

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0659.01 Ed DeCecco

HOUSE BILL 10-1155

HOUSE SPONSORSHIP

Lambert, McKinley

SENATE SPONSORSHIP

Lundberg,

House Committees

State, Veterans, & Military Affairs
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE USE OF A PORTION OF SEVERANCE TAX REVENUE TO**
102 **PURCHASE PRECIOUS METALS FOR THE STATE EMERGENCY**
103 **RESERVE.**

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://www.leg.state.co.us/billsummaries>.)

Section 3 of the bill requires the revenue from the severance tax on gold, silver, platinum, and palladium (precious metals) to be credited to the newly created state emergency reserve cash fund (fund).

Section 1 of the bill requires the state treasurer to use the moneys

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.

in the fund to purchase precious metals. The precious metals will be designated as part of the state emergency reserve and used accordingly.

Beginning July 1, 2012, the division of central services in the department of personnel will provide for the storage of the precious metals in the state capitol. The state patrol will provide any additional security related thereto. Various media outlets will be permitted to annually view the state precious metals.

Section 2 defines "precious metals" to mean gold, silver, platinum, and palladium.

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

2 **SECTION 1.** 24-77-104 (2) (a), Colorado Revised Statutes, is
3 amended, and the said 24-77-104 is further amended BY THE
4 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

5 **24-77-104. State emergency reserve - cash fund - state**
6 **precious metals - creation - declaration of emergency - definitions.**

7 (2) (a) The state emergency reserve shall consist of THE STATE PRECIOUS
8 METALS AND such moneys as are annually designated by the general
9 assembly in the general appropriation bill or by separate bill to constitute
10 said emergency reserve. For the fiscal year 1996-97 and each fiscal year
11 thereafter, the principal of the controlled maintenance trust fund created
12 in section 24-75-302.5 (2) may constitute all or some portion of the state
13 emergency reserve.

14 (2.5) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
15 STATE EMERGENCY RESERVE CASH FUND. THE FUND SHALL CONSIST OF
16 MONEYS CREDITED THERETO PURSUANT TO SECTION 39-29-108 (2.3),
17 C.R.S. EXCEPT AS OTHERWISE SET FORTH IN PARAGRAPH (c) OF THIS
18 SUBSECTION (2.5), THE STATE TREASURER SHALL USE ALL OF THE MONEYS
19 IN THE FUND TO PURCHASE PRECIOUS METALS.

20 (b) THE STATE PRECIOUS METALS SHALL BE PHYSICALLY STORED

1 AT THE STATE CAPITOL AND SHALL CONSTITUTE PART OF THE STATE
2 EMERGENCY RESERVE. AS PART OF THE EMERGENCY RESERVE, THE STATE
3 TREASURER SHALL NOT SELL, TRANSFER, OR OTHERWISE DISPOSE OF THE
4 STATE PRECIOUS METALS UNLESS THE REQUIREMENTS SET FORTH IN
5 SUBSECTION (3) OF THIS SECTION ARE MET.

6 (c) PRIOR TO JULY 1, 2012, THE STATE TREASURER SHALL STORE
7 THE STATE PRECIOUS METALS AT THE STATE TREASURER'S OFFICE.
8 BEGINNING JULY 1, 2012, THE DIVISION OF CENTRAL SERVICES IN THE
9 DEPARTMENT OF PERSONNEL SHALL PROVIDE FOR A SUITABLE AND SAFE
10 PLACE TO STORE THE STATE PRECIOUS METALS IN THE STATE CAPITOL.
11 STATE PATROL SHALL PROVIDE ANY ADDITIONAL SECURITY RELATED TO
12 THE STORAGE. THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEYS IN
13 THE FUND TO THE DEPARTMENT AND STATE PATROL FOR SUCH PURPOSES.

14 (d) ONE DAY EACH YEAR, THE STATE TREASURER SHALL PROVIDE
15 ACCESS TO ANY NEWSPAPER, RADIO STATION, TELEVISION STATION, OR
16 OTHER PERSON OR AGENCY IN THE BUSINESS OF PUBLIC DISSEMINATION OF
17 NEWS OR CURRENT EVENTS THAT SO REQUESTS TO VIEW THE STATE
18 PRECIOUS METALS.

19 (6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
20 REQUIRES:

21 (a) "FUND" MEANS THE STATE EMERGENCY RESERVE CASH FUND
22 CREATED IN PARAGRAPH (a) OF SUBSECTION (2.5) OF THIS SECTION.

23 (b) "PRECIOUS METALS" MEANS GOLD, SILVER, PLATINUM, AND
24 PALLADIUM.

25 (c) "STATE PRECIOUS METALS" MEANS THE PRECIOUS METALS
26 THAT ARE PURCHASED BY THE STATE TREASURER PURSUANT TO
27 PARAGRAPH (a) OF SUBSECTION (2.5) OF THIS SECTION.

1 **SECTION 2.** 39-29-102, Colorado Revised Statutes, is amended
2 BY THE ADDITION OF A NEW SUBSECTION to read:

3 **39-29-102. Definitions.** As used in this article, unless the context
4 otherwise requires:

5 (6.7) "PRECIOUS METALS" MEANS GOLD, SILVER, PLATINUM, AND
6 PALLADIUM.

7 **SECTION 3.** 39-29-108 (2), Colorado Revised Statutes, is
8 amended, and the said 39-29-108 is further amended BY THE
9 ADDITION OF A NEW SUBSECTION, to read:

10 **39-29-108. Allocation of severance tax revenues - definitions.**
11 (2) EXCEPT AS SET FORTH IN SUBSECTION (2.3) OF THIS SECTION, of the
12 total gross receipts realized from the severance taxes imposed on minerals
13 and mineral fuels under the provisions of this article after June 30, 1981,
14 fifty percent shall be credited to the state severance tax trust fund created
15 by section 39-29-109, and fifty percent shall be credited to the local
16 government severance tax fund created by section 39-29-110.

17 (2.3) ON AND AFTER SEPTEMBER 1, 2010, ALL OF THE TOTAL
18 GROSS RECEIPTS REALIZED FROM THE SEVERANCE TAXES IMPOSED ON
19 PRECIOUS METALS SHALL BE CREDITED TO THE STATE EMERGENCY
20 RESERVE CASH FUND CREATED IN SECTION 24-77-104 (2.5), C.R.S.

21 **SECTION 4. Act subject to petition - effective date.** This act
22 shall take effect at 12:01 a.m. on the day following the expiration of the
23 ninety-day period after final adjournment of the general assembly (August
24 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a
25 referendum petition is filed pursuant to section 1 (3) of article V of the
26 state constitution against this act or an item, section, or part of this act
27 within such period, then the act, item, section, or part shall not take effect

1 unless approved by the people at the general election to be held in
2 November 2010 and shall take effect on the date of the official
3 declaration of the vote thereon by the governor.