

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

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0446.03 Jed Franklin x5484

**SENATE BILL 25-037**

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**SENATE SPONSORSHIP**

**Roberts and Kirkmeyer,**

**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.

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, 8-83-504, **amend**  
3 (4)(a)(II) introductory portion, (4)(a)(II)(C), and (4)(a)(II)(D); and add  
4 (4)(a)(II)(E) and (4)(a)(II.5) as follows:

5           **8-83-504. Just transition cash fund - transfer from general**  
6 **fund - transfer from account - definition - use of money.**

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

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

23           (D) Are consistent with the goals and strategies outlined in the just

1 transition plan; OR

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3 (E) FOR MONEY APPROPRIATED TO THE FUND AFTER JULY 1, 2025,  
4 SUPPORT TARGETED INVESTMENT IN COAL TRANSITION COMMUNITIES BY  
5 COLLABORATING WITH COAL TRANSITION COMMUNITIES AND ELIGIBLE  
6 ENTITIES, STATE AND REGIONALLY RECOGNIZED GOVERNMENTAL AND  
7 ECONOMIC DEVELOPMENT ENTITIES, EMPLOYEE ORGANIZATIONS THAT  
8 REPRESENT COAL TRANSITION WORKERS, AND WORKERS WHO ARE NOT  
9 AFFILIATED WITH EMPLOYEE ORGANIZATIONS TO IMPLEMENT EFFECTIVE  
10 PROJECTS AND PROGRAMS FOR THOSE COMMUNITIES CONSISTENT WITH  
11 THIS PART 5.

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

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

24 (C) AT THE EARLIEST REGULARLY SCHEDULED MEETING OF THE  
25 JOINT BUDGET COMMITTEE FOLLOWING THE CLOSE OF A FISCAL YEAR, THE  
26 OFFICE SHALL REPORT TO THE JOINT BUDGET COMMITTEE ABOUT THE  
27 GRANTS AWARDED BY THE OFFICE DURING THE PRECEDING FISCAL YEAR,

1 THEIR RECIPIENTS, AND THE PURPOSE FOR WHICH THEY WERE AWARDED  
2 AND MAKE THE SAME PRESENTATION AT THE ANNUAL SMART ACT  
3 HEARINGS OF THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE  
4 AND THE HOUSE TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT  
5 COMMITTEE.

6 **SECTION 2.** In Colorado Revised Statutes, 24-75-601.1, **add** (5)  
7 as follows:

8 **24-75-601.1. Legal investments of public funds - definition.**  
9 (5) NOTHING IN THIS SECTION APPLIES TO PUBLIC FUNDS HELD OR  
10 INVESTED AS PART OF ANY PAYMENT OR SETTLEMENT TO OFFSET THE  
11 SOCIOECONOMIC IMPACTS TO A COMMUNITY OR GOVERNMENT FROM THE  
12 CLOSURE OF A COAL MINE OR COAL POWER GENERATING STATION.

13 =====  
14 **SECTION 3.** In Colorado Revised Statutes, 24-38.5-121, **amend**  
15 (5) as follows:

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

1 assist northwestern and west end of Montrose county, Colorado, in the  
2 transition to firm energy generation sources and to assist southeastern  
3 Colorado in the development of new energy resources.

4           **SECTION 4. Act subject to petition - effective date.** This act  
5 takes effect at 12:01 a.m. on the day following the expiration of the  
6 ninety-day period after final adjournment of the general assembly; except  
7 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
8 of the state constitution against this act or an item, section, or part of this  
9 act within such period, then the act, item, section, or part will not take  
10 effect unless approved by the people at the general election to be held in  
11 November 2026 and, in such case, will take effect on the date of the  
12 official declaration of the vote thereon by the governor.