

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

Section 22 of Article 10 of the constitution of the state of Colorado is amended BY THE ADDITION OF A NEW SECTION to read:

**Section 22. Revenue from oil and natural gas extraction for education funding.**

(1) THE PEOPLE OF THE STATE OF COLORADO HEREBY FIND THAT: SAFE AND EFFECTIVE SCHOOL FACILITIES ARE A CRITICAL COMPONENT OF THE STATE'S SYSTEM OF PUBLIC EDUCATION; THAT THE CONDITION AND QUALITY OF SCHOOL FACILITIES HAVE A MEASURABLE EFFECT ON STUDENT ACHIEVEMENT; THAT THE COLORADO STATE AUDITOR'S OFFICE IN 2003 IDENTIFIED A FOUR BILLION SEVEN HUNDRED THOUSAND DOLLAR BACKLOG OF NEEDS IN COLORADO SCHOOL BUILDINGS; THAT, ALTHOUGH THE CAPITAL CONSTRUCTION AND IMPROVEMENTS MADE PURSUANT TO THIS PROVISION WILL ADDRESS ONLY A FRACTION OF THAT BACKLOG, THE EDUCATION, HEALTH AND LIVES OF TENS OF THOUSANDS OF COLORADO CHILDREN WILL BE IMPROVED BY ITS IMPLEMENTATION; THAT NONRENEWABLE NATURAL RESOURCES ARE A PART OF COLORADO'S TREASURE AND LEGACY AND, WHEN REMOVED FROM THE EARTH, THE VALUE OF SUCH RESOURCES TO THE STATE OF COLORADO IS IRRETRIEVABLY LOST; AND THAT IT IS APPROPRIATE AND FITTING THAT THE STATE RECOVER A SMALL PORTION OF THE VALUE DERIVED FROM THE EXTRACTION OF OIL AND NATURAL GAS TO IMPROVE EDUCATION IN THE STATE OF COLORADO BY MAKING LONG-TERM INVESTMENTS IN THE STATE'S SCHOOL BUILDINGS AND INTO A PERMANENT PUBLIC SCHOOL TRUST FUND.

(2) PRODUCERS OF OIL AND NATURAL GAS SHALL PAY ONE PERCENT OF THEIR PROCEEDS FROM THE SALE OF OIL AND NATURAL GAS EXTRACTED IN THE STATE OF COLORADO TO HELP FUND EDUCATION. THE REVENUE COLLECTED FROM THIS TAX SHALL BE DEPOSITED IN THE PUBLIC SCHOOL FUND OF COLORADO.

(a) PROCEEDS MEANS THE AMOUNT REALIZED BY THE TAXPAYER FROM THE SALE OF OIL OR NATURAL GAS, LESS DEDUCTIONS FOR ANY TRANSPORTATION, MANUFACTURING AND PROCESSING COSTS BORNE BY THE PRODUCER.

(b) ANY ADDITIONAL STATEWIDE TAX ON PROCEEDS FROM THE SALE OF OIL OR NATURAL GAS EXTRACTED IN THE STATE THAT IS APPROVED BY THE VOTERS OF COLORADO CONCURRENT WITH OR SUBSEQUENT TO THIS AMENDMENT SHALL OFFSET THIS TAX.

(c) WELLS PRODUCING SMALL VOLUMES OF OIL (LESS THAN FIFTEEN BARRELS PER DAY) SHALL BE EXEMPT FROM THIS TAX WITH RESPECT TO OIL PRODUCTION, AND WELLS PRODUCING SMALL VOLUMES OF NATURAL GAS (LESS THAN NINETY THOUSAND CUBIC FEET PER DAY) SHALL BE EXEMPT FROM THIS TAX WITH RESPECT TO GAS PRODUCTION.

(d) REVENUE RECEIVED THROUGH THE OPERATION OF THIS SUBSECTION (2) SHALL NOT BE SUBJECT TO THE LIMITATION ON FISCAL YEAR SPENDING SET FORTH IN ARTICLE X, SECTION 20 (TABOR) OF THE CONSTITUTION AND THE CORRESPONDING SPENDING

LIMITS UPON STATE GOVERNMENT AND ALL LOCAL GOVERNMENTS RECEIVING SUCH MONEY.

(3) MONIES RECEIVED BY THE STATE OF COLORADO FROM THE FEDERAL GOVERNMENT PURSUANT TO THE "MINERAL LANDS LEASING ACT" OF FEBRUARY 25, 1920, AS AMENDED, THAT ARE CURRENTLY REQUIRED TO BE DEPOSITED INTO THE STATE PUBLIC SCHOOL FUND SHALL HEREAFTER BE DEPOSITED INTO THE PUBLIC SCHOOL FUND; EXCEPT THAT IF THE GENERAL ASSEMBLY ALTERS THE DISTRIBUTION OF MONIES RECEIVED FROM THE FEDERAL GOVERNMENT PURSUANT TO THE "MINERAL LANDS LEASING ACT" OF FEBRUARY 25, 1920, AS AMENDED, AT LEAST FIFTY-TWO PERCENT SHALL BE DEPOSITED INTO THE PUBLIC SCHOOL FUND. MONIES FROM THIS SOURCE CURRENTLY BEING USED PURSUANT TO THE SCHOOL FINANCE ACT SHALL BE PHASED OUT OVER THE COURSE OF FIVE YEARS.

(4) ONE HUNDRED AND TWENTY MILLION DOLLARS PER YEAR COLLECTED PURSUANT TO THIS AMENDMENT SHALL BE USED TO REPAIR, MAINTAIN, MAKE SAFE AND REPLACE DETERIORATING PUBLIC SCHOOL BUILDINGS, TO PROVIDE ADDITIONAL CLASSROOM SPACE FOR CHILDREN IN TEMPORARY STRUCTURES, TO PROVIDE ADEQUATE TECHNOLOGY AND TO MAKE PAYMENTS FOR DEBT INCURRED BY THE STATE FOR SCHOOL CAPITAL CONSTRUCTION. IF LESS THAN ONE HUNDRED AND TWENTY MILLION DOLLARS IS COLLECTED THEN THE TOTAL AMOUNT COLLECTED SHALL BE USED FOR THESE PURPOSES; EXCEPT THAT THE FIRST SIXTY MILLION DOLLARS COLLECTED SHALL BE DEPOSITED INTO THE CRITICAL NEEDS FUND FOR THE PAYMENT OF INTEREST AND PRINCIPAL ON BONDS FOR SCHOOL CAPITAL CONSTRUCTION.

(a) THE GENERAL ASSEMBLY SHALL ENACT MEASURES TO ENSURE ACCOUNTABILITY AND PUBLIC DISCLOSURE OF SPENDING ON THE STATE'S SCHOOL BUILDINGS.

(5) THE STATE SHALL ISSUE BONDS IN TOTAL AMOUNTS OF UP TO SEVEN HUNDRED MILLION DOLLARS WITH A MAXIMUM TOTAL REPAYMENT COST OF UP TO ONE BILLION, FOUR HUNDRED AND THIRTY-FIVE MILLION DOLLARS, AND WITH MAXIMUM TOTAL ANNUAL PRINCIPAL AND INTEREST PAYMENTS OF SIXTY MILLION DOLLARS. PROCEEDS FROM THE SALE OR ISSUANCE OF THESE BONDS SHALL BE USED FOR THE PURPOSES SPECIFIED IN SUBSECTION (4).

(a) THE PRINCIPAL OF AND INTEREST ON BONDS AND ANY COSTS ASSOCIATED WITH THE ISSUANCE AND ADMINISTRATION OF SUCH BONDS SHALL BE PAYABLE SOLELY FROM THE CRITICAL NEEDS FUND.

(6) INTEREST FROM THE PUBLIC SCHOOL FUND SHALL BE USED TO INVEST IN EDUCATION, SUCH AS PROGRAMS TO LOWER THE DROP OUT RATE, PURCHASE TEXTBOOKS, OFFER PARENTS THE CHOICE OF FULL DAY KINDERGARTEN OR HELP SCHOOL DISTRICTS ATTRACT AND RETAIN QUALITY TEACHERS; EXCEPT INTEREST CURRENTLY BEING USED IN THE SCHOOL FINANCE ACT SHALL BE PHASED OUT OVER THE COURSE OF FIVE YEARS.

(a) INTEREST FROM THE PUBLIC SCHOOL FUND SHALL BE IN ADDITION TO ANY OTHER REQUIREMENT OF LAW INCLUDING ARTICLE IX SECTION 17 OF THE COLORADO CONSTITUTION.

(7) THE GENERAL ASSEMBLY MAY USE REVENUE GENERATED UNDER THIS SECTION FOR ANY EDUCATION RELATED PURPOSE. SUCH USE OF REVENUE MUST BE PRECEDED BY A DECLARATION OF A STATE FISCAL EMERGENCY, WHICH SHALL BE ADOPTED ONLY BY A JOINT RESOLUTION, APPROVED BY A TWO-THIRDS MAJORITY VOTE OF THE MEMBERS OF BOTH HOUSES OF THE GENERAL ASSEMBLY AND THE GOVERNOR. SUCH DECLARATION SHALL APPLY ONLY TO A SINGLE FISCAL YEAR.