

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

**PREAMENDED**

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

LLS NO. 21-0998.01 Ed DeCecco x4216

**SENATE BILL 21-281**

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**SENATE SPONSORSHIP**

**Hansen and Rankin**, Moreno

**HOUSE SPONSORSHIP**

**McCluskie and Ransom**, Herod

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**Senate Committees**

Finance  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING SEVERANCE TAX REVENUE, AND, IN CONNECTION**  
102 **THEREWITH, MAKING AN APPROPRIATION.**

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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/>.)*

**Joint Budget Committee. Section 2** of the bill requires metropolitan districts created after July 1, 2021, to annually pay the state an amount equal to the total of all severance tax ad valorem credits claimed for property taxes that are imposed by the metropolitan district. This money will be allocated like severance tax revenues.

**Section 3** requires the director of the office of state planning and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

budgeting and the executive directors of the departments of revenue, natural resources, and local affairs, or their designees, to review and analyze the following elements of the state severance tax:

- Data collection;
- The tax structure;
- Tax expenditures; and
- The allocation of the tax revenues.

Based on this review and analysis, these persons are required to prepare written recommendations for any changes to the severance tax to the joint budget committee, to be submitted no later than January 1, 2022.

Currently, 50% of state severance tax revenues are deposited into the severance tax trust fund, which is then typically split between the severance tax perpetual base fund (perpetual base fund) and the severance tax operational fund (operational fund). Money in the operational fund is currently used for core departmental programs and, if there are sufficient available revenues, for transfers to funds that support natural resources and energy grant programs (grant program transfers).

**Sections 4 and 6** repeal the grant program transfers, with some, but not all, of the recipient programs receiving alternative funding from severance tax revenues. Subject to annual appropriation, **section 5** authorizes the Colorado water conservation board to direct the state treasurer to transfer money from the perpetual base fund to the following cash funds that previously received grant program transfers:

- The water supply reserve fund;
- The interbasin compact committee operation fund; and
- The water efficiency grant program cash fund.

The general assembly is also given the authority to directly appropriate or transfer money into the perpetual base fund and the water supply reserve fund.

If less than 100% of the money available in the operational fund is used for the current core programs, then, under section 4, the general assembly may also appropriate money from the operational fund to the following cash funds that previously received grant program transfers:

- The species conservation trust fund;
- The division of parks and wildlife aquatic nuisance species fund; and
- The conservation district grant fund.

The transfers from the operational fund are subject to the same limits that they had as grant program transfers. On July 1, 2021, and July 1, 2022, the state treasurer is required to transfer \$9,456,005, which is enough to fully fund the appropriations to these 3 cash funds for those fiscal years.

The operational fund reserve that was maintained for the grant program transfers is repealed and the remaining operational fund reserve is increased to be twice the current fiscal year's appropriations.

**Sections 7 to 13** are conforming amendments related to the repeal

of the grant program transfers, and in some instances, to reflect the new funding from severance tax revenues.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 hereby finds and declares that:

4 (a) There is a tax credit allowed against the state severance tax on  
5 oil and gas that is equal to eighty-seven and one-half percent of the ad  
6 valorem taxes assessed or paid by a taxpayer;

7 (b) There has been a proliferation of metropolitan districts in  
8 recent years;

9 (c) The ad valorem credits that are a result of metropolitan  
10 districts' property taxes have significantly reduced the state's severance  
11 tax revenues, which reduces the allocations for impacted local  
12 communities and critical state programs; and

13 (d) This trend must be addressed.

14 **SECTION 2.** In Colorado Revised Statutes, 32-1-1004, **add** (11)  
15 as follows:

16 **32-1-1004. Metropolitan districts - additional powers and**  
17 **duties.** (11) A METROPOLITAN DISTRICT CREATED ON OR AFTER JULY 1,  
18 2021, SHALL ANNUALLY PAY THE STATE AN AMOUNT EQUAL TO THE TOTAL  
19 OF ALL AD VALOREM CREDITS CLAIMED UNDER SECTION 39-29-105 (2)(b)  
20 FOR PROPERTY TAXES THAT ARE IMPOSED BY THE METROPOLITAN  
21 DISTRICT. THE STATE TREASURER SHALL CREDIT FIFTY PERCENT OF THE  
22 PAYMENT TO THE STATE SEVERANCE TAX TRUST FUND CREATED BY  
23 SECTION 39-29-109, AND FIFTY PERCENT TO THE LOCAL GOVERNMENT  
24 SEVERANCE TAX FUND CREATED BY SECTION 39-29-110, WITH THESE  
25 AMOUNTS FURTHER ALLOCATED IN THE SAME MANNER AS THE GROSS

1 RECEIPTS REALIZED FROM THE SEVERANCE TAXES IMPOSED ON MINERALS  
2 AND MINERAL FUELS UNDER THE PROVISIONS OF ARTICLE 27 OF TITLE 39.

3 **SECTION 3.** In Colorado Revised Statutes, 39-29-108, **add** (6)  
4 as follows:

5 **39-29-108. Allocation of severance tax revenues - definitions**  
6 **- repeal.** (6) (a) THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND  
7 BUDGETING AND THE EXECUTIVE DIRECTORS OF THE DEPARTMENTS OF  
8 REVENUE, NATURAL RESOURCES, AND LOCAL AFFAIRS, OR THEIR  
9 DESIGNEES, SHALL REVIEW AND ANALYZE THE FOLLOWING ELEMENTS OF  
10 THE STATE SEVERANCE TAX:

- 11 (I) DATA COLLECTION;
- 12 (II) THE TAX STRUCTURE;
- 13 (III) TAX EXPENDITURES; AND
- 14 (IV) THE ALLOCATION OF THE TAX REVENUES.

15 (b) BASED ON THEIR REVIEW AND ANALYSIS, THE PERSONS  
16 IDENTIFIED IN SUBSECTION (6)(a) OF THIS SECTION SHALL PREPARE  
17 WRITTEN RECOMMENDATIONS FOR ANY CHANGES TO THE SEVERANCE TAX  
18 TO THE JOINT BUDGET COMMITTEE NO LATER THAN JANUARY 1, 2022.

19 (c) THIS SUBSECTION (6) IS REPEALED, EFFECTIVE JULY 1, 2022.

20 **SECTION 4.** In Colorado Revised Statutes, 39-29-109, **amend**  
21 (2)(a)(I.5), (2)(a)(II), and (2)(c)(I) introductory portion; and **add**  
22 (2)(a)(II.5) as follows:

23 **39-29-109. Severance tax trust fund - created - administration**  
24 **- distribution of money - legislative declaration.** (2) State severance  
25 tax receipts must be credited to the severance tax trust fund as provided  
26 in section 39-29-108. All income derived from the deposit and investment  
27 of the money in the fund must be credited to the fund. At the end of any

1 fiscal year, all unexpended and unencumbered money in the fund remains  
2 in the fund and must not be credited or transferred to the general fund or  
3 any other fund. All money in the fund is subject to appropriation by the  
4 general assembly for the following purposes:

5 (a) **The severance tax perpetual base fund.** (I.5) There is  
6 hereby created in the state treasury the severance tax perpetual base fund,  
7 also referred to in this ~~paragraph (a)~~ SUBSECTION (2)(a) as the "fund",  
8 which the Colorado water conservation board, also referred to in this  
9 ~~paragraph (a)~~ SUBSECTION (2)(a) as the "board", shall administer. The  
10 state treasurer shall transfer ~~moneys~~ MONEY to the fund from the  
11 severance tax trust fund, as specified in this section. THE FUND ALSO  
12 INCLUDES ANY MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE  
13 OR TRANSFER THERETO. The ~~moneys~~ MONEY in the fund ~~are~~ IS  
14 continuously appropriated to the board for purposes authorized by this  
15 ~~paragraph (a)~~ SUBSECTION (2)(a).

16 (II) One-half of the severance tax receipts credited to the fund for  
17 fiscal years commencing on or after July 1, 2009, shall be credited to the  
18 severance tax perpetual base fund and used ~~for state water projects~~  
19 ~~pursuant to sections 37-60-119 and 37-60-122, C.R.S.~~ AS SPECIFIED IN  
20 SUBSECTION (2)(a)(II.5) OF THIS SECTION; except that the total amount of  
21 severance tax receipts credited to the severance tax perpetual base fund  
22 during the fiscal year shall not exceed fifty million dollars unless the cap  
23 established in ~~subparagraph (II) of this paragraph (a)~~ SUBSECTION  
24 (2)(a)(III) OF THIS SECTION is exceeded. The authorization and contract  
25 for each project must require repayment of principal and interest to the  
26 fund, and ~~moneys so~~ MONEY repaid ~~shall be~~ IS credited to the severance  
27 tax perpetual base fund.

1 (II.5) THE BOARD SHALL USE THE MONEY IN THE FUND:

2 (A) FOR STATE WATER PROJECTS PURSUANT TO SECTIONS  
3 37-60-119 AND 37-60-122;

4 (B) TO DIRECT THE STATE TREASURER TO TRANSFER AMOUNTS TO  
5 THE WATER SUPPLY RESERVE FUND CREATED IN SUBSECTION (2)(c) OF THIS  
6 SECTION;

7 (C) TO DIRECT THE STATE TREASURER TO TRANSFER AMOUNTS TO  
8 THE INTERBASIN COMPACT COMMITTEE OPERATION FUND CREATED IN  
9 SECTION 37-75-107; AND

10 (D) TO DIRECT THE STATE TREASURER TO TRANSFER AMOUNTS TO  
11 THE WATER EFFICIENCY GRANT PROGRAM CASH FUND CREATED IN SECTION  
12 37-60-126 (12).

13 (c) **The water supply reserve fund.** (I) There is created in the  
14 office of the state treasurer the water supply reserve fund, referred to in  
15 this subsection (2)(c) as the "fund", administered by the Colorado water  
16 conservation board. The state treasurer shall transfer money to the fund  
17 from the severance tax operational fund as specified in ~~section~~  
18 ~~39-29-109.3 (2)(a)~~ SUBSECTION (2)(a)(II.5)(B) OF THIS SECTION. THE  
19 FUND ALSO INCLUDES ANY OTHER MONEY THAT THE GENERAL ASSEMBLY  
20 MAY APPROPRIATE OR TRANSFER TO THE FUND. The money in the fund is  
21 continuously appropriated, for purposes authorized by this subsection  
22 (2)(c), to the Colorado water conservation board, referred to in this  
23 subsection (2)(c) as the "board". All interest derived from the investment  
24 of money in the fund must be credited to the statewide account of the  
25 fund, which account is hereby created. Repayments of both the principal  
26 and interest on loans from the fund must be credited to the fund. Any  
27 balance remaining in the fund at the end of any fiscal year remains in the

1 fund. The board shall allocate money by grant or loan from the fund only  
2 for water activities approved by a roundtable pursuant to article 75 of title  
3 37. The approving roundtable is the roundtable for the basin in which a  
4 proposed water diversion or nonstructural activity would occur. If the  
5 applicant is a covered entity, as defined in section 37-60-126, the board  
6 shall allocate money by grant or loan from the fund only if the applicant  
7 has adopted a water conservation plan, as defined in section 37-60-126.  
8 The board, in consultation with the interbasin compact committee created  
9 in section 37-75-105, shall establish criteria and guidelines for allocating  
10 money from the fund, including criteria that ensure that the allocations  
11 will assist in meeting water supply needs identified pursuant to section  
12 37-75-104 (2)(c), in a manner consistent with section 37-75-102, and  
13 facilitate both structural and nonstructural projects or methods. Eligible  
14 water activities include:

15 **SECTION 5.** In Colorado Revised Statutes, 39-29-109.3, **amend**  
16 (1) introductory portion, (3)(a), and (3.5)(b); **repeal** (2), (3.5)(a), (7), and  
17 (8); and **add** (1)(g) and (1.5) as follows:

18 **39-29-109.3. Severance tax operational fund - core reserve -**  
19 **grant program reserve - definitions - repeal.** (1) ~~For fiscal years~~  
20 ~~commencing on and after July 1, 1997,~~ The executive director of the  
21 department of natural resources shall submit with the department's budget  
22 request for each fiscal year a list and description of the programs the  
23 executive director recommends to be funded from the severance tax  
24 operational fund created in section 39-29-109 (2)(b), referred to in this  
25 section as the "operational fund". The general assembly may appropriate  
26 money from the total money available in the operational fund to fund  
27 recommended programs as follows:

1 (g) IF THE GENERAL ASSEMBLY APPROPRIATES LESS THAN ONE  
2 HUNDRED PERCENT OF THE MONEY AVAILABLE IN THE OPERATIONAL FUND  
3 FOR THE PURPOSES SET FORTH IN SUBSECTIONS (1)(a) TO (1)(f) OF THIS  
4 SECTION, THEN THE GENERAL ASSEMBLY MAY ADDITIONALLY  
5 APPROPRIATE:

6 (I) UP TO FIVE MILLION DOLLARS TO THE SPECIES CONSERVATION  
7 TRUST FUND CREATED IN SECTION 24-33-111 (2)(a);

8 (II) UP TO FOUR MILLION SIX THOUSAND FIVE DOLLARS FROM THE  
9 OPERATIONAL FUND TO THE DIVISION OF PARKS AND WILDLIFE AQUATIC  
10 NUISANCE SPECIES FUND CREATED IN SECTION 33-10.5-108 (1); AND

11 (III) UP TO FOUR HUNDRED FIFTY THOUSAND DOLLARS TO THE  
12 CONSERVATION DISTRICT GRANT FUND CREATED IN SECTION 35-1-106.7.

13 (1.5) ON JULY 1, 2021, AND JULY 1, 2022, THE STATE TREASURER  
14 SHALL TRANSFER NINE MILLION FOUR HUNDRED FIFTY-SIX THOUSAND FIVE  
15 DOLLARS FROM THE GENERAL FUND TO THE OPERATIONAL FUND.

16 (2) ~~Subject to the requirements of subsections (3) and (3.5) of this~~  
17 ~~section, if the general assembly chooses not to spend up to one hundred~~  
18 ~~percent of the money in the operational fund on core departmental~~  
19 ~~programs, the state treasurer shall transfer the following amounts:~~

20 (a) ~~(I) To the water supply reserve fund created in section~~  
21 ~~39-29-109 (2)(c), the following amounts:~~

22 ~~(A) to (D) Repealed.~~

23 ~~(E) For each state fiscal year commencing on or after July 1, 2012,~~  
24 ~~ten million dollars.~~

25 ~~(H) (Deleted by amendment, L. 2009, (SB 09-106), ch. 386, p.~~  
26 ~~2090, § 2, effective July 1, 2009.)~~

27 (b) ~~To fund the conservation district grant fund created in section~~



1 ~~35-1-106.7, C.R.S., for soil and water conservation, the following~~  
2 ~~amounts:~~

3 ~~(I) to (III) Repealed.~~

4 ~~(IV) (A) For the state fiscal year commencing July 1, 2011,~~  
5 ~~through the state fiscal year commencing on July 1, 2021, four hundred~~  
6 ~~fifty thousand dollars.~~

7 ~~(B) This subparagraph (IV) is repealed, effective July 1, 2023.~~

8 ~~(c) and (d) Repealed.~~

9 ~~(e) To the species conservation trust fund created in section~~  
10 ~~24-33-111 (2)(a), the following amounts:~~

11 ~~(I) to (XI) Repealed.~~

12 ~~(XII) (A) For the state fiscal year commencing July 1, 2019, and~~  
13 ~~for each fiscal year thereafter through the state fiscal year commencing~~  
14 ~~July 1, 2023, five million dollars.~~

15 ~~(B) This subsection (2)(c)(XII) is repealed, effective July 1, 2025.~~

16 ~~(f) For providing energy-related assistance to low-income~~  
17 ~~households as specified in section 40-8.7-112:~~

18 ~~(I) to (IV) Repealed.~~

19 ~~(V) (A) For the state fiscal year commencing July 1, 2012, and~~  
20 ~~each state fiscal year thereafter, through the state fiscal year commencing~~  
21 ~~July 1, 2023, thirteen million dollars as follows: Twenty-five percent to~~  
22 ~~the department of human services low-income energy assistance fund~~  
23 ~~created in section 40-8.7-112 (1); twenty-five percent to the energy~~  
24 ~~outreach Colorado low-income energy assistance fund created in section~~  
25 ~~40-8.7-112 (2)(a), and fifty percent to the Colorado energy office~~  
26 ~~low-income energy assistance fund created in section 40-8.7-112 (3)(a).~~

27 ~~(B) This subsection (2)(f)(V) is repealed, effective July 1, 2025.~~

- 1           ~~(g) and (h) Repealed.~~
- 2           ~~(i) To the interbasin compact committee operation fund created in~~  
3 ~~section 37-75-107, C.R.S., the following amounts:~~
- 4           ~~(I) Repealed.~~
- 5           ~~(II) For the state fiscal year commencing July 1, 2009, and for~~  
6 ~~each state fiscal year thereafter, seven hundred forty-five thousand~~  
7 ~~sixty-seven dollars.~~
- 8           ~~(j) Repealed.~~
- 9           ~~(k) (I) For seven state fiscal years, beginning with the state fiscal~~  
10 ~~year commencing on July 1, 2017, one million fifty thousand dollars per~~  
11 ~~year to the forest restoration and wildfire risk mitigation grant program~~  
12 ~~cash fund created in section 23-31-310 (8.5).~~
- 13           ~~(II) This subsection (2)(k) is repealed, effective September 1,~~  
14 ~~2023.~~
- 15           ~~(l) Repealed.~~
- 16           ~~(m) For the mitigation of aquatic nuisance species as specified in~~  
17 ~~article 10.5 of title 33:~~
- 18           ~~(I) Repealed.~~
- 19           ~~(II) For the state fiscal year commencing July 1, 2009, and every~~  
20 ~~state fiscal year thereafter, four million six thousand five dollars to the~~  
21 ~~division of parks and wildlife aquatic nuisance species fund created in~~  
22 ~~section 33-10.5-108 (1).~~
- 23           ~~(n) (I) For seven fiscal years commencing on or after July 1, 2017,~~  
24 ~~the state treasurer shall transfer:~~
- 25           ~~(A) One million three hundred five thousand dollars to the healthy~~  
26 ~~forests and vibrant communities fund created in section 23-31-313 (10);~~
- 27           ~~(B) Fifty thousand dollars to the wildland-urban interface training~~

1 fund created in section ~~24-33.5-1212~~ (5);

2 (C) ~~Ninety-five thousand dollars to the wildfire preparedness fund~~  
3 ~~created in section 24-33.5-1227 (1).~~

4 (H) ~~This subsection (2)(n) is repealed, effective September 1,~~  
5 ~~2023.~~

6 (o) and (p) ~~Repealed.~~

7 (q) ~~For the state fiscal year commencing July 1, 2015, one million~~  
8 ~~dollars to the Colorado water conservation board construction fund,~~  
9 ~~created in section 37-60-121 (1)(a), C.R.S., for the Colorado water~~  
10 ~~conservation board to continue to provide planning and engineering~~  
11 ~~studies, including implementation measures, to address: Technical needs~~  
12 ~~for watershed restoration and flood mitigation projects throughout the~~  
13 ~~state; aquatic habitat protection; flexible operations for multiple uses;~~  
14 ~~restoration work; quantification of environmental flow needs; and~~  
15 ~~monitoring efforts to support watershed health goals outlined in the~~  
16 ~~Colorado water plan. The money remains available for the designated~~  
17 ~~purposes until June 30, 2019, at which time any unused money will revert~~  
18 ~~to the operational fund.~~

19 (r) ~~For the state fiscal year commencing July 1, 2015, one million~~  
20 ~~two hundred thousand dollars to the Colorado water conservation board~~  
21 ~~construction fund, created in section 37-60-121 (1)(a), C.R.S., for the~~  
22 ~~Colorado water conservation board to participate in the development of~~  
23 ~~modern tools and methods for determining large rain events for regulating~~  
24 ~~and designing dam spillways in the state. The money remains available~~  
25 ~~for the designated purposes until June 30, 2019, at which time any unused~~  
26 ~~money will revert to the operational fund.~~

27 (s) ~~Repealed.~~

1           (3) (a) ~~(F)~~ It is the intent of the general assembly that the  
2 operational fund maintain a reserve equal to TWO TIMES the current state  
3 fiscal year's ~~operating~~ appropriations for the ~~core departmental programs,~~  
4 ~~which reserve is referred to in this section as the "core reserve"~~ MADE  
5 FROM THE OPERATIONAL FUND, BUT if severance tax revenues are less than  
6 anticipated, then money in the ~~core~~ reserve is available to support the ~~core~~  
7 ~~departmental programs, but the core reserve is not available for the~~  
8 ~~transfers to the natural resources and energy grant programs~~ TO BE USED  
9 FOR EXPENDITURES AUTHORIZED BY THE APPROPRIATIONS.

10           ~~(H)~~ It is the intent of the general assembly that the operational  
11 fund maintain a second reserve that is equal to the maximum amount of  
12 the transfers to the natural resources and energy grant programs under this  
13 section, which reserve is referred to in this section as the "grant program  
14 reserve". Money in the ~~grant program reserve~~ may be used to offset  
15 temporary revenue reductions in the core departmental programs and for  
16 transfers to natural resources and energy grant programs; except that, if  
17 the general assembly determines that transfers from the grant program  
18 reserve are needed during a state revenue crisis, the transfers shall be a  
19 loan from the ~~grant program reserve~~ to be repaid as soon as money is  
20 available.

21           ~~(H)~~ The reserves created in this subsection (3) are intended to  
22 mitigate the impact of fluctuations in the amount of revenue credited to  
23 the fund from year to year so as to maintain current levels of service for  
24 the ~~core departmental programs and the natural resources and energy~~  
25 ~~grant programs.~~

26           (3.5) (a) If, at the end of a fiscal year, the core reserve requirement  
27 is fully satisfied, then, on August 15 following the end of the fiscal year,

1 the state treasurer shall make the transfers to the natural resources and  
2 energy grant programs in the amounts specified in subsection (2) of this  
3 section. If necessary, the state treasurer may use money in the grant  
4 program reserve to supplement the money otherwise available to make the  
5 transfers. If there is insufficient money in the operational fund for the full  
6 transfers specified in subsection (2) of this section, then the state treasurer  
7 shall proportionally reduce the transfers.

8 (b) If the grant program reserve requirement is fully satisfied and  
9 there is still money in the operational fund as of the end of the fiscal year,  
10 AT THE END OF A FISCAL YEAR THE RESERVE FOR THE OPERATIONAL FUND  
11 SPECIFIED IN SUBSECTION (3)(a)(I) OF THIS SECTION IS FULL, then, on  
12 August 15 following the end of the fiscal year, the state treasurer shall  
13 transfer the remainder to the severance tax perpetual base fund created in  
14 section 39-29-109 (2)(a).

15 (7) The state treasurer shall transfer the following amounts from  
16 the general fund to the operational fund:

17 (a) On July 1, 2018, seventeen million thirty thousand nine  
18 hundred twenty-five dollars;

19 (b) On January 1, 2019, three million dollars; and

20 (c) On July 1, 2019, an amount equal to the core reserve for the  
21 operating appropriations for the fiscal year commencing on July 1, 2019,  
22 for the programs specified in subsection (1) of this section or fourteen  
23 million two hundred fourteen thousand eight hundred fifty-four dollars,  
24 whichever amount is less.

25 (8) As used in this section:

26 (a) "Core departmental programs" means the programs specified  
27 in subsection (1) of this section.

1 (b) "Transfers to the natural resources and energy grant programs"  
2 means the transfers specified in subsection (2) of this section.

3 **SECTION 6.** In Colorado Revised Statutes, 39-29-109.3, **repeal**  
4 **as recreated and reenacted, with amendments, by Senate Bill 21-189**  
5 (2)(c) as follows:

6 **39-29-109.3. Severance tax operational fund - core reserve -**  
7 **grant program reserve - definitions - repeal.** (2) Subject to the  
8 requirements of subsections (3) and (3.5) of this section, if the general  
9 assembly chooses not to spend up to one hundred percent of the money  
10 in the operational fund on core departmental programs, the state treasurer  
11 shall transfer the following amounts:

12 (c) ~~To the water efficiency grant program cash fund created in~~  
13 ~~section 37-60-126 (12), for use in accordance with that section, on July~~  
14 ~~1 of each state fiscal year commencing on or after July 1, 2020, five~~  
15 ~~hundred fifty thousand dollars. Money transferred pursuant to this~~  
16 ~~subsection (2)(c) is in addition to, and does not replace, any money~~  
17 ~~appropriated to the Colorado water conservation board pursuant to~~  
18 ~~subsection (1)(d) of this section. This subsection (2)(c) is repealed,~~  
19 ~~effective July 1, 2030.~~

20 **SECTION 7.** In Colorado Revised Statutes, 23-31-310, **amend**  
21 (8.5)(a)(I) as follows:

22 **23-31-310. Forest restoration and wildfire risk mitigation**  
23 **grant program - technical advisory panel - legislative declaration -**  
24 **definitions - repeal.** (8.5) **Forest restoration and wildfire risk**  
25 **mitigation grant program cash fund.** (a) There is hereby created in the  
26 state treasury the forest restoration and wildfire risk mitigation grant  
27 program cash fund. The department of higher education shall administer

1 the fund, which consists of:

2 (I) All money transferred by the treasurer as specified in ~~section~~  
3 ~~39-29-109.3 (2)(k)~~ and subsection (8.7) of this section;

4 **SECTION 8.** In Colorado Revised Statutes, 23-31-313, **amend**  
5 (10)(a)(I) and (10)(c) introductory portion as follows:

6 **23-31-313. Healthy forests - vibrant communities - funds**  
7 **created - repeal.** (10) **Healthy forests and vibrant communities**  
8 **fund.** (a) (I) There is hereby created in the state treasury the healthy  
9 forests and vibrant communities fund. The fund consists of all money that  
10 may be appropriated thereto by the general assembly AND all private and  
11 public money received through gifts, grants, reimbursements, or  
12 donations that are transmitted to the state treasurer and credited to the  
13 fund. ~~and all money transferred to the fund pursuant to section~~  
14 ~~39-29-109.3 (2)(n) and subsection (10)(a)(II) of this section.~~ All interest  
15 earned from the investment of money in the fund is credited to the fund.  
16 The money in the fund is hereby continuously appropriated for the  
17 purposes specified in this subsection (10) and remains available until  
18 expended. Any money not expended at the end of the fiscal year shall  
19 remain in the fund and shall not be transferred to or revert to the general  
20 fund.

21 (c) Of the money transferred to the fund pursuant to section  
22 39-29-109.3 (2)(n) PRIOR TO ITS REPEAL:

23 **SECTION 9.** In Colorado Revised Statutes, 24-33-111, **amend**  
24 (2)(a)(I)(A) as follows:

25 **24-33-111. Conservation of native species - fund created.**  
26 (2) **Species conservation trust fund - creation.** (a) (I) (A) There is  
27 hereby created in the state treasury the species conservation trust fund,

1 which is subject to annual authorization by the general assembly to carry  
2 out the purposes of this section. The fund consists of all money  
3 transferred by the treasurer as specified in ~~section 39-29-109.3 (2)(c) and~~  
4 ~~subsection (2)(a)(I)(B) of this section AND ALL MONEY APPROPRIATED TO~~  
5 ~~THE FUND PURSUANT TO SECTION 39-29-109 (1)(g)(I)(A).~~ All income  
6 derived from the deposit and investment of money in the fund is credited  
7 to the fund. At the end of any fiscal year, all unexpended money in the  
8 fund remains in the fund and shall not be credited or transferred to the  
9 general fund or any other fund. To the maximum extent practical, only  
10 interest from the fund shall be expended for activities pursuant to this  
11 section.

12 **SECTION 10.** In Colorado Revised Statutes, 24-33.5-1227,  
13 **amend** (1)(a)(I), (1)(b), and (1)(c)(II) introductory portion as follows:

14 **24-33.5-1227. Wildfire preparedness fund - creation - gifts,**  
15 **grants, and donations authorized - wildfire preparedness plan -**  
16 **report.** (1) (a) (I) There is hereby created in the state treasury the  
17 wildfire preparedness fund. The fund consists of all money that may be  
18 appropriated thereto by the general assembly, all private and public  
19 money received through gifts, grants, reimbursements, or donations that  
20 are transmitted to the state treasurer and credited to the fund, all money  
21 transferred to the fund from the healthy forests and vibrant communities  
22 fund created in section 23-31-313 (10), ~~money transferred pursuant to~~  
23 ~~section 39-29-109.3 (2)(n)(I)(C),~~ and money transferred pursuant to  
24 subsection (1)(a)(II) of this section. All interest earned from the  
25 investment of money in the fund shall be credited to the fund. The money  
26 in the fund is hereby continuously appropriated for the purposes indicated  
27 in this section. Any money not expended at the end of the fiscal year shall



1 remain in the fund and shall not be transferred to or revert to the general  
2 fund.

3 (b) By executive order or proclamation, the governor may access  
4 and designate ~~moneys~~ MONEY in the wildfire preparedness fund for  
5 wildfire preparedness activities; except that ~~moneys~~ MONEY in the  
6 wildfire preparedness fund that ~~have~~ HAS been transferred from the  
7 healthy forests and vibrant communities fund created in section  
8 23-31-313 (10) C.R.S., and ~~moneys transferred pursuant to section~~  
9 ~~39-29-109.3 (2)(n)(I)(C), C.R.S.~~, may be used only for the purposes set  
10 forth in ~~subparagraph (II) of paragraph (c) of this subsection (1)~~  
11 SUBSECTION (1)(c)(II) OF THIS SECTION. The division shall implement the  
12 directives set forth in such executive order or proclamation. As soon as  
13 practicable after issuing the executive order or proclamation, the governor  
14 shall notify the joint budget committee of any ~~moneys~~ MONEY so accessed  
15 and designated.

16 (c) (II) The division shall use ~~moneys~~ MONEY in the wildfire  
17 preparedness fund transferred from the healthy forests and vibrant  
18 communities fund created in section 23-31-313 (10) C.R.S., and ~~moneys~~  
19 ~~transferred pursuant to section 39-29-109.3 (2)(n)(I)(C), C.R.S.~~, to:

20 **SECTION 11.** In Colorado Revised Statutes, 33-10.5-108,  
21 **amend** (1)(a)(I) as follows:

22 **33-10.5-108. Division of parks and wildlife aquatic nuisance**  
23 **species fund - creation.** (1) (a) (I) There is hereby created in the state  
24 treasury the division of parks and wildlife aquatic nuisance species fund,  
25 also referred to in this section as the "fund", which shall be administered  
26 by the division. The fund consists of all money transferred by the state  
27 treasurer as specified in sections ~~39-29-109.3 (2)(m)~~, **39-29-109.3**

1 **(1)(g)(II)**, 33-10.5-104.5, and 33-10.5-105. All money in the fund is  
2 continuously appropriated to the division for the purpose of implementing  
3 this article 10.5. All money in the fund at the end of each fiscal year  
4 remains in the fund and does not revert to the general fund or any other  
5 fund.

6 **SECTION 12.** In Colorado Revised Statutes, 35-1-106.7, **amend**  
7 (1) as follows:

8 **35-1-106.7. Conservation district grant fund - repeal.**

9 (1) There is hereby created in the state treasury the conservation district  
10 grant fund. The fund ~~shall consist~~ CONSISTS of ~~moneys transferred~~ MONEY  
11 APPROPRIATED TO THE FUND pursuant to ~~section 39-29-109.3 (2)(b)~~,  
12 ~~C.R.S. Moneys~~ SECTION 39-29-109.3 (1)(g)(III)(A). MONEY in the fund  
13 ~~are~~ IS specifically and continuously appropriated to the department. The  
14 department shall grant ~~moneys~~ MONEY in the fund to conservation  
15 districts for the purpose of implementing and maintaining soil and water  
16 conservation efforts. All ~~moneys~~ MONEY credited to the fund and all  
17 interest earned on the investment of ~~moneys~~ MONEY in the fund ~~shall be~~  
18 ~~a~~ IS part of the fund and shall not be transferred or credited to the general  
19 fund or to any other fund.

20 **SECTION 13.** In Colorado Revised Statutes, 37-75-107, **amend**  
21 (1) as follows:

22 **37-75-107. Interbasin compact committee operation fund -**

23 **creation.** (1) There is hereby created in the state treasury the interbasin  
24 compact committee operation fund, which shall be administered by the  
25 Colorado water conservation board and ~~shall consist~~ CONSISTS of all  
26 money transferred by the treasurer as specified in ~~section 39-29-109.3~~  
27 ~~(2)(i)~~ SECTION 39-29-109 (2)(a)(II.5)(C). All money in the fund is

1 continuously appropriated to the Colorado water conservation board for  
2 the purposes stated in this article 75. All money in the fund at the end of  
3 each fiscal year shall be retained in the fund and shall not revert to the  
4 general fund or any other fund.

5 **SECTION 14. Appropriation.** (1) For the 2021-22 state fiscal  
6 year, \$5,000,000 is appropriated to the species conservation trust fund  
7 created in section 24-33-111 (2)(a)(I)(A), C.R.S. This appropriation is  
8 from the severance tax operational fund created in section 39-29-109  
9 (2)(b), C.R.S. The department of natural resources is responsible for the  
10 accounting related to this appropriation.

11 (2) For the 2021-22 state fiscal year, \$4,006,005 is appropriated  
12 to the division of parks and wildlife aquatic nuisance species fund created  
13 in section 33-10.5-108 (1)(a)(I), C.R.S. This appropriation is from the  
14 severance tax operational fund created in section 39-29-109 (2)(b), C.R.S.  
15 The department of natural resources is responsible for the accounting  
16 related to this appropriation.

17 (3) For the 2021-22 state fiscal year, \$450,000 is appropriated to  
18 the conservation district grant fund created in section 35-1-106.7 (1),  
19 C.R.S. This appropriation is from the severance tax operational fund  
20 created in section 39-29-109 (2)(b), C.R.S. The department of agriculture  
21 is responsible for the accounting related to this appropriation.

22 **SECTION 15. Effective date.** This act takes effect July 1, 2021;  
23 except that section 6 of this act takes effect only if Senate Bill 21-189  
24 becomes law, in which case section 6 takes effect on the effective date of  
25 this act or Senate Bill 21-189, whichever is later.

26 **SECTION 16. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.