

Second Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 08-0291.01 Jason Gelender

SENATE BILL 08-013

SENATE SPONSORSHIP

Schwartz,

HOUSE SPONSORSHIP

Fischer,

Senate Committees

Agriculture, Natural Resources & Energy
Appropriations

House Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE APPROPRIATION OF MONEYS FROM THE**
102 **OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND**
103 **TO THE DEPARTMENT OF NATURAL RESOURCES FOR PROGRAMS**
104 **RECOMMENDED BY THE EXECUTIVE DIRECTOR OF THE**
105 **DEPARTMENT, AND, IN CONNECTION THEREWITH, REDUCING BY**
106 **A SPECIFIED NUMBER OF PERCENTAGE POINTS THE MAXIMUM**
107 **PERCENTAGES OF TOTAL AVAILABLE OPERATIONAL ACCOUNT**
108 **MONEYS THAT MAY BE APPROPRIATED FOR PROGRAMS WITHIN**
109 **THE COLORADO OIL AND GAS CONSERVATION COMMISSION AND**
110 **THE DIVISION OF RECLAMATION, MINING, AND SAFETY,**
111 **ALLOWING APPROPRIATIONS TO BE MADE IN AMOUNTS UP TO A**
112 **SPECIFIED PERCENTAGE OF THE TOTAL AVAILABLE**

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

SENATE
3rd Reading Unamended
April 15, 2008

SENATE
Amended 2nd Reading
April 14, 2008

101 **OPERATIONAL ACCOUNT MONEYS FOR PROGRAMS WITHIN THE**
102 **DIVISION OF WILDLIFE AND THE DIVISION OF PARKS AND**
103 **OUTDOOR RECREATION, AND EXEMPTING APPROPRIATIONS**
104 **MADE TO THE DIVISION OF WILDLIFE FROM THE TWO-YEAR**
105 **RESERVE REQUIREMENT OF THE OPERATIONAL ACCOUNT, AND**
106 **MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Interim Committee to Study the Allocation of Severance Tax and Federal Mineral Lease Revenues. Modifies the scope of permissible appropriations from the operational account of the severance tax trust fund to the department of natural resources to fund programs recommended by the executive director of the department as follows:

- ! Reduces by a specified number of percentage points the maximum percentages of total available operational account moneys that may be appropriated for programs within the Colorado oil and gas conservation commission and the division of reclamation, mining, and safety.
- ! Allows appropriations to be made in amounts up to a specified percentage of the total available operational account moneys for programs within the division of wildlife and the division of parks and outdoor recreation.
- ! Exempts appropriations made to the division of wildlife from the 2-year reserve requirement of the operational account.

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

2 **SECTION 1.** 39-29-109 (1) (c) (I) (A), (1) (c) (I) (C), and (1) (c)
3 (III) (A), Colorado Revised Statutes, are amended, and the said 39-29-109
4 (1) (c) (I) is further amended BY THE ADDITION OF THE
5 FOLLOWING NEW SUB-SUBPARAGRAPHS, to read:

6 **39-29-109. Severance task trust fund - created -**

1 **administration - use of moneys - definitions - repeal.** (1) (c) (I) For
2 fiscal years commencing on and after July 1, 1997, the executive director
3 of the department of natural resources shall submit with the department's
4 budget request for each fiscal year a list and description of the programs
5 the executive director recommends to be funded from the operational
6 account of the severance tax trust fund. The state minerals, energy, and
7 geology policy advisory board established pursuant to section 34-20-104,
8 C.R.S., shall review the executive director's recommendation before
9 submittal. The general assembly may appropriate moneys from the total
10 moneys available in the operational account of the severance tax trust
11 fund to fund recommended programs as follows:

12 (A) For programs or projects within the Colorado oil and gas
13 conservation commission, up to forty-five percent of the moneys in the
14 operational account FOR FISCAL YEARS COMMENCING BEFORE JULY 1,
15 2008, AND UP TO FORTY PERCENT OF THE MONEYS IN THE OPERATIONAL
16 ACCOUNT FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2008;

17 (C) For programs within the division of reclamation, mining, and
18 safety, up to thirty percent of the moneys in the operational account FOR
19 FISCAL YEARS COMMENCING BEFORE JULY 1, 2008, AND UP TO
20 TWENTY-FIVE PERCENT OF THE MONEYS IN THE OPERATIONAL ACCOUNT
21 FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2008. As part of
22 ~~such thirty percent~~ ANY APPROPRIATION MADE, five hundred thousand
23 dollars, or so much as may be available, shall be transferred to the
24 abandoned mine reclamation fund created in section 34-34-102, C.R.S.

25 (E) FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2008,
26 ONLY, FOR PROGRAMS WITHIN THE DIVISION OF WILDLIFE THAT _____
27 MONITOR, MANAGE, OR MITIGATE THE IMPACTS OF MINERAL OR MINERAL

1 FUEL PRODUCTION ACTIVITIES ON WILDLIFE IN ANY REGION OF THE STATE
2 IN WHICH PRODUCTION ACTIVITY IS OCCURRING OR, FROM ANY LOCATION
3 IN THE STATE, RESEARCH SUCH IMPACTS, UP TO FIVE PERCENT OF THE
4 MONEYS IN THE OPERATIONAL ACCOUNT, WHICH MONEYS SHALL NOT
5 SUPPLANT MONEYS THAT WOULD OTHERWISE BE MADE AVAILABLE FOR
6 SUCH PROGRAMS.

7 (F) FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2008,
8 ONLY, FOR PROGRAMS WITHIN THE DIVISION OF PARKS AND OUTDOOR
9 RECREATION THAT OPERATE, MAINTAIN, OR IMPROVE STATE PARKS IN
10 ANY REGION OF THE STATE IN WHICH PRODUCTION ACTIVITY IS
11 OCCURRING, UP TO FIVE PERCENT OF THE MONEYS IN THE OPERATIONAL
12 ACCOUNT, WHICH MONEYS SHALL NOT SUPPLANT MONEYS THAT WOULD
13 OTHERWISE BE MADE AVAILABLE FOR SUCH PROGRAMS.

14 (III) (A) It is the intent of the general assembly that the
15 operational account of the severance tax trust fund maintain a state fiscal
16 year end balance equal to twice the current state fiscal year's operating
17 appropriations for the programs specified in this paragraph (c); except
18 that moneys appropriated for purposes authorized by article 75 of title 37,
19 C.R.S., AND MONEYS APPROPRIATED PURSUANT TO SUB-SUBPARAGRAPH
20 (E) OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) shall not be considered
21 in establishing such two-year reserve. Moneys may be appropriated or
22 otherwise made available from such two-year reserve only to offset
23 temporary revenue reductions in the programs specified in this paragraph
24 (c); except that, if the general assembly determines that transfers of
25 moneys from the reserve are needed during a state revenue crisis, such
26 transfers shall be a loan from the reserve to be repaid as soon as moneys
27 are available. This provision is intended to mitigate the impact of

1 fluctuations in the amount of revenue credited to the fund from year to
2 year so as to maintain current levels of service for such programs.

3 **SECTION 2.** 39-29-109.3 (1), Colorado Revised Statutes, as
4 enacted by House Bill 08-1398, enacted at the Second Regular Session of
5 the Sixty-sixth General Assembly, is amended to read:

6 **39-29-109.3. Operational account of the severance tax trust**
7 **fund - repeal.** (1) For fiscal years commencing on and after July 1,
8 1997, the executive director of the department of natural resources shall
9 submit with the department's budget request for each fiscal year a list and
10 description of the programs the executive director recommends to be
11 funded from the operational account of the severance tax trust fund
12 created in section 39-29-109 (2) (b), referred to in this section as the
13 "operational account". The minerals, energy, and geology policy advisory
14 board established pursuant to section 34-20-104, C.R.S., shall review the
15 executive director's recommendation before submittal. The general
16 assembly may appropriate moneys from the total moneys available in the
17 operational account to fund recommended programs as follows:

18 (a) (I) For programs or projects within the Colorado oil and gas
19 conservation commission, up to forty-five percent of the moneys in the
20 operational account FOR FISCAL YEARS COMMENCING BEFORE JULY 1,
21 2008, AND UP TO FORTY PERCENT OF THE MONEYS IN THE OPERATIONAL
22 ACCOUNT FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2008.

23 (II) Moneys appropriated for programs or projects pursuant to
24 subparagraph (I) of this paragraph (a) shall be used by the Colorado oil
25 and gas conservation commission for plugging and abandonment projects,
26 for well-site location reclamation projects, or for regulatory and
27 environmental programs or projects as specifically appropriated by the

1 general assembly for use on such programs or projects; except that, if the
2 commission determines that an emergency exists, the commission may
3 expend any moneys received for the emergency without any further
4 appropriation. In determining the uses of these moneys, the commission
5 shall give priority to uses that reduce industry fees and mill levies.

6 (b) For programs within the Colorado geological survey, up to
7 twenty percent of the moneys in the operational account;

8 (c) For programs within the division of reclamation, mining, and
9 safety, up to thirty percent of the moneys in the operational account FOR
10 FISCAL YEARS COMMENCING BEFORE JULY 1, 2008, AND UP TO
11 TWENTY-FIVE PERCENT OF THE MONEYS IN THE OPERATIONAL ACCOUNT
12 FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2008. As part of
13 ~~such thirty percent~~ ANY APPROPRIATION MADE, five hundred thousand
14 dollars, or so much as may be available, shall be transferred to the
15 abandoned mine reclamation fund created in section 34-34-102 (1),
16 C.R.S.

17 (d) For programs within the Colorado water conservation board
18 and for purposes authorized by article 75 of title 37, C.R.S., up to five
19 percent of the moneys in the operational account.

20 (e) FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2008,
21 ONLY, FOR PROGRAMS WITHIN THE DIVISION OF WILDLIFE THAT MONITOR,
22 MANAGE, OR MITIGATE THE IMPACTS OF MINERAL OR MINERAL FUEL
23 PRODUCTION ACTIVITIES ON WILDLIFE IN ANY REGION OF THE STATE IN
24 WHICH PRODUCTION ACTIVITY IS OCCURRING OR, FROM ANY LOCATION IN
25 THE STATE, RESEARCH SUCH IMPACTS, UP TO FIVE PERCENT OF THE
26 MONEYS IN THE OPERATIONAL ACCOUNT, WHICH MONEYS SHALL NOT
27 SUPPLANT MONEYS THAT WOULD OTHERWISE BE MADE AVAILABLE FOR

1 SUCH PROGRAMS.

2 (f) FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2008,
3 ONLY, FOR PROGRAMS WITHIN THE DIVISION OF PARKS AND OUTDOOR
4 RECREATION THAT OPERATE, MAINTAIN, OR IMPROVE STATE PARKS IN ANY
5 REGION OF THE STATE IN WHICH PRODUCTION ACTIVITY IS OCCURRING, UP
6 TO FIVE PERCENT OF THE MONEYS IN THE OPERATIONAL ACCOUNT, WHICH
7 MONEYS SHALL NOT SUPPLANT MONEYS THAT WOULD OTHERWISE BE
8 MADE AVAILABLE FOR SUCH PROGRAMS.

9

10 **SECTION 3. Appropriation.** (1) In addition to any other
11 appropriation, there is hereby appropriated, out of any moneys in the
12 operational account of the severance tax trust fund, established pursuant
13 to section 39-29-109 (1) (a) (II), Colorado Revised Statutes, not otherwise
14 appropriated, to the department of natural resources, for the fiscal year
15 beginning July 1, 2008, the following:

16 (a) For allocation to the division of parks and outdoor recreation,
17 the sum of one million two hundred thirty-four thousand fifty-eight
18 dollars (\$1,234,058) cash funds, or so much thereof as may be necessary,
19 to operate, maintain, and improve state parks located in areas impacted by
20 energy development.

21 (b) For allocation to the division of parks and outdoor recreation,
22 the sum of seven hundred fifty thousand dollars (\$750,000) cash funds,
23 or so much thereof as may be necessary, for the construction of a boat
24 ramp at nighthorse reservoir. Said sum is for a capital construction
25 project, shall not require the division to manage the boat ramp, and shall
26 remain available until completion of the project or for a period of three
27 years, whichever comes first, at which time any unencumbered balance

1 shall revert to the operational account of the severance tax trust fund.

2 (c) For allocation to the division of wildlife, the sum of one million
3 five hundred nineteen thousand nine hundred twenty-seven dollars
4 (\$1,519,927) cash funds, or so much thereof as may be necessary, to
5 monitor, manage, mitigate, and research the impacts of mineral or mineral
6 fuel production activities on wildlife.

7 **SECTION 4. Appropriation.** (1) In addition to any other
8 appropriation, there is hereby appropriated, out of any moneys in the
9 operational account of the severance tax trust fund, established pursuant
10 to section 39-29-109 (2) (b), Colorado Revised Statutes, not otherwise
11 appropriated, to the department of natural resources, for the fiscal year
12 beginning July 1, 2008, the following:

13 (a) For allocation to the division of parks and outdoor recreation,
14 the sum of one million two hundred thirty-four thousand fifty-eight
15 dollars (\$1,234,058) cash funds, or so much thereof as may be necessary,
16 to operate, maintain, and improve state parks located in areas impacted by
17 energy development.

18 (b) For allocation to the division of parks and outdoor recreation,
19 the sum of seven hundred fifty thousand dollars (\$750,000) cash funds,
20 or so much thereof as may be necessary, for the construction of a boat
21 ramp at nighthorse reservoir. Said sum is for a capital construction
22 project, shall not require the division to manage the boat ramp, and shall
23 remain available until completion of the project or for a period of three
24 years, whichever comes first, at which time any unencumbered balance
25 shall revert to the operational account of the severance tax trust fund.

26 (c) For allocation to the division of wildlife, the sum of one
27 million five hundred nineteen thousand nine hundred twenty-seven

1 dollars (\$1,519,927) cash funds, or so much thereof as may be necessary,
2 to monitor, manage, mitigate, and research the impacts of mineral or
3 mineral fuel production activities on wildlife.

4 **SECTION 5. Effective date.** (1) Sections 1 and 3 of this act
5 shall not take effect if House Bill 08-1398 is enacted at the Second
6 Regular Session of the Sixty-sixth General Assembly and becomes law.

7 (2) Sections 2 and 4 of this act shall take effect only if House Bill
8 08-1398 is enacted at the Second Regular Session of the Sixty-sixth
9 General Assembly and becomes law.

10 **SECTION 6. Safety clause.** The general assembly hereby finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, and safety.