

## CHAPTER 406

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**TAXATION**

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## HOUSE BILL 07-1372

BY REPRESENTATIVE(S) Curry and Buescher;  
also SENATOR(S) Isgar, Taylor, and Wiens.

**AN ACT**

**CONCERNING FISCAL ADJUSTMENTS NEEDED TO ENSURE THAT RESERVE REQUIREMENTS FOR THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND ARE MET.**

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

**SECTION 1.** The introductory portion to 39-29-109 (1) (a) (III), Colorado Revised Statutes, is amended to read:

**39-29-109. Severance tax trust fund - created - administration - use of moneys - definitions - repeal.** (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 severance tax trust 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:

(III) **The water supply reserve account.** Subject to the maintenance of a two-year reserve pursuant to sub-subparagraph (A) of subparagraph (III) of paragraph (c) of this subsection (1), on or after July 1 of each fiscal year BEGINNING WITH THE 2006-07 FISCAL YEAR AND ENDING WITH THE 2010-11 FISCAL YEAR, the state treasurer shall transfer ten million dollars from the operational account of the

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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.*

severance tax trust fund to the water supply reserve account, also referred to in this subparagraph (III) as the "account"; EXCEPT THAT, FOR THE 2007-08 AND 2010-11 FISCAL YEARS, THE STATE TREASURER SHALL TRANSFER SIX MILLION DOLLARS FROM THE OPERATIONAL ACCOUNT TO THE ACCOUNT. The moneys in the account are hereby continuously appropriated to the Colorado water conservation board for purposes authorized by this subparagraph (III). All interest derived from the investment of moneys in the account shall be credited to the account. Any balance remaining in the account at the end of any fiscal year shall remain in the account; except that the unencumbered and unexpended balance of the account shall revert on ~~June 30, 2010~~ JUNE 30, 2011, to the operational account of the severance tax trust fund. The board shall allocate moneys by grant or loan from the account only for water activities approved by a roundtable pursuant to article 75 of title 37, C.R.S. The approving roundtable shall be the roundtable for the basin in which the proposed water diversion or nonstructural activity would occur. The board, in consultation with the interbasin compact committee created in section 37-75-105, C.R.S., shall jointly establish criteria and guidelines for allocating moneys from the account. Eligible water activities include, but are expressly not limited to, the categories listed in this subparagraph (III). The criteria shall ensure that the allocations will assist in meeting those water supply needs identified under section 37-75-104 (2) (c), C.R.S., in a manner consistent with section 37-75-102, C.R.S., and shall facilitate both structural and nonstructural projects or methods. Eligible water activities include the following:

**SECTION 2.** Section 6 (1) and (3) of chapter 279, Session Laws of Colorado 2006, are amended to read:

Section 6. **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, Colorado Revised Statutes, not otherwise appropriated, to the office of the governor, for the director of compact negotiations, for the fiscal year beginning July 1, 2006, the sum of seventy-five thousand eight hundred thirty-seven dollars (\$75,837) and 0.5 FTE, or so much thereof as may be necessary, for the on-going implementation of article 75 of title 37, Colorado Revised Statutes.~~

(3) The moneys appropriated in ~~subsections (1) and (2)~~ SUBSECTION (2) of this section shall remain available for the designated purposes until they are fully expended.

**SECTION 3. Appropriation - adjustments in 2007 long bill.** For the implementation of this act, the appropriation made in the annual general appropriation act from the operational account of the severance tax trust fund created in section 39-29-109, Colorado Revised Statutes, to the governor - lieutenant governor - state planning and budgeting, office of the governor, governor's office, for administration of governor's office and residence, for the fiscal year beginning July 1, 2007, is decreased by one hundred fifty-one thousand three hundred seventy-one dollars (\$151,371) and 1.0 FTE.

**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: June 1, 2007