

Be It Enacted by the People of the State of Colorado:

Article IX of the constitution of the state of Colorado is amended BY THE ADDITION OF A NEW SECTION to read:

Section 18. Revenue from the proceeds of oil and natural gas extraction for school construction.

(1) A ONE PERCENT TAX ON THE PROCEEDS FROM THE SALE OF OIL AND NATURAL GAS FROM LARGE WELLS LOCATED IN COLORADO SHALL BE IMPOSED UPON PRODUCERS RECEIVING MORE THAN THREE HUNDRED THOUSAND DOLLARS ANNUALLY FROM SUCH PROCEEDS, WITH THE REVENUES FROM THIS TAX TO BE DEPOSITED INTO A PUBLIC SCHOOL CONSTRUCTION TRUST FUND TO BE ESTABLISHED BY THE GENERAL ASSEMBLY. THE REVENUES DEPOSITED IN THE PUBLIC SCHOOL CONSTRUCTION TRUST FUND SHALL BE USED FOR KINDERGARTEN THROUGH TWELFTH GRADE PUBLIC SCHOOL RENOVATIONS OR CONSTRUCTION, WITH PRIORITY GIVEN TO SCHOOLS AND DISTRICTS IN RURAL AREAS AND SCHOOLS AND DISTRICTS THAT ARE UNABLE TO RAISE SUFFICIENT REVENUE LOCALLY TO ADDRESS THEIR SCHOOL BUILDING NEEDS; AND PRIORITY SHALL BE PLACED ON THE USE OF THESE FUNDS TO ADDRESS IMMEDIATE STUDENT HEALTH AND SAFETY NEEDS IN SCHOOL BUILDINGS, TO ENSURE COMPLIANCE WITH ALL RELEVANT FEDERAL STATE AND LOCAL LAWS, CODES AND STANDARDS FOR SCHOOL BUILDINGS, AND TO RENOVATE OR REPLACE BUILDINGS THAT ARE FORTY YEARS OR OLDER. ONLY ADMINISTRATIVE COSTS THAT DO NOT EXCEED ONE PERCENT OF THE MONEYS USED ANNUALLY FOR KINDERGARTEN THROUGH TWELFTH GRADE CAPITAL CONSTRUCTION MAY BE PAID FOR BY THE PUBLIC SCHOOL CONSTRUCTION TRUST FUND. THE GENERAL ASSEMBLY SHALL PROVIDE FOR AN ANNUAL PUBLIC ACCOUNTING FOR ALL THE REVENUES AND EXPENDITURES OF THE PUBLIC SCHOOL CONSTRUCTION TRUST FUND. REVENUE FROM THIS TAX SHALL BE EXEMPT FROM STATE AND LOCAL SPENDING LIMITS. THIS TAX SHALL BE REDUCED BY AN EQUAL AMOUNT OF ANY INCREASE IN TAX ON OIL AND NATURAL GAS PROCEEDS PASSED BY VOTERS AT A CONCURRENT OR SUBSEQUENT ELECTION. THE GENERAL ASSEMBLY SHALL ENACT LAWS TO IMPLEMENT THE PURPOSES OF THIS AMENDMENT.

(2) (a) "PROCEEDS" MEANS THE AMOUNT REALIZED BY THE TAXPAYER FROM THE SALE OF OIL OR NATURAL GAS EXTRACTED IN THE STATE OF COLORADO, LESS DEDUCTIONS FOR ANY TRANSPORTATION, MANUFACTURING AND PROCESSING COSTS BORNE BY THE TAXPAYER;

(b) "LARGE WELLS" MEANS, WITH RESPECT TO OIL, WELLS PRODUCING AT LEAST FIFTEEN BARRELS PER DAY OF OIL AND, WITH RESPECT TO NATURAL GAS, WELLS PRODUCING AT LEAST NINETY THOUSAND CUBIC FEET PER DAY OF NATURAL GAS.