

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL  
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 6, 2012)

**Drafting Number:** LLS 12-0377

**Date:** March 26, 2012

**Prime Sponsor(s):** Rep. Becker  
Sen. Tochtrop

**Bill Status:** Senate Local Government

**Fiscal Analyst:** Alex Schatz (303-866-4375)

**TITLE:** CONCERNING WIND ENERGY PROPERTY RIGHTS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue	See State Revenue section.	
State Expenditures		
FTE Position Change		
<b>Effective Date:</b> August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2012-2013:</b> None required.		
<b>Local Government Impact:</b> See Local Government Impact section.		

**Summary of Legislation**

The *reengrossed* bill establishes that wind energy rights are not severable from the surface estate to real property in Colorado. Under the amended bill, development of wind energy rights is accomplished through a wind energy agreement, which may be styled as a lease, license, easement, or other grant or reservation, but must be evidenced in the real property records of the clerk and recorder in the county where the subject land is located. The amended bill also defines the procedure for release from a wind energy agreement that has terminated and for reversion of wind energy rights that have been undeveloped for a continuous period of ten years.

The bill clarifies that equipment for wind energy development is not subject to taxation until wind energy production commences.

**State Revenue**

*Department of Natural Resources, State Land Board.* The State Board of Land Commissioners (SBLC) manages the state land trust for public benefit in the state, including financial benefits from real property transactions involving state-owned lands. By better defining the marketability of wind energy rights, the bill may increase opportunities for the SBLC to benefit from wind energy development. The potential for increased revenue is not quantifiable at this time.

**Local Government Impact**

With the mandatory recording of wind energy agreements, county clerks and recorders may see a minimal increase in workload. Any increase in costs to county recording offices is assumed to be offset by new revenue from recording fees.

**Departments Contacted**

Property Taxation  
Governor's Energy Office  
Law  
Transportation

Local Affairs  
Governor  
Regulatory Agencies  
Corrections

Agriculture  
Natural Resources  
Personnel