

Be It Enacted by the People of the State of Colorado:

SECTION 1. Title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 51.5
PUBLIC SCHOOL IMPROVEMENT FUND

22-51.5-101. Creation of the public school improvement fund-composition.

(1) THERE IS HEREBY CREATED IN THE OFFICE OF THE STATE TREASURER A FUND, SEPARATE FROM THE GENERAL FUND, TO BE KNOWN AS THE PUBLIC SCHOOL IMPROVEMENT FUND. THERE SHALL BE CREDITED TO SAID FUND ALL REVENUE RECEIVED PURSUANT TO 22-51.5-102, C.R.S., MONEYS RECEIVED FROM THE FEDERAL GOVERNMENT PURSUANT TO THE PROVISIONS OF SECTION 34-63-102, C.R.S., AND SUCH ADDITIONAL MONEYS AS SHALL BE APPROPRIATED BY THE GENERAL ASSEMBLY.

(a) THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION NOT WITHSTANDING, THE GENERAL ASSEMBLY MAY TRANSFER SOME PORTION OF MONEYS RECEIVED FROM THE FEDERAL GOVERNMENT PURSUANT TO THE PROVISIONS OF SECTION 34-63-102, C.R.S INTO THE STATE PUBLIC SCHOOL FUND ANNUALLY THROUGH FISCAL YEAR 2010-2011.

22-51.5-102. Public school improvement tax.

(1) PRODUCERS OF OIL AND NATURAL GAS RECEIVING MORE THAN THREE HUNDRED THOUSAND DOLLARS ANNUALLY IN GROSS INCOME FROM THE SALE OF OIL AND NATURAL GAS EXTRACTED FROM LARGE WELLS IN THE STATE OF COLORADO SHALL PAY ONE PERCENT OF SUCH GROSS INCOME TO HELP FUND EDUCATION. THE REVENUE COLLECTED FROM THIS TAX SHALL BE DEPOSITED IN THE PUBLIC SCHOOL IMPROVEMENT FUND.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES: (a) "GROSS INCOME" SHALL HAVE THE SAME MEANING AS 39-29-102 (3)(a), C.R.S.;

(b) "LARGE WELLS" MEANS, WITH RESPECT TO OIL, WELLS PRODUCING AT LEAST FIFTEEN BARRELS PER DAY OF OIL AND, WITH RESPECT TO NATURAL GAS, WELLS PRODUCING AT LEAST NINETY THOUSAND CUBIC FEET PER DAY OF NATURAL GAS;

(c) "PRODUCERS" MEANS PERSONS WITH AN OWNERSHIP INTEREST IN THE GROSS INCOME FROM THE SALE OF OIL AND NATURAL GAS IN THE STATE OF COLORADO.

(3) REVENUE RECEIVED THROUGH THE OPERATION OF THIS SECTION SHALL NOT BE SUBJECT TO SPENDING LIMITS UPON STATE GOVERNMENT AND ALL LOCAL GOVERNMENTS RECEIVING SUCH MONEY.

22-51.5-103. Distribution of moneys in the fund.

(1) AN AMOUNT EQUAL TO THE LESSER OF THE TOTAL MONEYS RECEIVED BY THE PUBLIC SCHOOL IMPROVEMENT FUND IN THE PRECEDING FISCAL YEAR AFTER THE OPERATION OF 22-51.5-101(1)(a), C.R.S. OR ONE HUNDRED TWENTY MILLION DOLLARS, ADJUSTED ANNUALLY FOR INFLATION, SHALL BE TRANSFERRED ANNUALLY TO THE CAPITAL CONSTRUCTION EXPENDITURES RESERVE TO PROVIDE FUNDING FOR PRESCHOOL THROUGH TWELFTH GRADE PUBLIC SCHOOL BUILDINGS TO REPAIR, MAINTAIN, MAKE SAFE AND REPLACE DETERIORATING BUILDINGS, TO PROVIDE ADDITIONAL CLASSROOM SPACE FOR CHILDREN IN TEMPORARY STRUCTURES, TO PROVIDE ADEQUATE TECHNOLOGY, TO CONSTRUCT NEW BUILDINGS OR TO PROVIDE FOR THE ADMINISTRATION OF THESE PROGRAMS; EXCEPT THAT PRIORITY SHALL BE GIVEN TO RURAL SCHOOLS AND DISTRICTS AND TO SCHOOLS AND DISTRICTS THAT ARE NOT ABLE TO RAISE SUFFICIENT REVENUE LOCALLY TO ADDRESS THEIR SCHOOL BUILDING NEEDS; AND PRIORITY SHALL BE PLACED ON THE USE OF THESE CAPITAL CONSTRUCTION FUNDS TO ADDRESS IMMEDIATE STUDENT HEALTH AND SAFETY NEEDS IN SCHOOL BUILDINGS, TO ENSURE COMPLIANCE WITH ALL RELEVANT FEDERAL STATE AND LOCAL LAWS, CODES AND STANDARDS FOR SCHOOL BUILDINGS, AND TO RENOVATE OR REPLACE BUILDINGS THAT ARE FORTY YEARS OR OLDER.

(2) NO MORE THAN ONE PERCENT OF MONEYS CREDITED TO THE PUBLIC SCHOOL IMPROVEMENT FUND ANNUALLY SHALL BE SPENT ON ADMINISTRATIVE EXPENSES.

(3) ANY MONEYS REMAINING IN THE PUBLIC SCHOOL IMPROVEMENT FUND AFTER THE OPERATION OF SUBSECTION (1) OF THIS SECTION SHALL BE TRANSFERRED TO THE PUBLIC SCHOOL FUND.

22-51.5-104. Public report.

THE GENERAL ASSEMBLY SHALL ANNUALLY PREPARE AND MAKE PUBLIC A REPORT ON THE USE OF ALL MONEYS RECEIVED BY THE PUBLIC SCHOOL IMPROVEMENT FUND.

22-51.5-105. Directive to the general assembly.

THE GENERAL ASSEMBLY IS HEREBY DIRECTED TO MAKE ANY CONFORMING AMENDMENTS REQUIRED BY THE PASSAGE OF THIS AMENDMENT.

SECTION 2. 22-41-106, Colorado Revised Statutes, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

22-41-106. Disposition of income.

(a) INTEREST GENERATED FROM THE PUBLIC SCHOOL FUND SHALL BE USED ANNUALLY TO FUND PRESCHOOL THROUGH TWELFTH GRADE EDUCATIONAL PROGRAMS, WHICH MAY INCLUDE BUT ARE NOT LIMITED TO PROGRAMS TO LOWER THE DROP OUT RATE, PURCHASE TEXTBOOKS, OR HELP SCHOOL DISTRICTS ATTRACT AND RETAIN QUALITY

TEACHERS; EXCEPT THAT A PRIORITY SHALL BE GIVEN TO PROVIDING OPPORTUNITIES FOR LOW INCOME CHILDREN, INCLUDING THE OPPORTUNITY TO ATTEND VOLUNTARY QUALITY PRESCHOOL PROGRAMS SO THEY ARE ABLE TO BEGIN SCHOOL READY TO LEARN.

(b) EXPENDITURE OF INTEREST FROM THE PUBLIC SCHOOL FUND SHALL BE CONSTRUED AS SUPPLEMENTARY AND ADDITIONAL TO EDUCATION SPENDING ENTAILED BY ANY OTHER REQUIREMENT OF LAW INCLUDING ARTICLE IX SECTION 17 OF THE COLORADO CONSTITUTION; EXCEPT THE GENERAL ASSEMBLY MAY TRANSFER SOME PORTION OF INTEREST TO THE STATE PUBLIC SCHOOL FUND ANNUALLY THROUGH FISCAL YEAR 2010-2011.

SECTION 3. 34-63-102, Colorado Revised Statutes, is amended to read:

(2) (a) Except as otherwise provided in paragraph (b) of this subsection (2), twenty-five percent of all moneys described in paragraph (a) of subsection (1) of this section together with any funds for public schools derived from the application of paragraph (b) of subsection (3) of this section shall, upon receipt, be paid into the ~~state public school~~-PUBLIC SCHOOL IMPROVEMENT fund to be used for the support of the public schools of this state.

(b) For the purpose of repaying an additional expenditure of moneys from the state education fund created in section 17 (4) (a) of article IX of the state constitution for the state's share of total program pursuant to article 54 of title 22, C.R.S., made for the 2001-02 fiscal year due to a projected shortfall in the amount of moneys described in paragraph (a) of subsection (1) of this section received by the state treasurer in said fiscal year, notwithstanding any provision of law to the contrary, upon receipt by the state treasurer of any moneys described in paragraph (a) of subsection (1) of this section during the 2002-03 fiscal year, of the portion of said moneys that would otherwise be paid to the ~~state public school~~-PUBLIC SCHOOL IMPROVEMENT fund pursuant to paragraph (a) of this subsection (2), the state treasurer shall first transfer an amount of said moneys equal to six million dollars to the state education fund created pursuant to section 17 (4) of article IX of the state constitution prior to paying said portion of moneys to the ~~state public school~~-PUBLIC SCHOOL IMPROVEMENT fund in accordance with paragraph (a) of this subsection (2).

(3) (a) Fifty percent of all moneys described in paragraph (a) of subsection (1) of this section shall be distributed ten working days after receipt of the last monthly payment in each quarter among those respective counties of this state from which the federal leasing money is derived in proportion to the amount of said federal leasing money derived from each of the respective counties for use by said counties for the purposes described in subsection (1) of this section and for use by municipalities and school districts within said counties as provided in paragraph (c) of this subsection (3); except that no distribution under this

paragraph (a) to any single county, including the amounts distributed under paragraph (c) of this subsection (3) to municipalities and school districts located therein, shall exceed one million two hundred thousand dollars in any calendar year. Unless the balance paid to the ~~state public school~~ PUBLIC SCHOOL IMPROVEMENT fund pursuant to subparagraph (l) of paragraph (b) of this subsection (3) exceeds ten million seven hundred thousand dollars in a calendar year, distribution above two hundred thousand dollars to any single county pursuant to this paragraph (a) shall not take effect during that calendar year.

(b) (l) Any balance of said fifty percent remaining after payment to the several counties as provided in paragraph (a) of this subsection (3) shall be paid by the state treasurer, on or before the last day of December of each year, into the ~~state public school~~ PUBLIC SCHOOL IMPROVEMENT fund and used for the support of the public schools.

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