

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
7 state for public purposes, that a portion be held by the state in a perpetual trust fund, ~~and~~
8 that a portion be made available to local governments to offset the impact created by
9 nonrenewable resource development, AND THAT A PORTION BE MADE AVAILABLE FOR
10 HIGHER EDUCATION CAPITAL CONSTRUCTION.

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12 **SECTION 2.** 39-29-102, Colorado Revised Statutes, is amended BY THE
13 ADDITION OF A NEW PARAGRAPH to read:

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15 **39-29-102. Definitions.** (8) "HIGHER EDUCATION CAPITAL CONSTRUCTION" MEANS
16 ANY OF THE FOLLOWING ACTIVITIES FOR THE BENEFIT OF STATE INSTITUTIONS OF HIGHER
17 EDUCATION AS 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
24 NECESSARY FOR THE OPERATION OF NEW, REMODELED, OR RENOVATED BUILDINGS AND
25 OTHER PHYSICAL FACILITIES AND FOR THE CONDUCT OF PROGRAMS HOUSED THEREIN UPON
26 COMPLETION OF THE NEW CONSTRUCTION, REMODELING, OR RENOVATION;

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

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

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35 **SECTION 3.** 39-29-105, Colorado Revised Statutes, is amended to read:

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

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

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

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

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

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

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29 **39-29-108. Allocation of severance tax revenues – definitions – repeal.** (2) (a)
30 Of the total gross receipts realized from the severance taxes imposed on minerals and
31 mineral fuels under the provisions of this article after June 30, 1981, EXCEPTING THOSE
32 REVENUES LEVIED, COLLECTED, AND PAID BY OPERATION OF SECTION 39-29-105 (1) (c),
33 fifty percent shall be credited to the state severance tax trust fund created by section 39-
34 29-109, and fifty percent shall be credited to the local government severance tax fund
35 created by section 39-29-110.

36 (b) OF THE REVENUES LEVIED, COLLECTED, AND PAID BY OPERATION OF SECTION
37 39-29-105 (1) (c):

38 (I) TWENTY-SEVEN PERCENT OF SUCH REVENUES SHALL BE CREDITED TO THE
39 HIGHER EDUCATION CAPITAL CONSTRUCTION TRUST FUND CREATED PURSUANT TO SECTION
40 39-29-108.6, FOR THE PURPOSES SET FORTH THEREIN;

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

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

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

7 (V) TWENTY PERCENT OF SUCH REVENUES SHALL BE CREDITED TO THE LOCAL
8 GOVERNMENT SEVERANCE TAX FUND FOR THE PURPOSES SET FORTH IN SECTION 39-29-110
9 (1) (b) (I).

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11 **SECTION 5.** 39-29-110 (1) (c.5), Colorado Revised Statutes, is amended, and
12 the said 39-29-110 is further amended BY THE ADDITION OF A NEW SUBSECTION,
13 to read:

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15 **39-29-110. Local government severance tax fund – creation – administration**
16 **– energy impact assistance advisory committee created – definitions – repeal.** (1)
17 (c.5) EXCEPT AS SPECIFIED IN SUBSECTION (5) OF THIS SECTION, for any state fiscal year
18 commencing on or after July 1, 2007, state severance tax receipts credited to the local
19 government severance tax fund shall be distributed as follows:

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

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

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

28 **SECTION 6.** Article 29 of title 39, Colorado Revised Statutes, is amended BY
29 THE ADDITION OF A NEW SECTION to read:

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31 **39-29-108.6. Higher education capital construction trust fund.** THERE IS
32 HEREBY CREATED IN THE OFFICE OF THE STATE TREASURER THE HIGHER EDUCATION
33 CAPITAL CONSTRUCTION TRUST FUND. THE PURPOSE OF THE FUND IS TO APPROPRIATE
34 MONEYS TO STATE INSTITUTIONS OF HIGHER EDUCATION, AS DEFINED BY 23-18-102 (10)
35 (A), C.R.S., FOR CAPITAL CONSTRUCTION. THE FUND IS PERPETUAL AND HELD IN TRUST.
36 ALL INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF THE MONEYS IN THE HIGHER
37 EDUCATION CAPITAL CONSTRUCTION TRUST FUND SHALL BE CREDITED TO THE FUND AND
38 SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND. INTEREST
39 EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN THE HIGHER EDUCATION CAPITAL
40 CONSTRUCTION TRUST FUND SHALL BE APPROPRIATED ANNUALLY FOR HIGHER EDUCATION
41 CAPITAL CONSTRUCTION.