

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 16-1285.01 Ed DeCecco x4216

SENATE BILL 16-218

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SENATE SPONSORSHIP

Lambert and Steadman, Grantham

HOUSE SPONSORSHIP

Hamner and Rankin, Young

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Senate Committees  
Appropriations

House Committees

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A BILL FOR AN ACT

101 CONCERNING MATTERS RELATED TO STATE SEVERANCE TAX REFUNDS.

Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

**Joint Budget Committee. Section 1** of the bill reduces the amount of the general fund reserve for the fiscal year 2015-16 by an amount equal to the amount of income tax revenue that is deposited in a reserve to make severance tax refunds. **Section 3** establishes the reserve in which all severance tax revenues are set aside and maintained in order to make severance tax refunds, prior to allocation to the severance tax trust fund and the local government severance tax fund. Until July 1, 2017, income tax revenue that would otherwise be deposited in the

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.*

general fund may instead be deposited in the reserve if needed to make the refunds. **Section 2** makes a conforming change related to this use of the income tax revenue.

**Section 4** extends a repeal date, so that severance tax revenue can continue to be allocated to the severance tax trust fund and the local government severance tax fund between January 1, 2017, and July 1, 2017.

The following amounts are restricted from being used for any purpose whatsoever:

- ! \$19.1 million dollars from the severance tax perpetual base fund; (**section 5**)
- ! \$10 million dollars from the severance tax operational fund; and (**section 6**)
- ! \$48 million dollars from the local government severance tax fund. (**section 7**)

The money in these funds remains restricted until such time that the joint budget committee, by a majority vote, releases the restriction on some or all of the money.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-75-201.1, **amend**  
3 **as added by House Bill 16-1419** (1) (d) (XVII) as follows:

4 **24-75-201.1. Restriction on state appropriations - legislative**  
5 **declaration - definitions.** (1) (d) For each fiscal year, unrestricted  
6 general fund year-end balances shall be retained as a reserve in the  
7 following amounts:

8 (XVII) For the fiscal year 2015-16, AN AMOUNT EQUAL TO five  
9 and six-tenths percent of the amount appropriated for expenditure from  
10 the general fund for that fiscal year MINUS THE TOTAL AMOUNT CREDITED  
11 TO THE RESERVE CREATED IN SECTION 39-22-107.8, C.R.S., IN  
12 ACCORDANCE WITH PARAGRAPH (a) OF SUBSECTION (2) OF SAID SECTION.

13 **SECTION 2.** In Colorado Revised Statutes, 39-22-623, **amend**  
14 (1) (b) as follows:

15 **39-22-623. Disposition of collections.** (1) (b) Following

1 apportionment of the city, town, and county shares pursuant to paragraph  
2 (a) of this subsection (1) and pursuant to section 29-21-101, C.R.S., all  
3 remaining funds, LESS THE AMOUNT CREDITED TO THE RESERVE CREATED  
4 IN SECTION 39-29-107.8, IN ACCORDANCE WITH SUBSECTION (2) OF SAID  
5 SECTION, shall be credited to the general fund, and the general assembly  
6 shall make appropriations therefrom for the expenses of the  
7 administration of this article.

8 **SECTION 3.** In Colorado Revised Statutes, **add** 39-29-107.8 as  
9 follows:

10 **39-29-107.8. Refunds.** (1) PRIOR TO THE ALLOCATION IN SECTION  
11 39-29-108, THE STATE TREASURER SHALL SET ASIDE AND MAINTAIN ALL  
12 REVENUE FROM THE TAX IMPOSED PURSUANT TO THIS ARTICLE IN A  
13 RESERVE THAT IS AVAILABLE FOR THE PAYMENT OF REFUNDS RELATED TO  
14 THE TAX. THE DEPARTMENT OF REVENUE SHALL MAKE ANY REFUND  
15 RELATED TO THE TAX FROM THE RESERVE IN ACCORDANCE WITH SECTION  
16 39-21-108 (2). AT THE END OF EACH MONTH, ANY MONEYS IN THE  
17 RESERVE THAT ARE NOT REQUIRED FOR A REFUND ARE THE TOTAL GROSS  
18 RECEIPTS REALIZED THAT ARE AVAILABLE FOR ALLOCATION IN SECTION  
19 39-29-108.

20 (2) (a) PRIOR TO JULY 1, 2016, IF THE AMOUNT IN THE RESERVE IS  
21 LESS THAN THE AMOUNT OF REFUNDS THAT ARE REQUIRED TO BE MADE  
22 FROM THE RESERVE, THEN THE STATE TREASURER SHALL CREDIT TO THE  
23 RESERVE FROM THE PROCEEDS OF THE MONEY COLLECTED UNDER ARTICLE  
24 22 OF THIS TITLE AN AMOUNT EQUAL TO THE DEFICIT.

25 (b) ON OR AFTER JULY 1, 2016, BUT PRIOR TO JULY 1, 2017, THE  
26 STATE TREASURER SHALL CREDIT TO THE RESERVE FROM THE PROCEEDS  
27 OF THE MONEY COLLECTED UNDER ARTICLE 22 OF THIS TITLE, AN AMOUNT

1 EQUAL TO ALL REFUNDS FOR THE TAX IMPOSED PURSUANT TO SECTION  
2 39-29-105 THAT ARE MADE FOR THE SAME PERIOD.

3 **SECTION 4.** In Colorado Revised Statutes, 39-29-108, **amend**  
4 (2) (a) (II) as follows:

5 **39-29-108. Allocation of severance tax revenues - definitions**  
6 **- repeal.** (2) (a) (II) This paragraph (a) is repealed, effective ~~January~~  
7 JULY 1, 2017.

8 **SECTION 5.** In Colorado Revised Statutes, 39-29-109, **add** (2)  
9 (a) (XV) as follows:

10 **39-29-109. Severance tax trust fund - created - administration**  
11 **- distribution of moneys - repeal.** (2) State severance tax receipts shall  
12 be credited to the severance tax trust fund as provided in section  
13 39-29-108. Except as otherwise set forth in section 39-29-109.5, all  
14 income derived from the deposit and investment of the moneys in the  
15 fund shall be credited to the fund. At the end of any fiscal year, all  
16 unexpended and unencumbered moneys in the fund remain therein and  
17 shall not be credited or transferred to the general fund or any other fund.  
18 All moneys in the fund are subject to appropriation by the general  
19 assembly for the following purposes:

20 (a) **The severance tax perpetual base fund.**  
21 (XV) NOTWITHSTANDING ANY PROVISION OF THIS PARAGRAPH (a) TO THE  
22 CONTRARY, AN AMOUNT EQUAL TO NINETEEN MILLION ONE HUNDRED  
23 THOUSAND DOLLARS IN THE FUND IS RESTRICTED FROM BEING USED FOR  
24 ANY PURPOSE WHATSOEVER, UNTIL SUCH TIME THAT THE JOINT BUDGET  
25 COMMITTEE, BY A MAJORITY VOTE, RELEASES THE RESTRICTION ON SOME  
26 OR ALL OF THE MONEY.

27 **SECTION 6.** In Colorado Revised Statutes, 39-29-109.3, **add**

1 (1.5) as follows:

2 **39-29-109.3. Severance tax operational fund - repeal.**

3 (1.5) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE  
4 CONTRARY, AN AMOUNT EQUAL TO TEN MILLION DOLLARS IN THE  
5 OPERATIONAL FUND IS RESTRICTED FROM BEING USED FOR ANY PURPOSE  
6 WHATSOEVER, UNTIL SUCH TIME THAT THE JOINT BUDGET COMMITTEE, BY  
7 A MAJORITY VOTE, RELEASES THE RESTRICTION ON SOME OR ALL OF THE  
8 MONEY.

9 **SECTION 7.** In Colorado Revised Statutes, 39-29-110, **add** (8)  
10 as follows:

11 **39-29-110. Local government severance tax fund - creation -**  
12 **administration - definitions.** (8) NOTWITHSTANDING ANY PROVISION OF  
13 THIS SECTION TO THE CONTRARY, AN AMOUNT EQUAL TO FORTY-EIGHT  
14 MILLION THREE HUNDRED THOUSAND DOLLARS IN THE LOCAL  
15 GOVERNMENT SEVERANCE TAX FUND IS RESTRICTED FROM BEING USED FOR  
16 ANY PURPOSE WHATSOEVER, UNTIL SUCH TIME THAT THE JOINT BUDGET  
17 COMMITTEE, BY A MAJORITY VOTE, RELEASES THE RESTRICTION ON SOME  
18 OR ALL OF THE MONEY.

19 **SECTION 8. Safety clause.** The general assembly hereby finds,  
20 determines, and declares that this act is necessary for the immediate  
21 preservation of the public peace, health, and safety.