

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-0446.03 Jed Franklin x5484

SENATE BILL 25-037

SENATE SPONSORSHIP

Roberts and Kirkmeyer,

HOUSE SPONSORSHIP

Taggart and Mauro,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING ASSISTANCE FOR COMMUNITIES EXPERIENCING ENERGY**
102 **TRANSITION.**

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 office of just transition (office) in the department of labor and employment provides money to support programs that implement the just transition plan, provide supplemental funding for targeted investment in coal transition communities, and provide grants and other support to coal transition communities. The bill requires the office to coordinate with councils of government representing regions established by the

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

department of local affairs (department) that have coal transition communities, employee associations that represent workers in coal transition communities, and economic development councils formed by the department to implement the most effective projects and programs for those communities.

A public entity may invest public funds only as allowed by law. The bill specifies that the investment of a payment or settlement to offset the socioeconomic impacts to a community or government from the closure of a coal mine or coal power generating station is not subject to these investment limitations.

Currently, 70% of the money credited to the local government severance tax fund (fund) must be distributed to political subdivisions that are socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels subject to taxation and used for the planning, construction, and maintenance of public facilities and for the provision of public services, and to compensate political subdivisions for loss of property tax revenue resulting from the deduction of severance taxes paid in the determination of the valuation for assessment of producing mines. The bill requires the executive director of the department (executive director) to annually expend this money as follows:

- First, an amount equal to the least of \$15 million, the total amount of money available, or the amount of compensation applied for to compensate political subdivisions for the loss of property tax revenue resulting from the deduction of severance taxes paid in the determination of the valuation for assessment of producing mines; or incurred by political subdivisions that are coal transition communities created as due to the closure of coal-fired power plants. The executive director must consider the economic needs of a political subdivision when granting money and must not require a political subdivision to contribute money to be eligible for a grant.
- Second, an amount equal to the least of \$75 million, the total remaining amount of money available, or the amount of grants applied for through 3 grant cycles per year for grants to political subdivisions socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels subject to severance taxation and used for the planning, construction, and maintenance of public facilities and for the provision of public services; and
- Third, any remaining money in excess of the lesser of \$90 million or the total amount of compensation and grants actually awarded as described above must be distributed

annually by the executive director to political subdivisions based upon community need as determined in consultation with the Colorado Municipal League, Colorado Counties, Inc., and the Special District Association of Colorado, and to other recipients as provided by existing law.

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

2 **SECTION 1.** In Colorado Revised Statutes, 8-83-504, **amend**
3 (4)(a)(II)(C) and (4)(a)(II)(D); and **add** (4)(a)(II)(E) as follows:

4 **8-83-504. Just transition cash fund - transfer from general**
5 **fund - transfer from account - definition - use of money.**

6 (4) (a) (II) Subject to annual appropriation by the general assembly, the
7 office shall expend the money transferred to the fund pursuant to this
8 subsection (4)(a) to implement the just transition plan for Colorado
9 prepared as required by section 8-83-503 (4), to provide supplemental
10 funding for existing state programs that the office identifies as the most
11 effective vehicles for targeted investment in coal transition communities,
12 and to provide grants and other support directly to coal transition
13 communities and other eligible entities. In expending money from the
14 fund, the office shall place a heavy emphasis on investment in tier one
15 transition communities and shall support programs that:

16 (C) Support infrastructure projects and workforce development
17 programs; ~~or~~

18 (D) Are consistent with the goals and strategies outlined in the just
19 transition plan; OR

20 (E) SUPPORT TARGETED INVESTMENT IN COAL TRANSITION
21 COMMUNITIES BY COORDINATING WITH COUNCILS OF GOVERNMENT
22 REPRESENTING REGIONS ESTABLISHED BY THE DEPARTMENT OF LOCAL
23 AFFAIRS WITH COAL TRANSITION COMMUNITIES, EMPLOYEE ASSOCIATIONS

1 THAT REPRESENT WORKERS IN COAL TRANSITION COMMUNITIES, AND
2 ECONOMIC DEVELOPMENT COUNCILS FORMED BY THE DEPARTMENT OF
3 LOCAL AFFAIRS TO IMPLEMENT THE MOST EFFECTIVE PROJECTS AND
4 PROGRAMS FOR THOSE COMMUNITIES.

5 **SECTION 2.** In Colorado Revised Statutes, 24-75-601.1, **add** (5)
6 as follows:

7 **24-75-601.1. Legal investments of public funds - definition.**

8 (5) NOTHING IN THIS SECTION APPLIES TO PUBLIC FUNDS HELD OR
9 INVESTED AS PART OF ANY PAYMENT OR SETTLEMENT TO OFFSET THE
10 SOCIOECONOMIC IMPACTS TO A COMMUNITY OR GOVERNMENT FROM THE
11 CLOSURE OF A COAL MINE OR COAL POWER GENERATING STATION.

12 **SECTION 3.** In Colorado Revised Statutes, 39-29-110, **amend**
13 (1)(b) as follows:

14 **39-29-110. Local government severance tax fund - creation -**

15 **administration - definitions - repeal.** (1) (b) (I) FOR STATE FISCAL
16 YEARS COMMENCING ON OR AFTER JULY 1, 2025, seventy percent of the
17 ~~fun~~ds from MONEY IN the local government severance tax fund shall be
18 distributed ~~to those political subdivisions socially or economically~~
19 ~~impacted by the development, processing, or energy conversion of~~
20 ~~minerals and mineral fuels subject to taxation under this article and used~~
21 ~~for the planning, construction, and maintenance of public facilities and~~
22 ~~for the provision of public services. Such funds shall also be distributed~~
23 ANNUALLY AS FOLLOWS:

24 (A) FIRST, AN AMOUNT EQUAL TO THE LEAST OF FIFTEEN MILLION
25 DOLLARS, THE TOTAL AMOUNT OF MONEY AVAILABLE, OR THE TOTAL
26 AMOUNT OF COMPENSATION APPLIED FOR to political subdivisions to
27 compensate them for loss of property tax revenue resulting from the

1 deduction of severance taxes paid in the determination of the valuation
2 for assessment of producing mines AND TO COAL TRANSITION
3 COMMUNITIES TO COMPENSATE THEM FOR THE LOSS OF PROPERTY TAX
4 REVENUE RESULTING FROM THE CLOSURE OF COAL-FIRED POWER PLANTS.
5 The executive director of the department of local affairs shall consider the
6 economic needs of a political subdivision AND SHALL NOT REQUIRE A
7 POLITICAL SUBDIVISION, INCLUDING A COAL TRANSITION COMMUNITY, TO
8 PROVIDE ANY MATCHING MONEY TO RECEIVE COMPENSATION for purposes
9 of making distributions pursuant to this ~~subparagraph (1)(b)(F)~~
10 SUBSECTION (1)(b)(I)(A);

11 (B) FROM THE MONEY REMAINING AFTER COMPENSATION IS PAID
12 PURSUANT TO SUBSECTION (1)(b)(I)(A) OF THIS SECTION, THROUGH THREE
13 GRANT CYCLES PER YEAR, AN AMOUNT EQUAL TO THE LEAST OF
14 SEVENTY-FIVE MILLION DOLLARS, THE TOTAL AMOUNT OF REMAINING
15 MONEY AVAILABLE, AND THE AMOUNT OF GRANTS APPLIED FOR PURSUANT
16 TO THIS SUBSECTION (1)(b)(I)(B) TO POLITICAL SUBDIVISIONS SOCIALLY
17 OR ECONOMICALLY IMPACTED BY THE DEVELOPMENT, PROCESSING, OR
18 ENERGY CONVERSION OF MINERALS AND MINERAL FUELS SUBJECT TO
19 TAXATION UNDER THIS ARTICLE 29 AND USED FOR THE PLANNING,
20 CONSTRUCTION, AND MAINTENANCE OF PUBLIC FACILITIES AND FOR THE
21 PROVISION OF PUBLIC SERVICES; AND

22 (C) ANY MONEY REMAINING AFTER MAKING THE DISTRIBUTIONS
23 REQUIRED BY SUBSECTIONS (1)(b)(I)(A) AND (1)(b)(I)(B) OF THIS SECTION
24 SHALL BE DISTRIBUTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT
25 OF LOCAL AFFAIRS TO POLITICAL SUBDIVISIONS IMPACTED BY THE CLOSURE
26 OF COAL MINES OR COAL POWER GENERATING STATIONS BASED UPON
27 COMMUNITY NEED AND FOR THE DISTRIBUTIONS PROVIDED FOR BY

1 SUBSECTIONS (1)(b)(II), (1)(b)(III), (1)(b)(IV), AND (1)(b)(V) OF THIS
2 SECTION, BOTH AS DETERMINED IN CONSULTATION WITH THE COLORADO
3 MUNICIPAL LEAGUE, COLORADO COUNTIES, INC., AND THE SPECIAL
4 DISTRICT ASSOCIATION OF COLORADO.

5 (II) (A) ~~In addition to the distribution of moneys authorized under~~
6 ~~subparagraph (I) of this paragraph (b),~~ The executive director may
7 distribute ~~moneys~~ MONEY or make loans, or any combination thereof,
8 USING MONEY REMAINING AFTER MAKING THE DISTRIBUTIONS REQUIRED
9 BY SUBSECTIONS (1)(b)(I)(A) AND (1)(b)(I)(B) OF THIS SECTION, to ~~such~~
10 THE political subdivisions for the planning, design, construction, erection,
11 building, acquisition, alteration, modernization, reconstruction,
12 improvement, or expansion of domestic wastewater treatment works or
13 potable water treatment facilities. Any loan made by the executive
14 director under the authority of this section shall only be made under such
15 terms as will insure repayment of the loan with interest assessed and
16 collected at an interest rate of not less than five percent.

17 (B) As used in this ~~subparagraph (H),~~ SUBSECTION (1)(b)(II),
18 "domestic wastewater treatment works" means a system or facility of a
19 political subdivision for treating, neutralizing, stabilizing, collecting, or
20 disposing of domestic wastewater, which system or facility has a designed
21 capacity to receive more than two thousand gallons of domestic
22 wastewater per day, and "domestic wastewater treatment works" includes
23 appurtenances to such system or facility, such as outfall sewers, pumping
24 stations, and collection and interceptor lines, and the equipment related
25 to such appurtenances.

26 (C) As used in this ~~subparagraph (H)~~ SUBSECTION (1)(b)(II),
27 "potable water treatment facilities" means a system or facility of a

1 political subdivision for treating water to be supplied to the public for
2 domestic use, and "potable water treatment facilities" includes water
3 treatment plants, treated water storage facilities, water mains, water
4 distribution lines, pumps, and appurtenances.

5 (III) In addition to the distribution of ~~moneys~~ MONEY authorized
6 under ~~subparagraphs (I) and (II) of this paragraph (b)~~ SUBSECTION
7 (1)(b)(II) OF THIS SECTION, the executive director shall distribute MONEY
8 REMAINING AFTER MAKING THE DISTRIBUTIONS REQUIRED BY
9 SUBSECTIONS (1)(b)(I)(A) AND (1)(b)(I)(B) OF THIS SECTION AS FOLLOWS:

10 (A) ~~Moneys~~ MONEY to the uranium mill tailings remedial action
11 program fund in accordance with the provisions of section 39-29-116 (3);

12 (B) ~~Moneys~~ MONEY to the department of public health and
13 environment for any direct and indirect costs associated with the
14 monitoring, notification, and handling of designated uranium mill tailings
15 that are authorized in section 25-11-303, ~~C.R.S.~~, and the amount of the
16 distribution made pursuant to this ~~sub-subparagraph (B)~~ SUBSECTION
17 (1)(b)(III)(B) shall be equal to the amount appropriated to the department
18 of public health and environment by the general assembly for such direct
19 and indirect costs; and

20 (C) Up to fifty thousand dollars each state fiscal year to political
21 subdivisions that include mill sites designated for cleanup pursuant to
22 federal Public Law 95-604 for reimbursement of actual, documented costs
23 related to the cleanup of uranium mill tailings.

24 (IV) In addition to the distribution of ~~moneys~~ MONEY authorized
25 under ~~subparagraphs (I), (II), and (III) of this paragraph (b)~~ SUBSECTIONS
26 (1)(b)(II) AND (1)(b)(III) OF THIS SECTION, the executive director may
27 distribute ~~moneys~~ MONEY REMAINING AFTER MAKING THE DISTRIBUTIONS

1 REQUIRED BY SUBSECTIONS (1)(b)(I)(A) AND (1)(b)(I)(B) OF THIS SECTION
2 to those privately organized volunteer fire departments serving areas
3 socially or economically impacted by the development, processing, or
4 energy conversion of minerals and mineral fuels subject to taxation under
5 this ~~article~~ ARTICLE 29, for the purpose of purchasing equipment to fight
6 fires.

7 (V) In addition to the distribution of ~~moneys~~ MONEY authorized
8 under ~~subparagraphs (I), (II), (III), and (IV) of this paragraph (b)~~
9 SUBSECTIONS (1)(b)(II), (1)(b)(III), AND (1)(b)(IV) OF THIS SECTION, the
10 executive director of the department of local affairs may distribute
11 ~~moneys~~ MONEY REMAINING AFTER MAKING THE DISTRIBUTIONS REQUIRED
12 BY SUBSECTIONS (1)(b)(I)(A) AND (1)(b)(I)(B) OF THIS SECTION for
13 planning, analyses, public engagement, and coordination and
14 collaboration with federal land managers and stakeholders, or for similar
15 or related local government processes needed by local governments for
16 engagement in federal land management decision-making.

17 **SECTION 4. Act subject to petition - effective date.** This act
18 takes effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly; except
20 that, if a referendum petition is filed pursuant to section 1 (3) of article V
21 of the state constitution against this act or an item, section, or part of this
22 act within such period, then the act, item, section, or part will not take
23 effect unless approved by the people at the general election to be held in
24 November 2026 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.