



**How does Amendment 52 change current law?** Of the 50 percent of severance taxes spent on state programs, Amendment 52 constitutionally limits the amount that the state legislature can spend to the prior year's amount plus inflation (with an adjustment if severance tax collections decrease). The remaining amount of the state portion must be used to construct and maintain highways, with priority given to relieving congestion on Interstate-70 (I-70). The state legislature is responsible for budgeting the highway money. The state legislature maintains the ability to allocate both the money that is currently returned to local governments and the money spent on state programs in any way it chooses, just as it does now.

**What is the projected change in spending under Amendment 52?** Table 1 shows the projected shift in spending from state programs to highway projects under Amendment 52. For example, in 2009, state programs receive \$181 million under current law. Under Amendment 52, these programs receive \$92 million, and \$89 million is shifted to highway projects aimed at relieving congestion on I-70.

**Table 1. Projected Change in State Portion of Severance Tax Spending in Millions of Dollars**

	2009	2010	2011	2012	Four-Year Total
<b>State Program Money under Current Law</b>	\$181	\$130	\$148	\$154	\$613
<b>Amount for State Programs under Amendment 52*</b>	\$92	\$95	\$99	\$102	\$388
<b>Shift from State Programs to Highway Projects under Amendment 52</b>	\$89	\$35	\$49	\$52	\$225

\* Based on a projected annual inflation rate that varies between 2.2 and 3.5 percent.

**How are transportation projects currently funded?** Fuel taxes, vehicle registration fees, a portion of income and sales taxes, and federal highway money finance transportation projects in Colorado. The state received about \$1.2 billion for transportation projects in budget year 2008, with fuel taxes and registration fees at \$415 million, federal funds at \$408 million, and income and sales taxes at \$426 million.

**How do Amendment 52 and Amendment 58 interact?** Both Amendment 52 and Amendment 58 change how the state spends severance tax revenue, but the two measures propose different uses for the money. Thus, some of the provisions of these measures appear to conflict with one another. Should both measures pass, the state will be required to implement these conflicting provisions, but if challenged the courts will have to decide how the measures take effect. Amendment 52 proposes a change to the state constitution, while Amendment 58 proposes a change to state statute. To date, Colorado courts have not addressed this type of conflict between ballot measures, but it is likely that the constitutional provision would prevail.

## 1 **Arguments For**

2 1) Amendment 52 increases funding for highways by an estimated \$225 million  
3 over the next four years without raising taxes. The most recent statewide transportation  
4 plan expects highway revenue to fall short of the cost of maintaining the current highway  
5 system. This revenue shortfall has occurred in part because better vehicle fuel  
6 efficiency and higher road construction costs have decreased the purchasing power of  
7 gasoline taxes, which is one of the system's primary funding sources. By amending the  
8 state constitution, Amendment 52 creates a new, dedicated source of money for  
9 highways that cannot be changed without another vote of the people.

10 2) Amendment 52 creates a permanent revenue stream for highway projects, with  
11 emphasis on congestion relief for I-70. I-70 is a key transportation corridor for both  
12 Colorado residents and visitors to the state. The highway supports both intra- and  
13 interstate commerce, provides access to key ski and recreational areas, and is an  
14 important commuter route. However, funding for construction and maintenance has not  
15 kept pace with increased traffic on the highway. A new source of money is vital for  
16 relieving congestion in this transportation corridor.

17 3) The recent growth in oil and gas production has resulted in severance tax  
18 revenue that far exceeds the funding requirements of the state programs it has  
19 traditionally supported. The money available for state programs has grown from  
20 \$8 million to over \$100 million in the past few years, and is expected to continue to  
21 grow. Amendment 52 increases funding for existing state programs by inflation, while  
22 refocusing future growth in severance tax revenue on transportation problems facing the  
23 state.

## 24 **Arguments Against**

25 1) Amendment 52 diverts money that would help meet Colorado's rapidly growing  
26 water demand and maintain its aging water supply system. Half of the money shifted to  
27 highway projects under this measure would be available under current law to provide  
28 loans and grants for water projects, water conservation, and other programs. A recent  
29 study indicated that current and planned water supply projects are likely to meet about  
30 80 percent of the estimated new demand between 2004 and 2030. By shifting over  
31 \$100 million in the next four years from water projects to transportation projects,  
32 Amendment 52 hurts the state's ability to meet long-term water supply needs.

33 2) Amendment 52 could politicize funding for transportation projects. To prevent  
34 political considerations from influencing the allocation of transportation money, an  
35 independent commission develops a statewide transportation plan that identifies,  
36 prioritizes, and selects transportation projects for funding. Giving budgeting authority for  
37 some of the money to the state legislature could result in the legislature selecting  
38 transportation projects based on political considerations.

39 3) Amendment 52 does not guarantee that any new money will go to projects that  
40 relieve congestion on I-70. The money could instead replace current funding for

1 existing projects on I-70. Thus, the measure could result in growth in transportation  
 2 spending in areas unrelated to relieving I-70 congestion.

### 3 **Estimate of Fiscal Impact**

4 **State Impacts.** Amendment 52 does not change state severance tax collections.  
 5 Instead, it caps the amount of severance tax revenue that can be allocated by the  
 6 legislature and diverts money above the cap to highway projects. Under the cap,  
 7 funding for existing state programs is expected to grow from \$92 million to \$102 million  
 8 over the next four years. Based on a state forecast of severance tax revenue,  
 9 Amendment 52 shifts \$89 million to transportation in the current budget year, and  
 10 \$225 million over the next four years.

11 Table 2 shows the change in spending that is expected to occur due to Amendment  
 12 52. Several existing programs will receive less money under Amendment 52 than they  
 13 would have under current law. Money for water projects is expected to drop by \$45  
 14 million in 2009, with the actual spending reduction occurring in the following year.  
 15 Existing state programs will see a total reduction of \$2 million from budgeted amounts in  
 16 2009. These programs include wildlife conservation, low-income energy assistance,  
 17 bark beetle control, zebra mussel control, and soil conservation. In addition, based on  
 18 the forecast, the legislature would have been able to spend another \$42 million in the  
 19 current year. Over the next four years, spending on existing state programs is expected  
 20 to be about \$29 million less than under current law, revenue for water projects is  
 21 expected to drop \$112 million, and spending on other programs will drop \$84 million.

22 **Table 2. Estimated State Spending Change Due to Amendment 52 in**  
 23 **Millions of Dollars**

24	<b>State Revenue:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>4-year Total</b>
25	Projected total severance tax revenue	\$356	\$255	\$288	\$301	\$1,200
26	Amount for existing state programs					
27	under Amendment 52	\$92	\$95	\$99	\$102	\$388
28	Amount shifted to transportation under					
29	<u>Amendment 52</u>	<u>\$89</u>	<u>\$35</u>	<u>\$49</u>	<u>\$52</u>	<u>\$225</u>
30	Water projects	45	17	24	26	112
31	Existing state programs	2	13	14	0	29
32	Other non-budgeted state programs	42	5	11	26	84

33 \* Water projects appear in the year in which the money is received. Actual expenditure of this money  
 34 occurs in the following year.

## BART MILLER'S COMMENTS ON LAST DRAFT OF AMENDMENT 52

Dear Amendment 52 Ballot analysis team:

I submitted comments last week and appreciate that many of them were incorporated. One additional item needs to be addressed.

**Page 3, Ins 34-36 should read “A recent study indicated that ~~current and planned water supply projects~~ and programs already underway or planned for implementation are likely to meet about 80 percent of the estimated new demands by between 2004 and 2030.”**

Executive Summary page 12 of the Statewide Water Supply Initiative [see excerpt below] and the tables on subsequent pages state that identified projects and processes will meet 80% of the NEW demands, rather than 80% of the State's total water demands as of 2030. The two numbers are quite different: SWSI projects that total state-wide municipal demands by 2030 will be 1.825 million acre-feet annually, whereas the expected increase in municipal demand from 2004-2030 is 630,000 AF.

Thanks,

Bart Miller, Water Program Director

**Western Resources Advocates**

-- [Protecting the Interior West's land, air, and water](#)

2260 Baseline Road, Suite 200

Boulder, CO 80302

P: 303.444.1188 x.219

F: 303.786.8054

**Amendment 52  
Use of Severance Tax Revenue for Highways**

1 **Amendment 52 proposes amending the Colorado Constitution to:**

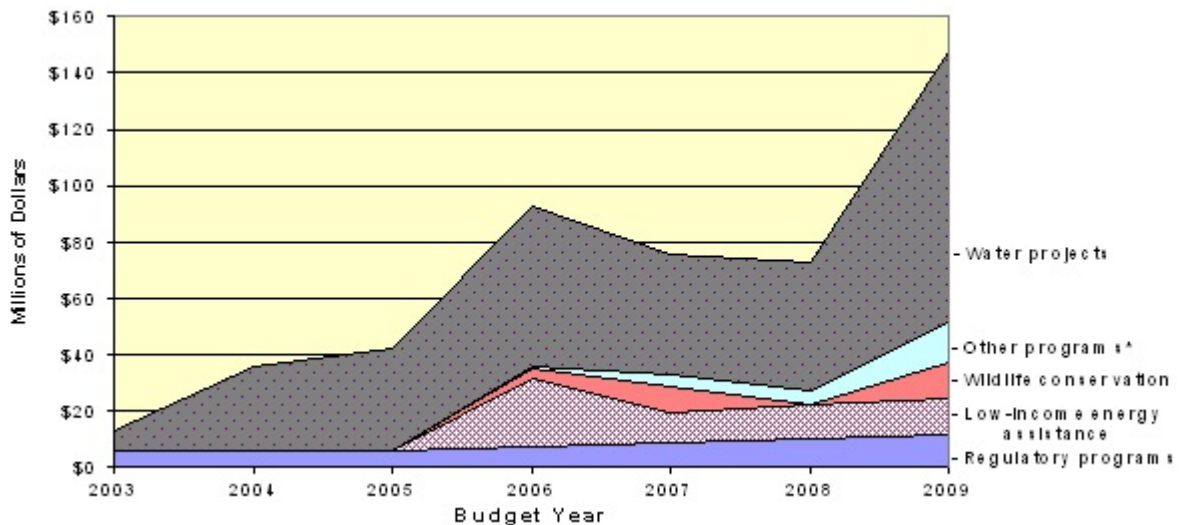
- 2       ♦ require the state legislature to spend a portion of state severance tax  
3       collections on highway projects.

4 **Summary and Analysis**

5       **What is the severance tax?** Companies that extract nonrenewable natural  
6       resources such as coal, oil, natural gas, gold, and silver from the earth pay the state  
7       severance tax. The amount of severance tax paid is based on company income or the  
8       volume of the resource mined.

9       **How is severance tax revenue spent now?** The state legislature determines how  
10      severance tax revenue is spent. Under existing statutes, it is evenly divided between  
11      local governments and state programs. State statute distributes the local government  
12      portion to communities impacted by the mineral extraction industry — either directly  
13      based on mining activity in the area or through competitive loans or grants. The state  
14      portion is spent on loans for local water projects like dams, pipelines, and canals;  
15      programs regulating mining activity; and, in recent years, programs like low-income  
16      energy assistance and wildlife conservation. Figure 1 shows the amount of severance  
17      tax revenue spent on different state programs over the past six years and the amount  
18      budgeted for 2009.

19                   **Figure 1. Severance Tax Revenue Spent on State Programs**



20 \* Other programs include: zebra mussel, tamarisk, and pine bark beetle control; soil conservation; renewable energy;  
21 agriculture; state parks; and wildlife conservation.

1 **How does Amendment 52 change current law?** Of the 50 percent of severance  
 2 taxes spent on state programs, Amendment 52 constitutionally limits the amount that the  
 3 state legislature can spend to the prior year's amount plus inflation (with an adjustment if  
 4 severance tax collections decrease). The remaining amount of the state portion must  
 5 be used to construct and maintain highways, with priority given to relieving congestion  
 6 on Interstate-70 (I-70). The state legislature is responsible for budgeting the highway  
 7 money. The state legislature maintains the ability to allocate both the money that is  
 8 currently returned to local governments and the money spent on state programs in any  
 9 way it chooses, just as it does now.

10 **What is the projected change in spending under Amendment 52?** Table 1  
 11 shows the projected shift in spending from state programs to highway projects under  
 12 Amendment 52. For example, in 2009, state programs receive \$181 million under  
 13 current law. Under Amendment 52, these programs receive \$92 million, and \$89 million  
 14 is shifted to highway projects aimed at relieving congestion on I-70.

15 **Table 1. Projected Change in State Portion of**  
 16 **Severance Tax Spending in Millions of Dollars**

	2009	2010	2011	2012	Four-Year Total
18 <b>State Program Money</b> 19 <b>under Current Law</b>	\$181	\$130	\$148	\$154	\$613
20 <b>Amount for State Programs</b> 21 <b>under Amendment 52*</b>	\$92	\$95	\$99	\$102	\$388
22 <b>Shift from State Programs to</b> 23 <b>Highway Projects</b> 24 <b>under Amendment 52</b>	\$89	\$35	\$49	\$52	\$225

25 \* Based on a projected annual inflation rate that varies between 2.2 and 3.5 percent.

26 **How are transportation projects currently funded?** Fuel taxes, vehicle  
 27 registration fees, a portion of income and sales taxes, and federal highway money  
 28 finance transportation projects in Colorado. The state received about \$1.2 billion for  
 29 transportation projects in budget year 2008, with fuel taxes and registration fees at \$415  
 30 million, federal funds at \$408 million, and income and sales taxes at \$426 million.

31 **How do Amendment 52 and Amendment 58 interact?** Both Amendment 52 and  
 32 Amendment 58 change how the state spends severance tax revenue, but the two  
 33 measures propose different uses for the money. Thus, some of the provisions of these  
 34 measures appear to conflict with one another. Should both measures pass, the state will  
 35 be required to implement these conflicting provisions, but if challenged the courts will  
 36 have to decide how the measures take effect. Amendment 52 proposes a change to the  
 37 state constitution, while Amendment 58 proposes a change to state statute. To date,  
 38 Colorado courts have not addressed this type of conflict between ballot measures, but it  
 39 is likely that the constitutional provision would prevail.



1     **Arguments For**

2           1) Amendment 52 increases funding for highways by an estimated \$225 million  
3 over the next four years without raising taxes. OVER THE NEXT DECADE, AMENDMENT 52  
4 MAY GENERATE NEARLY ONE BILLION IN NEW TRANSPORTATION FUNDING. The most recent  
5 statewide transportation plan expects highway revenue to fall short of the cost of  
6 maintaining the current highway system. This revenue shortfall has occurred in part  
7 because better vehicle fuel efficiency and higher road construction costs have  
8 decreased the purchasing power of gasoline taxes, which is one of the system's primary  
9 funding sources. By amending the state constitution, Amendment 52 creates a new,  
10 dedicated source of money for highways that cannot be changed without another vote of  
11 the people. WITHOUT A DEDICATED REVENUE STREAM FOR TRANSPORTATION, THE GENERAL  
12 ASSEMBLY HAS DIVERTED HUNDREDS OF MILLIONS OF DOLLARS AWAY FROM TRANSPORTATION  
13 INTO OTHER PROGRAMS.

14           2) Amendment 52 creates a permanent revenue stream for highway projects, with  
15 emphasis on congestion relief for I-70. I-70 is a key transportation corridor for both  
16 Colorado residents and visitors to the state. The highway supports both intra- and  
17 interstate commerce, provides access to key ski and recreational areas, and is an  
18 important commuter route. However, funding for construction and maintenance has not  
19 kept pace with increased traffic on the highway. A new source of money is vital for  
20 relieving congestion in this transportation corridor.

21           3) The recent growth in oil and gas production has resulted in severance tax  
22 revenue that far exceeds the funding requirements of the state programs it has  
23 traditionally supported. The money available for state programs has grown from  
24 \$8 million to over \$100 million in the past few years, and is expected to continue to  
25 grow. Amendment 52 increases funding for existing state programs by inflation, while  
26 refocusing future growth in severance tax revenue on transportation problems facing the  
27 state. IT IS TIME THAT THIS WINDFALL BE REALLOCATED FOR THE IMPORTANT NEEDS OF  
28 TRANSPORTATION.

29     **Arguments Against**

30           1) Amendment 52 ~~diverts~~ REALLOCATES money that would help meet Colorado's  
31 rapidly growing water demand and maintain its aging water supply system. Half of the  
32 money shifted to highway projects under this measure would be available under current  
33 law to provide loans and grants for water projects, water conservation, and other  
34 programs. A recent study indicated that current and planned water supply projects are  
35 likely to meet about 80 percent of the estimated new demand between 2004 and 2030.  
36 By shifting over \$100 million in the next four years from water projects to transportation  
37 projects, Amendment 52 hurts the state's ability to meet long-term water supply needs.

38           2) Amendment 52 could politicize funding for transportation projects. To prevent  
39 political considerations from influencing the allocation of transportation money, an  
40 independent commission develops a statewide transportation plan that identifies,  
41 prioritizes, and selects transportation projects for funding. Giving budgeting authority for



## Sen. Penry, Rep. Gardner, Rep. McNulty

1 some of the money to the state legislature could result in the legislature selecting  
2 transportation projects based on political considerations.

3 3) Amendment 52 does not guarantee that any new money will go to projects that  
4 relieve congestion on I-70. The money could instead replace current funding for  
5 existing projects on I-70. Thus, the measure could result in growth in transportation  
6 spending in areas unrelated to relieving I-70 congestion.

### 7 **Estimate of Fiscal Impact**

8 **State Impacts.** Amendment 52 does not change state severance tax collections.  
9 Instead, it caps the amount of severance tax revenue that can be allocated by the  
10 legislature and diverts money above the cap to highway projects. Under the cap,  
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12 over the next four years. Based on a state forecast of severance tax revenue,  
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14 \$225 million over the next four years.

15 Table 2 shows the change in spending that is expected to occur due to Amendment  
16 52. Several existing programs will receive less money under Amendment 52 than they  
17 would have under current law. Money for water projects is expected to drop by \$45  
18 million in 2009, with the actual spending reduction occurring in the following year.  
19 Existing state programs will see a total reduction of \$2 million from budgeted amounts in  
20 2009. These programs include wildlife conservation, low-income energy assistance,  
21 bark beetle control, zebra mussel control, and soil conservation. In addition, based on  
22 the forecast, the legislature would have been able to spend another \$42 million in the  
23 current year. Over the next four years, spending on existing state programs is expected  
24 to be about \$29 million less than under current law, revenue for water projects is  
25 expected to drop \$112 million, and spending on other programs will drop \$84 million.

26  
27

**Table 2. Estimated State Spending Change Due to Amendment 52 in  
Millions of Dollars**

28

State Revenue:	2009	2010	2011	2012	4-year Total
Projected total severance tax revenue	\$356	\$255	\$288	\$301	\$1,200
Amount for existing state programs under Amendment 52	\$92	\$95	\$99	\$102	\$388
Amount shifted to transportation under <u>Amendment 52</u>	<u>\$89</u>	<u>\$35</u>	<u>\$49</u>	<u>\$52</u>	<u>\$225</u>
Water projects	45	17	24	26	112
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Other non-budgeted state programs	42	5	11	26	84

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\* Water projects appear in the year in which the money is received. Actual expenditure of this money occurs in the following year.

# Memo

**To:** Amendment 52 Ballot Analysis Team, Legislative Council

**From:** Josh Penry, Frank McNulty, Cory Gardner

**CC:** Marc Carey, Todd Herreid, Debbie Grunlien, Jamila Rockette, Daniel Anglin

**Date:** 8/22/2008

**Re:** Amendment 52 Ballot Analysis Draft #3

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## **Comments on Ballot Analysis Draft #3**

Thank you for your consideration of our comments on the two previous drafts of the ballot analysis of Amendment 52, as well as the opportunity to comment on this final draft. Our comments and suggested additions are listed in bold.

### **Arguments For**

*7 1) Amendment 52 increases funding for highways by an estimated \$226 million  
8 over the next four years without raising taxes. The most recent statewide transportation  
9 plan expects the cost of maintaining the current highway system to be significantly  
10 greater than the available money. This revenue shortfall has occurred in part because  
11 better vehicle fuel efficiency and higher road construction costs have decreased the  
12 purchasing power of gasoline taxes, which is one of the system's primary funding  
13 sources. By amending the state constitution, Amendment 52 creates a new, dedicated  
14 source of money for highways that cannot be changed without another vote of the  
15 people.*

**Comments: After the first sentence, we suggest you add: "Over the next decade, Amendment 52 may generate nearly one billion in new transportation funding."**

**Following the last sentence in this argument, please add: "Without a dedicated revenue stream for transportation, the General Assembly has diverted hundreds of millions of dollars away from transportation into other programs."**

*16 2) Amendment 52 creates a permanent revenue stream for highway projects, with  
17 emphasis on congestion relief for I-70. I-70 is a key transportation corridor for both*

18 Colorado residents and visitors to the state. The highway supports both intra and  
19 interstate commerce, provides access to key ski and recreational areas, and is an  
20 important commuter route. However, funding for construction and maintenance has not  
21 kept pace with increased traffic on the highway. A new source of money is vital for  
22 improving this transportation corridor.

**Comments: It is important to note that Amendment 52 revenue can be used on any highway system in Colorado. This includes highways such as US Highway 50, which can be used as an alternative to I-70, thereby relieving congestion on I-70.**

23 3) The recent growth in oil and gas production has resulted in severance tax  
24 revenue that far exceeds the funding requirements of the state programs it has  
25 traditionally supported. The money available for state programs has grown from  
26 \$8 million to over \$100 million in the past few years, and is expected to continue to  
27 grow. Amendment 52 allows funding for existing state programs to grow by inflation,  
28 while refocusing future growth in severance tax revenue on transportation problems  
29 facing the state.

**Comments: At the end of this argument, we recommend adding: "It is time that this windfall be reallocated for the important needs of transportation."**

#### **Arguments Against**

31 1) Amendment 52 diverts money that would help meet Colorado's rapidly growing  
32 water demand and maintain its aging water supply system. Half of the money shifted to  
33 highway projects under this measure would be available under current law to provide  
34 loans and grants for water projects, water conservation, and other programs. A recent  
35 study indicated that current and planned water supply projects are likely to meet about  
36 80 percent of the estimated demand by 2030. By diverting over \$100 million in the next  
37 four years from water projects to transportation projects, Amendment 52 hurts the  
38 state's ability to meet long-term water supply needs.

**Comments: We suggest changing the word "diverts" to "reallocates."**

**Also, it is important to note that the General Assembly has the authority to allocate money for new water projects with or without Amendment 52.**

1 2) Amendment 52 circumvents the statewide transportation planning process by  
2 giving decision-making authority for some of the money to the state legislature. The  
3 statewide transportation plan, developed by an independent commission, identifies,  
4 prioritizes, and selects transportation projects for funding. When legislators prioritize and  
5 select transportation projects, political considerations may enter the decision-making  
6 process.

**Comments: Amendment 52 does not circumvent the statewide transportation planning process; it is the intent and the commitment of the initiative sponsors for the current allocation process to continue.**

*7 3) Amendment 52 results in cuts to state programs that are currently funded by the 8 severance tax, such as low-income energy assistance and wildlife conservation. In 9 addition, the measure does not guarantee that any new money will go to projects that 10 relieve congestion on I-70. The money could instead replace current funding for 11 existing projects on I-70. Thus, the measure could result in growth in transportation 12 spending in areas unrelated to relieving I-70 congestion.*

**Comments: Amendment 52 does not cut state programs. In fact, our analysis shows that funding to DNR will continue in 2009 at the level appropriated. Amendment 52 simply creates a decrease in the rate of increase, but not a cut.**

**Of course the measure guarantees that some of the money goes to congestion relief. That piece of their argument is bogus. On the one hand they say we are picking a project, on the other hand they are saying that project may not get any funding. Both arguments can't be made at the same time.**





# Last Draft as Mailed to Interested Parties

1 Since this measure is a constitutional change, if both measures pass, any parts of  
2 Amendment (#113) that are found to be in conflict with this measure will not take effect.  
3 These issues will be resolved after the election. The state will likely implement the  
4 measures based on a state legal opinion, or the court may have to decide how the  
5 measures take effect.

## 6 **Arguments For**

7 1) Amendment 52 increases funding for highways by an estimated \$225 million  
8 over the next four years without raising taxes. The most recent statewide transportation  
9 plan expects the cost of maintaining the current highway system to be significantly  
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34 loans and grants for water projects, water conservation, and other programs. A recent  
35 study indicated that current and planned water supply projects are likely to meet about  
36 80 percent of the estimated demand by 2030. By diverting over \$100 million in the next  
37 four years from water projects to transportation projects, Amendment 52 hurts the  
38 state's ability to meet long-term water supply needs.



# Last Draft as Mailed to Interested Parties

1           2) Amendment 52 circumvents the statewide transportation planning process by  
2 giving decision-making authority for some of the money to the state legislature. The  
3 statewide transportation plan, developed by an independent commission, identifies,  
4 prioritizes, and selects transportation projects for funding. When legislators prioritize and  
5 select transportation projects, political considerations may enter the decision-making  
6 process.

7           3) Amendment 52 results in cuts to state programs that are currently funded by the  
8 severance tax, such as low-income energy assistance and wildlife conservation. In  
9 addition, the measure does not guarantee that any new money will go to projects that  
10 relieve congestion on I-70. The money could instead replace current funding for  
11 existing projects on I-70. Thus, the measure could result in growth in transportation  
12 spending in areas unrelated to relieving I-70 congestion.

## 13       **Estimate of Fiscal Impact**

14           **State Impacts.** Amendment 52 does not change state severance tax collections.  
15 Instead, it caps the amount of severance tax revenue that can be allocated to existing  
16 state programs and diverts money above the cap to highway projects. Under the cap,  
17 funding for existing state programs would grow from \$92 million to \$102 million over the  
18 next four years. Based on the most recent state forecast of severance tax revenue,  
19 Amendment 52 SHIFTS \$89 million to transportation in the current budget year, and  
20 \$225 million over the next four years.

21           The money shifted to transportation would have been spent on water projects,  
22 existing state programs, and other programs as determined by the legislature. Table 2  
23 shows the change in spending that is expected to occur due to Amendment 52. Money  
24 for water projects is expected to drop by \$45 million in 2009, with the actual spending  
25 reductions occurring in the following year. In budget year 2009, existing state programs  
26 will see a total reduction of \$2 million. Some of the programs experiencing cuts include  
27 wildlife conservation, low-income energy assistance, bark beetle control, zebra mussel  
28 control, and soil conservation. In addition, based on the current forecast, the legislature  
29 would have been able to spend another \$42 million in 2009. Over the next four years,  
30 spending on existing state programs is expected to fall by about \$29 million, revenue for  
31 water projects is expected to drop by \$112 million, and spending on other programs will  
32 drop by \$84 million.

# Last Draft as Mailed to Interested Parties

<b>Table 2. Estimated State Spending Change Due to Amendment 52</b> (Millions of Dollars)					
<b>State Revenue:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>4-year Total</b>
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AMENDMENT 52  
CONTACT LIST

Bill Levine  
bill.levine@state.co.us

Carrie Curtiss  
carrie@cecenviro.org

Chip Taylor  
Colorado Counties Inc.  
1700 Broadway Suite 1510  
Denver, CO 80290  
jtaylor@ccionline.org

Danny L. Tomlinson  
7535 Yorkshire Dr.  
Castle Rock, CO 80108  
dtomlinson@msn.com

Edward Ramey  
eramey@ir-law.com

Geoff Blue  
geoff.blue@state.co.us

George Merritt  
A Smarter Colorado  
merritt.george@gmail.com

Henry Sobanet  
Colorado Strategies  
henry@coloradostrategies.com

Julie Geller  
Colorado Forum  
511 16th Street, Suite 210  
Denver, CO 80202  
juliegeller@coloradoforum.com

Representative Kathleen Curry  
54542 E. Highway 50  
Gunnison, CO 81230  
kathleencurry@montrose.net

Kelly Nordini  
Governor's Office  
kelly.nordini@state.co.us

Meg Collins  
Colorado Oil and Gas Association  
1776 Lincoln St., #1313  
Denver, CO 80203  
meg.collins@coga.org

AMENDMENT 52  
CONTACT LIST

Melissa Nelson  
CDOT  
melissa.nelson@dot.state.co.us

Reeves Brown  
Club 20  
P.O. Box 550  
Grand Junction, CO 81502-0550  
rebrown@club20.org

Representative Cory Gardner  
P.O. Box 86  
Yuma, CO 80759  
gardner@plains.net

Representative Frank McNulty  
P.O. Box 630573  
Highlands Ranch, CO 80163  
frank@frankmcnulty.com

Senator Josh Penry  
P.O. Box 1604  
Grand Junction, CO 81502  
josh.penry@gmail.com

Stan Dempsey  
Colorado Petroleum Association  
1410 Grant St., B-305  
Denver, CO 80203  
stan@coloradopetroleumassociation.org

Tara Arterburn  
tara.arterburn@gmail.com

Will Kugel  
will.kugel@state.co.us

**Amendment 52**  
**Use of Severance Tax Revenue for Highways**

1     **Ballot Title:** An amendment to the Colorado constitution concerning the allocation of  
2 revenues from the state severance tax imposed on minerals and mineral fuels other than  
3 oil shale that are extracted in the state, and, in connection therewith, for fiscal years  
4 commencing on or after July 1, 2008, requiring half of the revenues to be credited to the  
5 local government severance tax fund and the remaining revenues to be credited first to  
6 the severance tax trust fund until an annually calculated limit is reached and then to a  
7 new Colorado transportation trust fund, which may be used only to fund the  
8 construction, maintenance, and supervision of public highways in the state, giving first  
9 priority to reducing congestion on the Interstate 70 corridor.

10    **Text of Proposal:**

11    *Be it Enacted by the People of the State of Colorado:*

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

14    **Section 22. Concerning the allocation of severance tax revenues - Colorado**  
15 **transportation trust fund.** (1) BEGINNING JULY 1, 2008, OF THE TOTAL GROSS RECEIPTS  
16 REALIZED FROM THE SEVERANCE TAXES IMPOSED ON MINERALS AND MINERAL FUELS  
17 UNDER THE PROVISIONS OF ARTICLE 29 OF TITLE 39, COLORADO REVISED STATUTES, OR  
18 ANY SUCCESSOR ARTICLE OR SECTION, EXCLUDING THOSE SEVERANCE TAXES FROM OIL  
19 SHALE PRODUCTION PURSUANT TO SECTION 39-29-107, COLORADO REVISED STATUTES,  
20 OR ANY SUCCESSOR SECTION CONCERNING SEVERANCE TAXES FROM OIL SHALE  
21 PRODUCTION, FIFTY PERCENT SHALL BE CREDITED TO THE LOCAL GOVERNMENT  
22 SEVERANCE TAX FUND CREATED BY SECTION 39-29-110, COLORADO REVISED STATUTES,  
23 OR ANY SUCCESSOR SECTION, OR SUCCESSOR FUND. THE REMAINING FIFTY PERCENT  
24 SHALL BE CREDITED TO THE SEVERANCE TAX TRUST FUND CREATED BY SECTION 39-29-  
25 109, COLORADO REVISED STATUTES, OR ANY SUCCESSOR SECTION OR SUCCESSOR FUND.  
26 BEGINNING JULY 1, 2008 AND IN EACH SUCCEEDING STATE FISCAL YEAR, AND  
27 NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SUBSECTION, ANY MONEYS  
28 CREDITED TO THE SEVERANCE TAX TRUST FUND CREATED BY SECTION 39-29-109,  
29 COLORADO REVISED STATUTES, OR ANY SUCCESSOR SECTION OR SUCCESSOR FUND,  
30 SHALL NOT EXCEED THE AMOUNT CREDITED TO THE SEVERANCE TAX TRUST FUND IN THE  
31 PRIOR STATE FISCAL YEAR PLUS AN ANNUAL ADJUSTMENT FOR INFLATION EQUAL TO THE  
32 PERCENTAGE CHANGE IN THE UNITED STATES BUREAU OF LABOR STATISTICS CONSUMER  
33 PRICE INDEX FOR DENVER-BOULDER-GREELEY, ALL ITEMS, ALL CONSUMERS, OR ITS  
34 SUCCESSOR INDEX, ROUNDED TO THE NEAREST LOWEST ONE THOUSAND DOLLARS, OR

1 THE AMOUNT EQUAL TO THE HIGHEST AMOUNT CREDITED TO THE SEVERANCE TAX TRUST  
2 FUND IN ANY STATE FISCAL YEAR BEGINNING JULY 1, 2007, WHICHEVER AMOUNT IS  
3 GREATER, AND ALL REMAINING MONEYS SHALL BE CREDITED TO THE COLORADO  
4 TRANSPORTATION TRUST FUND, CREATED BY SUBSECTION (2) OF THIS SECTION.

5 (2) THE COLORADO TRANSPORTATION TRUST FUND IS HEREBY CREATED IN THE STATE  
6 TREASURY. THE GENERAL ASSEMBLY MAY APPROPRIATE REVENUE, PRINCIPAL AND  
7 INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND FOR  
8 THE PURPOSES ALLOWED UNDER SECTION 18 OF ARTICLE X OF THIS CONSTITUTION,  
9 GIVING FIRST PRIORITY TO RELIEVING CONGESTION ON THE INTERSTATE 70 CORRIDOR.  
10 ANY MONEYS CREDITED TO THE COLORADO TRANSPORTATION TRUST FUND AND  
11 UNEXPENDED AT THE END OF ANY GIVEN STATE FISCAL YEAR SHALL REMAIN IN THE FUND  
12 AND SHALL NOT REVERT TO THE GENERAL FUND.