMENT - LOCAL**


---

## SENATE BILL 15-029

BY SENATOR(S) Ulibarri, Garcia, Guzman, Heath, Kefalas, Kerr, Merrifield, Newell, Todd;  
also REPRESENTATIVE(S) Melton, Court, Ginal, Lebsock, Ryden, Williams, Winter, Young.

## AN ACT

CONCERNING A STUDY OF VOLUNTEER FIREFIGHTER PENSION PLANS IN THE STATE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

**SECTION 1.** In Colorado Revised Statutes, **add** 31-31-1002 as follows:

**31-31-1002. Volunteer firefighter pension plans study.** (1) THE STATE AUDITOR, WITH THE CONCURRENCE OF THE FIRE AND POLICE PENSION ASSOCIATION AND THE DEPARTMENT OF LOCAL AFFAIRS, SHALL RETAIN A NATIONALLY RECOGNIZED LAW FIRM WITH EXPERIENCE IN FEDERAL TAX LAW AS IT RELATES TO PUBLIC SECTOR PENSION PLANS, AND AN ACTUARY IF NECESSARY, TO CONDUCT A STUDY OF THE ISSUES SPECIFIED IN SUBSECTION (2) OF THIS SECTION. THE STATE AUDITOR SHALL ADMINISTER A REQUEST FOR PROPOSALS PROCESS AND SOLICIT INDEPENDENT THIRD-PARTY FIRMS WITH THE NECESSARY CREDENTIALS TO BID FOR PERFORMANCE OF THE STUDY. IF, FOLLOWING GOOD FAITH EFFORTS, THE STATE AUDITOR, THE FIRE AND POLICE PENSION ASSOCIATION, AND THE DEPARTMENT OF LOCAL AFFAIRS DO NOT CONCUR REGARDING THE SELECTION OF THE FIRM, THE STATE AUDITOR SHALL RETAIN AND ENTER INTO A CONTRACT WITH THE FIRM PREFERRED BY THE STATE AUDITOR.

(2)(a) THE FIRM SELECTED PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL STUDY THE FOLLOWING ISSUES:

(I) WHETHER THE FEDERAL INTERNAL REVENUE SERVICE RECOGNIZES VOLUNTEER FIREFIGHTER PLANS CREATED PURSUANT TO PARTS 11 AND 12 OF ARTICLE 30 OF THIS TITLE;

(II) IF THE VOLUNTEER FIREFIGHTER PLANS CREATED PURSUANT TO PARTS 11 AND

---

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

12 OF ARTICLE 30 OF THIS TITLE ARE NOT RECOGNIZED BY THE FEDERAL INTERNAL REVENUE SERVICE, HOW SUCH PLANS CAN BE BROUGHT INTO COMPLIANCE WITH FEDERAL LAW;

(III) WHETHER VOLUNTEER FIREFIGHTER PLANS HAVE PROVIDED BENEFITS TO VOLUNTEERS IN EXCESS OF WHAT IS ALLOWED TO BE PAID TO VOLUNTEERS PURSUANT TO THE FEDERAL INTERNAL REVENUE CODE, THE BUREAU OF LABOR STANDARDS, AND ANY OTHER APPLICABLE FEDERAL LAW;

(IV) ALTERNATIVES TO MAINTAINING SEPARATE LOCAL VOLUNTEER FIREFIGHTER PLANS AS THEY ARE CURRENTLY STRUCTURED IN THE STATE, INCLUDING BENEFITS AND DRAWBACKS OF SUCH ALTERNATIVES; AND

(V) ANY OTHER ISSUES OR QUESTIONS DEEMED NECESSARY BY THE STATE AUDITOR, THE FIRE AND POLICE PENSION ASSOCIATION, OR THE DEPARTMENT OF LOCAL AFFAIRS.

(b) THE LAW FIRM SELECTED PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL DELIVER A REPORT DETAILING THE FINDINGS OF THE STUDY TO THE STATE AUDITOR, THE LEGISLATIVE AUDIT COMMITTEE, THE FIRE AND POLICE PENSION ASSOCIATION, THE DEPARTMENT OF LOCAL AFFAIRS, AND THE MEMBERS OF THE POLICE OFFICERS' AND FIREFIGHTERS' PENSION REFORM COMMISSION.

(3) UPON RECEIPT OF THE REPORT REQUIRED IN SUBSECTION (2) OF THIS SECTION, THE STATE AUDITOR'S OFFICE, THE FIRE AND POLICE PENSION ASSOCIATION, AND THE DEPARTMENT OF LOCAL AFFAIRS SHALL WORK COLLECTIVELY TO DEVELOP RECOMMENDATIONS FOR THE LEGISLATURE REGARDING CHANGES TO THE SYSTEM OF VOLUNTEER FIREFIGHTER PENSION PLANS BASED ON THE INFORMATION CONTAINED IN THE REPORT. IN FURTHERANCE OF DEVELOPING THE RECOMMENDATIONS, THE STATE AUDITOR'S OFFICE, THE FIRE AND POLICE PENSION ASSOCIATION, AND THE DEPARTMENT OF LOCAL AFFAIRS SHALL CONSIDER THE FOLLOWING:

(a) WHETHER THE STATE ASSISTANCE PROGRAM FOR VOLUNTEER FIREFIGHTER PLANS SHOULD BE BASED ON A PLAN'S NEED FOR ADDITIONAL FUNDING OR WHETHER FULLY FUNDED PLANS SHOULD CONTINUE TO BE ELIGIBLE FOR STATE ASSISTANCE;

(b) WHETHER THE STATE SHOULD AMEND CURRENT LAW TO ALLOW THE AWARD OF MATCHING GRANTS TO LENGTH OF SERVICE PLANS;

(c) WHETHER THE STATE SHOULD REQUIRE BY LAW THAT VOLUNTEER FIREFIGHTER PLANS UNDERGO PERIODIC ACTUARIAL VALUATIONS;

(d) WHETHER THE STATE SHOULD REQUIRE BY LAW THAT VOLUNTEER FIRE DEPARTMENTS MAKE CONTRIBUTIONS TO VOLUNTEER FIREFIGHTER PLANS;

(e) WHETHER THE STATE SHOULD DEVELOP A PROCESS TO CLOSE VOLUNTEER FIREFIGHTER PLANS OR TO CONVERT PLANS INTO AN ALTERNATE BENEFIT, INCLUDING THE POSSIBILITY FOR ANNUITIES, LUMP SUM PAYMENTS, OR A DEFINED CONTRIBUTION STYLE PLAN;

(f) THE CURRENT DIFFICULTIES ASSOCIATED WITH SEPARATE LOCAL VOLUNTEER FIREFIGHTER PLANS, INCLUDING:

(I) THE COSTS INCURRED IN ADMINISTERING SEPARATE LOCAL PLANS WITH THE INCREASED REPORTING REQUIREMENTS UNDER THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD;

(II) THE DIFFICULTIES OF COORDINATING BENEFITS BETWEEN VOLUNTEER FIRE DEPARTMENTS WHEN A VOLUNTEER FIREFIGHTER HAS WORKED AT MULTIPLE DEPARTMENTS; AND

(III) THE BURDENS OF TRACKING BENEFICIARIES OF LOCAL VOLUNTEER FIREFIGHTER PENSION PLANS, COMPLYING WITH REGULATORY REQUIREMENTS, MAINTAINING A LOCAL PENSION BOARD, AND MAINTAINING RECORDS REGARDING SERVICE ELIGIBILITY;

(g) WHETHER VOLUNTEER FIREFIGHTERS AND VOLUNTEER FIRE DEPARTMENTS ARE BEST SERVED BY A PENSION SYSTEM THAT REQUIRES VOLUNTEERS TO PARTICIPATE FOR TEN TO TWENTY YEARS TO RECEIVE A BENEFIT AT AGE FIFTY;

(h) IF A COST-SHARING MULTI-EMPLOYER PLAN, WHETHER DEFINED CONTRIBUTION OR DEFINED BENEFIT, WOULD FUNCTION MORE EFFICIENTLY THAN INDIVIDUAL LOCAL PLANS;

(i) WHETHER THE FIRE AND POLICE PENSION ASSOCIATION SHOULD BE AUTHORIZED OR DIRECTED TO ADMINISTER A PLAN OTHER THAN THE CURRENT LOCAL DEFINED BENEFIT PLAN FOR VOLUNTEER FIREFIGHTERS; AND

(j) ANY OTHER ISSUES DEEMED RELEVANT BY THE STATE AUDITOR'S OFFICE, THE FIRE AND POLICE PENSION ASSOCIATION, AND THE DEPARTMENT OF LOCAL AFFAIRS.

(4) THE STATE AUDITOR MAY REQUEST INFORMATION AS NECESSARY FROM VOLUNTEER FIRE DEPARTMENTS AND FROM THE FIRE AND POLICE PENSION ASSOCIATION REGARDING THE MEMBERSHIP, BENEFITS, AND STRUCTURE OF THE VOLUNTEER FIREFIGHTER PENSION PLANS. VOLUNTEER FIRE DEPARTMENTS AND THE FIRE AND POLICE PENSION ASSOCIATION SHALL PROVIDE THE REQUESTED INFORMATION.

(5) (a) AS SOON AS PRACTICABLE AFTER THE RECEIPT OF THE REPORT REQUIRED IN SUBSECTION (2) OF THIS SECTION, BUT NOT LESS THAN FORTY-FIVE DAYS AFTER RECEIPT OF THE REPORT, THE POLICE OFFICERS' AND FIREFIGHTERS' PENSION REFORM COMMISSION SHALL MEET TO HEAR A PRESENTATION OF THE REPORT FROM A REPRESENTATIVE OF THE LAW FIRM SELECTED PURSUANT TO SUBSECTION (1) OF THIS SECTION. DURING THE SAME MEETING, THE STATE AUDITOR'S OFFICE, THE FIRE AND POLICE PENSION ASSOCIATION, AND THE DEPARTMENT OF LOCAL AFFAIRS SHALL MAKE A PRESENTATION TO THE COMMISSION WITH ITS RECOMMENDATIONS TO ADDRESS THE ISSUES RAISED IN THE REPORT AND THE ISSUES SPECIFIED IN SUBSECTION (3) OF THIS SECTION.

(b) THE POLICE OFFICERS' AND FIREFIGHTERS' PENSION REFORM COMMISSION SHALL, EITHER AT THE MEETING SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION

(5) OR AT AN ADDITIONAL MEETING AS DEEMED NECESSARY BY THE MEMBERS OF THE COMMISSION, DISCUSS THE PRESENTATIONS TO THE COMMISSION AND DETERMINE WHETHER TO PROPOSE LEGISLATION RELATING TO THE FUNDING AND STRUCTURE OF VOLUNTEER FIREFIGHTER PENSION PLANS IN THE STATE. THE COMMISSION SHALL ENSURE THAT RELEVANT STAKEHOLDERS AND MEMBERS OF THE PUBLIC HAVE AN OPPORTUNITY TO PROVIDE INPUT ON THE FINDINGS OF THE REPORT REQUIRED BY SUBSECTION (2) OF THIS SECTION, THE RECOMMENDATIONS FROM THE STATE AUDITOR'S OFFICE, THE FIRE AND POLICE PENSION ASSOCIATION, AND THE DEPARTMENT OF LOCAL AFFAIRS REQUIRED BY SUBSECTION (3) OF THIS SECTION, AND ON ANY LEGISLATION PROPOSED BY THE COMMISSION.

**SECTION 2. Appropriation.** (1) For the 2015-16 state fiscal year, \$100,000 is appropriated to the legislative department for use by the office of the state auditor. This appropriation is from the general fund. To implement this act, the office of the state auditor may use this appropriation for contractual services to study volunteer firefighter pension plans.

(2) For the 2015-16 state fiscal year, \$4,271 is appropriated to the department of local affairs. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

(a) \$848 for use by the executive director's office for the purchase of information technology services; and

(b) \$3,423 for use by the division of local government for personal services.

(3) For the 2015-16 state fiscal year, \$848 is appropriated to the office of the governor for use by the office of information technology. This appropriation is from reappropriated funds received from the department of local affairs under paragraph (a) of subsection (2) of this section.

**SECTION 3. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 5, 2015