

## CHAPTER 153

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**GOVERNMENT - STATE**


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**SENATE BILL 05-196**

BY SENATOR(S) Owen, Keller, Tapia, Anderson, Bacon, Fitz-Gerald, Groff, Grossman, Hanna, Mitchell, Shaffer, Spence, Teck, Tupa, Veiga, and Windels;  
also REPRESENTATIVE(S) Buescher, Hall, Plant, Benefield, Coleman, King, Massey, McFadyen, Merrifield, and Penry.

**AN ACT**

**CONCERNING THE CREATION OF AN INVESTMENT AND DEVELOPMENT FUND TO ALLOW THE STATE BOARD OF LAND COMMISSIONERS TO PROVIDE FOR THE DEVELOPMENT OF ADDITIONAL VALUE-ADDED BENEFIT FOR THE STATE'S TRUST LANDS.**

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

**SECTION 1.** 36-1-116 (1), Colorado Revised Statutes, is amended to read:

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

(1) (a) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (a), proceeds received by the state for the sale of timber on public school lands; rental payments for the use and occupation of the surface of said lands; and rentals or lease payments for sand, gravel, clay, stone, coal, oil, gas, geothermal resources, gold, silver, or other minerals on said lands shall be credited to the public school income fund for distribution as provided by law.

(II) FOR THE 2005-06 STATE FISCAL YEAR AND EACH STATE FISCAL YEAR THEREAFTER, THE FIRST TWELVE MILLION DOLLARS OF PROCEEDS RECEIVED BY THE STATE FOR THE SALE OF TIMBER ON PUBLIC SCHOOL LANDS, RENTAL PAYMENTS FOR THE USE AND OCCUPATION OF THE SURFACE OF SAID LANDS, AND RENTALS OR LEASE PAYMENTS FOR SAND, GRAVEL, CLAY, STONE, COAL, OIL, GAS, GEOTHERMAL RESOURCES, GOLD, SILVER, OR OTHER MINERALS ON SAID LANDS SHALL BE CREDITED TO THE PUBLIC SCHOOL INCOME FUND FOR DISTRIBUTION AS PROVIDED BY LAW. ANY AMOUNT OF SUCH PROCEEDS AND PAYMENTS RECEIVED BY THE STATE DURING SUCH FISCAL YEAR IN EXCESS OF TWELVE MILLION DOLLARS SHALL BE CREDITED TO THE PERMANENT SCHOOL FUND AND SHALL BECOME PART OF THE PRINCIPAL OF THE PERMANENT SCHOOL FUND.

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

(b) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (b), royalties and other payments for the depletion or extraction of a natural resource on said lands shall be credited to the permanent school fund.

(II) FOR THE 2005-06 STATE FISCAL YEAR THROUGH THE 2009-10 STATE FISCAL YEAR, THE FIRST ONE MILLION DOLLARS OF ROYALTIES AND OTHER PAYMENTS FOR THE DEPLETION OR EXTRACTION OF A NATURAL RESOURCE ON SAID LANDS SHALL BE CREDITED TO THE STATE BOARD OF LAND COMMISSIONERS INVESTMENT AND DEVELOPMENT FUND CREATED IN SECTION 36-1-153.

**SECTION 2.** Article 1 of title 36, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**36-1-153. Investment and development fund - repeal.** (1) THERE IS HEREBY CREATED THE STATE BOARD OF LAND COMMISSIONERS INVESTMENT AND DEVELOPMENT FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE FUND SHALL CONSIST OF MONEYS CREDITED TO THE FUND PURSUANT TO SECTION 36-1-116 (1) (b) (II). ANY BALANCE IN THE FUND AT THE CLOSE OF A FISCAL YEAR AND ANY INTEREST EARNED ON MONEYS IN THE FUND SHALL REMAIN IN THE FUND AND SHALL NOT REVERT TO THE PERMANENT SCHOOL FUND. THE FUND IS TO BE UNDER THE CONTROL OF AND TO BE ADMINISTERED BY THE STATE BOARD OF LAND COMMISSIONERS. MONEYS IN THE FUND SHALL BE CONTINUOUSLY APPROPRIATED TO THE STATE BOARD FOR THE PURPOSES SET FORTH IN THIS SECTION.

(2) MONEYS IN THE FUND SHALL BE USED AT THE DISCRETION OF THE STATE BOARD OF LAND COMMISSIONERS TO HIRE STAFF, CONTRACT FOR SERVICES, MAKE PURCHASES, AND TAKE SUCH OTHER ACTIONS AS THE STATE BOARD DEEMS APPROPRIATE TO PROVIDE FOR THE DEVELOPMENT OF ADDITIONAL VALUE-ADDED BENEFIT FOR THE STATE'S TRUST LANDS, INCLUDING BOTH PORTFOLIO ENHANCEMENT AND ADDITIONAL INCOME. SUCH ACTIONS MAY INCLUDE, BUT ARE NOT LIMITED TO, THE REZONING, PLATTING, MASTER PLANNING, OR OTHER DEVELOPMENT ACTIVITIES THAT INCREASE THE VALUE OF OR RATE OF RETURN FROM THE STATE'S TRUST LANDS.

(3) THE CONTROLLER SHALL AUTHORIZE DISBURSEMENTS FROM THE FUND AS DIRECTED BY THE STATE BOARD OF LAND COMMISSIONERS ON RECEIPT OF A VOUCHER FROM THE STATE BOARD STATING THAT THE DISBURSEMENT IS TO ACCOMPLISH A PURPOSE SET FORTH IN THIS SECTION.

(4) ON OR BEFORE JANUARY 31, 2006, AND EACH JANUARY 31 THEREAFTER, THE STATE BOARD OF LAND COMMISSIONERS SHALL PROVIDE INFORMATION ON THE PORTFOLIO ENHANCEMENT AND ADDITIONAL INCOME GENERATED AS A RESULT OF THIS SECTION TO THE JOINT BUDGET COMMITTEE AND TO THE EDUCATION COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE. EACH REPORT SHALL INCLUDE ESTIMATES OF THE INCREASE IN PORTFOLIO ENHANCEMENT AND INCOME FOR THE THEN-CURRENT FISCAL YEAR AND THE FIVE SUCCEEDING STATE FISCAL YEARS.

(5) UPON THE REPEAL OF THIS SECTION, ANY UNENCUMBERED MONEYS REMAINING IN THE FUND SHALL BE CREDITED TO THE PERMANENT SCHOOL FUND FOR DISTRIBUTION AS PROVIDED BY LAW.

(6) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2010.

**SECTION 3.** 24-101-105 (1), Colorado Revised Statutes, is amended to read:

**24-101-105. Application of this code.** (1) This code shall apply to all publicly funded contracts entered into by all governmental bodies of the executive branch of this state; except that this code shall not apply to the procurement of bridge and highway construction or to contracts for unsolicited or comparable proposals for public-private initiatives under section 43-1-1203, C.R.S. The governing board of each institution of higher education, by formal action of the board, and the Colorado commission on higher education, by formal action of the commission, may elect to be exempt from the provisions of this code and may enter into contracts independent of the terms specified in this code. Except as provided in section 24-111-103, this code shall also apply to contracts funded in whole or in part with federal assistance moneys. However, this code shall not apply to the awarding of grants or to the awarding of contracts between the state and its political subdivisions or other governments, except as provided in article 110 of this title. It shall apply to the transfer or disposal of state supplies. Except for the provisions of article 109 of this title, this code shall not apply to the procurement of public printing, as defined in section 24-70-201. This code shall not apply to the procurement of professional services, as defined in section 24-30-1402. This code shall not apply to the Colorado state fair authority created pursuant to section 35-65-401 (1), C.R.S. THIS CODE SHALL NOT APPLY TO THE STATE BOARD OF LAND COMMISSIONERS IN CONNECTION WITH CONTRACT EXPENDITURES FROM THE STATE BOARD OF LAND COMMISSIONERS INVESTMENT AND DEVELOPMENT FUND CREATED IN SECTION 36-1-153 (1), C.R.S. Upon the request of a governmental body purchasing items for resale to the public, the head of a purchasing agency may, by written determination, provide that this code shall not apply to items acquired for such resale. Nothing in this code or in rules promulgated under this code shall prevent any governmental body or political subdivision from complying with the terms and conditions of any grant, gift, bequest, or cooperative agreement.

**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 24, 2005