

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

DRAFT
3.26.21

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LLS NO. 21-0947.01 Ed DeCecco x4216

COMMITTEE BILL

Joint Budget Committee

BILL TOPIC: "Direct Distribution Cash Fund"

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE DIRECT DISTRIBUTION CASH**
102 **FUND TO BE USED FOR FUTURE PAYMENTS TO THE PUBLIC**
103 **EMPLOYEES' RETIREMENT ASSOCIATION, AND, IN CONNECTION**
104 **THEREWITH, MAKING AN APPROPRIATION.**

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/>.)

Joint Budget Committee. The state treasurer is required to issue a warrant to the public employees' retirement association (PERA) in an amount equal to \$225 million from the general fund or any other fund on

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

July 1 of each year, excluding this year, until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution.

The bill creates the direct distribution cash fund (fund) and appropriates \$280 million from the general fund to the fund for the 2020-21 state fiscal year. Money in the fund will be used for the \$225 million direct distribution payment to PERA on July 1, 2022, and the remainder will be used as part of the next fiscal year's direct distribution payment to PERA. <{As an alternative, you could allow the remainder to be used for any future years. "Money in the fund will be used for the \$225 million direct distribution payment to PERA on July 1, 2022, and the remainder will be used as part of the direct distribution payments to PERA in future fiscal years."}>

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-51-414, **add** (6)
3 as follows:

4 **24-51-414. Direct distribution - direct distribution cash fund**
5 **- creation - repeal.** (6) (a) THE DIRECT DISTRIBUTION CASH FUND,
6 REFERRED TO IN THIS SUBSECTION (6) AS THE "FUND", IS HEREBY CREATED
7 IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY THAT THE
8 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE
9 STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED
10 FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE
11 FUND. <{As an alternative you could have the interest and income
12 deposited into the general fund, as follows: "In accordance with section
13 24-36-114 (1), the state treasurer shall credit all interest and income
14 derived from the deposit and investment of money in the fund to the
15 general fund."}>

16 (b) (I) THE WARRANT THAT THE STATE TREASURER IS REQUIRED
17 TO ISSUE ON JULY 1, 2022, UNDER SUBSECTION (1)(a) OF THIS SECTION IS
18 TO BE PAID ENTIRELY FROM THE FUND. THE WARRANT THAT THE STATE

1 TREASURER IS REQUIRED TO ISSUE ON JULY 1, 2023, UNDER SUBSECTION
2 (1)(a) OF THIS SECTION IS TO BE PAID FROM ANY MONEY REMAINING IN
3 THE FUND AND FROM THE GENERAL FUND OR ANY OTHER FUND.

4 <{*As an alternative you could allow the cash fund to be used for the*
5 *source of payment for any future years, as follows: "The warrant that*
6 *the state treasurer is required to issue in any fiscal year thereafter may*
7 *be paid from any money in the fund."* *With this alternative, the*
8 *repealer in subsection (6)(c) would be removed.*>

9 (II) THE MONEY IN THE FUND SHALL NOT BE USED FOR ANY
10 PURPOSE OTHER THAN AS SET FORTH IN SUBSECTION (6)(b)(I) OF THIS
11 SECTION.

12 (c) THIS SUBSECTION (6) IS REPEALED, EFFECTIVE JULY 1, 2024.

13 **SECTION 2. Appropriation.** For the 2020-21 state fiscal year,
14 \$280,000,000 is appropriated to the direct distribution cash fund created
15 in section 24-51-414 (6)(a), C.R.S. This appropriation is from the general
16 fund. The department of treasury is responsible for the accounting related
17 to this appropriation.

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