CHAPTER 1

GOVERNMENT - STATE

HOUSE BILL 06-1200

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also SENATOR(S) Kester, Keller, Bacon, Entz, Fitz-Gerald, Gordon, Groff, Hagedorn, Hanna, Ingar, Johnson, Jones, Sandoval, Shaffer, Spence, Tapia, Tochtrop, Tupa, Veiga, Williams, and Windels.

AN ACT

CONCERNING ENERGY-RELATED ASSISTANCE TO LOW-INCOME HOUSEHOLDS FROM THE PROCEEDS OF THE OPERATIONAL ACCOUNT OF 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, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

39-29-109. Severance tax trust fund - created - administration - use of moneys - definitions - repeal. (1.5) (a) NOTWITHSTANDING ANY PROVISION IN THIS SECTION TO THE CONTRARY, FOR FOUR STATE FISCAL YEARS BEGINNING WITH THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2005, A PORTION OF THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND SHALL BE USED FOR THE PURPOSE OF PROVIDING ENERGY-RELATED ASSISTANCE TO LOW-INCOME HOUSEHOLDS THROUGH DIRECT BILL PAYMENT ASSISTANCE AND HOME ENERGY EFFICIENCY IMPROVEMENTS IN A MANNER CONSISTENT WITH THIS SUBSECTION (1.5).

(b) FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2005, THE GENERAL ASSEMBLY SHALL APPROPRIATE TWENTY-FOUR MILLION DOLLARS FROM THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND AS FOLLOWS:

(I) TWENTY MILLION DOLLARS SHALL BE APPROPRIATED FOR DIRECT BILL PAYMENT ASSISTANCE FOR LOW-INCOME HOUSEHOLDS IN THE FOLLOWING MANNER:

(A) SEVENTEEN MILLION DOLLARS SHALL BE APPROPRIATED TO THE DEPARTMENT

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.
OF HUMAN SERVICES FOR THE PURPOSE OF INCREASING AVAILABLE FUNDS UNDER
THE LOW-INCOME ENERGY ASSISTANCE PROGRAM; AND

(B) THREE MILLION DOLLARS SHALL BE APPROPRIATED TO THE OFFICE OF THE
GOVERNOR TO BE DISTRIBUTED TO THE ORGANIZATION TO BE USED FOR DIRECT BILL
PAYMENT ASSISTANCE WHEN THE DEPARTMENT OF HUMAN SERVICES IS NOT
ACCEPTING CLIENT APPLICATIONS FOR THE LOW-INCOME ENERGY ASSISTANCE
PROGRAM.

(II) FOUR MILLION DOLLARS SHALL BE APPROPRIATED TO THE OFFICE OF THE
GOVERNOR TO BE USED BY THE OFFICE OF ENERGY MANAGEMENT AND
CONSERVATION TO PROVIDE HOME ENERGY EFFICIENCY IMPROVEMENTS FOR
LOW-INCOME HOUSEHOLDS.

(c) FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2006, THE GENERAL
ASSEMBLY SHALL APPROPRIATE ELEVEN MILLION DOLLARS FROM THE OPERATIONAL
ACCOUNT OF THE SEVERANCE TAX TRUST FUND AS FOLLOWS:

(I) SEVEN MILLION DOLARS SHALL BE APPROPRIATED FOR DIRECT BILL PAYMENT
ASSISTANCE FOR LOW-INCOME HOUSEHOLDS IN THE FOLLOWING MANNER:

(A) FIVE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS SHALL BE
APPROPRIATED TO THE DEPARTMENT OF HUMAN SERVICES FOR THE PURPOSE OF
INCREASING AVAILABLE FUNDS UNDER THE LOW-INCOME ENERGY ASSISTANCE
PROGRAM; AND

(B) ONE MILLION FIFTY THOUSAND DOLLARS SHALL BE APPROPRIATED TO THE
OFFICE OF THE GOVERNOR TO BE DISTRIBUTED TO THE ORGANIZATION TO BE USED
FOR DIRECT BILL PAYMENT ASSISTANCE WHEN THE DEPARTMENT OF HUMAN
SERVICES IS NOT ACCEPTING CLIENT APPLICATIONS FOR THE LOW-INCOME ENERGY
ASSISTANCE PROGRAM.

(II) FOUR MILLION DOLLARS SHALL BE APPROPRIATED TO THE OFFICE OF THE
GOVERNOR TO BE USED BY THE OFFICE OF ENERGY MANAGEMENT AND
CONSERVATION TO PROVIDE HOME ENERGY EFFICIENCY IMPROVEMENTS FOR
LOW-INCOME HOUSEHOLDS.

(d) (I) FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2007, THE GENERAL
ASSEMBLY SHALL APPROPRIATE TWELVE MILLION DOLLARS, OR A LESSER AMOUNT
AS SET FORTH IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (d), AS FOLLOWS:

(A) SEVEN MILLION DOLLARS SHALL BE APPROPRIATED FOR DIRECT BILL PAYMENT
ASSISTANCE FOR LOW-INCOME HOUSEHOLDS IN THE SAME MANNER AS SET FORTH IN
SUB-SUBPARAGRAPHS (A) AND (B) OF SUBPARAGRAPH (I) OF PARAGRAPH (c) OF THIS
SUBSECTION (1.5).

(B) FIVE MILLION DOLLARS SHALL BE APPROPRIATED TO THE OFFICE OF THE
GOVERNOR TO BE USED BY THE OFFICE OF ENERGY MANAGEMENT AND
CONSERVATION TO PROVIDE HOME ENERGY EFFICIENCY IMPROVEMENTS FOR
LOW-INCOME HOUSEHOLDS.
(II) IF BASED ON INFORMATION AVAILABLE ON SEPTEMBER 1, 2007, IT IS DETERMINED THAT THE AMOUNT EQUAL TO ONE-HALF OF THE OPERATIONAL ACCOUNT SURPLUS FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2006, WAS LESS THAN ELEVEN MILLION DOLLARS, THEN THE TOTAL APPROPRIATION REQUIRED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (d) SHALL BE REDUCED BY THE DIFFERENCE BETWEEN ELEVEN MILLION DOLLARS AND THE AMOUNT EQUAL TO ONE-HALF OF THE OPERATIONAL ACCOUNT SURPLUS FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2006, AND THE APPROPRIATIONS THAT ARE REQUIRED PURSUANT TO SUB-SUBPARAGRAPHS (A) AND (B) OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (d) SHALL BE REDUCED PROPORTIONALLY.

(e) (I) FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2008, THE GENERAL ASSEMBLY SHALL APPROPRIATE THIRTEEN MILLION DOLLARS, OR A LESSER AMOUNT AS SET FORTH IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (e), AS FOLLOWS:

(A) SEVEN MILLION DOLLARS SHALL BE APPROPRIATED FOR DIRECT BILL PAYMENT ASSISTANCE FOR LOW-INCOME HOUSEHOLDS IN THE SAME MANNER AS SET FORTH IN SUB-SUBPARAGRAPHS (A) AND (B) OF SUBPARAGRAPH (I) OF PARAGRAPH (c) OF THIS SUBSECTION (1.5).

(B) SIX MILLION DOLLARS SHALL BE APPROPRIATED TO THE OFFICE OF THE GOVERNOR TO BE USED BY THE OFFICE OF ENERGY MANAGEMENT AND CONSERVATION TO PROVIDE HOME ENERGY EFFICIENCY IMPROVEMENTS FOR LOW-INCOME HOUSEHOLDS.

(II) IF BASED ON INFORMATION AVAILABLE ON SEPTEMBER 1, 2008, IT IS DETERMINED THAT THE AMOUNT EQUAL TO ONE-HALF OF THE OPERATIONAL ACCOUNT SURPLUS FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2007, WAS LESS THAN TWELVE MILLION DOLLARS, THEN THE TOTAL APPROPRIATION REQUIRED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (e) SHALL BE REDUCED BY THE DIFFERENCE BETWEEN TWELVE MILLION DOLLARS AND THE AMOUNT EQUAL TO ONE-HALF OF THE OPERATIONAL ACCOUNT SURPLUS FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2007, AND THE APPROPRIATIONS THAT ARE REQUIRED PURSUANT TO SUB-SUBPARAGRAPHS (A) AND (B) OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (e) SHALL BE REDUCED PROPORTIONALLY.

(f) (I) IN ADDITION TO THE REQUIREMENTS OF SUBPARAGRAPH (III) OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION, THE END BALANCE OF THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND SHALL BE AT LEAST:

(A) ELEVEN MILLION DOLLARS FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2005;

(B) TWELVE MILLION DOLLARS FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2006; AND

(C) THIRTEEN MILLION DOLLARS FOR THE STATE FISCAL YEAR COMMENCING ON JULY 1, 2007.

(II) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE REQUIREMENTS OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (f) SHALL ENSURE THAT THERE IS ADEQUATE
MONEYS IN THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND TO MAKE THE APPROPRIATIONS REQUIRED IN PARAGRAPHS (c) TO (e) OF THIS SUBSECTION (1.5).

(g) (I) The organization shall use the moneys it receives from the office of the governor pursuant to this subsection (1.5) to provide direct bill payment assistance to low-income households when the department of human services is not accepting client applications for the low-income energy assistance program. Bill payments shall be paid to each utility as vendor payments. The organization may use up to five percent of the moneys collected for administration of the direct bill payment assistance in accordance with generally accepted accounting principles.

(II) The organization shall hold and administer all moneys it receives from the office of the governor pursuant to this subsection (1.5) in a separately identifiable account, the use of which shall be restricted to the purposes set forth in subparagraph (I) of this paragraph (g). The organization shall maintain its books and records pertaining to any moneys received from the office in accordance with generally accepted accounting principles. If the organization commingles the moneys with other assets of the organization for investment purposes, the organization shall maintain accurate accounts of the investment moneys and shall credit or charge a pro rata portion of all investment earnings, gains, or losses to the account that holds the moneys from the office pursuant to this subsection (1.5).

(III) The organization shall, on an annual basis, develop a budget for the direct bill payment assistance program to determine the allocation of the moneys from the office of the governor pursuant to this subsection (1.5).

(IV) The organization shall include information related to any moneys received from the office of the governor pursuant to this subsection (1.5) in the report it prepares pursuant to section 40-8.7-110, C.R.S.

(h) (I) The office of energy management and conservation shall use moneys it receives pursuant to this subsection (1.5) for a program to provide home energy efficiency improvements for low-income households, which shall include any of the following services:

(A) Providing low-cost and cost-effective energy efficiency measures and energy education to low-income households in general;

(B) Retrofitting households with low-cost and cost-effective energy efficiency measures through the state weatherization assistance program;

(C) Providing heating system and other appliance replacement;

(D) Providing cost-effective renewable energy measures;
(E) Supplementing the funding for any energy efficiency measures or services offered to low-income households through electric or gas utility energy efficiency or renewable energy programs; or

(F) Paying a portion of the cost for energy efficiency upgrades to new housing built for low-income families.

(II) Only persons eligible to receive assistance under the low-income energy assistance program administered by the Department of Human Services shall be eligible for the home energy efficiency program described in subparagraph (I) of this paragraph (h).

(III) In carrying out the program to improve the home energy efficiency of low-income households, the Office of Energy Management and Conservation shall:

(A) Serve as many low-income households throughout the state as possible;

(B) Achieve the maximum lifetime energy savings per dollar expended;

(C) Use competitive bidding procedures to hire contractors; and

(D) Whenever feasible, contract with Colorado accredited youth corps to provide labor.

(IV) The Office of Energy Management and Conservation may use up to five percent of the monies appropriated pursuant to this subsection (1.5) for planning, overseeing, and evaluating the program to improve the home energy efficiency of low-income households. The office shall not hire additional state employees using these monies to implement the program, but may contract with nonprofit organizations, for-profit organizations, and governmental entities as is necessary to carry out the program.

(V) For any fiscal year in which monies are expended as part of the program to improve the home energy efficiency of low-income households, the Office of Energy Management and Conservation shall prepare and submit to the General Assembly an annual report that specifies:

(A) How the monies were expended;

(B) The number of households served;

(C) The expected energy savings and other nonenergy benefits; and

(D) Recommendations for any future programs of this nature.

(VI) If in a given fiscal year the Office of Energy Management and Conservation determines that it cannot use all of the monies it receives
PURSUANT TO THIS SUBSECTION (1.5), THE OFFICE SHALL NOTIFY THE GOVERNOR AND THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY OF SUCH FACT. UPON NOTIFICATION, THE GENERAL ASSEMBLY MAY MAKE A SUPPLEMENTAL APPROPRIATION TO REDUCE THE AMOUNT APPROPRIATED TO THE OFFICE AND INCREASE THE AMOUNT APPROPRIATED TO THE DEPARTMENT OF HUMAN SERVICES FOR THE PURPOSE OF INCREASING AVAILABLE FUNDS UNDER THE LOW-INCOME ENERGY ASSISTANCE PROGRAM.

(i) AS USED IN THIS SUBSECTION (1.5), UNLESS THE CONTEXT OTHERWISE REQUIRES:

(I) "COLORADO ACCREDITED YOUTH CORPS" MEANS A YOUTH CORPS ORGANIZATION THAT IS ACCREDITED BY THE COLORADO YOUTH CORPS ASSOCIATION OR THE NATIONAL ASSOCIATION OF SERVICE AND CONSERVATION CORPS.

(II) "COST-EFFECTIVE" MEANS ENERGY EFFICIENCY MEASURES WHOSE MONETARY BENEFITS EXCEED COSTS OVER THE LIFETIME OF THE MEASURES.

(III) "ENERGY EFFICIENCY MEASURES" MEANS MEASURES THAT REDUCE CONSUMPTION OF FOSSIL FUELS OR ELECTRICITY.

(IV) "OFFICE OF ENERGY MANAGEMENT AND CONSERVATION" MEANS THE OFFICE OF ENERGY MANAGEMENT AND CONSERVATION WITHIN THE OFFICE OF THE GOVERNOR OR ANY SUCCESSOR OFFICE THAT IS CREATED WITHIN THE OFFICE OF THE GOVERNOR FOR THE PURPOSE OF PROMOTING ENERGY MANAGEMENT OR CONSERVATION.

(V) "OPERATIONAL ACCOUNT SURPLUS" MEANS AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE TOTAL REVENUES IN THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND FOR A GIVEN STATE FISCAL YEAR AND THE PROGRAM EXPENDITURES AND SAVINGS FOR THE SAME STATE FISCAL YEAR.

(VI) "ORGANIZATION" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 40-8.7-103 (4), C.R.S.

(VII) "PROGRAM EXPENDITURES AND SAVINGS" MEANS THE SUM OF ALL APPROPRIATIONS AND TRANSFERS FROM THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND FOR A GIVEN STATE FISCAL YEAR THAT WERE AUTHORIZED PURSUANT TO A PROVISION OF LAW THAT WAS ENACTED PRIOR TO JANUARY 1, 2006, AND THE AMOUNT OF THE BALANCE REQUIRED TO BE MAINTAINED PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION FOR THE SAME STATE FISCAL YEAR.

(VIII) "TOTAL REVENUES IN THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND" MEANS AN AMOUNT EQUAL TO THE SUM OF THE BEGINNING BALANCE IN THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND FOR A GIVEN STATE FISCAL YEAR AND THE AMOUNT OF TAX RECEIPTS THAT ARE CREDITED TO THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND FOR THE SAME STATE FISCAL YEAR.

SECTION 2. 40-8.7-110, Colorado Revised Statutes, is amended by the
ADDITION OF A NEW SUBSECTION to read:

40-8.7-110. Reports. (1.5) To the extent applicable, the organization shall include in the report the information required by paragraphs (b) and (c) of subsection (1) of this section for moneys received from the office of the governor pursuant to section 39-29-109 (1.5), C.R.S.

SECTION 3. Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the operational account of the severance tax trust fund created in section 39-29-109 (1) (a) (II), Colorado Revised Statutes, not otherwise appropriated, to the department of human services, office of self-sufficiency, special purpose welfare programs, for the low income energy assistance program, pursuant to section 39-29-109 (1.5) (b) (I) (A), Colorado Revised Statutes, for the fiscal year beginning July 1, 2005, the sum of seventeen million dollars ($17,000,000), or so much thereof as may be necessary, for the implementation of this act.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the operational account of the severance tax trust fund created in section 39-29-109 (1) (a) (II), Colorado Revised Statutes, not otherwise appropriated, to the governor's office, pursuant to section 39-29-109 (1.5) (b) (I) (B), Colorado Revised Statutes, for the fiscal year beginning July 1, 2005, the sum of three million dollars ($3,000,000), or so much thereof as may be necessary, for the implementation of this act.

(3) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the operational account of the severance tax trust fund created in section 39-29-109 (1) (a) (II), Colorado Revised Statutes, not otherwise appropriated, to the governor's office, for allocation to the office of energy management and conservation, pursuant to section 39-29-109 (1.5) (b) (II), Colorado Revised Statutes, for the fiscal year beginning July 1, 2005, the sum of four million dollars ($4,000,000), or so much thereof as may be necessary, for the implementation of this act.

SECTION 4. Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the operational account of the severance tax trust fund created in section 39-29-109 (1) (a) (II), Colorado Revised Statutes, not otherwise appropriated, to the department of human services, office of self-sufficiency, special purpose welfare programs, for the low income energy assistance program, pursuant to section 39-29-109 (1.5) (c) (I) (A), Colorado Revised Statutes, for the fiscal year beginning July 1, 2006, the sum of five million nine hundred fifty thousand dollars ($5,950,000), or so much thereof as may be necessary, for the implementation of this act.

(2) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the operational account of the severance tax trust fund created in section 39-29-109 (1) (a) (II), Colorado Revised Statutes, not otherwise appropriated, to the governor's office, pursuant to section 39-29-109 (1.5) (c) (I) (B), Colorado Revised Statutes, for the fiscal year beginning July 1, 2006, the sum of one million fifty thousand dollars ($1,050,000), or so much thereof as may be necessary, for the implementation of this act.
(3) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the operational account of the severance tax trust fund created in section 39-29-109 (1) (a) (II), Colorado Revised Statutes, not otherwise appropriated, to the governor's office, for allocation to the office of energy management and conservation, pursuant to section 39-29-109 (1.5) (c) (II), Colorado Revised Statutes, for the fiscal year beginning July 1, 2006, the sum of four million dollars ($4,000,000), or so much thereof as may be necessary, for the implementation of this act.

SECTION 5. 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: February 3, 2006