

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0775.02 Ed DeCecco x4216

SENATE BILL 15-244

SENATE SPONSORSHIP

Grantham, Lambert, Steadman

HOUSE SPONSORSHIP

Rankin, Hamner, Young

Senate Committees
Appropriations

House Committees

A BILL FOR AN ACT

101 CONCERNING THE TRANSFER OF MONEYS TO OFFSET THE FEDERAL
102 GOVERNMENT'S RECOUPMENT OF MINERAL LEASE PAYMENTS TO
103 THE STATE.

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/bills summaries>.)

Joint Budget Committee. The state has provided the United States bureau of land management an acknowledgment and acceptance of the fact that, by operation of federal law, the state must reimburse the United States for its percentage of the previously disbursed bonus payments and annual rental payments attributable to mineral leases that

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.

are to be refunded as part of the settlement of a lawsuit related to the Roan Plateau. The state's share of the refund is about \$23 million and this amount will be recouped from the state's mineral lease payments over the next 3 years.

To avoid the recoupment impacting water projects, school districts, and other local governments, the bill requires the state treasurer to transfer \$7,788,866 from the general fund to the state public school fund to be used for the support of the public schools of the state. The state treasurer must also transfer \$4,026,844 of federal moneys from the state public school fund as follows:

- ! \$3,115,546 to the local government mineral impact fund to be used for direct distributions and grants to local governments;
- ! \$778,887 to the Colorado water conservation board construction fund; and
- ! \$132,411 to the local government mineral impact fund for distributions to school districts.

The distributions from the state public school fund are made with the first quarterly distributions of mineral lease payments, if there are sufficient federal moneys, or with subsequent quarterly distributions if necessary. A portion of the transfer to the state public school fund and all of the transfers from the state public school fund are counted like other federal mineral lease moneys for the application of maximum allowable distribution limits.

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) In 2008, conservation groups sued the federal government over
5 a land management plan that allowed oil and gas companies to lease parts
6 of the Roan Plateau for drilling purposes;

7 (b) On November 19, 2014, the United States department of the
8 interior entered into a settlement agreement that canceled most of the
9 Roan Plateau leases;

10 (c) As a result, the department of the interior will refund the
11 related lease payments it received, and this refund includes a portion of

1 the related payments to the state;

2 (d) Under federal law, the state is required to reimburse the United
3 States for the payments that are refunded;

4 (e) The department of the interior will recoup the state's share of
5 the refund from the mineral lease payments made to the state over the
6 next three fiscal years;

7 (f) As a result, the distributions of mineral lease revenues to the
8 state public school fund, the Colorado water conservation board
9 construction fund, and the local government mineral impact fund would
10 be proportionately reduced, though the original payments being recouped
11 were not generally distributed to these funds;

12 (g) Any state moneys directly given to local governments to offset
13 the lost federal moneys would count as local district fiscal year spending,
14 unlike federal moneys, which are excluded from fiscal year spending; and

15 (h) This change in accounting for purposes of fiscal year spending
16 has less of an impact on school districts that receive money from the state
17 public school fund.

18 (2) Now, therefore, it is the intent of the general assembly to
19 mitigate the fiscal impact of the recoupment of mineral leasing funds by
20 transferring general fund moneys to the state public school fund and
21 having some of the transfer replace the portion of the recouped federal
22 moneys that would have been credited to the fund and to have the
23 remainder supplant other federal moneys that are then transferred to other
24 cash funds and primarily distributed to local governments.

25 **SECTION 2.** In Colorado Revised Statutes, 34-63-102, **add** (1)
26 (c) as follows:

27 **34-63-102. Creation of mineral leasing fund - distribution -**

1 **advisory committee - local government permanent fund created -**
2 **definitions - repeal.** (1) (c) (I) FOR THE FISCAL YEAR 2015-16, AND FOR
3 EACH OF THE NEXT TWO FISCAL YEARS THEREAFTER, WHEN THE STATE
4 TREASURER RECEIVES DOCUMENTATION FROM THE OFFICE OF NATURAL
5 RESOURCES REVENUE IN THE UNITED STATES DEPARTMENT OF THE
6 INTERIOR THAT MONEYS RECEIVED FOR THE FISCAL YEAR BY THE STATE
7 TREASURER AND DEPOSITED INTO THE MINERAL LEASING FUND PURSUANT
8 TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (1) HAVE
9 BEEN OFFSET BY A RECOUPMENT, THEN ON THE DATE OF THE FIRST
10 QUARTERLY DISTRIBUTION FOR THE FISCAL YEAR REQUIRED UNDER
11 SUBSECTION (5.4) OF THIS SECTION, THE STATE TREASURER SHALL
12 TRANSFER SEVEN MILLION SEVEN HUNDRED EIGHTY-EIGHT THOUSAND
13 EIGHT HUNDRED SIXTY-SIX DOLLARS FROM THE GENERAL FUND TO THE
14 STATE PUBLIC SCHOOL FUND TO BE USED FOR THE SUPPORT OF THE PUBLIC
15 SCHOOLS OF THE STATE. SIMULTANEOUS WITH THIS TRANSFER, THE STATE
16 TREASURER SHALL TRANSFER FOUR MILLION TWENTY-SIX THOUSAND
17 EIGHT HUNDRED FORTY-FOUR DOLLARS FROM THE FEDERAL MONEYS IN
18 THE STATE PUBLIC SCHOOL FUND THAT WERE TRANSFERRED FROM THE
19 MINERAL LEASING FUND AS FOLLOWS:

20 (A) THREE MILLION ONE HUNDRED FIFTEEN THOUSAND FIVE
21 HUNDRED FORTY-SIX DOLLARS TO THE LOCAL GOVERNMENT MINERAL
22 IMPACT FUND TO BE DISTRIBUTED IN ACCORDANCE WITH SUBPARAGRAPH
23 (I) OF PARAGRAPH (b) OF SUBSECTION (5.4) OF THIS SECTION;

24 (B) SEVEN HUNDRED SEVENTY-EIGHT THOUSAND EIGHT HUNDRED
25 EIGHTY-SEVEN DOLLARS TO THE COLORADO WATER CONSERVATION
26 BOARD CONSTRUCTION FUND TO BE DISTRIBUTED IN ACCORDANCE WITH
27 SUBPARAGRAPH (II) OF PARAGRAPH (d) OF SUBSECTION (5.4) OF THIS

1 SECTION; AND

2 (C) ONE HUNDRED THIRTY-TWO THOUSAND FOUR HUNDRED
3 ELEVEN DOLLARS TO THE LOCAL GOVERNMENT MINERAL IMPACT FUND TO
4 BE DISTRIBUTED IN ACCORDANCE WITH SUBPARAGRAPH (II) OF
5 PARAGRAPH (e) OF SUBSECTION (5.4) OF THIS SECTION.

6 (II) IF THE FEDERAL MONEYS IN THE STATE PUBLIC SCHOOL FUND
7 THAT THE STATE TREASURER IS REQUIRED TO TRANSFER UNDER
8 SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) ARE LESS THAN FOUR MILLION
9 TWENTY-SIX THOUSAND EIGHT HUNDRED FORTY-FOUR DOLLARS, THEN THE
10 STATE TREASURER SHALL PROPORTIONALLY REDUCE THE TRANSFERS TO
11 THE CASH FUNDS. THEREAFTER, THE STATE TREASURER SHALL TRANSFER
12 THE REMAINDER TO THE CASH FUNDS AT THE SAME TIME THE SUBSEQUENT
13 QUARTERLY DISTRIBUTIONS FOR THE FISCAL YEAR ARE MADE UNTIL THE
14 REQUIRED TOTAL, OR SO MUCH THEREOF AS IS POSSIBLE BASED ON THE
15 AMOUNT OF AVAILABLE FEDERAL MONEYS, IS TRANSFERRED.

16 (III) THREE MILLION SEVEN HUNDRED SIXTY-TWO THOUSAND
17 TWENTY-TWO DOLLARS OF THE GENERAL FUND MONEY TRANSFERRED TO
18 THE STATE PUBLIC SCHOOL FUND AND ALL OF THE AMOUNTS TRANSFERRED
19 TO OTHER CASH FUNDS IN ACCORDANCE WITH THIS PARAGRAPH (c) ARE
20 ADDED TO THE AMOUNT DISTRIBUTED TO THE SAME CASH FUNDS
21 PURSUANT TO SUBSECTION (5.4) OF THIS SECTION FOR THE PURPOSE OF
22 DETERMINING WHETHER THE MAXIMUM ALLOWABLE DISTRIBUTION TO THE
23 FUNDS HAS BEEN EXCEEDED AND WHETHER PARAGRAPH (a) OF
24 SUBSECTION (5.5) OF THIS SECTION APPLIES.

25 (IV) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JULY 1, 2019.

26 **SECTION 3.** In Colorado Revised Statutes, 22-54-114, **add** (1.5)
27 as follows:

1 **22-54-114. State public school fund - repeal.**

2 (1.5) (a) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF THIS
3 SECTION, THE STATE PUBLIC SCHOOL FUND ALSO INCLUDES ANY GENERAL
4 FUND MONEYS TRANSFERRED THERETO IN ACCORDANCE WITH SECTION
5 34-63-102 (1) (c) (I), C.R.S.

6 (b) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE JULY 1, 2019.

7 **SECTION 4. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, and safety.