

First Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 11-0552.02 Thomas Morris

**SENATE BILL 11-238**

**SENATE SPONSORSHIP**

**Nicholson,**

**HOUSE SPONSORSHIP**

**Coram and Wilson,**

**Senate Committees**

Agriculture, Natural Resources, and Energy  
Appropriations

**House Committees**

Agriculture, Livestock, & Natural Resources

HOUSE  
3rd Reading Unam ended  
May 10, 2011

101

**CONCERNING THE EXTENSION OF THE ANNUAL TRANSFERS OF FEDERAL  
MINERAL LEASE REVENUES TO THE WILDFIRE PREPAREDNESS  
FUND.**

HOUSE  
2nd Reading Unam ended  
May 9, 2011

**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>.)*

SENATE  
3rd Reading Unam ended  
May 2, 2011

The bill:

! Extends for 4 fiscal years, beginning on July 1, 2012, the annual \$3.25 million transfer of federal mineral lease revenues to the wildfire preparedness fund;

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.*

SENATE  
Am ended 2nd Reading  
April 29, 2011

- ! Requires the Colorado state forest service to annually report on the use of these revenues to the department of local affairs, the office of state planning and budgeting, and the general assembly; and
- ! Repeals obsolete provisions of law.

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

2           **SECTION 1.** 34-63-102 (1) (a) (I), (2), (3), (4), (5) (a) (I), (5) (a)  
3           (III), (5) (a) (IV), (5) (a) (V), (5.3) (a) (I) (C), (5.3) (a) (I) (D), (5.4) (b),  
4           and (5.4) (b.5), Colorado Revised Statutes, are amended to read:

5           **34-63-102. Creation of mineral leasing fund - distribution -**  
6           **advisory committee - local government permanent fund created -**  
7           **definitions - repeal.** (1) (a) (I) ~~On or after January 1, 1977, but before~~  
8           ~~July 1, 2008, all moneys, including any interest earned therefrom, now~~  
9           ~~held or to be received by the state treasurer pursuant to the provisions of~~  
10           ~~the federal "Mineral Lands Leasing Act" of February 25, 1920, as~~  
11           ~~amended, except those moneys described in section 34-63-104, shall be~~  
12           ~~deposited by the state treasurer into a special fund to be known as the~~  
13           ~~mineral leasing fund, which is hereby created, for use by state agencies,~~  
14           ~~public schools, and political subdivisions of the state as described in this~~  
15           ~~section for planning, construction, and maintenance of public facilities~~  
16           ~~and for public services.~~

17           (2) (a) ~~Except as otherwise provided in paragraph (b) of this~~  
18           ~~subsection (2), before July 1, 2008, twenty-five percent of all moneys~~  
19           ~~described in paragraph (a) of subsection (1) of this section together with~~  
20           ~~any funds for public schools derived from the application of paragraph (b)~~  
21           ~~of subsection (3) of this section shall, upon receipt, be paid into the state~~  
22           ~~public school fund to be used for the support of the public schools of this~~  
23           ~~state.~~



1       municipalities and school districts located therein, shall exceed one  
2       million two hundred thousand dollars in any calendar year. Unless the  
3       balance paid to the state public school fund pursuant to subparagraph (I)  
4       of paragraph (b) of this subsection (3) exceeds ten million seven hundred  
5       thousand dollars in a calendar year, distribution above two hundred  
6       thousand dollars to any single county pursuant to this paragraph (a) shall  
7       not take effect during that calendar year.

8               (b) (I) Any balance of said fifty percent remaining after payments  
9       as provided in paragraph (a) of this subsection (3) shall be paid by the  
10       state treasurer, on or before the last day of December of each year, into  
11       the state public school fund and used for the support of the public  
12       schools.

13               (H) One-half of any balance of said fifty percent remaining after  
14       payments provided in paragraph (a) of this subsection (3) shall be paid by  
15       the state treasurer, on or before the last day of December of each year,  
16       into the local government mineral impact fund and used in accordance  
17       with the purposes described in subsection (1) of this section.

18               (III) An amount equal to twenty-five percent of the balance paid  
19       to the local government mineral impact fund pursuant to subparagraph  
20       (H) of this paragraph (b) shall be distributed annually to each county, in  
21       whose unincorporated area employees of a mine or related facility from  
22       which such money is derived reside, in the same proportion that the  
23       number of such employees bears to the total number of employees of such  
24       mines and related facilities who reside in the state and to each  
25       municipality, in which employees of such facilities reside, in the same  
26       proportion that the number thereof bears to the total number of employees  
27       of such mines and related facilities who reside in the state.

1                   (IV) Repealed.

2                   (c) (I) Except as provided in subparagraph (II) of this paragraph  
3                   (c), in each calendar year, each county shall notify the state treasurer to  
4                   have at least twenty-five percent of the moneys described in paragraph (a)  
5                   of this subsection (3) distributed to any school district within the county  
6                   specified by the board of county commissioners for use in accordance  
7                   with the purposes described in subsection (1) of this section. Except as  
8                   provided in subparagraph (II) of this paragraph (c), in each calendar year,  
9                   each county shall also notify the state treasurer to have at least  
10                   thirty-seven and one-half percent of that part of the moneys described in  
11                   paragraph (a) of this subsection (3) that exceeds two hundred fifty  
12                   thousand dollars distributed among the municipalities within the county  
13                   according to the percentage that the population within each municipality  
14                   bears to the total population of all municipalities located within the  
15                   county. The state treasurer shall not disburse funds to a county under this  
16                   subsection (3) until such notification is received. For the purposes of this  
17                   paragraph (c), "population" means the most recent population estimate at  
18                   the time of the distribution of the mineral leasing fund as prepared by the  
19                   demographic section of the division of local government.

20                   (II) (A) Any county may elect to have its distributions of the  
21                   moneys described in paragraph (a) of this subsection (3) from the mineral  
22                   leasing fund made pursuant to this subparagraph (II) by notifying the state  
23                   treasurer, in writing, of such election. Any election for distribution  
24                   pursuant to this subparagraph (II) shall be effective until withdrawn by  
25                   the county but shall be for a minimum of two full calendar years  
26                   following receipt by the state treasurer of the notice of election from the  
27                   county. After two full calendar years, a county may withdraw the election

1 for distribution pursuant to this subparagraph (H) and return to  
2 distribution pursuant to subparagraph (I) of this paragraph (c) by giving  
3 the state treasurer written notice of such withdrawal in addition to any  
4 notice required to be given under subparagraph (I) of this paragraph (c).  
5 However, during the first calendar year after receiving such notice of  
6 withdrawal, the state treasurer shall distribute twenty-five percent of the  
7 moneys the county would otherwise receive to the cities within the  
8 county, twenty-five percent to the school districts within the county, and  
9 transfer the remaining fifty percent to the local government mineral  
10 impact fund.

11 (B) For the first full calendar year following receipt by the state  
12 treasurer of notification of the county's election pursuant to  
13 sub subparagraph (A) of this subparagraph (H), the state treasurer shall  
14 transfer the moneys each county would otherwise receive pursuant to  
15 subparagraph (I) of this paragraph (c) to the local government mineral  
16 impact fund created in subsection (5) of this section.

17 (C) For the second full calendar year following receipt by the state  
18 treasurer of notification of the county's election pursuant to  
19 sub subparagraph (A) of this subparagraph (H) and for each calendar year  
20 thereafter, unless a county has withdrawn its election for distribution  
21 pursuant to this subparagraph (H), the state treasurer shall distribute to  
22 each county making such election the moneys attributable to such county  
23 as described in paragraph (a) of this subsection (3) as follows: Fifty  
24 percent to school districts within the county and fifty percent to  
25 municipalities within the county. Where more than one school district  
26 exists within a county, the distribution to each school district shall be the  
27 percentage that the most recent funded pupil count, as determined

1 pursuant to the "Public School Finance Act of 1994", article 54 of title 22,  
2 C.R.S., for pupils enrolled in the county attributable to that school district  
3 bears to the most recent total funded pupil count for all pupils attributable  
4 to the county. Where more than one municipality exists within a county,  
5 the distribution to each municipality shall be based on population as set  
6 forth in subparagraph (I) of this paragraph (c).

7 (4) Before July 1, 2008, ten percent of all moneys described in  
8 paragraph (a) of subsection (1) of this section shall, upon receipt, be paid  
9 into the Colorado water conservation board construction fund created by  
10 section 37-60-121, C.R.S., for appropriation by the general assembly  
11 pursuant to the provisions of section 37-60-122, C.R.S., and for use in  
12 accordance with the purposes and priorities described in subsection (1) of  
13 this section.

14 (5) (a) (I) (A) Except as provided in subparagraph (IV) of this  
15 paragraph (a), before July 1, 2008, the remaining fifteen percent of all  
16 moneys described in paragraph (a) of subsection (1) of this section, any  
17 moneys received pursuant to subparagraph (II) of paragraph (b) of  
18 subsection (3) of this section, and any moneys received pursuant to  
19 subparagraph (II) of paragraph (c) of subsection (3) of this section shall,  
20 upon receipt, be paid into the local government mineral impact fund,  
21 which is hereby created. Before July 1, 2008, the executive director of  
22 the department of local affairs shall distribute said moneys from the fund  
23 pursuant to subsection (3) of this section; except that the remainder  
24 provided for in this paragraph (a) shall be distributed in accordance with  
25 the purposes and priorities described in subsection (1) of this section. On  
26 and after July 1, 2008, moneys shall be paid into the LOCAL GOVERNMENT  
27 MINERAL IMPACT fund, WHICH IS HEREBY CREATED, as specified in

1 paragraph (b) of subsection (5.4) of this section and distributed as  
2 specified in paragraphs (b) and (c) of said subsection.

3 (B) Notwithstanding any other provision of this paragraph (a) or  
4 subsection (5.5) of this section, in the fiscal years commencing July 1,  
5 2006, July 1, 2007, July 1, 2008, July 1, 2009, and July 1, 2010, the  
6 executive director of the department of local affairs shall transfer three  
7 million two hundred fifty thousand dollars of the moneys in the fund to  
8 the state treasurer, who shall credit the moneys to the wildfire  
9 preparedness fund created in section 23-31-309 (4), C.R.S.

10 (III) For the fiscal year commencing July 1, 2007, of the moneys  
11 transferred pursuant to subparagraph (I) of this paragraph (a) to the  
12 wildfire preparedness fund created in section 23-31-309 (4), C.R.S., two  
13 hundred fifty thousand dollars shall be transferred to the wildfire  
14 emergency response fund created in section 23-31-309 (1), C.R.S.

15 (IV) One hundred percent of the moneys credited to the local  
16 government mineral impact fund created in subparagraph (I) of this  
17 paragraph (a) by operation of sub-subparagraph (C) of subparagraph (I)  
18 of paragraph (a) of subsection (5.3) of this section shall be distributed by  
19 the executive director of the department of local affairs in accordance  
20 with the purposes and priorities described in subsection (1) of this  
21 section, and in distributing such moneys the executive director shall give  
22 priority to those communities most directly and substantially impacted by  
23 production of energy resources on federal mineral lands and to grant  
24 applications that:

25 (A) Are submitted jointly by multiple local governments; or  
26 (B) Seek funding for a project that is a multi-jurisdictional project  
27 or that requires a substantial amount of funding.

16 (D) Notwithstanding any provision of this subsection (5.3) to the  
17 contrary, on April 15, 2010, the state treasurer shall deduct fourteen  
18 million three hundred five thousand six hundred ninety-seven dollars  
19 from the local government permanent fund and transfer such sum to the  
20 general fund.

21 (5.4) Except as otherwise provided in subsection (5.5) of this  
22 section, on and after July 1, 2008, all moneys other than bonus payments,  
23 as defined in paragraph (b) of subsection (5.3) of this section, credited to  
24 the mineral leasing fund created in subparagraph (I) of paragraph (a) of  
25 subsection (1) of this section shall be distributed on a quarterly basis for  
26 quarters beginning on July 1, October 1, January 1, and April 1 of each  
27 state fiscal year as follows:

1                   (b) (I) For each quarter commencing during the 2008-09 fiscal  
2                   year or during any succeeding fiscal year, forty percent of the moneys  
3                   shall be credited to the local government mineral impact fund. Fifty  
4                   percent of the moneys so credited shall be distributed by the executive  
5                   director of the department of local affairs in accordance with the purposes  
6                   and priorities described in subsection (1) of this section, and in  
7                   distributing such THE moneys the executive director shall give priority to  
8                   those communities most directly and substantially impacted by production  
9                   of energy resources on federal mineral lands and to grant applications  
10                   that:

11                   (I) (A) Are submitted jointly by multiple local governments; or  
12                   (I) (B) Seek funding for a project that is a multi-jurisdictional  
13                   project or that requires a substantial amount of funding.

14                   (II) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,  
15                   IN THE FISCAL YEARS COMMENCING JULY 1, 2012, AND JULY 1, 2013,  
16                   UNLESS ANOTHER SOURCE OF FUNDING BECOMES AVAILABLE, THE  
17                   EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS SHALL  
18                   TRANSFER, PRIOR TO ANY OTHER DISTRIBUTION SPECIFIED IN THIS  
19                   PARAGRAPH (b), THREE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS  
20                   OF THE MONEYS AVAILABLE FOR GRANT APPLICATIONS PURSUANT TO THIS  
21                   PARAGRAPH (b) TO THE STATE TREASURER, WHO SHALL CREDIT THE  
22                   MONEYS TO THE WILDFIRE PREPAREDNESS FUND CREATED IN SECTION  
23                   23-31-309 (4), C.R.S. THE COLORADO STATE FOREST SERVICE  
24                   DESIGNATED IN SECTION 23-31-302, C.R.S., SHALL ANNUALLY REPORT ON  
25                   THE USE OF THE MONIES TRANSFERRED PURSUANT TO THIS SUBPARAGRAPH  
26                   (II) TO THE DEPARTMENT OF LOCAL AFFAIRS, THE OFFICE OF STATE  
27                   PLANNING AND BUDGETING, AND THE GENERAL ASSEMBLY. THIS

1        SUBPARAGRAPH (II) IS REPEALED, EFFECTIVE JULY 1, 2016.

2            (b.5) ~~Notwithstanding any provision of paragraph (b) of this~~  
3 ~~subsection (5.4) to the contrary, for each quarter commencing during the~~  
4 ~~2009-10 fiscal year, as soon as practicable after moneys are credited to~~  
5 ~~the local government mineral impact fund pursuant to paragraph (b) of~~  
6 ~~this subsection (5.4), the state treasurer shall transfer from the local~~  
7 ~~government mineral impact fund to the general fund an amount equal to~~  
8 ~~fifty percent of the amount so credited to the fund for such quarter, except~~  
9 ~~that the aggregate amount of moneys so transferred pursuant to this~~  
10 ~~paragraph (b.5) shall not exceed twenty-two million six hundred thousand~~  
11 ~~dollars.~~

12            **SECTION 2.** 22-54-106 (1) (b) (I), Colorado Revised Statutes,  
13 is amended to read:

14            **22-54-106. Local and state shares of district total program.**  
15            (1) (b) (I) Except as provided in subsections (11) and (12) of this section,  
16 the state's share of a district's total program ~~shall be~~ is the difference  
17 between the district's total program and the district's share of its total  
18 program; except that, unless otherwise provided by subparagraph (II) of  
19 this paragraph (b), no district shall receive less in state aid than an amount  
20 established by the general assembly in the annual general appropriation  
21 act based upon the amount of school lands and mineral lease moneys  
22 received pursuant to ~~the provisions of~~ article 41 of this title and section  
23 34-63-102, (2), C.R.S., multiplied by the district's funded pupil count.

24            **SECTION 3. Repeal.** 39-29-110 (1) (a) (II), Colorado Revised  
25 Statutes, is repealed as follows:

26            **39-29-110. Local government severance tax fund - creation -**  
27 **administration - definitions.** (1) (a) (II) ~~On or before December 31 in~~

1 the calendar year in which the state treasurer receives notification of the  
2 election by the county pursuant to section 34-63-102 (3) (c) (II) (A),  
3 C.R.S., the executive director of the department of local affairs shall  
4 distribute to each county making such election an amount equal to the  
5 amount attributable to that county that was transferred to the local  
6 government mineral impact fund pursuant to section 34-63-102 (3) (c) (II)  
7 (B), C.R.S.

8 **SECTION 4.** 39-29-116 (3) (a) and (3) (d), Colorado Revised  
9 Statutes, are amended to read:

10 **39-29-116. Uranium mill tailings remedial action program  
fund - creation - oversight committee - repeal.** (3) (a) The state  
12 treasurer is authorized to MAY accept and credit to the uranium mill  
13 tailings remedial action program fund any donations received by the state  
14 for the express purpose of projects for the cleanup of uranium mill  
15 tailings. Such THE donations may include any amounts made available  
16 from the local government severance tax fund and the local government  
17 mineral impact fund as directed by the executive director of the  
18 department of local affairs pursuant to section 39-29-110 and section  
19 34-63-102, (5), C.R.S., and with the approval of the oversight committee  
20 as created in subsection (4) of this section. It is the intent of the general  
21 assembly that a minimum of six million dollars be retained in the local  
22 government severance tax fund and the local government mineral impact  
23 fund for grants and loans to local communities.

24 (d) For fiscal years after 1996-97, the executive director of the  
25 department of local affairs may distribute moneys from the local  
26 government mineral impact fund and the local government severance tax  
27 fund pursuant to sections 34-63-102 (5) and 39-29-110 (1) (b) (III) (A),

1 C.R.S., respectively.

2 **SECTION 5. Safety clause.** The general assembly hereby finds,  
3 determines, and declares that this act is necessary for the immediate  
4 preservation of the public peace, health, and safety.