

CHAPTER 183

HEALTH AND ENVIRONMENT

SENATE BILL 09-165

BY SENATOR(S) Isgar and Penry, Hodge, Tapia, Boyd, Kopp, Mitchell, Schwartz, Tochtrop;
also REPRESENTATIVE(S) Curry and Gardner C., Fischer, Baumgardner, Hullinghorst, Kagan, King S., Massey, Sonnenberg,
Vigil.

AN ACT

CONCERNING THE FUNDING OF GRANTS TO SMALL COMMUNITIES FOR WATER QUALITY-RELATED CAPITAL PROJECTS THROUGH ALLOCATION OF A PORTION OF REVENUES THAT WOULD OTHERWISE BE CREDITED TO THE SEVERANCE TAX TRUST FUND.

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

SECTION 1. 25-1.5-208 (1) (a) and (2), Colorado Revised Statutes, are amended, and the said 25-1.5-208 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

25-1.5-208. Grant program for drinking water and water treatment systems - small communities water and wastewater grant fund - rules. (1) The department has, in addition to all other powers and duties imposed upon it by law, the powers and duties provided in this section as follows:

(a) To assist suppliers of water in the state with meeting their responsibilities with respect to protection of public health, the department, in the name of the state and to the extent that state funds are appropriated therefor, may enter into contracts with both governmental and not-for-profit public water systems, as defined in section 25-1.5-201 (1), or ~~to~~ WITH counties representing unincorporated areas ~~which~~ THAT serve a population of not more than five thousand people, to grant moneys for ~~projects including~~ the planning, design, and construction of DRINKING WATER OR water treatment systems.

(2) The water quality control commission shall promulgate rules for the administration of any appropriated grant moneys pursuant to this section and for prioritizing proposed DRINKING WATER AND water treatment system projects based upon public health impact and compliance with applicable rules.

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

(4) (a) THERE IS HEREBY CREATED IN THE STATE TREASURY THE SMALL COMMUNITIES WATER AND WASTEWATER GRANT FUND, REFERRED TO IN THIS SUBSECTION (4) AS THE "FUND". THE FUND SHALL CONSIST OF MONEYS TRANSFERRED PURSUANT TO SECTION 39-29-109 (2) (a) (III), C.R.S., AND ANY OTHER MONEYS TRANSFERRED TO THE FUND BY THE GENERAL ASSEMBLY. THE FUND SHALL BE USED ONLY FOR GRANTS MADE PURSUANT TO THIS SECTION. ALL INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF THE MONEYS IN THE FUND SHALL BE CREDITED TO THE FUND. AT THE END OF EACH FISCAL YEAR, ALL UNEXPENDED AND UNENCUMBERED MONEYS IN THE FUND SHALL REMAIN IN THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR TO ANY OTHER FUND.

(b) THE REVENUES IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT FOR THE PURPOSES OF THIS SECTION.

SECTION 2. 39-29-109 (2) (a), Colorado Revised Statutes, as amended by Senate Bill 09-208, enacted at the First Regular Session of the Sixty-seventh General Assembly, is amended to read:

39-29-109. Severance tax trust fund - created - administration - distribution of moneys - repeal. (2) State severance tax receipts shall be credited to the severance tax trust fund as provided in section 39-29-108. Except as otherwise set forth in section 39-29-109.5, all income derived from the deposit and investment of the moneys in the fund shall be credited to the 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:

(a) **The perpetual base account.** (I) (A) The moneys in the severance tax trust fund as of July 1, 1995, and one-half of the severance tax receipts credited to the fund for fiscal years commencing on and after July 1, 1995, shall be credited to the perpetual base account of the fund and used for state water projects pursuant to sections 37-60-119 and 37-60-122, C.R.S. The authorization and contract for each such project shall require repayment of principal and interest to the fund, and moneys so repaid shall be credited to the perpetual base account of the fund.

~~(B)~~ (B) Notwithstanding any provision of ~~subparagraph (I)~~ of this paragraph (a) to the contrary, on the effective date of this ~~subparagraph (II)~~ SUB-SUBPARAGRAPH (B), the state treasurer shall deduct twenty million dollars from the perpetual base account of the fund and transfer such sum to the general fund.

(C) THIS SUBPARAGRAPH (I) IS REPEALED, EFFECTIVE JULY 1, 2009.

(II) ONE-HALF OF THE SEVERANCE TAX RECEIPTS CREDITED TO THE FUND FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2009, SHALL BE CREDITED TO THE PERPETUAL BASE ACCOUNT OF THE FUND AND USED FOR STATE WATER PROJECTS PURSUANT TO SECTIONS 37-60-119 AND 37-60-122, C.R.S.; EXCEPT THAT THE TOTAL AMOUNT OF SEVERANCE TAX RECEIPTS CREDITED TO THE PERPETUAL BASE ACCOUNT DURING SAID FISCAL YEAR SHALL NOT EXCEED FIFTY MILLION DOLLARS UNLESS THE CAP ESTABLISHED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH (a) IS EXCEEDED.

THE AUTHORIZATION AND CONTRACT FOR EACH SUCH PROJECT SHALL REQUIRE REPAYMENT OF PRINCIPAL AND INTEREST TO THE FUND, AND MONEYS SO REPAID SHALL BE CREDITED TO THE PERPETUAL BASE ACCOUNT OF THE FUND.

(III) FOR FISCAL YEARS COMMENCING ON OR AFTER JULY 1, 2009, THE STATE TREASURER SHALL TRANSFER THE MONEYS CREDITED TO THE FUND THAT ARE NOT CREDITED TO EITHER THE PERPETUAL BASE ACCOUNT OR THE OPERATIONAL ACCOUNT TO THE SMALL COMMUNITIES WATER AND WASTEWATER GRANT FUND CREATED IN SECTION 25-1.5-208 (4), C.R.S.; EXCEPT THAT THE MAXIMUM AMOUNT OF MONEYS ANNUALLY CREDITED TO THE SMALL COMMUNITIES WATER AND WASTEWATER GRANT FUND SHALL NOT EXCEED TEN MILLION DOLLARS.

SECTION 3. 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: April 22, 2009