

CHAPTER 201

GOVERNMENT - STATE

HOUSE BILL 18-1338

BY REPRESENTATIVE(S) Rankin, Hamner, Young, Arndt, Becker K., Gray, Herod, Kennedy, Rosenthal, Singer, McLachlan, Roberts, Duran;
 also SENATOR(S) Lambert, Lundberg, Moreno, Baumgardner, Cooke, Coram, Donovan, Jahn, Martinez Humenik, Scott, Sonnenberg, Tate, Grantham.

AN ACT**CONCERNING TRANSFERS TO ADDRESS THE REDUCTION OF REVENUES IN THE SEVERANCE TAX OPERATIONAL FUND.**

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

SECTION 1. In Colorado Revised Statutes, 23-31-310, **amend** (8.7) as follows:

23-31-310. Forest restoration and wildfire risk mitigation grant program - legislative declaration - technical advisory panel - definitions - repeal. (8.7) On July 1, 2017, AND JULY 1, 2018, the state treasurer shall transfer nine hundred fifty-four thousand five hundred forty-five dollars from the general fund to the forest restoration and wildfire risk mitigation grant program cash fund.

SECTION 2. In Colorado Revised Statutes, 23-31-313, **amend** (10)(a)(II) as follows:

23-31-313. Healthy forests - vibrant communities - funds created - repeal. (10) **Healthy forests and vibrant communities fund.** (a) (II) On July 1, 2017, AND JULY 1, 2018, the state treasurer shall transfer one million one hundred eighty-six thousand three hundred sixty-three dollars from the general fund to the healthy forests and vibrant communities fund.

SECTION 3. In Colorado Revised Statutes, 24-33-111, **amend** (2)(a)(I)(B) as follows:

24-33-111. Conservation of native species - fund created. (2) **Species conservation trust fund - creation.** (a) (I) (B) On July 1, 2017, the state treasurer

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

shall transfer four million ninety thousand nine hundred nine dollars from the general fund to the species conservation trust fund. ON JULY 1, 2018, THE STATE TREASURER SHALL TRANSFER THREE MILLION DOLLARS FROM THE GENERAL FUND TO THE SPECIES CONSERVATION TRUST FUND.

SECTION 4. In Colorado Revised Statutes, 24-33.5-1212, **amend** (5)(a)(II) as follows:

24-33.5-1212. Training for directors of fire protection districts - pilot program - advisory board - training fund - repeal. (5) (a) (II) On July 1, 2017, AND JULY 1, 2018, the state treasurer shall transfer forty-five thousand four hundred fifty-five dollars from the general fund to the wildland-urban interface training fund.

SECTION 5. In Colorado Revised Statutes, 24-33.5-1227, **amend** (1)(a)(II) as follows:

24-33.5-1227. Wildfire preparedness fund - creation - gifts, grants, and donations authorized - wildfire preparedness plan - report. (1) (a) (II) On July 1, 2017, AND JULY 1, 2018, the state treasurer shall transfer eighty-six thousand three hundred sixty-four dollars from the general fund to the wildfire preparedness fund.

SECTION 6. In Colorado Revised Statutes, 34-32-122, **add** (1.5) as follows:

34-32-122. Fees, civil penalties, and forfeitures - deposit - emergency response cash fund - created - repeal. (1.5) (a) ON JULY 1, 2018, THE STATE TREASURER SHALL TRANSFER ONE HUNDRED TWENTY-SEVEN THOUSAND DOLLARS FROM THE GENERAL FUND TO THE SPECIAL ACCOUNT IN THE GENERAL FUND ESTABLISHED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION BY THE MINED LAND RECLAMATION BOARD ESTABLISHED IN SECTION 34-32-105 FOR THE PURPOSE OF RECLAIMING LANDS THAT WERE OBLIGATED TO BE RECLAIMED UNDER PERMITS UPON WHICH FINANCIAL WARRANTIES HAVE BEEN FORFEITED.

(b) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE AUGUST 1, 2018.

SECTION 7. In Colorado Revised Statutes, 35-1-106.7, **add** (1.5) as follows:

35-1-106.7. Conservation district grant fund - repeal. (1.5) (a) ON JULY 1, 2018, THE STATE TREASURER SHALL TRANSFER FOUR HUNDRED FIFTY THOUSAND DOLLARS FROM THE GENERAL FUND TO THE CONSERVATION DISTRICT GRANT FUND.

(b) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE AUGUST 1, 2018.

SECTION 8. In Colorado Revised Statutes, 24-33-111, **add** (2)(a)(III) as follows:

24-33-111. Conservation of native species - fund created. (2) **Species conservation trust fund - creation - repeal.** (a) (III) (A) ON JUNE 1, 2018, THE STATE TREASURER SHALL TRANSFER SEVEN HUNDRED TWENTY-SEVEN THOUSAND EIGHT HUNDRED EIGHTY-EIGHT DOLLARS FROM THE SPECIES CONSERVATION TRUST FUND TO THE SEVERANCE TAX OPERATIONAL FUND CREATED IN SECTION 39-29-109

(2)(b).

(B) THIS SUBSECTION (2)(a)(III) IS REPEALED, EFFECTIVE JULY 1, 2018.

SECTION 9. In Colorado Revised Statutes, 33-10.5-108, **add** (1.3) as follows:

33-10.5-108. Division of parks and outdoor recreation aquatic nuisance species fund - creation - division of wildlife aquatic nuisance species fund - creation - repeal. (1.3) (a) ON JUNE 30, 2018, THE STATE TREASURER SHALL TRANSFER:

(I) THREE HUNDRED NINETY-THREE THOUSAND TWO HUNDRED SEVENTY-TWO DOLLARS FROM THE DIVISION OF PARKS AND OUTDOOR RECREATION AQUATIC NUISANCE SPECIES FUND TO THE SEVERANCE TAX OPERATIONAL FUND CREATED IN SECTION 39-29-109 (2)(b); AND

(II) ONE HUNDRED EIGHTY-NINE THOUSAND NINE HUNDRED TWELVE DOLLARS FROM THE DIVISION OF WILDLIFE AQUATIC NUISANCE SPECIES FUND TO THE SEVERANCE TAX OPERATIONAL FUND CREATED IN SECTION 39-29-109 (2)(b).

(b) IN ADDITION TO ANY OTHER AMOUNTS REQUIRED TO BE DEPOSITED IN THE DIVISION OF PARKS AND OUTDOOR RECREATION AQUATIC NUISANCE SPECIES FUND AND THE DIVISION OF WILDLIFE AQUATIC NUISANCE SPECIES FUND, ON JULY 1, 2018, THE STATE TREASURER SHALL TRANSFER:

(I) TWO MILLION FOUR HUNDRED FIFTY-TWO THOUSAND ONE HUNDRED NINETY-THREE DOLLARS FROM THE GENERAL FUND TO THE DIVISION OF PARKS AND OUTDOOR RECREATION AQUATIC NUISANCE SPECIES FUND; AND

(II) ONE MILLION ONE HUNDRED EIGHTY-FOUR THOUSAND ONE HUNDRED SEVENTY-ONE DOLLARS FROM THE GENERAL FUND TO THE DIVISION OF WILDLIFE AQUATIC NUISANCE SPECIES FUND.

(c) THIS SUBSECTION (1.3) IS REPEALED, EFFECTIVE AUGUST 1, 2018.

SECTION 10. In Colorado Revised Statutes, 34-32-122, **add** (1)(c) as follows:

34-32-122. Fees, civil penalties, and forfeitures - deposit - emergency response cash fund - created - repeal. (1) (c) (I) ON JUNE 1, 2018, THE STATE TREASURER SHALL TRANSFER EIGHTEEN THOUSAND FOUR HUNDRED EIGHTY-EIGHT DOLLARS TO THE SEVERANCE TAX OPERATIONAL FUND CREATED IN SECTION 39-29-109 (2)(b) FROM THE SPECIAL ACCOUNT IN THE GENERAL FUND ESTABLISHED PURSUANT TO SECTION 34-32-122 (1)(a), BY THE MINED LAND RECLAMATION BOARD ESTABLISHED IN SECTION 34-32-105, FOR THE PURPOSE OF RECLAIMING LANDS THAT WERE OBLIGATED TO BE RECLAIMED UNDER PERMITS UPON WHICH FINANCIAL WARRANTIES HAVE BEEN FORFEITED.

(II) THIS SUBSECTION (1)(c) IS REPEALED, EFFECTIVE JULY 1, 2018.

SECTION 11. In Colorado Revised Statutes, 37-60-126, **add** (12)(b.5) as follows:

37-60-126. Water conservation and drought mitigation planning - programs - relationship to state assistance for water facilities - guidelines - water efficiency grant program - definitions - repeal. (12) (b.5) (I) ON JUNE 1, 2018, THE STATE TREASURER SHALL TRANSFER EIGHTY THOUSAND SIXTY-EIGHT DOLLARS FROM THE FUND TO THE SEVERANCE TAX OPERATIONAL FUND CREATED IN SECTION 39-29-109 (2)(b).

(II) THIS SUBSECTION (12)(b.5) IS REPEALED, EFFECTIVE JULY 1, 2018.

SECTION 12. In Colorado Revised Statutes, **amend** 37-75-107 as follows:

37-75-107. Interbasin compact committee operation fund - creation.

(1) There is hereby created in the state treasury the interbasin compact committee operation fund, which shall be administered by the Colorado water conservation board and shall consist of all ~~moneys~~ MONEY transferred by the treasurer as specified in section 39-29-109.3 (2)(i). ~~C.R.S.~~ All ~~moneys~~ MONEY in the fund are IS continuously appropriated to the Colorado water conservation board for the purposes stated in this ~~article~~ ARTICLE 75. All ~~moneys~~ MONEY in the fund at the end of each fiscal year shall be retained in the fund and shall not revert to the general fund or any other fund.

(2) (a) ON JUNE 1, 2018, THE STATE TREASURER SHALL TRANSFER ONE HUNDRED EIGHT THOUSAND FOUR HUNDRED SIXTY-FIVE DOLLARS FROM THE INTERBASIN COMPACT COMMITTEE OPERATION FUND TO THE SEVERANCE TAX OPERATIONAL FUND CREATED IN SECTION 39-29-109 (2)(b).

(b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JULY 1, 2018.

SECTION 13. In Colorado Revised Statutes, 39-29-107.8, **add** (2)(c) as follows:

39-29-107.8. Refunds. (2) (c) (I) IF, AS OF THE END OF THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2017, THE AMOUNT IN THE RESERVE IS LESS THAN THE AMOUNT OF REFUNDS THAT ARE REQUIRED TO BE MADE FROM THE RESERVE, THEN THE STATE TREASURER SHALL CREDIT TO THE RESERVE FROM THE PROCEEDS OF THE MONEY COLLECTED UNDER ARTICLE 22 OF THIS TITLE 39 AN AMOUNT EQUAL TO ONE-FOURTH OF THE DEFICIT.

(II) THE AMOUNT CREDITED TO THE RESERVE IN ACCORDANCE WITH SUBSECTION (2)(c)(I) OF THIS SECTION REPLACES ANY MONEY FROM THE RESERVE THAT WAS TRANSFERRED TO THE SEVERANCE TAX OPERATIONAL FUND, AND AS A RESULT, NO AMOUNT SHALL BE RECOUPED FROM THE OPERATIONAL FUND FOR PURPOSES OF MAKING A REFUND FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2017.

SECTION 14. In Colorado Revised Statutes, 39-29-109, **amend** (2)(b); and **add** (2)(c)(IV) as follows:

39-29-109. Severance tax trust fund - created - administration - distribution of money - repeal. (2) State severance tax receipts shall be credited to the severance tax trust fund as provided in section 39-29-108. Except as otherwise set forth in section 39-29-109.5, all income derived from the deposit and investment of the money in the fund shall be credited to the fund. At the end of any fiscal year, all

unexpended and unencumbered money in the fund remains in the fund and shall not be credited or transferred to the general fund or any other fund. All money in the fund is subject to appropriation by the general assembly for the following purposes:

(b) (I) **The severance tax operational fund.** There is hereby created in the state treasury the severance tax operational fund, also referred to in this ~~paragraph (b)~~ SUBSECTION (2)(b) as the "fund", which the department of natural resources shall administer. The state treasurer shall transfer one-half of the severance tax receipts credited to the severance tax trust fund for tax years commencing on and after July 1, 1995, to the fund. ~~Moneys~~ MONEY in the fund shall be distributed as set forth in section 39-29-109.3.

(II) (A) ON JUNE 1, 2018, THE STATE TREASURER SHALL TRANSFER FROM THE FUND TO THE GENERAL FUND AN AMOUNT EQUAL TO THE AMOUNT TRANSFERRED TO THE FUND FROM THE SEVERANCE TAX TRUST FUND FROM FEBRUARY 1, 2018, THROUGH THE EFFECTIVE DATE OF THIS SUBSECTION (2)(b)(II)(A).

(B) NOTWITHSTANDING SUBSECTION (2)(b)(I) OF THIS SECTION, FROM THE EFFECTIVE DATE OF THIS SUBSECTION (2)(b)(II)(B) THROUGH THE END OF THE FISCAL YEAR COMMENCING ON JULY 1, 2018, THE STATE TREASURER SHALL TRANSFER ONE-HALF OF THE SEVERANCE TAX RECEIPTS CREDITED TO THE SEVERANCE TAX TRUST FUND TO THE GENERAL FUND INSTEAD OF THE FUND; EXCEPT THAT THE AMOUNT TRANSFERRED AND CREDITED TO THE GENERAL FUND UNDER THIS SUBSECTION (2)(b)(II) SHALL NOT EXCEED FORTY MILLION NINE HUNDRED FORTY-TWO THOUSAND SIXTEEN DOLLARS.

(C) THIS SUBSECTION (2)(b)(II) IS REPEALED, EFFECTIVE JULY 1, 2019.

(c) **The water supply reserve fund.** (IV) (A) ON JUNE 1, 2018, THE STATE TREASURER SHALL TRANSFER ONE MILLION FOUR HUNDRED FIFTY-FIVE THOUSAND SEVEN HUNDRED SEVENTY-SIX DOLLARS FROM THE FUND TO THE SEVERANCE TAX OPERATIONAL FUND CREATED IN SUBSECTION (2)(b) OF THIS SECTION.

(B) THIS SUBSECTION (2)(c)(IV) IS REPEALED, EFFECTIVE JULY 1, 2018.

SECTION 15. In Colorado Revised Statutes, 39-29-109.3, **amend** (2) introductory portion and (4)(a) introductory portion; **repeal** (1.5) and (1.7); and **add** (4)(d) and (7) as follows:

~~**39-29-109.3. Severance tax operational fund - repeal.** (1.5) Notwithstanding any provision of this section to the contrary, an amount equal to ten million dollars in the operational fund is restricted from being used for any purpose whatsoever, until such time that the joint budget committee, by a majority vote, releases the restriction on some or all of the money.~~

~~(1.7) Notwithstanding any provision of this section to the contrary, on June 30, 2018, the state treasurer shall transfer eleven million four hundred twenty-five thousand dollars from the operational fund to the general fund.~~

(2) Subject to the requirements of subsections (3) and (4) of this section, if the general assembly chooses not to spend up to one hundred percent of the money in

the operational fund as specified in subsection (1) of this section, the state treasurer shall transfer the following AMOUNTS, WITH THE EXCEPTION OF THE FISCAL YEAR COMMENCING ON JULY 1, 2018:

(4) (a) Except as provided in paragraphs (b) and (c) of this subsection (4) SUBSECTION (4)(b) AND (4)(d) OF THIS SECTION, all transfers specified in subsection (2) of this section shall be made by the state treasurer in three installments, as follows:

(d) DUE TO DECREASES IN STATE SEVERANCE TAX REVENUE, THE STATE TREASURER SHALL NOT MAKE ANY TRANSFERS SPECIFIED IN SUBSECTION (2) OF THIS SECTION FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2018, UNLESS SEVERANCE TAX RECEIPTS ARE DEPOSITED IN THE SEVERANCE TAX OPERATIONAL FUND DURING THE FISCAL YEAR AND THERE IS SUFFICIENT MONEY IN THE OPERATIONAL FUND RESERVE SO THAT NO TRANSFER IS REQUIRED UNDER SUBSECTION (7)(c) OF THIS SECTION.

(7) THE STATE TREASURER SHALL TRANSFER THE FOLLOWING AMOUNTS FROM THE GENERAL FUND TO THE OPERATIONAL FUND:

(a) ON JULY 1, 2018, SEVENTEEN MILLION THIRTY THOUSAND NINE HUNDRED TWENTY-FIVE DOLLARS;

(b) ON JANUARY 1, 2019, THREE MILLION DOLLARS; AND

(c) ON JULY 1, 2019, AN AMOUNT EQUAL TO THE PORTION OF THE OPERATIONAL FUND RESERVE REQUIRED BY SUBSECTION (3)(a) OF THIS SECTION FOR THE OPERATING APPROPRIATIONS FOR THE FISCAL YEAR COMMENCING ON JULY 1, 2019, FOR THE PROGRAMS SPECIFIED IN SUBSECTION (1) OF THIS SECTION OR FOURTEEN MILLION TWO HUNDRED FOURTEEN THOUSAND EIGHT HUNDRED FIFTY-FOUR DOLLARS, WHICHEVER AMOUNT IS LESS.

SECTION 16. Eligibility list - approval - legislative declaration. (1) Pursuant to:

(a) Section 24-33-111 (2), Colorado Revised Statutes, the species conservation trust fund has been created in the state treasury to fund programs designed to conserve native species that have been listed as threatened or endangered under state or federal law or that are candidate species or are likely to become candidate species as determined by the United States fish and wildlife service; and

(b) Section 24-33-111 (3), Colorado Revised Statutes:

(I) The executive director of the department of natural resources, after consulting with the Colorado water conservation board and its director, the parks and wildlife commission, and the director of the division of parks and wildlife, has prepared and delivered to the general assembly a species conservation eligibility list describing programs and associated costs that are eligible to receive funding from the species conservation trust fund; and

(II) Before obligating funds from the species conservation trust fund, the species

conservation eligibility list is subject to modification and adoption through the passage of a bill.

(2) The general assembly deems the recommended expenditures described in the species conservation eligibility list to be in the interest of the people of the state. The money specified in this subsection (2) is available in fiscal year 2018-19 and remains available for the designated purposes until it is fully expended. The executive director of the department of natural resources is authorized to obligate and expend three million dollars (\$3,000,000) from the species conservation trust fund for the following activities, programs, and species in the following amounts:

PROGRAM/SPECIES	AMOUNT
(a) Native terrestrial wildlife conservation	\$940,500
(b) Native aquatic wildlife conservation	\$1,059,500
(c) Platte river recovery implementation program	\$300,000
(d) Upper Colorado river basin nonnative species control program	\$250,000
(e) Selenium management, research, monitoring, evaluation, and control	\$50,000
(f) Morgan bottom irrigation delivery and habitat enhancement project	\$400,000
Total authorization	\$3,000,000

SECTION 17. 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: May 4, 2018