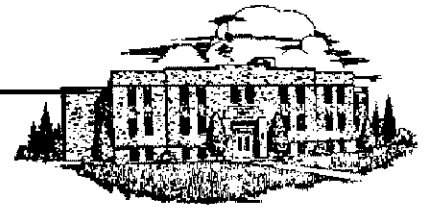


**BOARD OF COUNTY COMMISSIONERS**  
**RIO BLANCO COUNTY COURTHOUSE**  
**POST OFFICE BOX I**  
**MEEKER, COLORADO 81641**



Wednesday, March 7, 2012

House Local Government Committee  
 Rep. Laura Bradford, Chair

Ms. Bradford and members of the Committee:

Good afternoon, thank you for an opportunity to provide testimony supporting SB12-031. My name is Ken Parsons and I am a Rio Blanco County Commissioner. Rio Blanco County is a geographically large, population small, federal land dominated, extraction industry dependent county in northwestern Colorado and a member of the Associated Governments of Northwest Colorado (AGNC).

Year in and year out, the AGNC region generates between two-thirds and three-quarters of Colorado's Federal Mineral Leasing (FML) revenues. The extraction of oil, natural gas, and coal is at the heart of the regional economy but these are heavy-impact industries and require a constant and concerted effort by local government to provide for impact mitigation. Rio Blanco County also has almost 1.5 million acres of public lands for which it annually receives federal Payments In Lieu of Taxes (PILT).

During the past legislative session, HB11-1218 was our first attempt to address negative aspects of changes in state and federal laws which altered the way in which FML revenues are distributed and accounted for. These changes have had an adverse effect upon Colorado as compared to other states.

The current bill, SB12-031, is the product of a collaborative effort between the bill's sponsors, affected counties, and the Department of the Interior over the past year. The changes to Colorado FML district enabling legislation will better enable these districts, through their service plans and local representation, to comply with federal guidelines and thereby maximize the federal funds returned to our state from activities on public lands. As was the case with HB11-1218, this legislation is permissive and thus counties with small acreages of federal lands and little mineral leasing activity may choose not to form such districts.

The importance of these federal funds as an economic stimulation is heightened by the redirection of Energy & Mineral Impact Fund grant funds to the General Fund for the third consecutive year. Grants from this fund to the AGNC region averaged \$26M per year over the years 2005-09.

The alignment of Colorado FML districts with DOI policy & guidelines in 2011 is aimed at enabling Colorado to access significant federal funds which would otherwise be distributed among other states.

Colorado Counties, Inc. (CCI) supports this bill and on behalf of AGNC and Rio Blanco County I ask for your support of SB12-031.

Thanks to Representatives Bradford and Baumgardner and Senator White for sponsoring this bill and thank you again for admitting this testimony.

Sincerely,



Rio Blanco County Commissioner