NOTE: This bill has been prepared for the signature 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 08-218

BY SENATOR(S) Schwartz and Penry, Isgar, Groff, Romer, Windels, Bacon, Boyd, Gibbs, Gordon, Keller, Kester, McElhany, Mitchell S., Morse, Sandoval, Shaffer, Spence, Tochtrop, Veiga, Ward, and Williams; also REPRESENTATIVE(S) Buescher and Balmer, Fischer, Curry, Carroll T., Casso, Ferrandino, Gardner C., Garza-Hicks, Green, Jahn, King, Labuda, Looper, Lundberg, Madden, Marostica, May M., Middleton, Stafford, Stephens, Todd, Benefield, Borodkin, Butcher, Gallegos, McFadyen, and Merrifield.

CONCERNING THE ALLOCATION OF FEDERAL MINERAL LEASE REVENUES, AND, IN CONNECTION THEREWITH, REQUIRING FEDERAL MINERAL LEASE BONUS PAYMENTS TO BE TRANSFERRED TO A NEW LOCAL GOVERNMENT PERMANENT FUND AND A NEW HIGHER EDUCATION MAINTENANCE AND RESERVE FUND AND SPECIFYING THE CIRCUMSTANCES IN WHICH AND PURPOSES FOR WHICH MONEYS IN THE FUNDS MAY BE USED, PRESERVING EXISTING ALLOCATIONS OF FEDERAL MINERAL LEASE REVENUES TO THE STATE PUBLIC SCHOOL FUND AND THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND AND ALLOWING A LIMITED AMOUNT OF GROWTH IN THOSE ALLOCATIONS, ALLOCATING REMAINING FEDERAL MINERAL LEASE REVENUES TO COUNTIES, MUNICIPALITIES, AND SCHOOL DISTRICTS THROUGH FEDERAL MINERAL LEASE-SPECIFIC FORMULA-BASED DIRECT DISTRIBUTIONS AND DEPARTMENT OF LOCAL AFFAIRS GRANTS AND TO THE HIGHER EDUCATION MAINTENANCE AND

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

RESERVE FUND AND A NEW HIGHER EDUCATION FEDERAL MINERAL LEASE REVENUES FUND, SPECIFYING THE CIRCUMSTANCES IN WHICH HIGHER EDUCATION MAINTENANCE AND RESERVE FUND MONEYS MAY BE EXPENDED FOR SPECIFIED HIGHER EDUCATION FUNDING PURPOSES, AND MAKING AN APPROPRIATION.

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

SECTION 1. 34-63-102 (1) (a), (2) (a), (3) (a), (3) (c) (II) (A), (4), and (5) (a) (I), Colorado Revised Statutes, are amended, and the said 34-63-102 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

34-63-102. Creation of mineral leasing fund - distribution - advisory committee. (1) (a) (I) On or after January 1, 1977, BUT BEFORE JULY 1, 2008, all moneys, including any interest earned therefrom, now held or to be received by the state treasurer pursuant to the provisions of the federal "Mineral Lands Leasing Act" of February 25, 1920, as amended, except those moneys described in section 34-63-104, shall be deposited by the state treasurer into a special fund to be known as the mineral leasing fund, which is hereby created, for use by state agencies, public schools, and political subdivisions of the state as described in this section for planning, construction, and maintenance of public facilities and for public services.

(II) ON AND AFTER JULY 1, 2008, ALL MONEYS, INCLUDING ANY INTEREST AND INCOME DERIVED THEREFROM, RECEIVED BY THE STATE TREASURER PURSUANT TO THE PROVISIONS OF THE FEDERAL "MINERAL LANDS LEASING ACT" OF FEBRUARY 25, 1920, AS AMENDED, EXCEPT THOSE MONEYS DESCRIBED IN SECTION 34-63-104, SHALL BE DEPOSITED BY THE STATE TREASURER INTO THE MINERAL LEASING FUND FOR USE BY STATE AGENCIES, PUBLIC SCHOOLS, AND POLITICAL SUBDIVISIONS OF THE STATE AS DESCRIBED IN SUBSECTIONS (5.3) AND (5.4) OF THIS SECTION AND FOR TRANSFER TO THE HIGHER EDUCATION FEDERAL MINERAL LEASE REVENUES FUND CREATED IN SECTION 23-19.9-102 (1) (a), C.R.S., THE HIGHER EDUCATION MAINTENANCE AND RESERVE FUND CREATED IN SECTION 23-19.9-102 (2) (a), C.R.S., AND THE LOCAL GOVERNMENT PERMANENT FUND CREATED IN SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (I) OF PARAGRAPH (a) OF SUBSECTION (5.3) OF THIS SECTION, AS REQUIRED BY THIS SECTION AND SECTION 23-19.9-102, C.R.S.

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

(3) (a) BEFORE JULY 1, 2008, fifty percent of all moneys described in paragraph (a) of subsection (1) of this section shall be distributed ten working days after receipt of the last monthly payment in each quarter among those respective counties of this state from which the federal leasing money is derived in proportion to the amount of said federal leasing money derived from each of the respective counties for use by said counties for the purposes described in subsection (1) of this section and for use by municipalities and school districts within said counties as provided in paragraph (c) of this subsection (3); except that no distribution under this paragraph (a) to any single county, including the amounts distributed under paragraph (c) of this subsection (3) to municipalities and school districts located therein, shall exceed one million two hundred thousand dollars in any calendar year. Unless the balance paid to the state public school fund pursuant to subparagraph (I) of paragraph (b) of this subsection (3) exceeds ten million seven hundred thousand dollars in a calendar year, distribution above two hundred thousand dollars to any single county pursuant to this paragraph (a) shall not take effect during that calendar year.

(c) (II) (A) Any county may elect to have its distributions OF THE MONEYS DESCRIBED IN PARAGRAPH (a) OF THIS SUBSECTION (3) from the mineral leasing fund made pursuant to this subparagraph (II) by notifying the state treasurer, in writing, of such election. Any election for distribution pursuant to this subparagraph (II) shall be effective until withdrawn by the county but shall be for a minimum of two full calendar years following receipt by the state treasurer of the notice of election from the county. After two full calendar years, a county may withdraw the election for distribution pursuant to this subparagraph (II) and return to distribution pursuant to subparagraph (I) of this paragraph (c) by giving the state treasurer written notice of such withdrawal in addition to any notice required to be given under subparagraph (I) of this paragraph (c). However, during the first calendar year after receiving such notice of withdrawal, the state treasurer shall distribute twenty-five percent of the moneys the county would

otherwise receive to the cities within the county, twenty-five percent to the school districts within the county, and transfer the remaining fifty percent to the local government mineral impact fund.

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

(5) (a) (I) BEFORE JULY 1, 2008, the remaining fifteen percent of all moneys described in paragraph (a) of subsection (1) of this section, any moneys received pursuant to subparagraph (II) of paragraph (b) of subsection (3) of this section, and any moneys received pursuant to subparagraph (II) of paragraph (c) of subsection (3) of this section shall, upon receipt, be paid into the local government mineral impact fund, which is hereby created. BEFORE JULY 1, 2008, the executive director of the department of local affairs shall distribute SAID moneys from ~~such~~ THE fund pursuant to subsection (3) of this section; except that the remainder provided for in this paragraph (a) shall be distributed in accordance with the purposes and priorities described in subsection (1) of this section. ~~Notwithstanding any other provision of this paragraph (a) to the contrary, the executive director shall distribute moneys from such fund to the uranium mill tailings remedial action program fund in accordance with the provisions of section 39-29-116 (3), C.R.S.~~ ON AND AFTER JULY 1, 2008, MONEYS SHALL BE PAID INTO THE FUND AS SPECIFIED IN PARAGRAPH (b) OF SUBSECTION (5.4) OF THIS SECTION AND DISTRIBUTED AS SPECIFIED IN PARAGRAPHS (b) AND (c) OF SAID SUBSECTION. Notwithstanding any other provision of this paragraph (a) OR SUBSECTION (5.5) OF THIS SECTION, in the fiscal years commencing July 1, 2006, July 1, 2007, July 1, 2008, July 1, 2009, and July 1, 2010, the executive director of the department of local affairs shall transfer three million two hundred fifty thousand dollars of the moneys in the fund to the state treasurer, who shall credit the moneys to the wildfire preparedness fund created in section 23-31-309 (4), C.R.S.

(5.3) (a) BONUS PAYMENTS CREDITED TO THE MINERAL LEASING FUND CREATED IN SUBPARAGRAPH (I) OF PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION SHALL BE DISTRIBUTED ON A QUARTERLY BASIS FOR EACH

QUARTER COMMENCING ON JULY 1, OCTOBER 1, JANUARY 1, OR APRIL 1 OF ANY STATE FISCAL YEAR AS FOLLOWS:

(I) (A) FIFTY PERCENT OF THE BONUS PAYMENTS SHALL BE TRANSFERRED TO THE LOCAL GOVERNMENT PERMANENT FUND, WHICH IS HEREBY CREATED IN THE STATE TREASURY. INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE LOCAL GOVERNMENT PERMANENT FUND SHALL BE CREDITED TO THE PERMANENT FUND AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR. EXCEPT AS OTHERWISE PROVIDED IN SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (I), MONEYS IN THE PERMANENT FUND SHALL NOT BE EXPENDED FOR ANY PURPOSE. THE STATE TREASURER MAY INVEST MONEYS IN THE LOCAL GOVERNMENT PERMANENT FUND IN ANY INVESTMENT IN WHICH THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION MAY INVEST THE FUNDS OF THE ASSOCIATION PURSUANT TO SECTION 24-51-206, C.R.S.

(B) IF, BASED ON THE REVENUE ESTIMATE PREPARED BY THE STAFF OF THE LEGISLATIVE COUNCIL IN MARCH OF ANY FISCAL YEAR, IT IS ANTICIPATED THAT THE TOTAL AMOUNT OF MONEYS THAT WILL BE DEPOSITED INTO THE MINERAL LEASING FUND PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION DURING THE FISCAL YEAR WILL BE AT LEAST TEN PERCENT LESS THAN THE AMOUNT OF MONEYS SO DEPOSITED DURING THE IMMEDIATELY PRECEDING FISCAL YEAR, THE GENERAL ASSEMBLY MAY APPROPRIATE MONEYS FROM THE LOCAL GOVERNMENT PERMANENT FUND TO THE DEPARTMENT OF LOCAL AFFAIRS FOR THE CURRENT FISCAL YEAR. THE MAXIMUM AMOUNT THAT THE GENERAL ASSEMBLY MAY APPROPRIATE FOR THE CURRENT FISCAL YEAR PURSUANT TO THIS SUB-SUBPARAGRAPH (B) IS AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE TOTAL AMOUNT OF MONEYS CREDITED TO THE LOCAL GOVERNMENT MINERAL IMPACT FUND AND DIRECTLY DISTRIBUTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT PURSUANT TO PARAGRAPH (c) OF SUBSECTION (5.4) OF THIS SECTION DURING THE IMMEDIATELY PRECEDING FISCAL YEAR AND THE ESTIMATED TOTAL AMOUNT OF MONEYS TO BE SO CREDITED AND DISTRIBUTED FOR THE CURRENT FISCAL YEAR. THE EXECUTIVE DIRECTOR OF THE DEPARTMENT SHALL DISTRIBUTE ALL MONEYS APPROPRIATED PURSUANT TO THIS SUB-SUBPARAGRAPH (B) DIRECTLY TO COUNTIES AND MUNICIPALITIES IN COMBINATION WITH AND USING THE METHODOLOGY SET FORTH IN SUBPARAGRAPHS (I) TO (IV) OF PARAGRAPH (c) OF SUBSECTION (5.4) OF THIS SECTION.

(II) FIFTY PERCENT OF THE BONUS PAYMENTS SHALL BE TRANSFERRED TO THE HIGHER EDUCATION MAINTENANCE AND RESERVE FUND CREATED IN SECTION 23-19.9-102 (2) (a), C.R.S.

(b) FOR PURPOSES OF THIS SUBSECTION (5.3), "BONUS PAYMENTS" MEANS THE PORTION OF THE COMPENSATION PAID TO THE FEDERAL GOVERNMENT AS CONSIDERATION FOR THE GRANTING OF A FEDERAL MINERAL LEASE THAT IS PAYABLE REGARDLESS OF THE EXTENT OF USE OF THE MINERAL INTEREST AND IS FIXED AND CERTAIN IN AMOUNT, WHETHER OR NOT PAYABLE IN ONE OR MORE PERIODIC INCREMENTS OVER A FIXED PERIOD, THAT IS SUBSEQUENTLY RECEIVED BY THE STATE TREASURER PURSUANT TO THE PROVISIONS OF THE FEDERAL "MINERAL LANDS LEASING ACT" OF FEBRUARY 20, 1920, AS AMENDED, AND THAT IS NOT COMPRISED OF MONEYS DESCRIBED IN SECTION 34-63-104. "BONUS PAYMENTS" DO NOT INCLUDE ANY COMPENSATION PAID TO THE FEDERAL GOVERNMENT THAT VARIES IN AMOUNT BASED ON THE AMOUNT OF MINERAL PRODUCTION OF THE PAYOR.

(5.4) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5.5) OF THIS SECTION, ON AND AFTER JULY 1, 2008, ALL MONEYS OTHER THAN BONUS PAYMENTS, AS DEFINED IN PARAGRAPH (b) OF SUBSECTION (5.3) OF THIS SECTION, CREDITED TO THE MINERAL LEASING FUND CREATED IN SUBPARAGRAPH (I) OF PARAGRAPH (a) OF SUBSECTION (1) OF THIS SECTION SHALL BE DISTRIBUTED ON A QUARTERLY BASIS FOR QUARTERS BEGINNING ON JULY 1, OCTOBER 1, JANUARY 1, AND APRIL 1 OF EACH STATE FISCAL YEAR AS FOLLOWS:

(a) (I) FOR EACH QUARTER COMMENCING DURING THE 2008-09, 2009-10, AND 2010-11 FISCAL YEARS, FORTY-EIGHT AND THREE-TENTHS PERCENT OF THE MONEYS SHALL BE TRANSFERRED TO THE STATE PUBLIC SCHOOL FUND TO BE USED FOR THE SUPPORT OF THE PUBLIC SCHOOLS OF THE STATE; EXCEPT THAT THE TOTAL AMOUNT OF MONEYS TRANSFERRED DURING EACH OF SAID FISCAL YEARS SHALL NOT EXCEED SIXTY-FIVE MILLION DOLLARS.

(II) FOR EACH QUARTER COMMENCING DURING THE 2011-12 FISCAL YEAR OR DURING ANY SUCCEEDING FISCAL YEAR, FORTY-EIGHT AND THREE-TENTHS PERCENT OF THE MONEYS SHALL BE PAID INTO THE STATE PUBLIC SCHOOL FUND TO BE USED FOR THE SUPPORT OF THE PUBLIC SCHOOLS OF THE STATE; EXCEPT THAT THE MAXIMUM AMOUNT OF MONEYS

TRANSFERRED DURING ANY FISCAL YEAR SHALL NOT EXCEED THE MAXIMUM AMOUNT OF MONEYS ALLOWED TO BE TRANSFERRED DURING THE 2010-11 FISCAL YEAR MULTIPLIED BY ONE HUNDRED FOUR PERCENT PER YEAR FOR EACH SUCCEEDING FISCAL YEAR.

(b) FOR EACH QUARTER COMMENCING DURING THE 2008-09 FISCAL YEAR OR DURING ANY SUCCEEDING FISCAL YEAR, FORTY PERCENT OF THE MONEYS SHALL BE CREDITED TO THE LOCAL GOVERNMENT MINERAL IMPACT FUND. FIFTY PERCENT OF THE MONEYS SO CREDITED SHALL BE DISTRIBUTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS IN ACCORDANCE WITH THE PURPOSES AND PRIORITIES DESCRIBED IN SUBSECTION (1) OF THIS SECTION, AND IN DISTRIBUTING SUCH MONEYS THE EXECUTIVE DIRECTOR SHALL GIVE PRIORITY TO THOSE COMMUNITIES MOST DIRECTLY AND SUBSTANTIALLY IMPACTED BY PRODUCTION OF ENERGY RESOURCES ON FEDERAL MINERAL LANDS AND TO GRANT APPLICATIONS THAT:

(I) ARE SUBMITTED JOINTLY BY MULTIPLE LOCAL GOVERNMENTS; OR

(II) SEEK FUNDING FOR A PROJECT THAT IS A MULTI-JURISDICTIONAL PROJECT OR THAT REQUIRES A SUBSTANTIAL AMOUNT OF FUNDING.

(c) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS SHALL ANNUALLY DIRECTLY DISTRIBUTE THE REMAINING FIFTY PERCENT OF THE MONEYS CREDITED TO THE LOCAL GOVERNMENT MINERAL IMPACT FUND PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (5.4) AND ANY MONEYS APPROPRIATED BY THE GENERAL ASSEMBLY FROM THE LOCAL GOVERNMENT PERMANENT FUND TO THE DEPARTMENT PURSUANT TO SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (I) OF PARAGRAPH (a) OF SUBSECTION (5.3) OF THIS SECTION TO COUNTIES AND MUNICIPALITIES AS FOLLOWS:

(I) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH (c), MONEYS SHALL BE ALLOCATED TO COUNTIES FOR EACH FISCAL YEAR BY AUGUST 31 OF THE FOLLOWING FISCAL YEAR AMONG THOSE RESPECTIVE COUNTIES OF THE STATE FROM WHICH THE MONEYS ARE DERIVED BASED UPON THE FOLLOWING FACTORS:

(A) THE PROPORTION OF THE TOTAL AMOUNT OF MONEYS CREDITED TO THE MINERAL LEASING FUND THAT IS DERIVED FROM EACH OF THE

RESPECTIVE COUNTIES; AND

(B) ON THE BASIS OF THE REPORT REQUIRED BY SECTION 39-29-110 (1) (d), C.R.S., THE PROPORTION OF EMPLOYEES OF MINES OR RELATED FACILITIES OR CRUDE OIL, NATURAL GAS, OR OIL AND GAS OPERATIONS WHO RESIDE IN A COUNTY TO THE TOTAL NUMBER OF EMPLOYEES OF MINES AND RELATED FACILITIES OR CRUDE OIL, NATURAL GAS, OR OIL AND GAS OPERATIONS WHO RESIDE IN THE STATE.

(II) EXCEPT AS OTHERWISE SPECIFIED IN SUBPARAGRAPH (IV) OF THIS PARAGRAPH (c), THE MONEYS ALLOCATED TO EACH COUNTY PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) SHALL BE FURTHER DISTRIBUTED TO THE COUNTY AND TO EACH MUNICIPALITY WITHIN THE COUNTY BASED UPON THE FOLLOWING FACTORS:

(A) THE PROPORTION OF EMPLOYEES REPORTED AS RESIDENTS PURSUANT TO SECTION 39-29-110 (1) (d), C.R.S., IN THE COUNTY'S UNINCORPORATED AREA OR IN ANY MUNICIPALITY WITHIN THE COUNTY TO THE TOTAL NUMBER OF EMPLOYEES REPORTED AS RESIDENTS IN THE COUNTY AS A WHOLE PURSUANT TO SAID SECTION;

(B) THE PROPORTION OF THE POPULATION IN ANY SUCH COUNTY'S UNINCORPORATED AREA OR IN ANY SUCH MUNICIPALITY WITHIN THE COUNTY TO THE TOTAL POPULATION IN THE COUNTY, AS SUCH POPULATION IS REPORTED IN THE MOST RECENTLY PUBLISHED POPULATION ESTIMATE FROM THE STATE DEMOGRAPHER APPOINTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS; AND

(C) THE PROPORTION OF ROAD MILES IN ANY SUCH COUNTY'S UNINCORPORATED AREA OR IN ANY SUCH MUNICIPALITY WITHIN THE COUNTY TO THE TOTAL ROAD MILES IN THE COUNTY, AS SUCH MILES ARE CERTIFIED BY THE DEPARTMENT OF TRANSPORTATION TO THE STATE TREASURER PURSUANT TO SECTIONS 43-4-207 (2) (d) AND 43-4-208 (3), C.R.S.

(III) WITH RESPECT TO THE DISTRIBUTION MADE PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (c), THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS SHALL ESTABLISH GUIDELINES THAT SET FORTH THE WEIGHT THAT EACH OF THE FACTORS IN SUB-SUBPARAGRAPHS (A) AND (B) OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (c) SHALL BE GIVEN, SUBJECT TO THE LIMITATION THAT THE

FACTOR DESCRIBED IN SAID SUB-SUBPARAGRAPH (B) SHALL NOT BE WEIGHTED MORE THAN THIRTY-FIVE PERCENT. IN ESTABLISHING THE GUIDELINES, THE EXECUTIVE DIRECTOR SHALL WEIGH THE FACTORS IN A MANNER THAT MOST ACCURATELY ESTIMATES THE ABSOLUTE AND RELATIVE IMPACTS OF PRODUCTION OF ENERGY RESOURCES ON FEDERAL MINERAL LANDS FOR EACH IMPACTED COUNTY SO THAT THE COUNTIES MOST SUBSTANTIALLY AND DIRECTLY IMPACTED BY SUCH PRODUCTION EACH RECEIVE A SUFFICIENT ALLOCATION AND NO COUNTY RECEIVES AN EXCESSIVE ALLOCATION.

(IV) WITH RESPECT TO THE DISTRIBUTION MADE PURSUANT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH (c), THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS, IN CONSULTATION WITH THE ENERGY IMPACT ASSISTANCE ADVISORY COMMITTEE ESTABLISHED PURSUANT TO SUBPARAGRAPH (I) OF PARAGRAPH (b) OF SUBSECTION (5) OF THIS SECTION, SHALL ESTABLISH GUIDELINES THAT SET FORTH THE WEIGHT THAT EACH OF THE FACTORS IN SUB-SUBPARAGRAPHS (A) TO (C) OF SUBPARAGRAPH (II) OF THIS PARAGRAPH (c) SHALL BE GIVEN. IN ESTABLISHING THE GUIDELINES, THE EXECUTIVE DIRECTOR AND THE COMMITTEE SHALL WEIGH THE FACTORS IN A MANNER THAT MOST ACCURATELY ESTIMATES THE ABSOLUTE AND RELATIVE IMPACTS OF PRODUCTION OF ENERGY RESOURCES ON FEDERAL MINERAL LANDS FOR EACH IMPACTED COUNTY AND MUNICIPALITY SO THAT THE COUNTIES AND MUNICIPALITIES MOST SUBSTANTIALLY AND DIRECTLY IMPACTED BY SUCH PRODUCTION EACH RECEIVE A SUFFICIENT ALLOCATION AND NO COUNTY OR MUNICIPALITY RECEIVES AN EXCESSIVE ALLOCATION. THESE GUIDELINES SHALL APPLY UNIFORMLY ACROSS THE STATE; EXCEPT THAT THE EXECUTIVE DIRECTOR MAY:

(A) ACCEPT A MEMORANDUM OF UNDERSTANDING FROM A COUNTY AND ALL MUNICIPALITIES CONTAINED THEREIN THAT ESTABLISHES AN ALTERNATIVE DISTRIBUTION THAT SHALL BE EFFECTIVE WITHIN THE COUNTY; AND

(B) AFTER CONSULTATION WITH THE ENERGY IMPACT ASSISTANCE ADVISORY COMMITTEE, VARY THE WEIGHT THAT EACH OF THE FACTORS IN SUB-SUBPARAGRAPHS (A) TO (C) OF SUBPARAGRAPH (II) OF THIS PARAGRAPH (c) RECEIVES IN AN INDIVIDUAL COUNTY IN ORDER TO MORE FAIRLY DISTRIBUTE THE GROSS RECEIPTS AMONG THE COUNTY AND ALL MUNICIPALITIES CONTAINED THEREIN.

(d) (I) FOR EACH QUARTER COMMENCING DURING THE 2008-09 FISCAL YEAR, TEN PERCENT OF THE MONEYS SHALL BE PAID INTO THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND CREATED IN SECTION 37-60-121 (1), C.R.S., FOR APPROPRIATION BY THE GENERAL ASSEMBLY PURSUANT TO THE PROVISIONS OF SECTION 37-60-122, C.R.S., AND FOR USE IN ACCORDANCE WITH THE PURPOSES AND PRIORITIES DESCRIBED IN SUBSECTION (1) OF THIS SECTION; EXCEPT THAT THE MAXIMUM AMOUNT OF MONEYS TRANSFERRED DURING THE 2008-09 FISCAL YEAR SHALL NOT EXCEED FOURTEEN MILLION DOLLARS.

(II) FOR EACH QUARTER COMMENCING DURING THE 2009-10 FISCAL YEAR OR DURING ANY SUCCEEDING FISCAL YEAR, AN AMOUNT EQUAL TO TEN PERCENT OF THE MONEYS SHALL BE PAID INTO THE COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND CREATED IN SECTION 37-60-121 (1), C.R.S., FOR APPROPRIATION BY THE GENERAL ASSEMBLY PURSUANT TO THE PROVISIONS OF SECTION 37-60-122, C.R.S., AND FOR USE IN ACCORDANCE WITH THE PURPOSES AND PRIORITIES DESCRIBED IN SUBSECTION (1) OF THIS SECTION; EXCEPT THAT THE MAXIMUM AMOUNT OF MONEYS TRANSFERRED DURING A SINGLE FISCAL YEAR SHALL NOT EXCEED THE MAXIMUM AMOUNT OF MONEYS ALLOWED TO BE TRANSFERRED DURING THE 2008-09 FISCAL YEAR MULTIPLIED BY ONE HUNDRED FOUR PERCENT PER YEAR FOR EACH SUCCEEDING FISCAL YEAR.

(e) (I) IN ADDITION TO THE MONEYS CREDITED TO THE LOCAL GOVERNMENT MINERAL IMPACT FUND PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (5.4), FOR THE 2008-09 FISCAL YEAR, ONE AND SEVEN-TENTHS PERCENT OF THE MONEYS SHALL BE CREDITED TO THE LOCAL GOVERNMENT MINERAL IMPACT FUND AND DISTRIBUTED TO SCHOOL DISTRICTS WITHIN THE COUNTIES THAT RECEIVE DISTRIBUTIONS PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (5.4); EXCEPT THAT THE MAXIMUM AMOUNT OF MONEYS CREDITED AND DISTRIBUTED SHALL NOT EXCEED THREE MILLION THREE HUNDRED THOUSAND DOLLARS. THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS SHALL DISTRIBUTE THE MONEYS TO THE SCHOOL DISTRICTS AS SPECIFIED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH (e);

(II) IN ADDITION TO THE MONEYS CREDITED TO THE LOCAL GOVERNMENT MINERAL IMPACT FUND PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (5.4), FOR THE 2009-10 FISCAL YEAR AND FOR EACH SUCCEEDING FISCAL YEAR, ONE AND SEVEN-TENTHS PERCENT OF THE

MONEYS SHALL BE CREDITED TO THE LOCAL GOVERNMENT MINERAL IMPACT FUND AND DISTRIBUTED TO SCHOOL DISTRICTS WITHIN THE COUNTIES THAT RECEIVE DISTRIBUTIONS PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (5.4); EXCEPT THAT THE MAXIMUM AMOUNT OF MONEYS CREDITED AND DISTRIBUTED FOR A FISCAL YEAR SHALL NOT EXCEED THE MAXIMUM AMOUNT OF MONEYS ALLOWED TO BE CREDITED AND DISTRIBUTED FOR THE 2008-09 FISCAL YEAR MULTIPLIED BY ONE HUNDRED FOUR PERCENT FOR EACH SUCCEEDING FISCAL YEAR. THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS SHALL DISTRIBUTE THE MONEYS TO THE SCHOOL DISTRICTS AS SPECIFIED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH (e);

(III) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS SHALL MAKE THE DISTRIBUTIONS REQUIRED BY SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH (e)AT THE SAME TIME AS THE EXECUTIVE DIRECTOR MAKES DISTRIBUTIONS TO COUNTIES PURSUANT TO PARAGRAPH (c) OF THIS SUBSECTION (5.4), AND THE TOTAL AMOUNT OF THE DISTRIBUTIONS MADE TO ALL SCHOOL DISTRICTS WITHIN A SINGLE COUNTY SHALL BE IN PROPORTION TO THE AMOUNT OF THE MONEYS DISTRIBUTED DIRECTLY TO THE COUNTY PURSUANT TO SAID PARAGRAPH (c). WHERE MORE THAN ONE SCHOOL DISTRICT EXISTS WITHIN A COUNTY, THE DISTRIBUTION TO EACH SCHOOL DISTRICT SHALL BE THE PERCENTAGE THAT THE MOST RECENT FUNDED PUPIL COUNT, AS DETERMINED PURSUANT TO THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF TITLE 22, C.R.S., FOR PUPILS ENROLLED IN THE COUNTY ATTRIBUTABLE TO THAT SCHOOL DISTRICT BEARS TO THE MOST RECENT TOTAL FUNDED PUPIL COUNT FOR ALL PUPILS ATTRIBUTABLE TO THE COUNTY.

(5.5) ON AND AFTER JULY 1, 2008, ALL MONEYS OTHER THAN BONUS PAYMENTS, AS DEFINED IN PARAGRAPH (b) OF SUBSECTION (5.3) OF THIS SECTION, CREDITED TO THE MINERAL LEASING FUND IN EXCESS OF THE AMOUNTS DISTRIBUTED PURSUANT TO SUBSECTION (5.4) OF THIS SECTION SHALL BE TRANSFERRED ON A QUARTERLY BASIS FOR EACH QUARTER COMMENCING ON JULY 1, OCTOBER 1, JANUARY 1, OR APRIL 1 OF ANY STATE FISCAL YEAR TO THE HIGHER EDUCATION FEDERAL MINERAL LEASE REVENUES FUND CREATED IN SECTION 23-19.9-102 (1) (a), C.R.S., AND THE HIGHER EDUCATION MAINTENANCE AND RESERVE FUND CREATED IN SECTION 23-19.9-102 (2) (a), C.R.S., AS SPECIFIED IN SAID SECTION.

SECTION 2. Title 23, Colorado Revised Statutes, is amended BY

THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 19.9
Higher Education Federal Mineral Lease Revenues and Higher Education Maintenance and Reserve Funds

23-19.9-101. Definitions. AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "FEDERAL MINERAL LEASE REVENUES" MEANS ALL MONEYS, INCLUDING ANY INTEREST OR INCOME DERIVED THEREFROM, PAYABLE TO THE STATE ON OR AFTER JULY 1, 2008, PURSUANT TO THE PROVISIONS OF THE FEDERAL "MINERAL LANDS LEASING ACT" OF FEBRUARY 25, 1920, AS AMENDED.

(2) "MAINTENANCE AND RESERVE FUND" MEANS THE HIGHER EDUCATION MAINTENANCE AND RESERVE FUND CREATED IN SECTION 23-19.9-102 (2) (a).

(3) "REVENUES FUND" MEANS THE HIGHER EDUCATION FEDERAL MINERAL LEASE REVENUES FUND CREATED IN SECTION 23-19.9-102 (1) (a).

23-19.9-102. Higher education federal mineral lease revenues fund - higher education maintenance and reserve fund - creation - sources of revenues - use. (1) (a) THE HIGHER EDUCATION FEDERAL MINERAL LEASE REVENUES FUND IS HEREBY CREATED IN THE STATE TREASURY. FOR THE 2008-09 FISCAL YEAR AND FOR EACH SUCCEEDING FISCAL YEAR, THE LESSER OF THE FIRST FIFTY MILLION DOLLARS OF THE TOTAL AMOUNT OF MONEYS REQUIRED TO BE TRANSFERRED TO THE REVENUES FUND AND THE MAINTENANCE AND RESERVE FUND PURSUANT TO SECTION 34-63-102 (5.5), C.R.S., OR ALL OF SUCH MONEYS SHALL BE TRANSFERRED TO THE REVENUES FUND AND THE REMAINDER OF SUCH MONEYS SHALL BE TRANSFERRED TO THE MAINTENANCE AND RESERVE FUND. INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF THE REVENUES FUND SHALL REMAIN IN THE REVENUES FUND AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR. THE STATE TREASURER MAY INVEST THE REVENUES FUND IN ANY INVESTMENT IN WHICH THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION MAY INVEST THE FUNDS OF THE

ASSOCIATION PURSUANT TO SECTION 24-51-206, C.R.S.

(b) THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE MONEYS IN THE REVENUES FUND TO DIRECTLY PAY FOR OR PAY THE COSTS OF FINANCING CAPITAL CONSTRUCTION PROJECTS AT STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION THAT ARE INCLUDED ON A PRIORITIZED LIST OF SUCH PROJECTS SPECIFIED IN A JOINT RESOLUTION THAT HAS TAKEN EFFECT IN ACCORDANCE WITH SECTION 39 OF ARTICLE V OF THE STATE CONSTITUTION AFTER BEING SPONSORED BY THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY, APPROVED BY THE GENERAL ASSEMBLY, AND PRESENTED TO THE GOVERNOR PURSUANT TO SECTION 23-1-106.3 (1) (b), C.R.S., ENACTED BY SENATE BILL 08-233, ENACTED AT THE SECOND REGULAR SESSION OF THE SIXTY-SIXTH GENERAL ASSEMBLY. THE GENERAL ASSEMBLY MAY ALSO APPROPRIATE MONEYS IN THE REVENUES FUND TO THE DEPARTMENT OF EDUCATION FOR DISTRIBUTION BY THE DEPARTMENT, OR ANY BOARD OR DIVISION WITHIN THE DEPARTMENT THAT THE DEPARTMENT MAY DESIGNATE, TO SCHOOL DISTRICTS FOR CAPITAL CONSTRUCTION PROJECTS AT AREA VOCATIONAL SCHOOLS, AS DEFINED IN SECTION 23-60-103 (1). IN MAKING SUCH APPROPRIATIONS, THE GENERAL ASSEMBLY SHALL GIVE PRIORITY CONSIDERATION TO CAPITAL CONSTRUCTION PROJECTS AT STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION THAT ARE LOCATED IN COMMUNITIES THAT ARE SUBSTANTIALLY IMPACTED BY ENERGY PRODUCTION OR CONVERSION ACTIVITIES, AND THE DEPARTMENT, OR ANY BOARD OR DIVISION WITHIN THE DEPARTMENT DESIGNATED TO DISTRIBUTE MONEYS APPROPRIATED TO THE DEPARTMENT PURSUANT TO THIS PARAGRAPH (b), SHALL GIVE PRIORITY CONSIDERATION TO CAPITAL CONSTRUCTION PROJECTS AT AREA VOCATIONAL SCHOOLS THAT ARE LOCATED IN SUCH COMMUNITIES. ONLY CAPITAL CONSTRUCTION PROJECTS THAT WILL BE USED EXCLUSIVELY OR PRIMARILY FOR ACADEMIC PURPOSES SHALL BE ELIGIBLE FOR FUNDING PURSUANT TO THIS PARAGRAPH (b).

(2) (a) THE HIGHER EDUCATION MAINTENANCE AND RESERVE FUND IS HEREBY CREATED IN THE STATE TREASURY. THE PRINCIPAL OF THE MAINTENANCE AND RESERVE FUND SHALL CONSIST OF MONEYS TRANSFERRED TO THE MAINTENANCE AND RESERVE FUND PURSUANT TO SECTION 34-63-102 (5.3) (a) (II), C.R.S. EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (b) OF THIS SUBSECTION (2), THE PRINCIPAL OF THE MAINTENANCE AND RESERVE FUND SHALL REMAIN IN THE FUND AND SHALL NOT BE EXPENDED FOR ANY PURPOSE. THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE INTEREST AND INCOME DERIVED FROM THE DEPOSIT

AND INVESTMENT OF MONEYS IN THE MAINTENANCE AND RESERVE FUND FOR CONTROLLED MAINTENANCE PROJECTS FOR THE SYSTEM OF PUBLIC HIGHER EDUCATION THAT ARE SELECTED THROUGH THE PROCESS SET FORTH IN SECTIONS 24-30-1303 (1) (k.5) AND 2-3-1304 (1) (b), C.R.S. THE STATE TREASURER MAY INVEST THE MAINTENANCE AND RESERVE FUND IN ANY INVESTMENT IN WHICH THE BOARD OF TRUSTEES OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION MAY INVEST THE FUNDS OF THE ASSOCIATION PURSUANT TO SECTION 24-51-206, C.R.S.

(b) IF, AT ANY TIME DURING A FISCAL YEAR, THE MOST RECENT AVAILABLE QUARTERLY REVENUE ESTIMATE PREPARED BY THE STAFF OF THE LEGISLATIVE COUNCIL INDICATES THAT THE AMOUNT OF TOTAL GENERAL FUND REVENUES FOR THE FISCAL YEAR WILL NOT BE SUFFICIENT TO ALLOW THE STATE TO MAINTAIN THE FOUR PERCENT RESERVE REQUIRED BY SECTION 24-75-201.1 (1) (d) (III), C.R.S., THE GENERAL ASSEMBLY MAY MAKE SUPPLEMENTAL APPROPRIATIONS OF PRINCIPAL OF THE MAINTENANCE AND RESERVE FUND OR THE STATE CONTROLLER MAY ALLOW OVEREXPENDITURES TO BE MADE FROM PRINCIPAL OF THE MAINTENANCE AND RESERVE FUND PURSUANT TO AND IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 24-75-111, C.R.S., IN ORDER TO OFFSET ANY REDUCTION IN THE AMOUNT OF ONE OR MORE GENERAL FUND APPROPRIATIONS FOR THE FISCAL YEAR FOR OPERATING EXPENSES OF STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION THAT RESULTED FROM THE INSUFFICIENCY IN THE AMOUNT OF TOTAL GENERAL FUND REVENUES.

SECTION 3. 34-63-104 (1), Colorado Revised Statutes, is amended to read:

34-63-104. Special funds relating to oil shale lands. (1) All moneys from sales, bonuses, royalties, leases, and rentals ~~of~~ RELATED TO OIL SHALE PRODUCTION ON oil shale lands received by the state pursuant to section 35 of the federal "Mineral Lands Leasing Act" of February 25, 1920, as amended, shall be deposited by the state treasurer into a special fund for appropriation by the general assembly to state agencies, school districts, and political subdivisions of the state affected by the development and production of energy resources from oil shale lands primarily for use by such entities in planning for and providing facilities and services necessitated by such development and production and secondarily for other state purposes.

SECTION 4. Appropriation - adjustments to the 2008 long bill. (1) In addition to any other appropriation, there is hereby appropriated, to the department of local affairs, division of local government, for field services, for the fiscal year beginning July 1, 2008, the sum of sixteen thousand two hundred ninety-two dollars ($16,292) and 0.3 FTE, or so much thereof as may be necessary, for the implementation of this act. Said sum shall be from reappropriated funds transferred from the local government mineral and energy impact grants and disbursements line item appropriation to the department of local affairs.

(2) For the implementation of this act, appropriations made in the annual general appropriation act for the fiscal year beginning July 1, 2008, shall be adjusted as follows:

(a) The letter notation associated with the cash funds appropriation to the department of education, assistance to public schools, public school finance, for the state share of districts' total program funding, is adjusted to decrease by nine million four hundred seventy thousand nine hundred dollars ($9,470,900) the portion of the appropriation from the state public school fund that is estimated to be from federal mineral leasing revenues.

(b) The letter notation associated with the cash funds appropriation to the department of education, assistance to public schools, public school finance, for the state share of districts' total program funding, is adjusted to increase by nine million four hundred seventy thousand nine hundred dollars ($9,470,900) the portion of the appropriation from the state education fund.

(c) The appropriation to the department of local affairs, division of local government, field services, for local government mineral and energy impact grants and disbursements, is increased by six million nine hundred thousand dollars ($6,900,000). Said sum shall be from the local government mineral impact fund created in section 34-63-102 (5) (a) (I), Colorado Revised Statutes.

SECTION 5. 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.

Peter C. Groff PRESIDENT OF THE SENATE	Andrew Romanoff SPEAKER OF THE HOUSE OF REPRESENTATIVES
Karen Goldman SECRETARY OF THE SENATE	Marilyn Eddins CHIEF CLERK OF THE HOUSE OF REPRESENTATIVES

APPROVED_____

Bill Ritter, Jr.
GOVERNOR OF THE STATE OF COLORADO