

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0990.01 Pierce Lively x2059

HOUSE BILL 26-1387

HOUSE SPONSORSHIP

Brown and Taggart, Sirota

SENATE SPONSORSHIP

Bridges and Kirkmeyer, Amabile

House Committees
Appropriations

Senate Committees

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, ESTABLISHING AN ANNUAL TRANSFER FROM THE**
106 **SEVERANCE TAX OPERATIONAL FUND TO THE GENERAL FUND,**
107 **AND REDUCING 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>.)

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.

Joint Budget Committee. Section 2 of the bill allows the 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.

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:

1 **39-29-109. Severance tax trust fund - created - administration**
2 **- distribution of money - legislative declaration - repeal.**

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

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

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

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

15 (C) To direct the state treasurer to transfer amounts to the
16 interbasin compact committee operation fund created in section
17 37-75-107; AND

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

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

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

25 (1) The executive director of the department of natural resources
26 shall submit with the department's budget request for each fiscal year a
27 list and description of the programs the executive director recommends

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

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

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

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

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

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

1 STATE TREASURER PURSUANT TO SUBSECTION (13)(b) OF THIS SECTION.

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

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

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

16 (b) If the annual general appropriation act for the 2026-27 state
17 fiscal year does not include an appropriation to the department of natural
18 resources for use by the executive director's office for the species
19 conservation trust fund, then subsection (1) does not require a reduction
20 of an appropriation in the annual general appropriation act for the
21 2026-27 state fiscal year.

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

1 **SECTION 6. Safety clause.** The general assembly finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, or safety or for appropriations for
4 the support and maintenance of the departments of the state and state
5 institutions.