

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. 06-0855.01 Thomas Morris

**SENATE BILL 06-179**

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**SENATE SPONSORSHIP**

**Isgar,**

**HOUSE SPONSORSHIP**

**Penry,**

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**Senate Committees**

Agriculture, Natural Resources & Energy  
Appropriations

**House Committees**

Agriculture, Livestock, & Natural Resources  
Appropriations

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**A BILL FOR AN ACT**

101 **CONCERNING ADDITIONAL FINANCIAL SUPPORT FOR WATER PROJECTS.**

**Bill Summary**

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

Creates the water supply reserve account ("account") in the severance tax trust fund ("fund"). Transfers the unencumbered and unexpended balance of the operational account of the fund at the end of each fiscal year into the account. Continuously appropriates the moneys in the account to the Colorado water conservation board for water activities approved by a basin roundtable, including:

Competitive grants for environmental compliance and feasibility studies;

Technical assistance regarding permitting, feasibility

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  
March 31, 2006

SENATE  
Amended 2nd Reading  
March 30, 2006

studies, and environmental compliance;  
Studies or analyses of structural and nonstructural water projects or activities; and  
Structural and nonstructural water projects or activities.

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

2           **SECTION 1.** 39-29-109 (1) (a), Colorado Revised Statutes, is  
3 amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

4           **39-29-109. Severance tax trust fund - created - administration**  
5 **- use of moneys - definitions - repeal.** (1) (a) There is hereby created  
6 in the office of the state treasurer the severance tax trust fund. The fund  
7 is to be perpetual and held in trust as a replacement for depleted natural  
8 resources and for the development and conservation of the state's water  
9 resources pursuant to sections 37-60-106 (1) (j) and (1) (l), 37-60-119,  
10 and 37-60-122, C.R.S., and for the use in funding programs that promote  
11 and encourage sound natural resource planning, management, and  
12 development related to minerals, energy, geology, and water. State  
13 severance tax receipts shall be credited to the severance tax trust fund as  
14 provided in section 39-29-108. All income derived from the deposit and  
15 investment of the moneys in the severance tax trust fund shall be credited  
16 to the severance tax trust fund. At the end of any fiscal year, all  
17 unexpended and unencumbered moneys in the fund shall remain therein  
18 and shall not be credited or transferred to the general fund or any other  
19 fund. All moneys in the fund shall be subject to appropriation by the  
20 general assembly for the following purposes:

21           (III) THE WATER SUPPLY RESERVE ACCOUNT. SUBJECT TO THE  
22 MAINTENANCE OF A TWO-YEAR RESERVE PURSUANT TO  
23 SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (III) OF PARAGRAPH (c) OF

1 THIS SUBSECTION (1), ON OR AFTER JULY 1 OF EACH FISCAL YEAR, THE  
2 STATE TREASURER SHALL TRANSFER TEN MILLION DOLLARS FROM THE  
3 OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND TO THE  
4 WATER SUPPLY RESERVE ACCOUNT, ALSO REFERRED TO IN THIS  
5 SUBPARAGRAPH (III) AS THE "ACCOUNT". THE MONEYS IN THE ACCOUNT  
6 ARE HEREBY CONTINUOUSLY APPROPRIATED TO THE COLORADO WATER  
7 CONSERVATION BOARD FOR PURPOSES AUTHORIZED BY THIS  
8 SUBPARAGRAPH (III). ALL INTEREST DERIVED FROM THE INVESTMENT OF  
9 MONEYS IN THE ACCOUNT SHALL BE CREDITED TO THE ACCOUNT. ANY  
10 BALANCE REMAINING IN THE ACCOUNT AT THE END OF ANY FISCAL YEAR  
11 SHALL REMAIN IN THE ACCOUNT; EXCEPT THAT THE UNENCUMBERED AND  
12 UNEXPENDED BALANCE OF THE ACCOUNT SHALL REVERT ON JUNE 30,  
13 2010, TO THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST  
14 FUND. THE BOARD SHALL ALLOCATE MONEYS BY GRANT OR LOAN FROM  
15 THE ACCOUNT ONLY FOR WATER ACTIVITIES APPROVED BY A ROUNDTABLE  
16 PURSUANT TO ARTICLE 75 OF TITLE 37, C.R.S. THE APPROVING  
17 ROUNDTABLE SHALL BE THE ROUNDTABLE FOR THE BASIN IN WHICH THE  
18 PROPOSED WATER DIVERSION OR NONSTRUCTURAL ACTIVITY WOULD  
19 OCCUR. THE BOARD, IN CONSULTATION WITH THE INTERBASIN COMPACT  
20 COMMITTEE CREATED IN SECTION 37-75-105, C.R.S., SHALL JOINTLY  
21 ESTABLISH CRITERIA AND GUIDELINES FOR ALLOCATING MONEYS FROM  
22 THE ACCOUNT. ELIGIBLE WATER ACTIVITIES INCLUDE, BUT ARE EXPRESSLY  
23 NOT LIMITED TO: \_\_\_\_\_

24 (A) COMPETITIVE GRANTS FOR ENVIRONMENTAL COMPLIANCE AND  
25 FEASIBILITY STUDIES;

26 (B) TECHNICAL ASSISTANCE REGARDING PERMITTING, FEASIBILITY  
27 STUDIES, AND ENVIRONMENTAL COMPLIANCE;

1 (C) STUDIES OR ANALYSES OF STRUCTURAL AND NONSTRUCTURAL  
2 WATER PROJECTS OR ACTIVITIES; AND

3 (D) STRUCTURAL AND NONSTRUCTURAL WATER PROJECTS OR  
4 ACTIVITIES.

5 **SECTION 2. Effective date.** This act shall be effective July 1,  
6 2006.

7 **SECTION 3. 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.