

CHAPTER 225

GOVERNMENT - LOCAL

HOUSE BILL 21-1253

BY REPRESENTATIVE(S) Froelich and Gray, Amabile, Bacon, Bennett, Bird, Boesenecker, Cutter, Duran, Esgar, Exum, Herod, Hooton, Jackson, Jodeh, Kennedy, Kipp, Lontine, McCluskie, McCormick, McLachlan, Michaelson Jenet, Ricks, Sullivan, Valdez A., Weissman;
also SENATOR(S) Winter and Rankin, Bridges, Buckner, Donovan, Fields, Hansen, Jaquez Lewis, Lee, Moreno, Pettersen, Priola, Story, Garcia.

AN ACT

CONCERNING A GENERAL FUND TRANSFER TO THE LOCAL GOVERNMENT SEVERANCE TAX FUND TO FUND GRANTS TO LOCAL GOVERNMENTS FOR RENEWABLE AND CLEAN ENERGY INFRASTRUCTURE PROJECTS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. Legislative declaration. (1) The general assembly hereby finds and declares that it is necessary, appropriate, and in the best interest of all Coloradans to support the development and construction of renewable and clean energy infrastructure in all areas of the state because such infrastructure:

(a) Reduces reliance on fossil fuels for the generation of electricity, for residential and commercial heating and cooling, and for the powering of motor vehicles;

(b) Reduces emissions of air pollutants, including hazardous air pollutants and greenhouse gases, that contribute to both adverse environmental effects and adverse human health effects, especially in communities that are in industrial areas or are adjacent to major highway corridors with heavy motor vehicle traffic;

(c) In many cases, reduces both energy costs and total ownership costs of motor vehicles and equipment for businesses, governmental entities, and individuals that, because they can rely on such infrastructure, adopt electric motor vehicles or other electric equipment in lieu of vehicles or equipment powered by fossil fuels; and

(d) Stimulates in-state economic activity and job creation by:

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.

(I) Allowing businesses, governmental entities, and individuals to reinvest and spend money saved by reducing their costs associated with the ownership and operation of motor vehicles and other equipment; and

(II) Providing clean, reliable, efficient, and accessible electrical power needed for residential and commercial real estate development and redevelopment.

(2) The general assembly further finds and declares that:

(a) Providing additional funding to the department of local affairs to provide grants for renewable and clean energy implementation projects that meet the department's eligibility criteria for funding under the department's renewable and clean energy initiative program is an effective and efficient means of supporting the development and construction of renewable and clean energy infrastructure in all areas of the state; and

(b) When awarding grants, the department of local affairs should prioritize communities in which renewable and clean energy infrastructure is sparse and consider geographical diversity.

SECTION 2. In Colorado Revised Statutes, 39-29-110, **add** (9) as follows:

39-29-110. Local government severance tax fund - creation - administration - definitions - repeal. (9) (a) IN ADDITION TO THE SEVERANCE TAX RECEIPTS CREDITED TO THE LOCAL GOVERNMENT SEVERANCE TAX FUND THAT ARE DISTRIBUTED AS SPECIFIED IN SUBSECTIONS (1)(b) AND (1)(c) OF THIS SECTION, ON THE EFFECTIVE DATE OF THIS SUBSECTION (9), IF POSSIBLE, OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE LOCAL GOVERNMENT SEVERANCE TAX FUND. THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS SHALL AWARD THE MONEY BY AUGUST 15, 2021, OR AS SOON AS POSSIBLE THEREAFTER TO PROVIDE GRANTS FOR RENEWABLE AND CLEAN ENERGY IMPLEMENTATION PROJECTS THAT MEET THE DEPARTMENT'S ELIGIBILITY CRITERIA FOR FUNDING UNDER THE DEPARTMENT'S RENEWABLE AND CLEAN ENERGY INITIATIVE PROGRAM AND IS SPECIFICALLY ENCOURAGED TO PRIORITIZE COMMUNITIES IN WHICH RENEWABLE AND CLEAN ENERGY INFRASTRUCTURE IS SPARSE AND CONSIDER GEOGRAPHICAL DIVERSITY WHEN MAKING GRANTS. THE DEPARTMENT OF LOCAL AFFAIRS SHALL REPORT TO THE GENERAL ASSEMBLY REGARDING THE GRANTS PROVIDED PURSUANT TO THIS SUBSECTION (9) DURING ITS 2022 DEPARTMENTAL PRESENTATION TO LEGISLATIVE COMMITTEES OF REFERENCE REQUIRED BY SECTION 2-7-203.

(b) THIS SUBSECTION (9) IS REPEALED, EFFECTIVE JULY 1, 2023.

SECTION 3. Appropriation. For the 2020-21 state fiscal year, \$5,000,000 is appropriated to the department of local affairs for use by the division of local government. This appropriation is from the local government severance tax fund created in section 39-29-110 (1)(a)(I), C.R.S. To implement this act, the division of local government may use this appropriation for grants for renewable and clean energy implementation projects that meet the division's eligibility criteria for funding under the department's renewable and clean energy initiative program. Any money appropriated in this section not expended prior to July 1, 2021, is further

appropriated to the division of local government for the 2021-22 and 2022-23 state fiscal years for the same purpose.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Approved: June 14, 2021