

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**

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**HOUSE SPONSORSHIP**

**Buescher,**

**SENATE SPONSORSHIP**

**Tapia,**

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**House Committees**

Finance  
Appropriations

**Senate Committees**

State, Veterans & Military Affairs  
Appropriations

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**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.**

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**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.

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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.** (8) (a) **SUBJECT TO THE END**

6 **BALANCE REQUIREMENT OF PARAGRAPH (f) OF SUBSECTION (1.5) OF THIS**

7 **SECTION AND THE MAINTENANCE OF A TWO-YEAR RESERVE PURSUANT TO**

8 **SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (III) OF PARAGRAPH (c) OF**

9 **SUBSECTION (1) OF THIS SECTION, FOR THREE STATE FISCAL YEARS**

10 **BEGINNING WITH THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2006,**

11 **A PORTION OF THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST**

12 **FUND SHALL BE APPROPRIATED TO THE COLORADO RENEWABLE ENERGY**

13 **AUTHORITY CREATED IN SECTION 24-47.5-101, C.R.S., FOR THE PURPOSES**

14 **STATED IN SECTION 24-47.5-102 (2), C.R.S. THE AMOUNT APPROPRIATED**

1 SHALL BE TWO MILLION DOLLARS PER YEAR, SUBJECT TO THE LIMITATIONS  
2 STATED IN SECTION 24-47.5-102, C.R.S., AND IN THIS PARAGRAPH (a). IF  
3 THERE ARE INSUFFICIENT MONEYS IN THE OPERATIONAL ACCOUNT TO  
4 MAKE ALL APPROPRIATIONS AND TRANSFERS AT THE HIGHEST LEVEL  
5 AUTHORIZED BY LAW, THE APPROPRIATIONS AUTHORIZED BY THIS  
6 SUBSECTION (8) AND SUBPARAGRAPH (IV) OF PARAGRAPH (a) OF  
7 SUBSECTION (1) OF THIS SECTION SHALL BE REDUCED PRO RATA AS  
8 NECESSARY TO ACCOMMODATE ALL APPROPRIATIONS AND TRANSFERS AT  
9 THE HIGHEST LEVEL AUTHORIZED BY LAW OTHER THAN THIS SUBSECTION  
10 (8) AND SUBPARAGRAPH (IV) OF PARAGRAPH (a) OF SUBSECTION (1) OF  
11 THIS SECTION.

12 (b) THIS SUBSECTION (8) IS REPEALED, EFFECTIVE JULY 1, 2009.

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

15 **ARTICLE 47.5**

16 **Renewable Energy Authority**

17 **24-47.5-101. Renewable energy authority - creation -**  
18 **legislative declaration.** (1) (a) THE GENERAL ASSEMBLY FINDS,  
19 DETERMINES, AND DECLARES THAT:

20 (I) THE PRODUCTION AND EFFICIENT USE OF ENERGY WILL  
21 CONTINUE TO PLAY A CENTRAL ROLE IN THE FUTURE OF THIS STATE AND  
22 THE NATION AS A WHOLE; AND

23 (II) THE DEVELOPMENT, PRODUCTION, AND EFFICIENT USE OF  
24 RENEWABLE ENERGY WILL ADVANCE THE SECURITY, ECONOMIC  
25 WELL-BEING, AND PUBLIC AND ENVIRONMENTAL HEALTH OF THIS STATE,  
26 AS WELL AS CONTRIBUTING TO THE ENERGY INDEPENDENCE OF OUR  
27 NATION.

1           (b) THE GENERAL ASSEMBLY FURTHER FINDS, DETERMINES, AND  
2           DECLARES THAT THE AUTHORITY AND POWERS CONFERRED UNDER THIS  
3           ARTICLE, AS WELL AS THE EXPENDITURES OF PUBLIC MONEY MADE  
4           PURSUANT TO THIS ARTICLE, WILL SERVE A VALID PUBLIC PURPOSE AND  
5           THAT THE ENACTMENT OF THIS ARTICLE IS EXPRESSLY DECLARED TO BE IN  
6           THE PUBLIC INTEREST.

7           (2) THERE IS HEREBY CREATED THE COLORADO RENEWABLE  
8           ENERGY AUTHORITY, REFERRED TO IN THIS ARTICLE AS THE AUTHORITY,  
9           WHICH SHALL BE A BODY CORPORATE AND A POLITICAL SUBDIVISION OF  
10          THE 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          (3) (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 (4) 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 (5) 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) DIRECT THE ALLOCATION OF STATE MATCHING FUNDS TO THE  
27    EXTENT REQUIRED TO SUPPORT ONE OR MORE PROPOSALS OF A

1 CONSORTIUM CONSISTING OF THE COLORADO SCHOOL OF MINES,  
2 COLORADO STATE UNIVERSITY, UNIVERSITY OF COLORADO, AND  
3 NATIONAL RENEWABLE ENERGY LABORATORY, REFERRED TO IN THIS  
4 ARTICLE AS THE CONSORTIUM, FOR FEDERAL ENERGY RESEARCH FUNDING  
5 AND ENERGY-RELATED RESEARCH FUNDING FROM FEDERAL AGENCIES AND  
6 OTHER PUBLIC AND PRIVATE 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 (3) ON OR BEFORE MARCH 1, 2007, AND EACH MARCH 1  
27 THEREAFTER, THE AUTHORITY SHALL SUBMIT A REPORT TO THE BUSINESS

1 AFFAIRS AND LABOR COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND  
2 THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE, OR  
3 ANY SUCCESSOR COMMITTEES, SUMMARIZING THE ENERGY RESEARCH  
4 PROJECTS THAT RECEIVED FUNDING UNDER THIS ARTICLE IN THE  
5 PRECEDING CALENDAR YEAR. AT A MINIMUM, THE REPORT SHALL SPECIFY  
6 THE FOLLOWING INFORMATION WITH REGARD TO EACH SUCH PROJECT:

7 (I) A DESCRIPTION OF THE PROJECT, THE PRINCIPAL PERSONS OR  
8 ENTITIES INVOLVED IN THE PROJECT, AND THE AMOUNT OF FUNDING  
9 ALLOCATED TO EACH PRINCIPAL PERSON OR ENTITY;

10 (II) THE MANNER IN WHICH EACH PRINCIPAL PERSON OR ENTITY  
11 APPLIED THE FUNDING IN CONNECTION WITH THE PROJECT; AND

12 (III) THE RESULTS ACHIEVED BY THE PROJECT, INCLUDING  
13 IDENTIFIABLE MONETARY RETURNS TO THE AUTHORITY AND TO EACH  
14 PRINCIPAL PERSON OR ENTITY ASSOCIATED WITH THE PROJECT SINCE THE  
15 RECEIPT OF THE FUNDING.

16 (4) OF ANY REVENUES RECEIVED BY THE AUTHORITY AS A RESULT  
17 OF LICENSING AGREEMENTS OR OTHER TECHNOLOGY TRANSFER ACTIVITIES  
18 UNDER PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION, NINETY  
19 PERCENT SHALL BE RETAINED BY THE AUTHORITY FOR FUTURE USE IN  
20 ACCORDANCE WITH THIS ARTICLE AND TEN PERCENT SHALL BE REMITTED  
21 TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE  
22 OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND.

23 **24-47.5-103. Funding - appropriations contingent on receipt**  
24 **of federal grant moneys - repeal.** (1) FOR THE STATE FISCAL YEAR  
25 COMMENCING ON JULY 1, 2006, AND IN EACH OF THE STATE FISCAL YEARS  
26 COMMENCING ON JULY 1, 2007, AND JULY 1, 2008, THE GENERAL  
27 ASSEMBLY SHALL APPROPRIATE TWO MILLION DOLLARS FROM THE

1 OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND CREATED IN  
2 SECTION 39-29-109, C.R.S., TO THE AUTHORITY FOR THE PURPOSES  
3 SPECIFIED IN SECTION 24-47.5-102; EXCEPT THAT, IF GRANTS OF FEDERAL  
4 MONEYS EQUAL TO OR EXCEEDING THE AMOUNT OF STATE MONEYS  
5 APPROPRIATED PURSUANT TO THIS ARTICLE HAS NOT BEEN RECEIVED BY  
6 JUNE 30, 2012, THE UNEXPENDED AND UNENCUMBERED BALANCE OF SAID  
7 APPROPRIATION SHALL REVERT TO THE OPERATIONAL ACCOUNT OF THE  
8 SEVERANCE TAX TRUST FUND.

9 (2) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2012.

10 **SECTION 3. Appropriation.** 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 created in section  
13 39-29-109, Colorado Revised Statutes, not otherwise appropriated, to the  
14 Colorado renewable energy authority created in section 24-47.5-101,  
15 Colorado Revised Statutes, for the fiscal year beginning July 1, 2006, the  
16 sum of two million dollars (\$2,000,000), or so much thereof as may be  
17 necessary, for the implementation of this act; except that, if grants of  
18 federal moneys equal to or exceeding the amount of state moneys  
19 appropriated pursuant to this article has not been received by June 30,  
20 2012, the unexpended and unencumbered balance of said appropriation  
21 shall revert to the operational account of the severance tax trust fund.

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