

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0990.01 Pierce Lively x2059

HOUSE BILL 26-1387

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HOUSE SPONSORSHIP

**Brown and Taggart, Sirota**

SENATE SPONSORSHIP

**Bridges and Kirkmeyer, Amabile**

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**House Committees**  
Appropriations

**Senate Committees**

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A BILL FOR AN ACT

101      **CONCERNING THE EXPENDITURE OF MONEY FROM THE SEVERANCE TAX**  
102            **TRUST FUND, AND, IN CONNECTION THEREWITH, ALLOWING THE**  
103            **STATE TREASURER TO TRANSFER MONEY FROM THE SEVERANCE**  
104            **TAX PERPETUAL BASE FUND TO THE SPECIES CONSERVATION**  
105            **TRUST FUND AND ESTABLISHING AN ANNUAL TRANSFER FROM**  
106            **THE SEVERANCE TAX OPERATION FUND TO THE GENERAL FUND.**

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**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. Section 2** of the bill allows 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.

Colorado water conservation board to direct the state treasurer to transfer money from the severance tax perpetual base fund to the species conservation trust fund. **Section 1** allows the species conservation trust fund to receive money that the state treasurer transfers to the fund from the severance tax perpetual base fund.

**Section 3** directs the state treasurer to, beginning on June 30, 2027, annually transfer the lesser of \$14.2 million or the difference between the amount of severance tax revenue projected to be deposited in the operational fund in the current fiscal year and the amount appropriated from the operational fund for certain programs in the same fiscal year.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-33-111, **amend**  
3 (2)(a)(I)(A) as follows:

4 **24-33-111. Conservation of native species - fund created -**  
5 **repeal.**

6 (2) **Species conservation trust fund - creation.**

7 (a) (I) (A) There is created in the state treasury the species  
8 conservation trust fund, which is subject to annual authorization by the  
9 general assembly to carry out the purposes of this section. The fund  
10 consists of all money transferred by the treasurer as specified in  
11 subsection (2)(a)(I)(B) of this section AND SECTION 39-29-109  
12 (2)(a)(II.5)(E) and all money appropriated to the fund pursuant to section  
13 39-29-109.3 (1)(g)(I). At the end of any fiscal year, all unexpended  
14 money in the fund remains in the fund and shall not be credited or  
15 transferred to the general fund or any other fund. To the maximum extent  
16 practical, only interest from the fund shall be expended for activities  
17 pursuant to this section.

18 **SECTION 2.** In Colorado Revised Statutes, 39-29-109, **amend**  
19 (2)(a)(II.5)(B) and (2)(a)(II.5)(C); and **add** (2)(a)(II.5)(E) as follows:

20 **39-29-109. Severance tax trust fund - created - administration**

1     **- distribution of money - legislative declaration - repeal.**

2             (2) State severance tax receipts must be credited to the severance  
3 tax trust fund as provided in section 39-29-108. All income derived from  
4 the deposit and investment of the money in the fund must be credited to  
5 the fund. At the end of any fiscal year, all unexpended and unencumbered  
6 money in the fund remains in the fund and must not be credited or  
7 transferred to the general fund or any other fund. All money in the fund  
8 is subject to appropriation by the general assembly for the following  
9 purposes:

10            (a) **The severance tax perpetual base fund.**

11            (II.5) The board shall use the money in the fund:

12            (B) To direct the state treasurer to transfer amounts to the water  
13 supply reserve fund created in subsection (2)(c) of this section; ~~and~~

14            (C) To direct the state treasurer to transfer amounts to the  
15 interbasin compact committee operation fund created in section  
16 37-75-107; AND

17            (E) TO DIRECT THE STATE TREASURER TO ANNUALLY TRANSFER NO  
18 MORE THAN THREE MILLION DOLLARS TO THE SPECIES CONSERVATION  
19 TRUST FUND CREATED IN SECTION 24-33-111 (2)(a)(I).

20            **SECTION 3.** In Colorado Revised Statutes, 39-29-109.3, **amend**  
21 (1) introductory portion; and **add** (13) as follows:

22            **39-29-109.3. Severance tax operational fund - core reserve -**  
23 **grant program reserve - definitions - repeal.**

24            (1) The executive director of the department of natural resources  
25 shall submit with the department's budget request for each fiscal year a  
26 list and description of the programs the executive director recommends  
27 to be funded from the severance tax operational fund created in section

1 39-29-109 (2)(b), referred to in this section as the "operational fund".  
2 Except as otherwise provided in subsections (10), ~~and~~ (11), (12), AND  
3 (13) of this section, the general assembly may appropriate money from  
4 the total money available in the operational fund to fund recommended  
5 programs as follows:

6 (13) (a) BEGINNING IN APRIL 2027, AND EVERY APRIL  
7 THEREAFTER, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF NATURAL  
8 RESOURCES SHALL DETERMINE AN AMOUNT EQUAL TO THE DIFFERENCE OF:

9 (I) THE AMOUNT PROJECTED BY THE MARCH REVENUE FORECAST  
10 RELIED ON BY THE GENERAL ASSEMBLY IN SETTING THE STATE BUDGET  
11 FOR THE NEXT STATE FISCAL YEAR AS THE AMOUNT OF TOTAL STATE  
12 SEVERANCE TAX RECEIPTS THAT THE STATE TREASURER WILL TRANSFER  
13 TO THE OPERATIONAL FUND FOR THE CURRENT STATE FISCAL YEAR; AND

14 (II) THE AMOUNT APPROPRIATED BY THE GENERAL ASSEMBLY FOR  
15 THE PROGRAMS DESCRIBED IN SUBSECTION (1)(a) THROUGH (1)(g) OF THIS  
16 SECTION IN THE CURRENT YEAR.

17 (b) BEGINNING IN APRIL 2027, AND EVERY APRIL THEREAFTER,  
18 AFTER MAKING THE DETERMINATION PURSUANT TO SUBSECTION (13)(a) OF  
19 THIS SECTION, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF  
20 NATURAL RESOURCES SHALL REPORT AN AMOUNT EQUAL TO THE GREATER  
21 OF ZERO OR THE AMOUNT DETERMINED BY THE EXECUTIVE DIRECTOR  
22 PURSUANT TO SUBSECTION (13)(a) OF THIS SECTION.

23 (c) ON JUNE 30, 2027, AND EACH JUNE 30 THEREAFTER, THE STATE  
24 TREASURER SHALL TRANSFER FROM THE OPERATIONAL FUND TO THE  
25 GENERAL FUND AN AMOUNT EQUAL TO THE LESSER OF FOURTEEN MILLION  
26 TWO HUNDRED THOUSAND DOLLARS OR THE AMOUNT REPORTED TO THE  
27 STATE TREASURER PURSUANT TO SUBSECTION (13)(b) OF THIS SECTION.

1           **SECTION 4. Appropriation - adjustments to 2026 long bill.**

2           (1) Except as provided in subsection (2) of this section, the cash funds  
3           appropriations from the severance tax operational fund created in section  
4           39-29-109 (2)(b)(I), Colorado Revised Statutes, made in the annual  
5           general appropriation act for the 2026-27 state fiscal year to the  
6           department of natural resources for use by the executive director's office  
7           for the species conservation trust fund is decreased by \$3,000,000.

8           (2) (a) If the cash fund appropriation from the severance tax  
9           operational fund created in section 39-29-109 (2)(b)(I), Colorado Revised  
10          Statutes, made in the annual general appropriation act for the 2026-27  
11          state fiscal year to the department of natural resources for use by  
12          executive director's office for the species conservation trust fund is an  
13          amount less than the amount of the adjustment required in subsection (1)  
14          of this section, the cash fund appropriation is decreased to \$0.

15          (b) If the annual general appropriation act for the 2026-27 state  
16          fiscal year does not include an appropriation to the department of natural  
17          resources for use by the executive director's office for the species  
18          conservation trust fund, then subsection (1) does not require a reduction  
19          of an appropriation in the annual general appropriation act for the  
20          2026-27 state fiscal year.

21          **SECTION 5. Effective date.** This act takes effect upon passage;  
22          except that section 4 of this act takes effect only if the annual general  
23          appropriation act for the 2026-27 state fiscal year becomes law, in which  
24          case section 4 of this act takes effect upon the effective date of this act or  
25          of the annual general appropriation act for state fiscal year 2026-27,  
26          whichever is later.

27          **SECTION 6. Safety clause.** The general assembly finds,

1 determines, and declares that this act is necessary for the immediate  
2 preservation of the public peace, health, or safety or for appropriations for  
3 the support and maintenance of the departments of the state and state  
4 institutions.