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An Act

HOUSE BILL 26-1387

BY REPRESENTATIVE(S) Brown and Taggart, Sirota;
also SENATOR(S) Bridges and Kirkmeyer, Amabile.

CONCERNING THE EXPENDITURE OF MONEY FROM THE SEVERANCE TAX TRUST FUND, AND, IN CONNECTION THEREWITH, ALLOWING THE STATE TREASURER TO TRANSFER MONEY FROM THE SEVERANCE TAX PERPETUAL BASE FUND TO THE SPECIES CONSERVATION TRUST FUND, ESTABLISHING AN ANNUAL TRANSFER FROM THE SEVERANCE TAX OPERATIONAL FUND TO THE GENERAL FUND, AND REDUCING AN APPROPRIATION.

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

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

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

(2) Species conservation trust fund - creation.

(a) (I) (A) There is created in the state treasury the species conservation trust fund, which is subject to annual authorization by the

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

general assembly to carry out the purposes of this section. The fund consists of all money transferred by the treasurer as specified in subsection (2)(a)(I)(B) of this section AND SECTION 39-29-109 (2)(a)(II.5)(E) and all money appropriated to the fund pursuant to section 39-29-109.3 (1)(g)(I). At the end of any fiscal year, all unexpended money in the fund remains in the fund and shall not be credited or transferred to the general fund or any other fund. To the maximum extent practical, only interest from the fund shall be expended for activities pursuant to this section.

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

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

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

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

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

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

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

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

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

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

(1) The executive director of the department of natural resources shall submit with the department's budget request for each fiscal year a list and description of the programs the executive director recommends to be funded from the severance tax operational fund created in section 39-29-109 (2)(b), referred to in this section as the "operational fund". Except as otherwise provided in subsections (10), ~~and~~ (11), (12), AND (13) of this section, the general assembly may appropriate money from the total money available in the operational fund to fund recommended programs as follows:

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

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

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

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

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

SECTION 4. Appropriation - adjustments to 2026 long bill.

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

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

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

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

SECTION 6. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO