

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

SENATE BILL 15-244

BY SENATOR(S) Grantham, Lambert, Steadman, Crowder, Jones, Merrifield, Cadman;
also REPRESENTATIVE(S) Rankin, Hamner, Young, Becker K., Fields, Garnett, Kraft-Tharp, Lee, Lontine, Mitsch Bush, Rosenthal, Thurlow, Williams, Winter.

CONCERNING THE TRANSFER OF MONEYS TO OFFSET THE FEDERAL GOVERNMENT'S RECOUPMENT OF MINERAL LEASE PAYMENTS TO THE STATE.

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) In 2008, conservation groups sued the federal government over a land management plan that allowed oil and gas companies to lease parts of the Roan Plateau for drilling purposes;

(b) On November 19, 2014, the United States department of the interior entered into a settlement agreement that canceled most of the Roan Plateau leases;

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

(c) As a result, the department of the interior will refund the related lease payments it received, and this refund includes a portion of the related payments to the state;

(d) Under federal law, the state is required to reimburse the United States for the payments that are refunded;

(e) The department of the interior will recoup the state's share of the refund from the mineral lease payments made to the state over the next three fiscal years;

(f) As a result, the distributions of mineral lease revenues to the state public school fund, the Colorado water conservation board construction fund, and the local government mineral impact fund would be proportionately reduced, though the original payments being recouped were not generally distributed to these funds;

(g) Any state moneys directly given to local governments to offset the lost federal moneys would count as local district fiscal year spending, unlike federal moneys, which are excluded from fiscal year spending; and

(h) This change in accounting for purposes of fiscal year spending has less of an impact on school districts that receive money from the state public school fund.

(2) Now, therefore, it is the intent of the general assembly to mitigate the fiscal impact of the recoupment of mineral leasing funds by transferring general fund moneys to the state public school fund and having some of the transfer replace the portion of the recouped federal moneys that would have been credited to the fund and to have the remainder supplant other federal moneys that are then transferred to other cash funds and primarily distributed to local governments.

SECTION 2. In Colorado Revised Statutes, 34-63-102, **add** (1) (c) as follows:

34-63-102. Creation of mineral leasing fund - distribution - advisory committee - local government permanent fund created - definitions - repeal. (1) (c) (I) FOR THE FISCAL YEAR 2015-16, AND FOR EACH OF THE NEXT TWO FISCAL YEARS THEREAFTER, WHEN THE STATE

TREASURER RECEIVES DOCUMENTATION FROM THE OFFICE OF NATURAL RESOURCES REVENUE IN THE UNITED STATES DEPARTMENT OF THE INTERIOR THAT MONEYS RECEIVED FOR THE FISCAL YEAR BY THE STATE TREASURER AND DEPOSITED INTO THE MINERAL LEASING FUND PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF THIS SUBSECTION (1) HAVE BEEN OFFSET BY A RECOUPMENT, THEN ON THE DATE OF THE FIRST QUARTERLY DISTRIBUTION FOR THE FISCAL YEAR REQUIRED UNDER SUBSECTION (5.4) OF THIS SECTION, THE STATE TREASURER SHALL TRANSFER SEVEN MILLION SEVEN HUNDRED EIGHTY-EIGHT THOUSAND EIGHT HUNDRED SIXTY-SIX DOLLARS FROM THE GENERAL FUND TO THE STATE PUBLIC SCHOOL FUND TO BE USED FOR THE SUPPORT OF THE PUBLIC SCHOOLS OF THE STATE. SIMULTANEOUS WITH THIS TRANSFER, THE STATE TREASURER SHALL TRANSFER FOUR MILLION TWENTY-SIX THOUSAND EIGHT HUNDRED FORTY-FOUR DOLLARS FROM THE FEDERAL MONEYS IN THE STATE PUBLIC SCHOOL FUND THAT WERE TRANSFERRED FROM THE MINERAL LEASING FUND AS FOLLOWS:

(A) THREE MILLION ONE HUNDRED FIFTEEN THOUSAND FIVE HUNDRED FORTY-SIX DOLLARS TO THE LOCAL GOVERNMENT MINERAL IMPACT FUND TO BE DISTRIBUTED IN ACCORDANCE WITH SUBPARAGRAPH (I) OF PARAGRAPH (b) OF SUBSECTION (5.4) OF THIS SECTION;

(B) SEVEN HUNDRED SEVENTY-EIGHT THOUSAND EIGHT HUNDRED EIGHTY-SEVEN DOLLARS TO THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND TO BE DISTRIBUTED IN ACCORDANCE WITH SUBPARAGRAPH (II) OF PARAGRAPH (d) OF SUBSECTION (5.4) OF THIS SECTION; AND

(C) ONE HUNDRED THIRTY-TWO THOUSAND FOUR HUNDRED ELEVEN DOLLARS TO THE LOCAL GOVERNMENT MINERAL IMPACT FUND TO BE DISTRIBUTED IN ACCORDANCE WITH SUBPARAGRAPH (II) OF PARAGRAPH (e) OF SUBSECTION (5.4) OF THIS SECTION.

(II) IF THE FEDERAL MONEYS IN THE STATE PUBLIC SCHOOL FUND THAT THE STATE TREASURER IS REQUIRED TO TRANSFER UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) ARE LESS THAN FOUR MILLION TWENTY-SIX THOUSAND EIGHT HUNDRED FORTY-FOUR DOLLARS, THEN THE STATE TREASURER SHALL PROPORTIONALLY REDUCE THE TRANSFERS TO THE CASH FUNDS. THEREAFTER, THE STATE TREASURER SHALL TRANSFER THE REMAINDER TO THE CASH FUNDS AT THE SAME TIME THE SUBSEQUENT

QUARTERLY DISTRIBUTIONS FOR THE FISCAL YEAR ARE MADE UNTIL THE REQUIRED TOTAL, OR SO MUCH THEREOF AS IS POSSIBLE BASED ON THE AMOUNT OF AVAILABLE FEDERAL MONEYS, IS TRANSFERRED.

(III) THREE MILLION SEVEN HUNDRED SIXTY-TWO THOUSAND TWENTY-TWO DOLLARS OF THE GENERAL FUND MONEY TRANSFERRED TO THE STATE PUBLIC SCHOOL FUND AND ALL OF THE AMOUNTS TRANSFERRED TO OTHER CASH FUNDS IN ACCORDANCE WITH THIS PARAGRAPH (c) ARE ADDED TO THE AMOUNT DISTRIBUTED TO THE SAME CASH FUNDS PURSUANT TO SUBSECTION (5.4) OF THIS SECTION FOR THE PURPOSE OF DETERMINING WHETHER THE MAXIMUM ALLOWABLE DISTRIBUTION TO THE FUNDS HAS BEEN EXCEEDED AND WHETHER PARAGRAPH (a) OF SUBSECTION (5.5) OF THIS SECTION APPLIES.

(IV) THIS PARAGRAPH (c) IS REPEALED, EFFECTIVE JULY 1, 2019.

SECTION 3. In Colorado Revised Statutes, 22-54-114, **add** (1.5) as follows:

22-54-114. State public school fund - repeal.
(1.5) (a) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, THE STATE PUBLIC SCHOOL FUND ALSO INCLUDES ANY GENERAL FUND MONEYS TRANSFERRED THERETO IN ACCORDANCE WITH SECTION 34-63-102 (1) (c) (I), C.R.S.

(b) THIS SUBSECTION (1.5) IS REPEALED, EFFECTIVE JULY 1, 2019.

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.

Bill L. Cadman
PRESIDENT OF
THE SENATE

Dickey Lee Hullinghorst
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO