

CHAPTER 278

EDUCATION - PUBLIC SCHOOLS

HOUSE BILL 26-1359

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

AN ACT**CONCERNING CREDITING TO THE STATE PUBLIC SCHOOL FUND MONEY RECEIVED FROM THE
REMOVAL OF NATURAL RESOURCES ON PUBLIC SCHOOL LANDS.**

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

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

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

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

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

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

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

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.

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

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

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

(V) FOR THE 2026-27 STATE FISCAL YEAR, THE FIRST FORTY-FIVE MILLION DOLLARS OF ROYALTIES AND OTHER PAYMENTS FOR THE DEPLETION OR EXTRACTION OF A NATURAL RESOURCE ON PUBLIC SCHOOL LANDS IN EXCESS OF THE MONEY CREDITED TO THE STATE LAND BOARD TRUST ADMINISTRATION FUND, PURSUANT TO SECTION 36-1-145 (3); CREDITED TO THE PUBLIC SCHOOL CAPITAL CONSTRUCTION ASSISTANCE FUND CREATED IN SECTION 22-43.7-104 (1), PURSUANT TO SECTION 22-43.7-104 (2)(b)(I); AND CREDITED AS SPECIFIED IN SUBSECTION (1)(b)(II) OF THIS SECTION MUST BE TRANSFERRED TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114. ANY AMOUNT OF ROYALTIES AND OTHER PAYMENTS FOR THE DEPLETION OR EXTRACTION OF A NATURAL RESOURCE ON PUBLIC SCHOOL LANDS IN EXCESS OF THE AMOUNTS DESCRIBED IN THIS SUBSECTION (1)(c)(V) MUST BE CREDITED TO THE PUBLIC SCHOOL FUND AND BECOME PART OF THE PRINCIPAL OF THE PUBLIC SCHOOL FUND.

SECTION 3. 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.

Approved: June 1, 2026