

1 Be it Enacted by the People of the State of Colorado:
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3 **SECTION 1.** 39-29-101 (3), Colorado Revised Statutes, is amended to read:
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5 **39-29-101. Legislative declaration.** (3) It additionally is the intent of the general
6 assembly that a portion of the revenues derived from such a severance tax be used by the state
7 for public purposes, that a portion be held by the state in a perpetual trust fund, ~~and~~ that a portion
8 be made available to local governments to offset the impact created by nonrenewable resource
9 development, AND THAT A PORTION BE MADE AVAILABLE FOR HIGHER EDUCATION CAPITAL
10 CONSTRUCTION.
11

12 **SECTION 2.** 39-29-102, Colorado Revised Statutes, is amended BY THE ADDITION OF A
13 NEW PARAGRAPH to read:
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15 **39-29-102. Definitions.** (8) "HIGHER EDUCATION CAPITAL CONSTRUCTION" MEANS ANY OF
16 THE FOLLOWING ACTIVITIES FOR THE BENEFIT OF STATE INSTITUTIONS OF HIGHER EDUCATION AS
17 DEFINED BY 23-18-102 (10) (A), C.R.S.:

18 (A) PURCHASE OF LAND, REGARDLESS OF THE VALUE THEREOF;

19 (B) PURCHASE, CONSTRUCTION, OR DEMOLITION OF BUILDINGS OR OTHER PHYSICAL
20 FACILITIES, OR REMODELING OR RENOVATION OF EXISTING BUILDINGS OR OTHER PHYSICAL
21 FACILITIES;

22 (C) SITE IMPROVEMENT OR DEVELOPMENT;

23 (D) PURCHASE AND INSTALLATION OF THE FIXED AND MOVABLE EQUIPMENT NECESSARY
24 FOR THE OPERATION OF NEW, REMODELED, OR RENOVATED BUILDINGS AND OTHER PHYSICAL
25 FACILITIES AND FOR THE CONDUCT OF PROGRAMS HOUSED THEREIN UPON COMPLETION OF THE NEW
26 CONSTRUCTION, REMODELING, OR RENOVATION;

27 (E) PURCHASE OF THE SERVICES OF ARCHITECTS, ENGINEERS, AND OTHER CONSULTANTS TO
28 PREPARE PLANS, PROGRAM DOCUMENTS, LIFE-CYCLE COST STUDIES, ENERGY ANALYSES, AND
29 OTHER STUDIES ASSOCIATED WITH ANY CAPITAL CONSTRUCTION PROJECT AND TO SUPERVISE
30 CONSTRUCTION OR EXECUTION OF SUCH CAPITAL CONSTRUCTION PROJECTS; AND

31 (F) ANY ITEM OF INSTRUCTIONAL OR SCIENTIFIC EQUIPMENT IF THE COST WILL EXCEED
32 FIFTY THOUSAND DOLLARS.
33

34 **SECTION 3.** 39-29-105, Colorado Revised Statutes, is amended to read:
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36 **39-29-105. Tax on severance of oil and gas.** (1) (b) In addition to any other tax, there
37 shall be levied, collected, and paid for each taxable year commencing on or after January 1,
38 2000, BUT PRIOR TO JANUARY 1, 2009, a tax upon the gross income attributable to the sale of oil
39 and gas severed from the earth in this state; except that oil produced from any wells that produce
40 fifteen barrels per day or less of oil and gas produced from wells that produce ninety thousand
41 cubic feet or less of gas per day for the average of all producing days for such oil or gas
42 production during the taxable year shall be exempt from the tax. Nothing in this paragraph (b)
43 shall exempt a producer of oil and gas from submitting a production employee report as required
44 by section 39-29-110 (1) (d) (I). The tax for oil and gas shall be at the following rates of the
45 gross income:
46

1	Under \$25,000	2%
2	\$25,000 and under \$100,000	3%
3	\$100,000 and under \$300,000	4%
4	\$300,000 and over	5%

5
6 (c) IN ADDITION TO ANY OTHER TAX, THERE SHALL BE LEVIED, COLLECTED, AND PAID FOR
7 EACH TAXABLE YEAR COMMENCING ON OR AFTER JANUARY 1, 2009, A TAX UPON THE GROSS
8 INCOME ATTRIBUTABLE TO THE SALE OF OIL AND GAS SEVERED FROM THE EARTH IN THIS STATE.
9 NOTHING IN THIS PARAGRAPH (B) SHALL EXEMPT A PRODUCER OF OIL AND GAS FROM SUBMITTING
10 A PRODUCTION EMPLOYEE REPORT AS REQUIRED BY SECTION 39-29-110 (1) (D) (I). THE TAX FOR
11 OIL AND GAS SHALL BE AT THE FOLLOWING RATES OF THE GROSS INCOME:

- 12
13 (I) UNDER THREE HUNDRED THOUSAND DOLLARS SHALL BE ZERO PERCENT; AND
14 (II) THREE HUNDRED THOUSAND DOLLARS AND OVER SHALL BE 4.85 PERCENT OF THE
15 ENTIRE GROSS INCOME.

16
17 (3) THE PROCEEDS OF THIS TAX AND INVESTMENT INCOME RECEIVED IN ACCORDANCE WITH
18 THE PROVISIONS OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION THEREON SHALL BE
19 COLLECTED AND SPENT BY THE STATE AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD
20 TO ANY SPENDING LIMITATION CONTAINED WITHIN SECTION 20 OF ARTICLE X OF THE STATE
21 CONSTITUTION, OR ANY OTHER LAW, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER
22 REVENUE THAT MAY BE COLLECTED AND SPENT BY THE STATE OR ANY DISTRICT.

23
24 **SECTION 4.** 39-29-108 (2), Colorado Revised Statutes, is amended to read:

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26 **39-29-108. Allocation of severance tax revenues – definitions – repeal.** (2) (a) Of the
27 total gross receipts realized from the severance taxes imposed on minerals and mineral fuels
28 under the provisions of this article after June 30, 1981, EXCEPTING THOSE REVENUES LEVIED,
29 COLLECTED, AND PAID BY OPERATION OF SECTION 39-29-105 (1) (c), fifty percent shall be credited
30 to the state severance tax trust fund created by section 39-29-109, and fifty percent shall be
31 credited to the local government severance tax fund created by section 39-29-110.

32 (b) OF THE REVENUES LEVIED, COLLECTED, AND PAID BY OPERATION OF SECTION 39-29-
33 105 (1) (c):

34 (I) TWENTY-SEVEN PERCENT OF SUCH REVENUES SHALL BE CREDITED TO THE HIGHER
35 EDUCATION CAPITAL CONSTRUCTION TRUST FUND CREATED AND ADMINISTERED IN THE OFFICE OF
36 THE STATE TREASURER FOR THE PURPOSES OF HIGHER EDUCATION CAPITAL CONSTRUCTION;

37 (II) SEVEN PERCENT OF SUCH REVENUES SHALL BE CREDITED TO THE CAPITAL
38 CONSTRUCTION FUND CREATED PURSUANT TO SECTION 24-75-302, C.R.S., FOR THE PURPOSES SET
39 FORTH THEREIN;

40 (III) TWENTY-THREE PERCENT OF SUCH REVENUES SHALL BE CREDITED TO THE LOCAL
41 GOVERNMENT SEVERANCE TAX FUND CREATED PURSUANT TO SECTION 39-29-110, FOR THE
42 PURPOSES SET FORTH THEREIN;

43 (IV) TWENTY-THREE PERCENT OF SUCH REVENUES SHALL BE CREDITED TO THE SEVERANCE
44 TAX TRUST FUND PURSUANT TO SECTION 39-29-109, FOR THE PURPOSES SET FORTH THEREIN; AND

1 (V) TWENTY PERCENT OF SUCH REVENUES SHALL BE CREDITED TO THE LOCAL
2 GOVERNMENT SEVERANCE TAX FUND FOR THE PURPOSES SET FORTH IN SECTION 39-29-110 (1) (b)
3 (I).
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5 **SECTION 5.** 39-29-110 (1) (c.5), Colorado Revised Statutes, is amended, and the said
6 39-29-110 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:
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8 **39-29-110. Local government severance tax fund – creation – administration –**
9 **energy impact assistance advisory committee created – definitions – repeal.** (1) (c.5)
10 EXCEPT AS SPECIFIED IN SUBSECTION (5) OF THIS SECTION, for any state fiscal year commencing
11 on or after July 1, 2007, state severance tax receipts credited to the local government severance
12 tax fund shall be distributed as follows:

13 (I) Seventy percent of the receipts and income shall be distributed to political
14 subdivisions in the manner specified in paragraph (b) of this subsection (1); and

15 (II) Thirty percent of the receipts and income shall be distributed or loaned to counties or
16 municipalities in the manner specified in paragraph (c) of this subsection (1).

17 (5) ONE HUNDRED PERCENT OF THE REVENUES RECEIVED AND CREDITED TO THE LOCAL
18 GOVERNMENT SEVERANCE TAX FUND BY OPERATION OF SECTION 39-29-108 (2) (b) (V) SHALL BE
19 DISTRIBUTED TO POLITICAL SUBDIVISIONS AS PROVIDED IN THAT SUBPARAGRAPH.