BILLY TOPIC: "State Severance Tax Trust Fund Allocation"

A BILL FOR AN ACT

CONCERNING SEVERANCE TAX REVENUE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/)

Joint Budget Committee. Section 2 of the bill requires metropolitan districts created after July 1, 2021, to annually pay the state an amount equal to the total of all severance tax ad valorem credits claimed for property taxes that are imposed by the metropolitan district. This money will be allocated like severance tax revenues.

Section 3 requires the director of the office of state planning and budgeting and the executive directors of the departments of revenue, natural resources, and local affairs, or their designees, to review and

Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.
analyze the following elements of the state severance tax:

- Data collection;
- The tax structure;
- Tax expenditures; and
- The allocation of the tax revenues.

Based on this review and analysis, these persons are required to prepare written recommendations for any changes to the severance tax to the joint budget committee, to be submitted no later than January 1, 2022.

Currently, 50% of state severance tax revenues are deposited into the severance tax trust fund, which is then typically split between the severance tax perpetual base fund (perpetual base fund) and the severance tax operational fund (operational fund). Money in the operational fund is currently used for core departmental programs and, if there are sufficient available revenues, for transfers to funds that support natural resources and energy grant programs (grant program transfers).

Section 4 repeals the grant program transfers, with some, but not all, of the recipient programs receiving alternative funding from severance tax revenues. Subject to annual appropriation, section 5 authorizes the Colorado water conservation board to direct the state treasurer to transfer money from the perpetual base fund to the following cash funds that previously received grant program transfers:

- The water supply reserve fund;
- The interbasin compact committee operation fund; and
- The water efficiency grant program cash fund.

The general assembly is also given the authority to directly appropriate or transfer money into the perpetual base fund and the water supply reserve fund.

If less than 100% of the money available in the operational fund is used for the current core programs, then, under section 4, the general assembly may also appropriate money from the operational fund to the following cash funds that previously received grant program transfers:

- The species conservation trust fund;
- The division of parks and wildlife aquatic nuisance species fund; and
- The conservation district grant fund.

The transfers from the operational fund are subject to the same limits that they had as grant program transfers. On July 1, 2021, and July 1, 2022, the state treasurer is required to transfer $9,456,005, which is enough to fully fund the transfers to these 3 cash funds for those fiscal years.

The operational fund reserve that was maintained for the grant program transfers is repealed and the remaining operational fund reserve is increased to be twice the current fiscal year's appropriations.

Sections 7 to 13 are conforming amendments related to the repeal of the grant program transfers, and in some instances, to reflect the new funding from severance tax revenues.
Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) There is a tax credit allowed against the state severance tax on oil and gas that is equal to eighty-seven and one-half percent of the ad valorem taxes assessed or paid by a taxpayer;

(b) There has been a proliferation of metropolitan districts in recent years;

(c) The ad valorem credits that are a result of metropolitan districts' property taxes have significantly reduced the state's severance tax revenues, which reduces the allocations for impacted local communities and critical state programs; and

(d) This trend must be addressed.

SECTION 2. In Colorado Revised Statutes, 32-1-1004, add (11) as follows:

32-1-1004. Metropolitan districts - additional powers and duties. (11) A METROPOLITAN DISTRICT CREATED ON OR AFTER JULY 1, 2021, SHALL ANNUALLY PAY THE STATE AN AMOUNT EQUAL TO THE TOTAL OF ALL AD VALOREM CREDITS CLAIMED UNDER SECTION 39-29-105 (2)(b) FOR PROPERTY TAXES THAT ARE IMPOSED BY THE METROPOLITAN DISTRICT. THE STATE TREASURER SHALL CREDIT FIFTY PERCENT OF THE PAYMENT TO THE STATE SEVERANCE TAX TRUST FUND CREATED BY SECTION 39-29-109, AND FIFTY PERCENT TO THE LOCAL GOVERNMENT SEVERANCE TAX FUND CREATED BY SECTION 39-29-110, WITH THESE AMOUNTS FURTHER ALLOCATED IN THE SAME MANNER AS THE GROSS RECEIPTS REALIZED FROM THE SEVERANCE TAXES IMPOSED ON MINERALS
AND MINERAL FUELS UNDER THE PROVISIONS OF ARTICLE 27 OF TITLE 39.

SECTION 3. In Colorado Revised Statutes, 39-29-108, add (6) as follows:

39-29-108. Allocation of severance tax revenues - definitions - repeal. (6) (a) The Director of the Office of State Planning and Budgeting and the Executive Directors of the Departments of Revenue, Natural Resources, and Local Affairs, or their designees, shall review and analyze the following elements of the State severance tax:

(I) Data collection;

(II) The tax structure;

(III) Tax expenditures; and

(IV) The allocation of the tax revenues.

(b) Based on their review and analysis, the persons identified in subsection (6)(a) of this section shall prepare written recommendations for any changes to the severance tax to the Joint Budget Committee no later than January 1, 2022.

(c) This subsection (6) is repealed, effective July 1, 2022.

SECTION 4. In Colorado Revised Statutes, 39-29-109, amend (2)(a)(I.5), (2)(a)(II), and (2)(c)(I) introductory portion; and add (2)(a)(II.5) as follows:

39-29-109. Severance tax trust fund - created - administration - distribution of money - legislative declaration. (2) State severance tax receipts must 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 money in the fund must be credited to the fund. At the end of any fiscal year, all unexpended and unencumbered money in the fund remains
in the fund and must not be credited or transferred to the general fund or any other fund. All money in the fund is subject to appropriation by the general assembly for the following purposes:

(a) **The severance tax perpetual base fund.** (I.5) There is hereby created in the state treasury the severance tax perpetual base fund, also referred to in this subsection (2)(a) as the "fund", which the Colorado water conservation board, also referred to in this subsection (2)(a) as the "board", shall administer. The state treasurer shall transfer moneys to the fund from the severance tax trust fund, as specified in this section. The fund also includes any money that the general assembly may appropriate or transfer thereto. The moneys in the fund are continuously appropriated to the board for purposes authorized by this subsection (2)(a).

(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 severance tax perpetual base fund and used for state water projects pursuant to sections 37-60-119 and 37-60-122, C.R.S. as specified in subsection (2)(a)(II.5) of this section; except that the total amount of severance tax receipts credited to the severance tax perpetual base fund during the fiscal year shall not exceed fifty million dollars unless the cap established in subparagraph (III) of this paragraph (a) subsection (2)(a)(III) of this section is exceeded. The authorization and contract for each project must require repayment of principal and interest to the fund, and moneys so repaid shall be credited to the severance tax perpetual base fund.

(II.5) **The board shall use the money in the fund:**
(A) FOR STATE WATER PROJECTS PURSUANT TO SECTIONS 37-60-119 AND 37-60-122;

(B) TO DIRECT THE STATE TREASURER TO TRANSFER AMOUNTS TO THE WATER SUPPLY RESERVE FUND CREATED IN SUBSECTION (2)(c) OF THIS SECTION;

(C) TO DIRECT THE STATE TREASURER TO TRANSFER AMOUNTS TO THE INTERBASIN COMPACT COMMITTEE OPERATION FUND CREATED IN SECTION 37-75-107; AND

(D) TO DIRECT THE STATE TREASURER TO TRANSFER AMOUNTS TO THE WATER EFFICIENCY GRANT PROGRAM CASH FUND CREATED IN SECTION 37-60-126 (12).

(c) The water supply reserve fund. (I) There is created in the office of the state treasurer the water supply reserve fund, referred to in this subsection (2)(c) as the "fund", administered by the Colorado water conservation board. The state treasurer shall transfer money to the fund from the severance tax operational fund as specified in section 39-29-109.3-(2)(a) SUBSECTION (2)(a)(II.5)(B) OF THIS SECTION. THE FUND ALSO INCLUDES ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. The money in the fund is continuously appropriated, for purposes authorized by this subsection (2)(c), to the Colorado water conservation board, referred to in this subsection (2)(c) as the "board". All interest derived from the investment of money in the fund must be credited to the statewide account of the fund, which account is hereby created. Repayments of both the principal and interest on loans from the fund must be credited to the fund. Any balance remaining in the fund at the end of any fiscal year remains in the fund. The board shall allocate money by grant or loan from the fund only
for water activities approved by a roundtable pursuant to article 75 of title 37. The approving roundtable is the roundtable for the basin in which a proposed water diversion or nonstructural activity would occur. If the applicant is a covered entity, as defined in section 37-60-126, the board shall allocate money by grant or loan from the fund only if the applicant has adopted a water conservation plan, as defined in section 37-60-126. The board, in consultation with the interbasin compact committee created in section 37-75-105, shall establish criteria and guidelines for allocating money from the fund, including criteria that ensure that the allocations will assist in meeting water supply needs identified pursuant to section 37-75-104 (2)(c), in a manner consistent with section 37-75-102, and facilitate both structural and nonstructural projects or methods. Eligible water activities include:

SECTION 5. In Colorado Revised Statutes, 39-29-109.3, amend (1) introductory portion, (3)(a), and (3.5)(b); repeal (2), (3.5)(a), (7), and (8); and add (1)(g) as follows:

39-29-109.3. Severance tax operational fund - core reserve - grant program reserve - definitions - repeal. (1) 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 severance tax operational fund created in section 39-29-109 (2)(b), referred to in this section as the "operational fund". The general assembly may appropriate money from the total money available in the operational fund to fund recommended programs as follows:

(g) IF THE GENERAL ASSEMBLY APPROPRIATES LESS THAN ONE
HUNDRED PERCENT OF THE MONEY AVAILABLE IN THE OPERATIONAL FUND FOR THE PURPOSES SET FORTH IN SUBSECTIONS (1)(a) TO (1)(f) OF THIS SECTION, THEN THE GENERAL ASSEMBLY MAY ADDITIONALLY APPROPRIATE:

(I) UP TO FIVE MILLION DOLLARS TO THE SPECIES CONSERVATION TRUST FUND CREATED IN SECTION 24-33-111 (2)(a);

(II) UP TO FOUR MILLION SIX THOUSAND FIVE DOLLARS FROM THE OPERATIONAL FUND TO THE DIVISION OF PARKS AND WILDLIFE AQUATIC NUISANCE SPECIES FUND CREATED IN SECTION 33-10.5-108 (1); AND

(III) UP TO FOUR HUNDRED FIFTY THOUSAND DOLLARS TO THE CONSERVATION DISTRICT GRANT FUND CREATED IN SECTION 35-1-106.7.

(1.5) ON JULY 1, 2021, AND JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER NINE MILLION FOUR HUNDRED FIFTY-SIX THOUSAND FIVE DOLLARS FROM THE GENERAL FUND TO THE OPERATIONAL FUND.

(2) Subject to the requirements of subsections (3) and (3.5) of this section, if the general assembly chooses not to spend up to one hundred percent of the money in the operational fund on core departmental programs, the state treasurer shall transfer the following amounts:

(a) (I) To the water supply reserve fund created in section 39-29-109 (2)(c), the following amounts:

(A) to (D) Repealed.

(E) For each state fiscal year commencing on or after July 1, 2012, ten million dollars:

(II) (Deleted by amendment, L. 2009, (SB 09-106), ch. 386, p. 2090, § 2, effective July 1, 2009.)

(b) To fund the conservation district grant fund created in section 35-1-106.7, C.R.S., for soil and water conservation, the following
amounts:

(I) to (III) Repealed.

(IV) (A) For the state fiscal year commencing July 1, 2011, through the state fiscal year commencing on July 1, 2021, four hundred fifty thousand dollars:

(B) This subparagraph (IV) is repealed, effective July 1, 2023.

(e) and (d) Repealed.

(e) To the species conservation trust fund created in section 24-33-111 (2)(a), the following amounts:

(I) to (XI) Repealed.

(XII) (A) For the state fiscal year commencing July 1, 2019, and for each fiscal year thereafter through the state fiscal year commencing July 1, 2023, five million dollars:

(B) This subsection (2)(e)(XII) is repealed, effective July 1, 2025.

(f) For providing energy-related assistance to low-income households as specified in section 40-8.7-112:

(I) to (IV) Repealed.

(V) (A) For the state fiscal year commencing July 1, 2012, and each state fiscal year thereafter, through the state fiscal year commencing July 1, 2023, thirteen million dollars as follows: Twenty-five percent to the department of human services low-income energy assistance fund created in section 40-8.7-112 (1); twenty-five percent to the energy outreach Colorado low-income energy assistance fund created in section 40-8.7-112 (2)(a); and fifty percent to the Colorado energy office low-income energy assistance fund created in section 40-8.7-112 (3)(a):

(B) This subsection (2)(f)(V) is repealed, effective July 1, 2025.

(g) and (h) Repealed.
(i) To the interbasin compact committee operation fund created in section 37-75-107, C.R.S., the following amounts:

(I) Repealed.

(II) For the state fiscal year commencing July 1, 2009, and for each state fiscal year thereafter, seven hundred forty-five thousand sixty-seven dollars.

(j) Repealed.

(k) (I) For seven state fiscal years, beginning with the state fiscal year commencing on July 1, 2017, one million fifty thousand dollars per year to the forest restoration and wildfire risk mitigation grant program cash fund created in section 23-31-310 (8.5):

(II) This subsection (2)(k) is repealed, effective September 1, 2023:

(l) Repealed.

(m) For the mitigation of aquatic nuisance species as specified in article 10.5 of title 33:

(I) Repealed.

(II) For the state fiscal year commencing July 1, 2009, and every state fiscal year thereafter, four million six thousand five dollars to the division of parks and wildlife aquatic nuisance species fund created in section 33-10.5-108 (1):

(n) (I) For seven fiscal years commencing on or after July 1, 2017, the state treasurer shall transfer:

(A) One million three hundred five thousand dollars to the healthy forests and vibrant communities fund created in section 23-31-313 (10);

(B) Fifty thousand dollars to the wildland-urban interface training fund created in section 24-33.5-1212 (5);
(C) Ninety-five thousand dollars to the wildfire preparedness fund created in section 24-33.5-1227 (1).

(II) This subsection (2)(n) is repealed, effective September 1, 2023.

(o) and (p) Repealed.

(q) For the state fiscal year commencing July 1, 2015, one million dollars to the Colorado water conservation board construction fund, created in section 37-60-121 (1)(a), C.R.S., for the Colorado water conservation board to continue to provide planning and engineering studies, including implementation measures, to address: Technical needs for watershed restoration and flood mitigation projects throughout the state; aquatic habitat protection; flexible operations for multiple uses; restoration work; quantification of environmental flow needs; and monitoring efforts to support watershed health goals outlined in the Colorado water plan. The money remains available for the designated purposes until June 30, 2019, at which time any unused money will revert to the operational fund.

(r) For the state fiscal year commencing July 1, 2015, one million two hundred thousand dollars to the Colorado water conservation board construction fund, created in section 37-60-121 (1)(a), C.R.S., for the Colorado water conservation board to participate in the development of modern tools and methods for determining large rain events for regulating and designing dam spillways in the state. The money remains available for the designated purposes until June 30, 2019, at which time any unused money will revert to the operational fund.

(s) Repealed.

(3) (a) (f) It is the intent of the general assembly that the
operational fund maintain a reserve equal to TWO TIMES the current state fiscal year’s operating appropriations for the core departmental programs, which reserve is referred to in this section as the "core reserve". Made from the operational fund, but if severance tax revenues are less than anticipated, then money in the core reserve is available to support the core departmental programs, but the core reserve is not available for the transfers to the natural resources and energy grant programs for expenditures authorized by the appropriations.

(II) It is the intent of the general assembly that the operational fund maintain a second reserve that is equal to the maximum amount of the transfers to the natural resources and energy grant programs under this section, which reserve is referred to in this section as the "grant program reserve". Money in the grant program reserve may be used to offset temporary revenue reductions in the core departmental programs and for transfers to natural resources and energy grant programs; except that, if the general assembly determines that transfers from the grant program reserve are needed during a state revenue crisis, the transfers shall be a loan from the grant program reserve to be repaid as soon as money is available.

(III) The reserves created in this subsection (3) are intended to mitigate the impact of fluctuations in the amount of revenue credited to the fund from year to year so as to maintain current levels of service for the core departmental programs and the natural resources and energy grant programs.

(3.5) (a) If, at the end of a fiscal year, the core reserve requirement is fully satisfied, then, on August 15 following the end of the fiscal year, the state treasurer shall make the transfers to the natural resources and
energy grant programs in the amounts specified in subsection (2) of this section. If necessary, the state treasurer may use money in the grant program reserve to supplement the money otherwise available to make the transfers. If there is insufficient money in the operational fund for the full transfers specified in subsection (2) of this section, then the state treasurer shall proportionally reduce the transfers.

(b) If the grant program reserve requirement is fully satisfied and there is still money in the operational fund as of the end of the fiscal year, AT THE END OF A FISCAL YEAR THE RESERVE FOR THE OPERATIONAL FUND SPECIFIED IN SUBSECTION (3)(a)(I) OF THIS SECTION IS FULL, then, on August 15 following the end of the fiscal year, the state treasurer shall transfer the remainder to the severance tax perpetual base fund created in section 39-29-109 (2)(a).

(7) The state treasurer shall transfer the following amounts from the general fund to the operational fund:
(a) On July 1, 2018, seventeen million thirty thousand nine hundred twenty-five dollars;
(b) On January 1, 2019, three million dollars; and
(c) On July 1, 2019, an amount equal to the core reserve for the operating appropriations for the fiscal year commencing on July 1, 2019, for the programs specified in subsection (1) of this section or fourteen million two hundred fourteen thousand eight hundred fifty-four dollars, whichever amount is less;

(8) As used in this section:
(a) "Core departmental programs" means the programs specified in subsection (1) of this section:
(b) "Transfers to the natural resources and energy grant programs"
means the transfers specified in subsection (2) of this section.

SECTION 6. In Colorado Revised Statutes, 39-29-109.3, repeal as recreated and reenacted, with amendments, by Senate Bill 21-189 (2)(c) as follows:

39-29-109.3. Severance tax operational fund - core reserve - grant program reserve - definitions - repeal. (2) Subject to the requirements of subsections (3) and (3.5) of this section, if the general assembly chooses not to spend up to one hundred percent of the money in the operational fund on core departmental programs, the state treasurer shall transfer the following amounts:

(c) To the water efficiency grant program cash fund created in section 37-60-126 (12), for use in accordance with that section, on July 1 of each state fiscal year commencing on or after July 1, 2020, five hundred fifty thousand dollars. Money transferred pursuant to this subsection (2)(c) is in addition to, and does not replace, any money appropriated to the Colorado water conservation board pursuant to subsection (1)(d) of this section. This subsection (2)(c) is repealed, effective July 1, 2030:

SECTION 7. In Colorado Revised Statutes, 23-31-310, amend (8.5)(a)(I) as follows:

23-31-310. Forest restoration and wildfire risk mitigation grant program - technical advisory panel - legislative declaration - definitions - repeal. (8.5) Forest restoration and wildfire risk mitigation grant program cash fund. (a) There is hereby created in the state treasury the forest restoration and wildfire risk mitigation grant program cash fund. The department of higher education shall administer the fund, which consists of:
5.7.21

1 (I) All money transferred by the treasurer as specified in section 39-29-109.3 (2)(k) and subsection (8.7) of this section;

SECTION 8. In Colorado Revised Statutes, 23-31-313, amend (10)(a)(I) and (10)(c) introductory portion as follows:

23-31-313. Healthy forests - vibrant communities - funds created - repeal. (10) Healthy forests and vibrant communities fund. (a) (I) There is hereby created in the state treasury the healthy forests and vibrant communities fund. The fund consists of all money that may be appropriated thereto by the general assembly and all private and public money received through gifts, grants, reimbursements, or donations that are transmitted to the state treasurer and credited to the fund. and all money transferred to the fund pursuant to section 39-29-109.3 (2)(n) and subsection (10)(a)(II) of this section. All interest earned from the investment of money in the fund is credited to the fund. The money in the fund is hereby continuously appropriated for the purposes specified in this subsection (10) and remains available until expended. Any money not expended at the end of the fiscal year shall remain in the fund and shall not be transferred to or revert to the general fund.

(c) Of the money transferred to the fund pursuant to section 39-29-109.3 (2)(n) PRIOR TO ITS REPEAL:

SECTION 9. In Colorado Revised Statutes, 24-33-111, amend (2)(a)(I)(A) as follows:

24-33-111. Conservation of native species - fund created. (2) Species conservation trust fund - creation. (a) (I) (A) There is hereby created in the state treasury the species conservation trust fund, which is subject to annual authorization by the general assembly to carry out the purposes of this section. The fund consists of all money
transferred by the treasurer as specified in section 39-29-109.3 (2)(e) and subsection (2)(a)(I)(B) of this section AND ALL MONEY APPROPRIATED TO THE FUND PURSUANT TO SECTION 39-29-109 (1)(g)(I)(A). All income derived from the deposit and investment of money in the fund is credited to the fund. At the end of any fiscal year, all unexpended money in the fund remains in the fund and shall not be credited or transferred to the general fund or any other fund. To the maximum extent practical, only interest from the fund shall be expended for activities pursuant to this section.

SECTION 10. In Colorado Revised Statutes, 24-33.5-1227, amend (1)(a)(I), (1)(b), and (1)(c)(II) introductory portion as follows:

24-33.5-1227. Wildfire preparedness fund - creation - gifts, grants, and donations authorized - wildfire preparedness plan - report. (1) (a) (I) There is hereby created in the state treasury the wildfire preparedness fund. The fund consists of all money that may be appropriated thereto by the general assembly, all private and public money received through gifts, grants, reimbursements, or donations that are transmitted to the state treasurer and credited to the fund, all money transferred to the fund from the healthy forests and vibrant communities fund created in section 23-31-313 (10), money transferred pursuant to section 39-29-109.3 (2)(n)(I)(C), and money transferred pursuant to subsection (1)(a)(II) of this section. All interest earned from the investment of money in the fund shall be credited to the fund. The money in the fund is hereby continuously appropriated for the purposes indicated in this section. Any money not expended at the end of the fiscal year shall remain in the fund and shall not be transferred to or revert to the general fund.
(b) By executive order or proclamation, the governor may access and designate moneys in the wildfire preparedness fund for wildfire preparedness activities; except that moneys in the wildfire preparedness fund that have been transferred from the healthy forests and vibrant communities fund created in section 23-31-313 (10) C.R.S., and moneys transferred pursuant to section 39-29-109.3 (2)(n)(I)(C), C.R.S., may be used only for the purposes set forth in subparagraph (II) of paragraph (c) of this subsection (1) of this section. The division shall implement the directives set forth in such executive order or proclamation. As soon as practicable after issuing the executive order or proclamation, the governor shall notify the joint budget committee of any moneys so accessed and designated.

(c) (II) The division shall use moneys in the wildfire preparedness fund transferred from the healthy forests and vibrant communities fund created in section 23-31-313 (10) C.R.S., and moneys transferred pursuant to section 39-29-109.3 (2)(n)(I)(C), C.R.S., to:

SECTION 11. In Colorado Revised Statutes, 33-10.5-108, amend (1)(a)(I) as follows:

33-10.5-108. Division of parks and wildlife aquatic nuisance species fund - creation. (1) (a) (I) There is hereby created in the state treasury the division of parks and wildlife aquatic nuisance species fund, also referred to in this section as the "fund", which shall be administered by the division. The fund consists of all money transferred by the state treasurer as specified in sections 39-29-109.3 (2)(m), 39-29-109.3 (I)(g)(II), 33-10.5-104.5, and 33-10.5-105. All money in the fund is continuously appropriated to the division for the purpose of implementing
this article 10.5. All money in the fund at the end of each fiscal year remains in the fund and does not revert to the general fund or any other fund.

SECTION 12. In Colorado Revised Statutes, 35-1-106.7, amend (1) as follows:

35-1-106.7. Conservation district grant fund - repeal. (1) There is hereby created in the state treasury the conservation district grant fund. The fund shall consist of moneys transferred to the fund pursuant to section 39-29-109.3 (2)(b), C.R.S. Moneys in the fund are specifically and continuously appropriated to the department. The department shall grant moneys in the fund to conservation districts for the purpose of implementing and maintaining soil and water conservation efforts. All moneys credited to the fund and all interest earned on the investment of moneys in the fund shall be a part of the fund and shall not be transferred or credited to the general fund or to any other fund.

SECTION 13. In Colorado Revised Statutes, 37-75-107, amend (1) as follows:

37-75-107. Interbasin compact committee operation fund - creation. (1) There is hereby created in the state treasury the interbasin compact committee operation fund, which shall be administered by the Colorado water conservation board and shall consist of all money transferred by the treasurer as specified in section 39-29-109.3 (2)(i) C.R.S. Money in the fund is continuously appropriated to the Colorado water conservation board for the purposes stated in this article 75. All money in the fund at the end of the fiscal year remains in the fund and does not revert to the general fund or any other fund.
section 13. The director shall:

1. Each fiscal year, retain in the fund and shall not revert to the general fund or any other fund.

SECTION 14. Effective date. This act takes effect July 1, 2021; except that section 6 of this act takes effect only if Senate Bill 21-189 becomes law, in which case section 6 takes effect on the effective date of this act or Senate Bill 21-189, whichever is later.

SECTION 15. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.