

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 11-0679.01 Esther van Mourik

SENATE BILL 11-121

SENATE SPONSORSHIP

Lundberg, Cadman, Renfroe, Lambert, Kopp, Scheffel

HOUSE SPONSORSHIP

Joshi, Holbert

Senate Committees

State, Veterans & Military Affairs

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE ALLOCATION OF THE STATE SHARE OF SEVERANCE**
102 **TAX REVENUES.**

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://www.leg.state.co.us/billsummaries.>)

The bill changes the allocation of the state share of severance tax revenues by limiting the amount of the transfer to the state severance tax trust fund commencing July 1, 2011, and each state fiscal year thereafter, to \$100 million as adjusted annually for inflation after the 2011-12 state fiscal year. The remainder of the state share after the transfer to the state

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

severance tax trust fund will be distributed 50% to the state general fund, 25% to the property tax relief cash fund created in the bill, and 25% to the perpetual base account of the state severance tax trust fund.

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

2 **SECTION 1.** 39-29-108 (2), Colorado Revised Statutes, is
3 amended to read:

4 **39-29-108. Allocation of severance tax revenues - definitions.**

5 (2) (a) Of the total gross receipts realized from the severance taxes
6 imposed on minerals and mineral fuels under the provisions of this article
7 after June 30, 1981, ~~fifty percent shall be credited to the state severance~~
8 ~~tax trust fund created by section 39-29-109,~~ and fifty percent shall be
9 credited to the local government severance tax fund created by section
10 39-29-110 AND FIFTY PERCENT SHALL BE DISTRIBUTED AS FOLLOWS:

11 (I) FOR THE STATE FISCAL YEAR COMMENCING JULY 1, 2011, AND
12 EACH STATE FISCAL YEAR THEREAFTER, ONE HUNDRED MILLION DOLLARS,
13 AS ADJUSTED ANNUALLY FOR INFLATION AFTER THE 2011-12 STATE FISCAL
14 YEAR, SHALL BE CREDITED TO THE STATE SEVERANCE TAX TRUST FUND
15 CREATED IN SECTION 39-29-109.

16 (II) THE REMAINDER OF THE STATE SHARE AFTER THE TRANSFER
17 OF THE AMOUNT SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a)
18 SHALL BE DISTRIBUTED AS FOLLOWS: FIFTY PERCENT TO THE STATE
19 GENERAL FUND; TWENTY-FIVE PERCENT TO THE PROPERTY TAX RELIEF
20 CASH FUND CREATED IN SECTION 39-3-119.5 (3); AND TWENTY-FIVE
21 PERCENT TO THE PERPETUAL BASE ACCOUNT OF THE STATE SEVERANCE
22 TAX TRUST FUND DESCRIBED IN SECTION 39-29-109 (2) (a). THE
23 TWENTY-FIVE PERCENT DISTRIBUTION TO THE PERPETUAL BASE ACCOUNT
24 SHALL CEASE AND SHALL INSTEAD BE DISTRIBUTED TO THE PROPERTY TAX

1 RELIEF CASH FUND WHEN THE AGGREGATE TRANSFERS TO THE PERPETUAL
2 BASE ACCOUNT TOTAL SIXTY MILLION DOLLARS.

3 (b) FOR PURPOSES OF THIS SUBSECTION (2), "STATE SHARE" MEANS
4 FIFTY PERCENT OF THE TOTAL GROSS RECEIPTS REALIZED FROM THE
5 SEVERANCE TAXES IMPOSED ON MINERALS AND MINERAL FUELS AND
6 DISTRIBUTED PURSUANT TO SUBPARAGRAPHS (I) AND (II) OF PARAGRAPH
7 (a) OF THIS SUBSECTION (2).

8 **SECTION 2.** 39-3-119.5, Colorado Revised Statutes, is amended
9 BY THE ADDITION OF A NEW SUBSECTION to read:

10 **39-3-119.5. Personal property - exemption - property tax relief**
11 **cash fund - creation - appropriation - definitions.** (3) THERE IS
12 HEREBY CREATED IN THE STATE TREASURY THE PROPERTY TAX RELIEF
13 CASH FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE FUND
14 SHALL CONSIST OF MONEYS TRANSFERRED TO THE FUND PURSUANT TO
15 SECTION 39-29-108 (2) (a) (II). THE MONEYS IN THE FUND SHALL BE
16 ANNUALLY APPROPRIATED FOR PURPOSES OF PROPERTY TAX RELIEF. ALL
17 MONEYS NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON
18 THE INVESTMENT OR DEPOSIT OF MONEYS IN THE FUND, SHALL REMAIN IN
19 THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY OTHER
20 FUND AT THE END OF ANY FISCAL YEAR.

21 **SECTION 3. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, and safety.