

**First Regular Session
Sixty-third General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 01-0763.01 Jery Payne

HOUSE BILL 01-1345

HOUSE SPONSORSHIP

Hoppe, Miller, Snook, Rippy, and Webster

SENATE SPONSORSHIP

Dyer (Durango),

House Committees

Agriculture, Livestock, & Natural Resources
Appropriations

Senate Committees

Public Policy and Planning
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE MINERAL AND ENERGY**
102 **RECLAMATION TRUST FUND FOR THE PURPOSE OF REPAIRING**
103 **DAMAGE TO LAND FOLLOWING THE EXTRACTION OF CERTAIN**
104 **ELEMENTS.**

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 mineral and energy reclamation trust fund (the fund). On July 1, 2001, transfers \$5,000,000 from the operational account of the severance tax trust fund to the fund.

Instructs the division of minerals and geology (division) to submit a report to the general assembly with recommendations for project sites

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
Amended 2nd Reading
April 30, 2001

HOUSE
Amended 3rd Reading
March 16, 2001

HOUSE
Amended 2nd Reading
March 15, 2001

eligible to be reclaimed or safeguarded through the use of expenditures from the fund. Requires such report to be submitted to the minerals, energy, and geology policy advisory board for review and comment. Requires that any project sites be approved by a joint resolution that is signed by the governor before such sites are funded for the next fiscal year. Authorizes the division to remove inappropriate projects from the project site eligibility list.

Requires income derived from the investment of moneys in the fund to be used to safeguard or reclaim sites where mining, oil, or gas operations have occurred; the mineral interest has been abandoned or is under-bonded; and there is a substantial risk to the safety of the public or environment.

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

2 **SECTION 1.** Article 20 of title 34, Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW PART to read:

4 **PART 2**

5 **MINERAL AND ENERGY RECLAMATION TRUST FUND**

6 **34-20-201. Mineral and energy trust fund - creation -**
7 **administration.** (1) THERE IS HEREBY CREATED IN THE STATE TREASURY
8 THE MINERAL AND ENERGY RECLAMATION TRUST FUND. ALL INCOME
9 DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND
10 SHALL BE CREDITED TO THE FUND. AT THE END OF ANY FISCAL YEAR, ALL
11 UNEXPENDED OR UNENCUMBERED MONEYS IN THE FUND SHALL REMAIN IN
12 THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OF THE STATE OR
13 ANY OTHER FUND.

14 (2) IN EACH FISCAL YEAR, INCOME DERIVED FROM THE INVESTMENT
15 OF MONEYS IN THE FUND SHALL BE USED TO SAFEGUARD OR RECLAIM SITES
16 ON THE MINERAL AND ENERGY RECLAMATION TRUST FUND PROJECT SITE
17 ELIGIBILITY LIST.

18 (3) NO PROJECT SITE SHALL BE PROPOSED FOR INCLUSION ON THE
19 MINERAL AND ENERGY RECLAMATION TRUST FUND PROJECT SITE

1 ELIGIBILITY LIST UNLESS THE PROJECT MEETS THE FOLLOWING CONDITIONS:

2 (a) MINING, OIL, OR GAS OPERATIONS HAVE OCCURRED AT THE SITE;

3 (b) THE SITE'S MINERAL EXTRACTION ACTIVITIES HAVE CEASED

4 COMMERCIAL PRODUCTION OR A BOND OR SURETY OF WARRANTY CREATED

5 PURSUANT TO THIS TITLE COVERING THE SITE IS INSUFFICIENT TO MEET

6 SUCH WARRANTY; AND

7 (c) THERE IS A SUBSTANTIAL RISK TO THE SAFETY OF THE PUBLIC OR

8 ENVIRONMENT DUE TO CONDITIONS AT THE MINING, OIL, OR GAS

9 OPERATION.

10 (4) (a) THE DIVISION SHALL MAINTAIN A LIST OF PROJECT SITES

11 ELIGIBLE FOR SAFEGUARDING OR RECLAMATION THROUGH THE USE OF

12 EXPENDITURES FROM THE MINERAL AND ENERGY RECLAMATION TRUST

13 FUND. SUCH LIST SHALL BE KNOWN AS THE MINERAL AND ENERGY

14 RECLAMATION TRUST FUND PROJECT SITE ELIGIBILITY LIST.

15 (b) BY FEBRUARY 1 OF EACH YEAR, THE DIVISION SHALL SUBMIT A

16 REPORT TO THE GENERAL ASSEMBLY WITH THE STATUS OF CURRENT

17 PROJECTS AND RECOMMENDATIONS FOR THE NEXT FISCAL YEAR'S

18 EXPENDITURES OF INCOME DERIVED FROM THE INVESTMENT OF MONEYS IN

19 THE MINERAL AND ENERGY TRUST FUND FOR SAFEGUARDING OR

20 RECLAMATION PROJECTS THAT ARE OF THE HIGHEST PRIORITY. SUCH

21 REPORT SHALL CONTAIN ANY PROPOSED ADDITIONS TO THE MINERAL AND

22 ENERGY RECLAMATION TRUST FUND PROJECT SITE ELIGIBILITY LIST. BY

23 MAY 1 OF EACH YEAR, THE DIVISION SHALL SUBMIT SUCH REPORT TO THE

24 MINERALS, ENERGY, AND GEOLOGY POLICY ADVISORY BOARD FOR REVIEW

25 AND TO PROVIDE ADVICE TO THE DIVISION ON THE SITES THAT SHOULD BE

26 INCLUDED IN THE MINERAL AND ENERGY TRUST FUND PROJECT SITE

27 ELIGIBILITY LIST.

1 (c) PROJECT SITES SHALL NOT BE FUNDED PURSUANT TO THIS
2 SECTION FROM THE MINERAL AND ENERGY RECLAMATION TRUST FUND
3 UNLESS SUCH PROJECT SITES ARE APPROVED BY A JOINT RESOLUTION
4 SIGNED BY THE GOVERNOR IN ACCORDANCE WITH SECTION 39 OF ARTICLE
5 V OF THE STATE CONSTITUTION. PROJECT SITES MAY BE REMOVED FROM
6 THE PROJECT SITE LIST UPON A DETERMINATION BY THE DIVISION THAT
7 SUCH PROJECT SITES DO NOT MEET THE REQUIREMENTS OF SUBSECTION (3)
8 OF THIS SECTION OR THAT SAFEGUARDING OR RECLAMATION OF SUCH SITES
9 IS NOT APPROPRIATE DURING THE CURRENT FISCAL YEAR.

10 (d) PRIOR TO RECOMMENDING A SITE TO THE GENERAL ASSEMBLY
11 PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (4), THE DIVISION SHALL
12 NOTIFY THE COUNTY AND MUNICIPALITY IN WHICH A SITE IS PROPOSED TO
13 BE INCLUDED IN THE MINERAL AND ENERGY RECLAMATION TRUST FUND
14 PROJECT SITE ELIGIBILITY LIST FOR REVIEW AND APPROVAL.

15 _____
16 (5) WHEN CONSIDERING THE SITES THAT ARE APPROPRIATE TO
17 INCLUDE IN THE MINERAL AND ENERGY RECLAMATION TRUST FUND PROJECT
18 SITE ELIGIBILITY LIST, THE DIVISION SHALL GIVE PRIORITY TO SITES THAT
19 ARE IN COUNTIES THAT HAVE HISTORICALLY PAID SEVERANCE TAX IMPOSED
20 PURSUANT TO ARTICLE 29 OF TITLE 39, C.R.S., AS DOCUMENTED BY THE
21 DEPARTMENT OF REVENUE.

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

24 **39-29-109. Severance tax trust fund - created - administration**
25 **- use of moneys - repeal.** (1) (e) (I) NOTWITHSTANDING ANY PROVISION
26 IN THIS SECTION TO THE CONTRARY, ON OR BEFORE JUNE 30, 2001, THE
27 STATE TREASURER SHALL DEDUCT TWO MILLION FIVE HUNDRED THOUSAND

1 DOLLARS FROM THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST
2 FUND AND SHALL TRANSFER SUCH SUM TO THE MINERAL AND ENERGY
3 RECLAMATION TRUST FUND CREATED IN SECTION 34-20-201, C.R.S.

4 (II) THIS PARAGRAPH (e) IS REPEALED, EFFECTIVE JULY 1, 2001.

5 **SECTION 3. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.