

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0982.02 Jacob Baus x2173

HOUSE BILL 26-1359

HOUSE SPONSORSHIP

Sirota and Taggart, Brown

SENATE SPONSORSHIP

Bridges and Kirkmeyer, Amabile

House Committees
Appropriations

Senate Committees

A BILL FOR AN ACT

101 CONCERNING CREDITING TO THE STATE PUBLIC SCHOOL FUND MONEY
102 RECEIVED FROM THE REMOVAL OF NATURAL RESOURCES ON
103 PUBLIC SCHOOL LANDS.

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/>.)

Joint Budget Committee. Under current law, with certain exceptions, royalties and other payments for the depletion or extraction of a natural resource on public school lands is credited to the public school fund, which is also known as the permanent fund.

The bill requires that:

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.

- For the 2025-26 state fiscal year, \$25 million of this money be credited to the state public school fund; and
- For the 2026-27 state fiscal year, \$45 million of this money be credited to the state public school fund.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) The public school fund, commonly referred to as the
5 permanent fund, is inviolate and the interest and income derived from the
6 public school fund must only be used on the maintenance of public
7 schools;

8 (b) Revenue deposited into the public school fund from public
9 school lands has been high in recent years: \$117.1 million in state fiscal
10 year 2022-23, \$154.1 million in state fiscal year 2023-24, and \$114.6
11 million in state fiscal year 2024-25;

12 (c) Current projections anticipate that the amounts deposited into
13 the public school fund from public school lands will exceed \$100 million
14 in state fiscal years 2025-26 and 2026-27;

15 (d) Diverting revenue from public school lands to the state public
16 school fund instead of the public school fund has occurred on a one-time
17 basis in the past, most notably, in state fiscal year 2020-21 in response to
18 the economic impacts of the COVID-19 pandemic; and

19 (e) Diverting of a portion of this public school land revenue to the
20 state public school fund must occur on a one-time basis only so that the
21 value of the state's school lands and the public school fund, which are for
22 the intergenerational support of public schools, are not significantly
23 diminished.

1 **SECTION 2.** In Colorado Revised Statutes, 36-1-116, **add**
2 (1)(c)(IV) and (1)(c)(V) as follows:

3 **36-1-116. Disposition of rentals, royalties, and timber sale**
4 **proceeds.**

5 (1) (c) (IV) FOR THE 2025-26 STATE FISCAL YEAR, THE FIRST
6 TWENTY-FIVE MILLION DOLLARS OF ROYALTIES AND OTHER PAYMENTS FOR
7 THE DEPLETION OR EXTRACTION OF A NATURAL RESOURCE ON PUBLIC
8 SCHOOL LANDS IN EXCESS OF THE MONEY CREDITED TO THE STATE LAND
9 BOARD TRUST ADMINISTRATION FUND, PURSUANT TO SECTION 36-1-145
10 (3); CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION
11 ASSISTANCE FUND CREATED IN SECTION 22-43.7-104 (1), PURSUANT TO
12 SECTION 22-43.7-104 (2)(b)(I); AND CREDITED AS SPECIFIED IN
13 SUBSECTION (1)(b)(II) OF THIS SECTION MUST BE TRANSFERRED TO THE
14 STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114. ANY
15 AMOUNT OF ROYALTIES AND OTHER PAYMENTS FOR THE DEPLETION OR
16 EXTRACTION OF A NATURAL RESOURCE ON PUBLIC SCHOOL LANDS IN
17 EXCESS OF THE AMOUNTS DESCRIBED IN THIS SUBSECTION (1)(c)(IV) MUST
18 BE CREDITED TO THE PUBLIC SCHOOL FUND AND BECOME PART OF THE
19 PRINCIPAL OF THE PUBLIC SCHOOL FUND.

20 (V) FOR THE 2026-27 STATE FISCAL YEAR, THE FIRST FORTY-FIVE
21 MILLION DOLLARS OF ROYALTIES AND OTHER PAYMENTS FOR THE
22 DEPLETION OR EXTRACTION OF A NATURAL RESOURCE ON PUBLIC SCHOOL
23 LANDS IN EXCESS OF THE MONEY CREDITED TO THE STATE LAND BOARD
24 TRUST ADMINISTRATION FUND, PURSUANT TO SECTION 36-1-145 (3);
25 CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE
26 FUND CREATED IN SECTION 22-43.7-104 (1), PURSUANT TO SECTION
27 22-43.7-104 (2)(b)(I); AND CREDITED AS SPECIFIED IN SUBSECTION

1 (1)(b)(II) OF THIS SECTION MUST BE TRANSFERRED TO THE STATE PUBLIC
2 SCHOOL FUND CREATED IN SECTION 22-54-114. ANY AMOUNT OF
3 ROYALTIES AND OTHER PAYMENTS FOR THE DEPLETION OR EXTRACTION OF
4 A NATURAL RESOURCE ON PUBLIC SCHOOL LANDS IN EXCESS OF THE
5 AMOUNTS DESCRIBED IN THIS SUBSECTION (1)(c)(V) MUST BE CREDITED
6 TO THE PUBLIC SCHOOL FUND AND BECOME PART OF THE PRINCIPAL OF THE
7 PUBLIC SCHOOL FUND.

8 **SECTION 3. Safety clause.** The general assembly finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, or safety or for appropriations for
11 the support and maintenance of the departments of the state and state
12 institutions.