

Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 12-0950.01 Ed DeCecco x4216

HOUSE BILL 12-1356

HOUSE SPONSORSHIP

Sonnenberg,

SENATE SPONSORSHIP

Brophy,

House Committees

Agriculture, Livestock, & Natural Resources
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A PROHIBITION ON A LOCAL GOVERNMENT THAT**
102 **IMPACTS OIL AND GAS EXTRACTION FROM RECEIVING ANY**
103 **MONEYS FROM THE LOCAL GOVERNMENT SEVERANCE TAX FUND.**

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>.)

Currently, moneys in the local government severance tax fund are primarily used for 2 purposes:

- ! For the executive director of the department of local affairs to provide grants and loans to political subdivisions

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.

impacted by development, processing, or energy conversion of minerals and mineral fuels; and

! For direct distributions to counties and municipalities based on factors related to oil and gas production.

The bill prohibits any local government that restricts or delays the ability of an oil and gas producer to exercise the producer's property right as a lessee or owner to extract oil and gas from receiving any grants or direct distributions from the local government severance tax fund.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-29-110, **add** (8)
3 as follows:

4 **39-29-110. Local government severance tax fund - creation -**
5 **administration - definitions - repeal.** (8) (a) THE DEPARTMENT OF
6 LOCAL AFFAIRS SHALL CONDUCT A STUDY TO DETERMINE THE EFFECT ON
7 STATE SEVERANCE TAX REVENUES THAT RESULTS FROM A LOCAL
8 GOVERNMENT'S MORATORIUM OR PERMANENT PROHIBITION ON THE
9 EXTRACTION OF OIL AND GAS. THE DEPARTMENT SHALL INCLUDE ITS
10 FINDINGS IN A REPORT AND SUBMIT THE REPORT TO THE SENATE
11 AGRICULTURE, NATURAL RESOURCES, AND ENERGY COMMITTEE AND THE
12 HOUSE OF REPRESENTATIVES AGRICULTURE, LIVESTOCK, AND NATURAL
13 RESOURCES COMMITTEE, OR ANY SUCCESSOR COMMITTEES, ON OR BEFORE
14 MARCH 1, 2013.

15 (b) THIS SUBSECTION (8) IS REPEALED, EFFECTIVE JULY 1, 2013.

16 **SECTION 2. Act subject to petition - effective date.** This act
17 takes effect at 12:01 a.m. on the day following the expiration of the
18 ninety-day period after final adjournment of the general assembly (August
19 8, 2012, if adjournment sine die is on May 9, 2012); except that, if a
20 referendum petition is filed pursuant to section 1 (3) of article V of the
21 state constitution against this act or an item, section, or part of this act

1 within such period, then the act, item, section, or part will not take effect
2 unless approved by the people at the general election to be held in
3 November 2012 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.