

CHAPTER 198

TAXATION

SENATE BILL 96-170

BY SENATORS Bishop, L. Powers, and Tebedo;
also REPRESENTATIVES Dyer, Acquafresca, Chlouber, Entz, Friednash, Lamborn, Paschall, Schwarz, and Taylor.

AN ACT

CONCERNING THE SEVERANCE TAX TRUST FUND, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

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

SECTION 1. 39-29-109 (1) and (3), Colorado Revised Statutes, 1994 Repl. Vol., are amended to read:

39-29-109. Severance tax trust fund - created - administration - use of moneys. (1) (a) There is hereby created in the office of the state treasurer the severance tax trust fund. The fund is to be perpetual and held in trust as a replacement for depleted natural resources and for the development and conservation of the state's water resources pursuant to sections 37-60-106 (1) (j) and (1) (l), 37-60-119, and 37-60-122, C.R.S., AND FOR THE USE IN FUNDING PROGRAMS THAT PROMOTE AND ENCOURAGE SOUND NATURAL RESOURCE PLANNING, MANAGEMENT, AND DEVELOPMENT RELATED TO MINERALS, ENERGY, GEOLOGY, AND WATER. State severance tax receipts shall 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 MONEYS IN THE SEVERANCE TAX TRUST FUND SHALL BE CREDITED TO THE GENERAL FUND. AT THE END OF ANY FISCAL YEAR, ALL UNEXPENDED AND UNENCUMBERED MONEYS IN THE FUND SHALL REMAIN THEREIN AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND. ALL MONEYS IN THE FUND SHALL BE SUBJECT TO APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE FOLLOWING PURPOSES:

(I) THE PERPETUAL BASE ACCOUNT. ~~Repayment of moneys from~~ THE MONEYS IN THE FUND AS OF JULY 1, 1995, AND ONE-HALF OF THE SEVERANCE TAX RECEIPTS CREDITED TO THE SEVERANCE TAX TRUST FUND FOR FISCAL YEARS COMMENCING ON

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

AND AFTER JULY 1, 1995, SHALL BE CREDITED TO THE PERPETUAL BASE ACCOUNT OF the severance tax trust fund AND used for state water projects PURSUANT TO SECTIONS 37-60-119 AND 37-60-122, C.R.S. ~~shall be required in~~ The authorization and contract for each such project SHALL REQUIRE REPAYMENT OF PRINCIPAL AND INTEREST TO THE SEVERANCE TAX TRUST FUND and moneys so repaid shall be credited to the PERPETUAL BASE ACCOUNT OF THE severance tax trust fund. ~~The income from the investment of such trust fund shall be deposited in the state general fund.~~

(II) THE OPERATIONAL ACCOUNT. ONE-HALF OF THE SEVERANCE TAX RECEIPTS CREDITED TO THE SEVERANCE TAX TRUST FUND FOR TAX YEARS COMMENCING ON AND AFTER JULY 1, 1995, SHALL BE CREDITED TO THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND AND USED TO FUND PROGRAMS ESTABLISHED WITHIN THE COLORADO OIL AND GAS CONSERVATION COMMISSION, THE COLORADO GEOLOGICAL SURVEY, THE DIVISION OF MINERALS AND GEOLOGY, AND THE COLORADO WATER CONSERVATION BOARD THAT PROMOTE AND ENCOURAGE SOUND NATURAL RESOURCE PLANNING, MANAGEMENT, AND DEVELOPMENT RELATED TO MINERALS, ENERGY, GEOLOGY, AND WATER, AS SET FORTH IN PARAGRAPH (c) OF THIS SUBSECTION (1).

~~(b) (I) During the fiscal year 1985-86, there shall be transferred, out of the severance tax trust fund and into the capital construction fund, the sum of seventy-four million eight hundred thousand dollars, which constitutes the amounts restored to the severance tax trust fund in accordance with section 24-75-211 (2) (b) (H), C.R.S., and section 39-29-108.5 (2).~~

~~(H) Thirty million dollars shall be transferred from the severance tax trust fund to the capital construction fund no later than September 1, 1986.~~

(c) (I) FOR FISCAL YEARS COMMENCING ON AND AFTER JULY 1, 1997, 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 OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND. THE STATE MINERALS, ENERGY, AND GEOLOGY POLICY ADVISORY BOARD ESTABLISHED PURSUANT TO SECTION 34-20-104, C.R.S., SHALL REVIEW THE EXECUTIVE DIRECTOR'S RECOMMENDATION BEFORE SUBMITTAL. THE GENERAL ASSEMBLY MAY APPROPRIATE MONEYS FROM THE TOTAL MONEYS AVAILABLE IN THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND TO FUND RECOMMENDED PROGRAMS AS FOLLOWS:

(A) FOR PROGRAMS OR PROJECTS WITHIN THE COLORADO OIL AND GAS CONSERVATION COMMISSION, UP TO FORTY-FIVE PERCENT OF THE MONEYS IN THE OPERATIONAL ACCOUNT;

(B) FOR PROGRAMS WITHIN THE COLORADO GEOLOGICAL SURVEY, UP TO TWENTY PERCENT OF THE MONEYS IN THE OPERATIONAL ACCOUNT;

(C) FOR PROGRAMS WITHIN THE DIVISION OF MINERALS AND GEOLOGY, UP TO THIRTY PERCENT OF THE MONEYS IN THE OPERATIONAL ACCOUNT; AND

(D) FOR PROGRAMS WITHIN THE COLORADO WATER CONSERVATION BOARD, UP TO

FIVE PERCENT OF THE MONEYS IN THE OPERATIONAL ACCOUNT.

(II) MONEYS APPROPRIATED FOR PROGRAMS OR PROJECTS WITHIN THE COLORADO OIL AND GAS CONSERVATION COMMISSION PURSUANT TO SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) SHALL BE USED BY THE COMMISSION FOR PLUGGING AND ABANDONMENT PROJECTS, FOR WELL-SITE LOCATION RECLAMATION PROJECTS, OR FOR REGULATORY AND ENVIRONMENTAL PROGRAMS OR PROJECTS AS SPECIFICALLY APPROPRIATED BY THE GENERAL ASSEMBLY FOR USE ON SUCH PROGRAMS OR PROJECTS; EXCEPT THAT, IF THE COMMISSION DETERMINES THAT AN EMERGENCY EXISTS, THE COMMISSION MAY EXPEND ANY MONEYS RECEIVED FOR SUCH EMERGENCY WITHOUT ANY FURTHER APPROPRIATION. IN DETERMINING THE USES OF THESE MONEYS, THE COMMISSION SHALL GIVE PRIORITY TO USES THAT REDUCE INDUSTRY FEES AND MILL LEVIES.

~~(3) Any other provision of law to the contrary notwithstanding, all moneys not otherwise committed pursuant to contract entered into prior to April 22, 1987, in the severance tax trust fund shall be subject to use and restoration pursuant to section 24-75-214, C.R.S.~~

SECTION 2. 34-20-104 (3), Colorado Revised Statutes, 1995 Repl. Vol., is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

34-20-104. Minerals, energy, and geology policy advisory board - creation.

(3) The advisory board shall:

(j) PROVIDE ADVICE TO THE EXECUTIVE DIRECTOR ON PROGRAMS OR PROJECTS THAT SHOULD RECEIVE A GRANT OF FUNDS FROM THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND AS SET FORTH IN SECTION 39-29-109, C.R.S.

SECTION 3. Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys available in the operational account of the severance tax trust fund created pursuant to section 39-29-109, Colorado Revised Statutes, not otherwise appropriated or encumbered, to the department of natural resources, for the fiscal year beginning July 1, 1996, the sum of three million one hundred seventy-two thousand dollars (\$3,172,000) and 2.0 FTE, or so much thereof as may be necessary, to be allocated for the following programs hereby authorized:

(a) One million four hundred thirty-two thousand dollars (\$1,432,000) and 2.0 FTE for allocation to the oil and gas conservation commission to fund operations and to restore conservation and environmental response fund balances;

(b) Seven hundred forty thousand dollars (\$740,000) for allocation to the Colorado geological survey to fund statewide geologic mapping, mineral and mineral fuels economic development, a statewide water quality data bank, and critical geological hazards response system;

(c) Nine hundred thousand dollars (\$900,000) for allocation to the division of minerals and geology to fund mining emergency response efforts and to partially fund the regulatory program established by the "Colorado Surface Coal Mining Reclamation Act" pursuant to article 33 of title 34, Colorado Revised Statutes;

(d) One hundred thousand dollars (\$100,000) for allocation to the Colorado water conservation board to fund water resource planning at the local level.

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, and safety.

Approved: May 23, 1996