

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.



SENATE BILL 25-037

BY SENATOR(S) Roberts and Kirkmeyer, Amabile, Bridges, Catlin, Daugherty, Exum, Hinrichsen, Jodeh, Kipp, Mullica, Pelton B., Pelton R., Simpson, Weissman, Winter F., Coleman;
also REPRESENTATIVE(S) Taggart and Mauro, Bacon, Bird, Boesenecker, Brown, Caldwell, Clifford, Duran, Froelich, Garcia, Hamrick, Lukens, Martinez, Paschal, Pugliese, Ricks, Rutinel, Smith, Stewart K., Story, Titone, Willford, McCluskie, Feret, Jackson, Lieder.

CONCERNING ASSISTANCE FOR COMMUNITIES EXPERIENCING ENERGY
TRANSITION.

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

SECTION 1. In Colorado Revised Statutes, 8-83-503, **amend** (3)(b) and (3)(c); and **add** (3)(d) as follows:

8-83-503. Just transition office - advisory committee - repeal.
(3) It is the purpose of the office to:

(b) Provide administrative, logistical, research, and policy support to the just transition advisory committee's work as outlined in subsection (6) of this section; ~~and~~

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(c) Participate in the department's presentation to the general assembly during the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" hearings, held pursuant to part 2 of article 7 of title 2, regarding requirements for financing components of the just transition plan, the administration of this part 5, and the expected results; AND

(d) REPORT TO THE ANNUAL "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT" HEARINGS, HELD PURSUANT TO PART 2 OF ARTICLE 7 OF TITLE 2, OF THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE AND THE HOUSE TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, ABOUT THE GRANTS AWARDED BY THE OFFICE DURING THE PRECEDING FISCAL YEAR, THEIR RECIPIENTS, AND THE PURPOSE FOR WHICH THEY WERE AWARDED.

SECTION 2. In Colorado Revised Statutes, 8-83-504, **amend** (4)(a)(II) introductory portion, (4)(a)(II)(C), and (4)(a)(II)(D); and **add** (4)(a)(II)(E) and (4)(a)(II.5) as follows:

8-83-504. Just transition cash fund - transfer from general fund - transfer from account - definition - use of money. (4) (a) (II) Subject to annual appropriation by the general assembly, the office shall expend the money transferred to the fund pursuant to this subsection (4)(a) to implement the just transition plan for Colorado prepared as required by section 8-83-503 (4), to provide supplemental funding for existing state programs that the office identifies as the most effective vehicles for targeted investment in coal transition communities, and to provide grants and other support directly to coal transition communities and other eligible entities. In expending money from the fund, the office shall place a heavy emphasis on investment in tier one AND TIER TWO COAL transition communities and shall PRIORITIZE COMMUNITIES EXPERIENCING SOCIOECONOMIC IMPACTS OF COAL CLOSURES, OPPORTUNITIES FOR ECONOMIC DIVERSIFICATION, LOCAL COMMUNITY INPUT, FEASIBILITY STUDIES OF SPECIFIC PROPOSED PROJECTS, AND NEEDS ASSESSMENTS. THE OFFICE SHALL support programs AND BASE FUNDING DECISIONS ON FACTORS that:

(C) Support infrastructure projects and workforce development programs; ~~or~~

(D) Are consistent with the goals and strategies outlined in the just transition plan; OR

(E) FOR MONEY APPROPRIATED TO THE FUND AFTER JULY 1, 2025, SUPPORT TARGETED INVESTMENT IN COAL TRANSITION COMMUNITIES BY COLLABORATING WITH COAL TRANSITION COMMUNITIES AND ELIGIBLE ENTITIES, STATE AND REGIONALLY RECOGNIZED GOVERNMENTAL AND ECONOMIC DEVELOPMENT ENTITIES, EMPLOYEE ORGANIZATIONS THAT REPRESENT COAL TRANSITION WORKERS, AND WORKERS WHO ARE NOT AFFILIATED WITH EMPLOYEE ORGANIZATIONS TO IMPLEMENT EFFECTIVE PROJECTS AND PROGRAMS FOR THOSE COMMUNITIES CONSISTENT WITH THIS PART 5.

(II.5) (A) THE OFFICE SHALL ESTABLISH A TIMELINE FOR REVIEWING PROJECT PROPOSALS AND APPLICATIONS AND SHALL PROMPTLY NOTIFY APPLICANTS OF ANY DEFICIENCIES OR INCOMPLETENESS THAT MAY BE REMEDIED PRIOR TO A FINAL FUNDING DETERMINATION. APPLICANTS MUST BE ALLOWED FIFTEEN DAYS TO MAKE CHANGES OR ADD SUPPLEMENTARY DOCUMENTATION.

(B) PROJECT FUNDING DECISIONS MUST BE ISSUED WITHIN NINETY DAYS OF RECEIVING A FINAL PROJECT PROPOSAL. IF A DECISION IS NOT POSSIBLE WITHIN NINETY DAYS, THE OFFICE SHALL PROVIDE A STATUS UPDATE TO THE APPLICANT AT THAT TIME. ALL FUNDING DECISIONS MUST BE PUBLICLY ACCESSIBLE WITH PUBLISHED REASONS FOR DENIAL OF A PROJECT PROPOSAL ALONG WITH RECOMMENDATIONS FOR IMPROVEMENT.

(C) AT THE EARLIEST REGULARLY SCHEDULED MEETING OF THE JOINT BUDGET COMMITTEE FOLLOWING THE CLOSE OF A FISCAL YEAR, THE OFFICE SHALL REPORT TO THE JOINT BUDGET COMMITTEE ABOUT THE GRANTS AWARDED BY THE OFFICE DURING THE PRECEDING FISCAL YEAR, THEIR RECIPIENTS, AND THE PURPOSE FOR WHICH THEY WERE AWARDED AND MAKE THE SAME PRESENTATION AT THE ANNUAL SMART ACT HEARINGS OF THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE AND THE HOUSE TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT COMMITTEE.

SECTION 3. In Colorado Revised Statutes, 8-83-504.5, **amend** (1)(e) as follows:

8-83-504.5. Additional coal transition workforce assistance program funding - coal transition workforce assistance program account. (1) (e) The department shall expend OR ENCUMBER the money transferred to the account pursuant to subsection (1)(a)(II)(B) of this section by the close of state fiscal year ~~2026-27~~ YEAR 2029-30.

SECTION 4. In Colorado Revised Statutes, 8-83-506, **amend** (2)(a) as follows:

8-83-506. Report - recommendations - repeal. (2) (a) Between September 1 and November 15, 2022, and between September 1 and November 15 of each year thereafter, the director shall present a report to the joint budget committee of the general assembly on the history of expenditures from the fund and the account and the purposes for which the money in the fund and in the account has been expended or encumbered in the immediately preceding state fiscal year, specifying the programs described in sections 8-83-504 and 8-83-504.5 for which money has been expended, encumbered, or otherwise allocated. THE REPORT MUST INCLUDE INFORMATION ABOUT THE GRANTS AWARDED BY THE OFFICE DURING THE PRECEDING FISCAL YEAR, THEIR RECIPIENTS, AND THE PURPOSE FOR WHICH THEY WERE AWARDED.

SECTION 5. In Colorado Revised Statutes, 24-75-601.1, **add** (5) as follows:

24-75-601.1. Legal investments of public funds - definition. (5) NOTHING IN THIS SECTION APPLIES TO PUBLIC FUNDS HELD OR INVESTED AS PART OF ANY PAYMENT OR SETTLEMENT TO OFFSET THE SOCIOECONOMIC IMPACTS TO A COMMUNITY OR GOVERNMENT FROM THE CLOSURE OF A COAL MINE OR COAL POWER GENERATING STATION.

SECTION 6. In Colorado Revised Statutes, 39-29-110, **amend** (1)(b)(I) and (1)(b)(II)(A) as follows:

39-29-110. Local government severance tax fund - creation - administration - definitions - repeal. (1) (b) (I) Seventy percent of the funds ~~from~~ IN the local government severance tax fund shall be distributed to those political subdivisions socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels subject to taxation under this article and used for the planning,

construction, and maintenance of public facilities and for the provision of public services. Such funds shall also be distributed to political subdivisions to compensate them for loss of property tax revenue resulting from the deduction of severance taxes paid in the determination of the valuation for assessment of producing mines. The executive director of the department of local affairs shall consider the economic needs of a political subdivision for purposes of making distributions pursuant to this ~~subparagraph (f)~~ SUBSECTION (1)(b)(I). THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS MAY ESTABLISH AN ADMINISTRATIVE POLICY FOR A PREFERENCE TO JUST TRANSITION COAL COMMUNITIES. THIS PREFERENCE WILL BE AVAILABLE FOR A THREE-YEAR PERIOD BEGINNING JANUARY 1, 2026.

(II) (A) In addition to the distribution of ~~moneys~~ MONEY authorized under ~~subparagraph (f) of this paragraph (b)~~ SUBSECTION (1)(b)(I) OF THIS SECTION, the executive director may distribute ~~moneys~~ MONEY or make loans, or any combination thereof, to ~~such~~ THE political subdivisions for the planning, design, construction, erection, building, acquisition, alteration, modernization, reconstruction, improvement, or expansion of domestic wastewater treatment works or potable water treatment facilities. Any loan made by the executive director under the authority of this section shall only be made under such terms as will insure repayment of the loan with interest assessed and collected at an interest rate ~~of not less than five percent~~ COMMENSURATE WITH AN AA-RATED TEN-YEAR MUNICIPAL BOND RATE AVERAGED OVER THE PREVIOUS SIX MONTHS, AT THE TIME OF APPLICATION.

SECTION 7. In Colorado Revised Statutes, 24-38.5-121, **amend** (5) as follows:

24-38.5-121. Assessment of advanced energy solutions in rural Colorado - northwestern and west end of Montrose county Colorado study - southeastern Colorado study - report - legislative declaration - definitions - repeal. (5) IF THE DIRECTOR HAS SUFFICIENT FEDERAL MONEY TO SUPPORT THE SUBMITTAL OF THE FINDINGS AND CONCLUSIONS OF THE STUDY REQUIRED IN SUBSECTION (3) OF THIS SECTION, on or before ~~July 1, 2025~~ DECEMBER 19, 2025, the director shall submit the findings and conclusions of the northwestern and west end of Montrose county Colorado study and the southeastern Colorado study required in subsection (3) of this section to the house of representatives energy and environment committee and the senate transportation and energy committee, or their successor

committees and to the just transition office created in section 8-83-503 (1). The findings and conclusions submitted must include any recommendations including administrative or legislative action needed to assist northwestern and west end of Montrose county, Colorado, in the transition to firm energy generation sources and to assist southeastern Colorado in the development of new energy resources.

SECTION 8. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate

preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO