

Second Regular Session
Sixty-fifth General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 06-0848.01 Duane Gall

HOUSE BILL 06-1322

HOUSE SPONSORSHIP

Buescher,

SENATE SPONSORSHIP

Tapia,

House Committees

Finance
Appropriations

Senate Committees

State, Veterans & Military Affairs
Appropriations

A BILL FOR AN ACT

101 **CONCERNING SUPPORT FOR THE DEVELOPMENT OF CLEAN ENERGY**
102 **RESOURCES USING PROCEEDS OF THE OPERATIONAL ACCOUNT**
103 **OF THE SEVERANCE TAX TRUST FUND, AND MAKING AN**
104 **APPROPRIATION IN CONNECTION THEREWITH.**

Bill Summary

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

Transfers \$6 million per year for 3 years from the operational account of the severance tax trust fund into a newly created clean energy development fund, to be administered by the governor's office of energy management and conservation for the following purposes:

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.*

HOUSE
3rd Reading Unamended
April 21, 2006

HOUSE
Amended 2nd Reading
April 20, 2006

To support the study, engineering, and development of an integrated gasification combined-cycle generation facility that will demonstrate the feasibility of new technologies that use Colorado or other western coal, or both, and that will capture and sequester a portion of the facility's carbon dioxide emissions (funded at up to \$3 million of the \$6 million per year);

As seed money for the development of new energy technologies that rely upon renewable or other clean energy resources for the production of electrical energy or liquid fuels suitable for use in the transportation sector; and

To facilitate the development of renewable energy or energy efficiency resources at public schools, public hospitals, state government agencies, county and municipal governments, and other public entities.

Directs the office of energy management and conservation to develop criteria for awarding grants from the clean energy development fund. Requires annual reports to the governor and the general assembly.

Repeals the program after 3 years, with any unexpended and unencumbered moneys then reverting to the general fund.

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

2 **SECTION 1. 39-29-109, Colorado Revised Statutes, is amended**

3 **BY THE ADDITION OF A NEW SUBSECTION to read:**

4 **39-29-109. Severance tax trust fund - created - administration**

5 **- use of moneys - definitions - repeal. (1.5) (a) NOTWITHSTANDING**

6 **ANY PROVISION IN THIS SECTION TO THE CONTRARY, FOR THREE STATE**

7 **FISCAL YEARS BEGINNING WITH THE STATE FISCAL YEAR COMMENCING ON**

8 **JULY 1, 2006, A PORTION OF THE OPERATIONAL ACCOUNT OF THE**

9 **SEVERANCE TAX TRUST FUND SHALL BE TRANSFERRED TO THE COLORADO**

10 **RENEWABLE ENERGY AUTHORITY CREATED IN SECTION 24-47.5-101,**

11 **C.R.S., FOR THE PURPOSES STATED IN SECTION 24-47.5-102 (2), C.R.S.**

12 **THE AMOUNT TRANSFERRED SHALL BE TWO MILLION DOLLARS PER YEAR**

13 **EXCEPT AS OTHERWISE PROVIDED IN SECTION 24-47.5-103, C.R.S.**

1 (b) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE JULY 1, 2009.

2 SECTION 2. Title 24, Colorado Revised Statutes, is amended BY
3 THE ADDITION OF A NEW ARTICLE to read:

4 ARTICLE 47.5
5 Renewable Energy Authority

6 24-47.5-101. Renewable energy authority - creation.

7 (1) THERE IS HEREBY CREATED THE COLORADO RENEWABLE ENERGY
8 AUTHORITY, REFERRED TO IN THIS ARTICLE AS THE AUTHORITY, WHICH
9 SHALL BE A BODY CORPORATE AND A POLITICAL SUBDIVISION OF THE
10 STATE. THE AUTHORITY SHALL NOT BE AN AGENCY OF STATE
11 GOVERNMENT, NOR SHALL IT BE SUBJECT TO ADMINISTRATIVE DIRECTION
12 BY ANY DEPARTMENT, COMMISSION, BOARD, BUREAU, OR AGENCY OF THE
13 STATE, EXCEPT TO THE EXTENT PROVIDED BY THIS ARTICLE.

14 (2) (a) THE POWERS OF THE AUTHORITY SHALL BE VESTED IN A
15 BOARD OF DIRECTORS.

16 (b) UNTIL JULY 1, 2008, THE BOARD SHALL CONSIST OF THE
17 FOLLOWING FOUR EX OFFICIO MEMBERS: THE PRESIDENTS OF THE
18 COLORADO SCHOOL OF MINES, COLORADO STATE UNIVERSITY, AND THE
19 UNIVERSITY OF COLORADO AND THE DIRECTOR OF THE NATIONAL
20 RENEWABLE ENERGY LABORATORY.

21 (c) ON AND AFTER JULY 1, 2008, THE BOARD SHALL CONSIST OF
22 THE EX OFFICIO MEMBERS DESIGNATED IN PARAGRAPH (b) OF THIS
23 SUBSECTION (2) AND UP TO TWO ADDITIONAL MEMBERS APPOINTED BY THE
24 GOVERNOR WITH THE CONSENT OF THE SENATE. THE TERMS OF THE
25 APPOINTED MEMBERS OF THE BOARD SHALL BE FOUR YEARS. AN
26 APPOINTED MEMBER SHALL BE ELIGIBLE FOR REAPPOINTMENT. EACH
27 MEMBER SHALL HOLD OFFICE UNTIL A SUCCESSOR HAS BEEN APPOINTED

1 AND THE SENATE HAS CONFIRMED THE APPOINTMENT. A VACANCY IN THE
2 MEMBERSHIP OCCURRING OTHER THAN BY EXPIRATION OF TERM SHALL BE
3 FILLED IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT, BUT FOR
4 THE UNEXPIRED TERM ONLY. EACH APPOINTED MEMBER MAY BE REMOVED
5 FROM OFFICE BY THE GOVERNOR FOR CAUSE, AFTER A PUBLIC HEARING,
6 AND MAY BE SUSPENDED BY THE GOVERNOR PENDING THE COMPLETION OF
7 SUCH HEARING.

8 (3) THE MEMBERS OF THE BOARD SHALL ELECT A CHAIR AND A
9 VICE-CHAIR. THE MEMBERS OF THE BOARD SHALL ALSO ELECT A
10 SECRETARY AND A TREASURER, WHO NEED NOT BE MEMBERS, AND THE
11 SAME PERSON MAY BE ELECTED TO SERVE AS BOTH SECRETARY AND
12 TREASURER. THE POWERS OF THE BOARD MAY BE VESTED IN THE OFFICERS
13 FROM TIME TO TIME. FOUR MEMBERS SHALL CONSTITUTE A QUORUM. NO
14 VACANCY IN THE MEMBERSHIP OF THE BOARD SHALL IMPAIR THE RIGHT OF
15 A QUORUM OF THE MEMBERS TO EXERCISE ALL THE POWERS AND PERFORM
16 ALL THE DUTIES OF THE BOARD.

17 (4) EACH MEMBER OF THE BOARD NOT OTHERWISE IN FULL-TIME
18 EMPLOYMENT OF THE STATE SHALL RECEIVE A PER DIEM OF FIFTY DOLLARS
19 FOR EACH DAY ACTUALLY AND NECESSARILY SPENT IN THE DISCHARGE OF
20 OFFICIAL DUTIES, AND ALL MEMBERS SHALL RECEIVE TRAVELING AND
21 OTHER NECESSARY EXPENSES ACTUALLY INCURRED IN THE PERFORMANCE
22 OF OFFICIAL DUTIES.

23 **24-47.5-102. Renewable energy authority - powers and duties.**

24 (1) EXCEPT AS OTHERWISE LIMITED BY THIS ARTICLE, THE AUTHORITY,
25 ACTING THROUGH THE BOARD, HAS THE POWER:

26 (a) TO HAVE THE DUTIES, PRIVILEGES, IMMUNITIES, RIGHTS,
27 LIABILITIES, AND DISABILITIES OF A BODY CORPORATE AND POLITICAL

- 1 SUBDIVISION OF THE STATE;
- 2 (b) TO SUE AND BE SUED;
- 3 (c) TO HAVE AN OFFICIAL SEAL AND TO ALTER THE SAME AT THE
4 BOARD'S PLEASURE;
- 5 (d) TO MAKE AND ALTER BYLAWS FOR ITS ORGANIZATION AND
6 INTERNAL MANAGEMENT AND FOR THE CONDUCT OF ITS AFFAIRS AND
7 BUSINESS;
- 8 (e) TO MAINTAIN AN OFFICE AT SUCH PLACE OR PLACES WITHIN THE
9 STATE AS IT MAY DETERMINE;
- 10 (f) TO ACQUIRE, HOLD, USE, AND DISPOSE OF ITS INCOME,
11 REVENUES, FUNDS, AND MONEYS;
- 12 (g) TO MAKE AND ENTER INTO ALL CONTRACTS, LEASES, AND
13 AGREEMENTS THAT ARE NECESSARY OR INCIDENTAL TO THE
14 PERFORMANCE OF ITS DUTIES AND THE EXERCISE OF ITS POWERS UNDER
15 THIS ARTICLE;
- 16 (h) TO ACQUIRE, LEASE AS LESSEE OR LESSOR, RENT, HOLD, USE,
17 AND DISPOSE OF REAL OR PERSONAL PROPERTY FOR ITS PURPOSES;
- 18 (i) TO DEPOSIT ANY MONEYS OF THE AUTHORITY IN ANY BANKING
19 INSTITUTION WITHIN OR OUTSIDE THE STATE;
- 20 (j) TO FIX THE TIME AND PLACE OR PLACES AT WHICH ITS REGULAR
21 AND SPECIAL MEETINGS ARE TO BE HELD; AND
- 22 (k) TO DO ANY AND ALL THINGS NECESSARY OR CONVENIENT TO
23 CARRY OUT ITS PURPOSES AND EXERCISE THE POWERS GIVEN AND
24 GRANTED IN THIS ARTICLE.
- 25 (2) THE AUTHORITY SHALL:
- 26 (a) PROVIDE MATCHING FUNDS TO SUPPORT A PROPOSAL OF A
27 CONSORTIUM CONSISTING OF THE COLORADO SCHOOL OF MINES,

1 COLORADO STATE UNIVERSITY, UNIVERSITY OF COLORADO, AND
2 NATIONAL RENEWABLE ENERGY LABORATORY, REFERRED TO IN THIS
3 ARTICLE AS THE CONSORTIUM, FOR ENERGY RESEARCH FUNDING FROM THE
4 UNITED STATES DEPARTMENT OF ENERGY AND SUBSEQUENT RESEARCH
5 FUNDING FROM FEDERAL AGENCIES AND OTHER PUBLIC AND PRIVATE
6 ENTITIES;

7 (b) PROMOTE RAPID TRANSFER OF NEW TECHNOLOGIES DEVELOPED
8 BY THE CONSORTIUM TO THE PRIVATE SECTOR THROUGH TECHNOLOGY
9 LICENSING AND OTHER MEANS TO ATTRACT AND PROMOTE RENEWABLE
10 ENERGY BUSINESSES IN COLORADO;

11 (c) DEVELOP EDUCATIONAL AND RESEARCH PROGRAMS FOR
12 COLORADO STATE COLLEGES IN COLLABORATION WITH THE CONSORTIUM
13 THAT WILL TRANSLATE INTO HIGH-TECHNOLOGY EMPLOYMENT
14 OPPORTUNITIES FOR COLORADO STUDENTS AND RESIDENTS;

15 (d) FACILITATE COLLABORATIONS WITH EXISTING AND NEW
16 OUTREACH PROGRAMS TO PROVIDE A REGIONAL RESOURCE FOR
17 ARCHITECTS, ENGINEERS, AND OTHER BUILDING DESIGN PROFESSIONALS;
18 ENVIRONMENTAL GROUPS; STATE AND LOCAL GOVERNMENT AGENCIES;
19 UTILITIES; INDEPENDENT POWER PRODUCERS; AND THE GENERAL PUBLIC;
20 AND

21 (e) SUPPORT DEVELOPMENT OF THE CONSORTIUM, INCLUDING
22 FUNDING OF ANY JOINT INSTITUTE OR OTHER ENTITY CREATED BY THE
23 COLORADO SCHOOL OF MINES, COLORADO STATE UNIVERSITY, AND
24 UNIVERSITY OF COLORADO OR THE CONSORTIUM TO JOINTLY PURSUE
25 RENEWABLE ENERGY RESEARCH.

26 **24-47.5-103. Funding - appropriations contingent on receipt**
27 **of federal grant moneys - repeal. (1) FOR THE STATE FISCAL YEAR**

1 COMMENCING ON JULY 1, 2006, AND IN EACH OF THE STATE FISCAL YEARS
2 COMMENCING ON JULY 1, 2007, AND JULY 1, 2008, THE GENERAL
3 ASSEMBLY SHALL APPROPRIATE TWO MILLION DOLLARS FROM THE
4 OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND CREATED IN
5 SECTION 39-29-109, C.R.S., TO THE AUTHORITY FOR THE PURPOSES
6 SPECIFIED IN SECTION 24-47.5-102; EXCEPT THAT, IF A GRANT OF FEDERAL
7 MONEYS IS NOT RECEIVED FROM THE UNITED STATES DEPARTMENT OF
8 ENERGY, DURING THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2006,
9 THE UNEXPENDED AND UNENCUMBERED BALANCE OF SAID APPROPRIATION
10 SHALL REVERT TO THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX
11 TRUST FUND AND NO FURTHER APPROPRIATION SHALL BE MADE PURSUANT
12 TO THIS SECTION.

13 (2) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2009.

14 **SECTION 3. Appropriation.** In addition to any other
15 appropriation, there is hereby appropriated, out of any moneys in the
16 operational account of the severance tax trust fund created in section
17 39-29-109, Colorado Revised Statutes, not otherwise appropriated, to the
18 Colorado renewable energy authority created in section 24-47.5-101,
19 Colorado Revised Statutes, for the fiscal year beginning July 1, 2006, the
20 sum of two million dollars (\$2,000,000), or so much thereof as may be
21 necessary, for the implementation of this act; except that, if a grant of
22 federal moneys is not received from the United States department of
23 energy, during the state fiscal year commencing on July 1, 2006, the
24 unexpended and unencumbered balance of said appropriation shall revert
25 to the operational account of the severance tax trust fund.

26 **SECTION 4. 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, and safety.