

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 21-0894.02 Jason Gelender x4330

HOUSE BILL 21-1253

HOUSE SPONSORSHIP

Froelich and Gray,

SENATE SPONSORSHIP

Winter and Rankin,

House Committees

Energy & Environment
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A GENERAL FUND TRANSFER TO THE LOCAL**
102 **GOVERNMENT SEVERANCE TAX FUND TO FUND GRANTS TO**
103 **LOCAL GOVERNMENTS FOR RENEWABLE AND CLEAN ENERGY**
104 **INFRASTRUCTURE PROJECTS, AND, IN CONNECTION THEREWITH,**
105 **MAKING AN APPROPRIATION.**

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://leg.colorado.gov>.)

The bill transfers \$5 million from the general fund to the local government severance tax fund for the purpose of funding grants to local

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
2nd Reading Unamended
April 28, 2021

governments for renewable and clean energy infrastructure implementation projects. The grants must be made by August 15, 2021, or as soon as possible thereafter, and the department of local affairs, which makes the grants, is required to report to the general assembly regarding the grants during its 2022 annual "SMART Act" presentation to legislative committees of reference. \$5 million is appropriated from the local government severance tax fund to the division of local government of the department of local affairs so that the division can make the grants.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that it is necessary, appropriate, and in the best
4 interest of all Coloradans to support the development and construction of
5 renewable and clean energy infrastructure in all areas of the state because
6 such infrastructure:

7 (a) Reduces reliance on fossil fuels for the generation of
8 electricity, for residential and commercial heating and cooling, and for the
9 powering of motor vehicles;

10 (b) Reduces emissions of air pollutants, including hazardous air
11 pollutants and greenhouse gases, that contribute to both adverse
12 environmental effects and adverse human health effects, especially in
13 communities that are in industrial areas or are adjacent to major highway
14 corridors with heavy motor vehicle traffic;

15 (c) In many cases, reduces both energy costs and total ownership
16 costs of motor vehicles and equipment for businesses, governmental
17 entities, and individuals that, because they can rely on such infrastructure,
18 adopt electric motor vehicles or other electric equipment in lieu of
19 vehicles or equipment powered by fossil fuels; and

20 (d) Stimulates in-state economic activity and job creation by:

21 (I) Allowing businesses, governmental entities, and individuals to

1 reinvest and spend money saved by reducing their costs associated with
2 the ownership and operation of motor vehicles and other equipment; and

3 (II) Providing clean, reliable, efficient, and accessible electrical
4 power needed for residential and commercial real estate development and
5 redevelopment.

6 (2) The general assembly further finds and declares that:

7 (a) Providing additional funding to the department of local affairs
8 to provide grants for renewable and clean energy implementation projects
9 that meet the department's eligibility criteria for funding under the
10 department's renewable and clean energy initiative program is an
11 effective and efficient means of supporting the development and
12 construction of renewable and clean energy infrastructure in all areas of
13 the state; and

14 (b) When awarding grants, the department of local affairs should
15 prioritize communities in which renewable and clean energy
16 infrastructure is sparse and consider geographical diversity.

17 **SECTION 2.** In Colorado Revised Statutes, 39-29-110, **add** (9)
18 as follows:

19 **39-29-110. Local government severance tax fund - creation -**
20 **administration - definitions - repeal.** (9) (a) IN ADDITION TO THE
21 SEVERANCE TAX RECEIPTS CREDITED TO THE LOCAL GOVERNMENT
22 SEVERANCE TAX FUND THAT ARE DISTRIBUTED AS SPECIFIED IN
23 SUBSECTIONS (1)(b) AND (1)(c) OF THIS SECTION, ON THE EFFECTIVE DATE
24 OF THIS SUBSECTION (9), IF POSSIBLE, OR AS SOON AS POSSIBLE
25 THEREAFTER, THE STATE TREASURER SHALL TRANSFER FIVE MILLION
26 DOLLARS FROM THE GENERAL FUND TO THE LOCAL GOVERNMENT
27 SEVERANCE TAX FUND. THE EXECUTIVE DIRECTOR OF THE DEPARTMENT

1 OF LOCAL AFFAIRS SHALL AWARD THE MONEY BY AUGUST 15, 2021, OR AS
2 SOON AS POSSIBLE THEREAFTER TO PROVIDE GRANTS FOR RENEWABLE AND
3 CLEAN ENERGY IMPLEMENTATION PROJECTS THAT MEET THE
4 DEPARTMENT'S ELIGIBILITY CRITERIA FOR FUNDING UNDER THE
5 DEPARTMENT'S RENEWABLE AND CLEAN ENERGY INITIATIVE PROGRAM
6 AND IS SPECIFICALLY ENCOURAGED TO PRIORITIZE COMMUNITIES IN WHICH
7 RENEWABLE AND CLEAN ENERGY INFRASTRUCTURE IS SPARSE AND
8 CONSIDER GEOGRAPHICAL DIVERSITY WHEN MAKING GRANTS. THE
9 DEPARTMENT OF LOCAL AFFAIRS SHALL REPORT TO THE GENERAL
10 ASSEMBLY REGARDING THE GRANTS PROVIDED PURSUANT TO THIS
11 SUBSECTION (9) DURING ITS 2022 DEPARTMENTAL PRESENTATION TO
12 LEGISLATIVE COMMITTEES OF REFERENCE REQUIRED BY SECTION 2-7-203.

13 (b) THIS SUBSECTION (9) IS REPEALED, EFFECTIVE JULY 1, 2023.

14 **SECTION 3. Appropriation.** For the 2020-21 state fiscal year,
15 \$5,000,000 is appropriated to the department of local affairs for use by
16 the division of local government. This appropriation is from the local
17 government severance tax fund created in section 39-29-110 (1)(a)(I),
18 C.R.S. To implement this act, the division of local government may use
19 this appropriation for grants for renewable and clean energy
20 implementation projects that meet the division's eligibility criteria for
21 funding under the department's renewable and clean energy initiative
22 program. Any money appropriated in this section not expended prior to
23 July 1, 2021, is further appropriated to the division of local government
24 for the 2021-22 and 2022-23 state fiscal years for the same purpose.

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