

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

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 25-0446.03 Jed Franklin x5484

**SENATE BILL 25-037**

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**SENATE SPONSORSHIP**

**Roberts and Kirkmeyer**, Amabile, Bridges, Catlin, Coleman, Daugherty, Exum, Hinrichsen, Jodeh, Kipp, Mullica, Pelton B., Pelton R., Simpson, Weissman, Winter F.

**HOUSE SPONSORSHIP**

**Taggart and Mauro**,

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**Senate Committees**

Business, Labor, & Technology  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING ASSISTANCE FOR COMMUNITIES EXPERIENCING ENERGY**  
102 **TRANSITION.**

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**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>.)*

The office of just transition (office) in the department of labor and employment provides money to support programs that implement the just transition plan, provide supplemental funding for targeted investment in coal transition communities, and provide grants and other support to coal transition communities. The bill requires the office to coordinate with councils of government representing regions established by the

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  
3rd Reading Unamended  
February 20, 2025

SENATE  
Amended 2nd Reading  
February 19, 2025

department of local affairs (department) that have coal transition communities, employee associations that represent workers in coal transition communities, and economic development councils formed by the department to implement the most effective projects and programs for those communities.

A public entity may invest public funds only as allowed by law. The bill specifies that the investment of a payment or settlement to offset the socioeconomic impacts to a community or government from the closure of a coal mine or coal power generating station is not subject to these investment limitations.

Currently, 70% of the money credited to the local government severance tax fund (fund) must be distributed to political subdivisions that are socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels subject to taxation and used for the planning, construction, and maintenance of public facilities and for the provision of public services, and to compensate political subdivisions for loss of property tax revenue resulting from the deduction of severance taxes paid in the determination of the valuation for assessment of producing mines. The bill requires the executive director of the department (executive director) to annually expend this money as follows:

- First, an amount equal to the least of \$15 million, the total amount of money available, or the amount of compensation applied for to compensate political subdivisions for the loss of property tax revenue resulting from the deduction of severance taxes paid in the determination of the valuation for assessment of producing mines; or incurred by political subdivisions that are coal transition communities created as due to the closure of coal-fired power plants. The executive director must consider the economic needs of a political subdivision when granting money and must not require a political subdivision to contribute money to be eligible for a grant.
- Second, an amount equal to the least of \$75 million, the total remaining amount of money available, or the amount of grants applied for through 3 grant cycles per year for grants to political subdivisions socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels subject to severance taxation and used for the planning, construction, and maintenance of public facilities and for the provision of public services; and
- Third, any remaining money in excess of the lesser of \$90 million or the total amount of compensation and grants actually awarded as described above must be distributed

annually by the executive director to political subdivisions based upon community need as determined in consultation with the Colorado Municipal League, Colorado Counties, Inc., and the Special District Association of Colorado, and to other recipients as provided by existing law.

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

2 **SECTION 1.** In Colorado Revised Statutes, 8-83-503, **amend**  
3 **(3)(b) and (3)(c); and add (3)(d) as follows:**

4 **8-83-503. Just transition office - advisory committee - repeal.**

5 **(3) It is the purpose of the office to:**

6 **(b) Provide administrative, logistical, research, and policy support**  
7 **to the just transition advisory committee's work as outlined in subsection**  
8 **(6) of this section; and**

9 **(c) Participate in the department's presentation to the general**  
10 **assembly during the "State Measurement for Accountable, Responsive,**  
11 **and Transparent (SMART) Government Act" hearings, held pursuant to**  
12 **part 2 of article 7 of title 2, regarding requirements for financing**  
13 **components of the just transition plan, the administration of this part 5,**  
14 **and the expected results; AND**

15 **(d) REPORT TO THE ANNUAL "STATE MEASUREMENT FOR**  
16 **ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART)**  
17 **GOVERNMENT ACT" HEARINGS, HELD PURSUANT TO PART 2 OF ARTICLE 7**  
18 **OF TITLE 2, OF THE SENATE LOCAL GOVERNMENT AND HOUSING**  
19 **COMMITTEE AND THE HOUSE TRANSPORTATION, HOUSING, AND LOCAL**  
20 **GOVERNMENT COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, ABOUT THE**  
21 **GRANTS AWARDED BY THE OFFICE DURING THE PRECEDING FISCAL YEAR,**  
22 **THEIR RECIPIENTS, AND THE PURPOSE FOR WHICH THEY WERE AWARDED.**

23 **SECTION 2.** In Colorado Revised Statutes, 8-83-504, **amend**

1 (4)(a)(II) introductory portion, (4)(a)(II)(C), and (4)(a)(II)(D); and add  
2 (4)(a)(II)(E) and (4)(a)(II.5) as follows:

3 **8-83-504. Just transition cash fund - transfer from general**  
4 **fund - transfer from account - definition - use of money.**

5 (4) (a) (II) Subject to annual appropriation by the general assembly, the  
6 office shall expend the money transferred to the fund pursuant to this  
7 subsection (4)(a) to implement the just transition plan for Colorado  
8 prepared as required by section 8-83-503 (4), to provide supplemental  
9 funding for existing state programs that the office identifies as the most  
10 effective vehicles for targeted investment in coal transition communities,  
11 and to provide grants and other support directly to coal transition  
12 communities and other eligible entities. In expending money from the  
13 fund, the office shall place a heavy emphasis on investment in tier one  
14 AND TIER TWO COAL transition communities and shall PRIORITIZE  
15 COMMUNITIES EXPERIENCING SOCIOECONOMIC IMPACTS OF COAL  
16 CLOSURES, OPPORTUNITIES FOR ECONOMIC DIVERSIFICATION, LOCAL  
17 COMMUNITY INPUT, FEASIBILITY STUDIES OF SPECIFIC PROPOSED PROJECTS,  
18 AND NEEDS ASSESSMENTS. THE OFFICE SHALL support programs AND BASE  
19 FUNDING DECISIONS ON FACTORS that:

20 (C) Support infrastructure projects and workforce development  
21 programs; ~~or~~

22 (D) Are consistent with the goals and strategies outlined in the just  
23 transition plan; OR

24 =====  
25 (E) FOR MONEY APPROPRIATED TO THE FUND AFTER JULY 1, 2025,  
26 SUPPORT TARGETED INVESTMENT IN COAL TRANSITION COMMUNITIES BY  
27 COLLABORATING WITH COAL TRANSITION COMMUNITIES AND ELIGIBLE

1 ENTITIES, STATE AND REGIONALLY RECOGNIZED GOVERNMENTAL AND  
2 ECONOMIC DEVELOPMENT ENTITIES, EMPLOYEE ORGANIZATIONS THAT  
3 REPRESENT COAL TRANSITION WORKERS, AND WORKERS WHO ARE NOT  
4 AFFILIATED WITH EMPLOYEE ORGANIZATIONS TO IMPLEMENT EFFECTIVE  
5 PROJECTS AND PROGRAMS FOR THOSE COMMUNITIES CONSISTENT WITH  
6 THIS PART 5.

7 (II.5) (A) THE OFFICE SHALL ESTABLISH A TIMELINE FOR  
8 REVIEWING PROJECT PROPOSALS AND APPLICATIONS AND SHALL PROMPTLY  
9 NOTIFY APPLICANTS OF ANY DEFICIENCIES OR INCOMPLETENESS THAT MAY  
10 BE REMEDIED PRIOR TO A FINAL FUNDING DETERMINATION. APPLICANTS  
11 MUST BE ALLOWED FIFTEEN DAYS TO MAKE CHANGES OR ADD  
12 SUPPLEMENTARY DOCUMENTATION.

13 (B) PROJECT FUNDING DECISIONS MUST BE ISSUED WITHIN NINETY  
14 DAYS OF RECEIVING A FINAL PROJECT PROPOSAL. IF A DECISION IS NOT  
15 POSSIBLE WITHIN NINETY DAYS, THE OFFICE SHALL PROVIDE A STATUS  
16 UPDATE TO THE APPLICANT AT THAT TIME. ALL FUNDING DECISIONS MUST  
17 BE PUBLICLY ACCESSIBLE WITH PUBLISHED REASONS FOR DENIAL OF A  
18 PROJECT PROPOSAL ALONG WITH RECOMMENDATIONS FOR IMPROVEMENT.

19 (C) AT THE EARLIEST REGULARLY SCHEDULED MEETING OF THE  
20 JOINT BUDGET COMMITTEE FOLLOWING THE CLOSE OF A FISCAL YEAR, THE  
21 OFFICE SHALL REPORT TO THE JOINT BUDGET COMMITTEE ABOUT THE  
22 GRANTS AWARDED BY THE OFFICE DURING THE PRECEDING FISCAL YEAR,  
23 THEIR RECIPIENTS, AND THE PURPOSE FOR WHICH THEY WERE AWARDED  
24 AND MAKE THE SAME PRESENTATION AT THE ANNUAL SMART ACT  
25 HEARINGS OF THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE  
26 AND THE HOUSE TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT  
27 COMMITTEE.

1           **SECTION 3.** In Colorado Revised Statutes, 8-83-504.5, **amend**  
2           (1)(e) as follows:

3           **8-83-504.5. Additional coal transition workforce assistance**  
4           **program funding - coal transition workforce assistance program**  
5           **account.** (1) (e) The department shall expend OR ENCUMBER the money  
6           transferred to the account pursuant to subsection (1)(a)(II)(B) of this  
7           section by the close of state fiscal ~~year 2026-27~~ YEAR 2029-2030."

8           **SECTION 4.** In Colorado Revised Statutes, 8-83-506, **amend**  
9           (2)(a) as follows:

10           **8-83-506. Report - recommendations - repeal.** (2) (a) Between  
11           September 1 and November 15, 2022, and between September 1 and  
12           November 15 of each year thereafter, the director shall present a report  
13           to the joint budget committee of the general assembly on the history of  
14           expenditures from the fund and the account and the purposes for which  
15           the money in the fund and in the account has been expended or  
16           encumbered in the immediately preceding state fiscal year, specifying the  
17           programs described in sections 8-83-504 and 8-83-504.5 for which money  
18           has been expended, encumbered, or otherwise allocated. THE REPORT  
19           MUST INCLUDE INFORMATION ABOUT THE GRANTS AWARDED BY THE  
20           OFFICE DURING THE PRECEDING FISCAL YEAR, THEIR RECIPIENTS, AND THE  
21           PURPOSE FOR WHICH THEY WERE AWARDED.

22           **SECTION 5.** In Colorado Revised Statutes, 24-75-601.1, **add** (5)  
23           as follows:

24           **24-75-601.1. Legal investments of public funds - definition.**  
25           (5) NOTHING IN THIS SECTION APPLIES TO PUBLIC FUNDS HELD OR  
26           INVESTED AS PART OF ANY PAYMENT OR SETTLEMENT TO OFFSET THE  
27           SOCIOECONOMIC IMPACTS TO A COMMUNITY OR GOVERNMENT FROM THE

1 CLOSURE OF A COAL MINE OR COAL POWER GENERATING STATION.

2

3 SECTION 6. In Colorado Revised Statutes, 39-29-110, amend

4 (1)(b)(I) and (1)(b)(II)(A) as follows:

5 39-29-110. Local government severance tax fund - creation -

6 administration - definitions - repeal. (1) (b) (I) Seventy percent of the

7 funds from IN the local government severance tax fund shall be

8 distributed to those political subdivisions socially or economically

9 impacted by the development, processing, or energy conversion of

10 minerals and mineral fuels subject to taxation under this article and used

11 for the planning, construction, and maintenance of public facilities and

12 for the provision of public services. Such funds shall also be distributed

13 to political subdivisions to compensate them for loss of property tax

14 revenue resulting from the deduction of severance taxes paid in the

15 determination of the valuation for assessment of producing mines. The

16 executive director of the department of local affairs shall consider the

17 economic needs of a political subdivision for purposes of making

18 distributions pursuant to this ~~subparagraph (I)~~ SUBSECTION (1)(b)(I). THE

19 EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS MAY

20 ESTABLISH AN ADMINISTRATIVE POLICY FOR A PREFERENCE TO JUST

21 TRANSITION COAL COMMUNITIES. THIS PREFERENCE WILL BE AVAILABLE

22 FOR A THREE-YEAR PERIOD BEGINNING JANUARY 1, 2026."

23 (II) (A) In addition to the distribution of ~~moneys~~ MONEY

24 authorized under ~~subparagraph (I) of this paragraph (b)~~ SUBSECTION

25 (1)(b)(I) OF THIS SECTION, the executive director may distribute ~~moneys~~

26 MONEY or make loans, or any combination thereof, to ~~such~~ THE political

27 subdivisions for the planning, design, construction, erection, building,

1 acquisition, alteration, modernization, reconstruction, improvement, or  
2 expansion of domestic wastewater treatment works or potable water  
3 treatment facilities. Any loan made by the executive director under the  
4 authority of this section shall only be made under such terms as will  
5 insure repayment of the loan with interest assessed and collected at an  
6 interest rate of not less than five percent COMMENSURATE WITH THE  
7 FEDERAL RESERVE FEDERAL FUNDS INTEREST RATE AT THE TIME THE LOAN  
8 IS ORIGINATED.

9 **SECTION 7.** In Colorado Revised Statutes, 24-38.5-121, **amend**  
10 **(5)** as follows:

11 **24-38.5-121. Assessment of advanced energy solutions in rural**  
12 **Colorado - northwestern and west end of Montrose county Colorado**  
13 **study - southeastern Colorado study - report - legislative declaration**  
14 **- definitions - repeal. (5)** On or before July 1, 2025 NOVEMBER 14,  
15 2025, the director shall submit the findings and conclusions of the  
16 northwestern and west end of Montrose county Colorado study and the  
17 southeastern Colorado study required in subsection (3) of this section to  
18 the house of representatives energy and environment committee and the  
19 senate transportation and energy committee, or their successor  
20 committees and to the just transition office created in section 8-83-503  
21 (1). The findings and conclusions submitted must include any  
22 recommendations including administrative or legislative action needed to  
23 assist northwestern and west end of Montrose county, Colorado, in the  
24 transition to firm energy generation sources and to assist southeastern  
25 Colorado in the development of new energy resources.

26 **SECTION 8. Safety clause.** The general assembly finds,  
27 determines, and declares that this act is necessary for the immediate



- 1 preservation of the public peace, health, or safety or for appropriations for
- 2 the support and maintenance of the departments of the state and state
- 3 institutions.