

Proposed Initiative 2007-2008
Amended
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ELECTIONS
SECRETARY OF STATE

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

SECTION 1. 39-29-101 (3), Colorado Revised Statutes, is amended to read:

39-29-101. Legislative declaration. (3) It additionally is the intent of the general assembly that a portion of the revenues derived from such a severance tax be used by the state for public purposes, that a portion be held by the state in a perpetual trust fund, and that a portion be made available to local governments to offset the impact created by nonrenewable resource development, AND THAT A PORTION BE MADE AVAILABLE FOR HIGHER EDUCATION CAPITAL CONSTRUCTION.

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

39-29-102. Definitions. (§4.3) "HIGHER EDUCATION CAPITAL CONSTRUCTION" MEANS ANY OF THE FOLLOWING ACTIVITIES FOR THE BENEFIT OF STATE INSTITUTIONS OF HIGHER EDUCATION AS DEFINED BY SECTION 23-18-102 (10) (a), C.R.S.:

- (a) PURCHASE OF LAND, REGARDLESS OF THE VALUE THEREOF;
- (b) PURCHASE, CONSTRUCTION, OR DEMOLITION OF BUILDINGS OR OTHER PHYSICAL FACILITIES, OR REMODELING OR RENOVATION OF EXISTING BUILDINGS OR OTHER PHYSICAL FACILITIES;
- (c) SITE IMPROVEMENT OR DEVELOPMENT;
- (d) PURCHASE AND INSTALLATION OF THE FIXED AND MOVABLE EQUIPMENT NECESSARY FOR THE OPERATION OF NEW, REMODELED, OR RENOVATED BUILDINGS AND OTHER PHYSICAL FACILITIES AND FOR THE CONDUCT OF PROGRAMS HOUSED THEREIN UPON COMPLETION OF THE NEW CONSTRUCTION, REMODELING, OR RENOVATION;
- (e) PURCHASE OF THE SERVICES OF ARCHITECTS, ENGINEERS, AND OTHER CONSULTANTS TO PREPARE PLANS, PROGRAM DOCUMENTS, LIFE-CYCLE COST STUDIES, ENERGY ANALYSES, AND OTHER STUDIES ASSOCIATED WITH ANY HIGHER EDUCATION CAPITAL CONSTRUCTION PROJECT AND TO SUPERVISE CONSTRUCTION OR EXECUTION OF SUCH CAPITAL CONSTRUCTION PROJECTS; AND
- (f) ANY ITEM OF INSTRUCTIONAL OR SCIENTIFIC EQUIPMENT IF THE COST WILL EXCEED FIFTY THOUSAND DOLLARS.

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SECTION 3. The introductory portion to 39-29-105 (1) (b), Colorado Revised Statutes, is amended and the said 39-29-105 (1) if further amended BY THE ADDITION OF A NEW PARAGRAPH to read: ~~39-29-105, Colorado Revised Statutes, is amended to read:~~

39-29-105. Tax on severance of oil and gas. (1) (b) In addition to any other tax, there shall be levied, collected, and paid for each taxable year commencing on or after January 1, 2000, BUT PRIOR TO JANUARY 1, 2009, a tax upon the gross income attributable to the sale of oil and gas severed from the earth in this state; except that oil produced from any wells that produce fifteen barrels per day or less of oil and gas produced from wells that produce ninety thousand cubic feet or less of gas per day for the average of all producing days for such oil or gas production during the taxable year shall be exempt

from the tax. Nothing in this paragraph (b) shall exempt a producer of oil and gas from submitting a production employee report as required by section 39-29-110 (1) (d) (I). The tax for oil and gas shall be at the following rates of the gross income:

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

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

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(I) UNDER THREE HUNDRED THOUSAND DOLLARS SHALL BE EXEMPT ~~ZERO PERCENT~~;
AND

(II) THREE HUNDRED THOUSAND DOLLARS AND OVER SHALL BE FOUR AND EIGHTY-FIVE HUNDREDTHS ~~4.85 PERCENT~~ OF THE ENTIRE GROSS INCOME.

SECTION 4. 39-29-105, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

39-29-105. Tax on severance of oil and gas. (3) THE PROCEEDS OF THIS TAX AND INVESTMENT INCOME RECEIVED IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION THEREON SHALL BE COLLECTED AND SPENT BY THE STATE AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING LIMITATION CONTAINED WITHIN SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, OR ANY OTHER LAW, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUE THAT MAY BE COLLECTED AND SPENT BY THE STATE OR ANY DISTRICT.

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SECTION 45. 39-29-108 (2), Colorado Revised Statutes, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

~~39-29-108.6. Higher education capital construction trust fund. THERE IS HEREBY CREATED IN THE OFFICE OF THE STATE TREASURER-TREASURY THE HIGHER EDUCATION CAPITAL CONSTRUCTION TRUST FUND. THE PURPOSE OF THE FUND IS TO APPROPRIATE-TRANSFER MONEYS TO STATE INSTITUTIONS OF HIGHER EDUCATION, AS DEFINED BY SECTION 23-18-102 (10) (a), C.R.S., FOR HIGHER EDUCATION CAPITAL CONSTRUCTION. THE FUND IS PERPETUAL AND HELD IN TRUST. ALL INCOME DERIVED FROM~~

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THE DEPOSIT AND INVESTMENT OF THE MONEYS IN THE HIGHER EDUCATION CAPITAL CONSTRUCTION TRUST FUND SHALL BE CREDITED TO THE FUND AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND OR ANY OTHER FUND. ALL MONEYS UNEXPENDED OR NOT ENCUMBERED FROM THE HIGHER EDUCATION CAPITAL CONSTRUCTION FUND APPROPRIATION FOR ANY FISCAL YEAR SHALL REVERT TO THE HIGHER EDUCATION CAPITAL CONSTRUCTION FUND AT THE END OF THE PERIOD FOR WHICH SUCH MONEYS ARE APPROPRIATED. INTEREST EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN THE HIGHER EDUCATION CAPITAL CONSTRUCTION TRUST FUND SHALL BE APPROPRIATED ANNUALLY FOR HIGHER EDUCATION CAPITAL CONSTRUCTION AS DEFINED IN SECTION 39-29-102 (4.3).