

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0845.02 Ed DeCecco x4216

HOUSE BILL 18-1201

HOUSE SPONSORSHIP

Thurlow,

SENATE SPONSORSHIP

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House Committees

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A BILL FOR AN ACT

101 CONCERNING A VOTER-APPROVED REVENUE CHANGE TO ALLOW THE
102 STATE TO RETAIN AND SPEND AN AMOUNT EQUAL TO STATE
103 SEVERANCE TAX REVENUES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires the secretary of state to refer a ballot issue at the general election held on November 6, 2018, to seek voter approval for the state to retain and spend an amount equal to state severance tax revenue. The change only has effect in years when the state would otherwise be required to make a refund under section 20 of article X of the state

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

constitution (TABOR) and is conditioned on the state not:

- ! Repealing or reducing any of the existing severance tax exemptions or credits; or
- ! Reducing the percentage of the severance tax revenue that is allocated to local governments.

If the state does any of these actions, then the state's authority to retain and spend revenues based on the voters' approval of the referred ballot issue is rescinded at that time and going forward.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-29-117 as
3 follows:

4 **39-29-117. Severance tax revenues - voter-approved revenue**
5 **change - ballot issue - definitions - repeal.** (1) AS USED IN THIS
6 SECTION:

7 (a) "BALLOT ISSUE" MEANS THE QUESTION REFERRED TO VOTERS
8 IN SUBSECTION (2) OF THIS SECTION.

9 (b) "STATE REVENUES" HAS THE SAME MEANING AS SET FORTH IN
10 SECTION 24-77-103.6 (6)(c).

11 (c) "STATE SEVERANCE TAX REVENUE" MEANS THE TOTAL GROSS
12 RECEIPTS REALIZED FROM THE SEVERANCE TAXES IMPOSED ON MINERALS
13 AND MINERAL FUELS UNDER THIS ARTICLE 29.

14 (2) AT THE ELECTION HELD ON NOVEMBER 6, 2018, THE
15 SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED ELECTORS OF
16 THE STATE FOR THEIR APPROVAL OR REJECTION THE FOLLOWING BALLOT
17 ISSUE: "WITHOUT RAISING TAXES, MAY THE STATE RETAIN AND SPEND
18 REVENUES THAT EXCEED THE CONSTITUTIONAL LIMITATION ON STATE
19 FISCAL YEAR SPENDING IN AN AMOUNT EQUAL TO STATE SEVERANCE TAX
20 REVENUES FOR THE STATE FISCAL YEAR, WHICH REVENUES ARE USED FOR
21 WATER PROJECTS, CONSERVATION, AND OTHER STATE PROGRAMS AND TO

1 SUPPORT LOCAL GOVERNMENTS IMPACTED BY EXTRACTION-RELATED
2 ACTIVITIES, WITH THIS AUTHORITY EXPIRING IF THE STATE REPEALS OR
3 REDUCES ANY OF THE EXISTING SEVERANCE TAX EXEMPTIONS OR CREDITS
4 OR REDUCES THE PERCENTAGE OF STATE SEVERANCE TAX REVENUE THAT
5 IS ALLOCATED TO LOCAL GOVERNMENTS?"

6 (3) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE
7 VOTE "YES/FOR", THEN FOR ALL FISCAL YEARS BEGINNING ON OR AFTER
8 JULY 1, 2019, THE STATE MAY RETAIN AND SPEND STATE REVENUES THAT
9 THE STATE OTHERWISE WOULD HAVE BEEN REQUIRED TO REFUND UNDER
10 SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION IN AN
11 AMOUNT EQUAL TO THE STATE SEVERANCE TAX REVENUE FOR THE STATE
12 FISCAL YEAR. STATE REVENUES RETAINED AND SPENT IN ACCORDANCE
13 WITH THIS SECTION ARE A VOTER-APPROVED REVENUE CHANGE TO THE
14 LIMITATION ON STATE FISCAL YEAR SPENDING THAT IS IMPOSED BY
15 SECTION 20 (7) OF ARTICLE X OF THE STATE CONSTITUTION.

16 (4) IF, ON OR AFTER JULY 1, 2019, THE STATE REPEALS OR REDUCES
17 A STATE SEVERANCE TAX EXEMPTION OR CREDIT OR REDUCES THE
18 PERCENTAGE OF THE STATE SEVERANCE TAX REVENUE THAT IS ALLOCATED
19 TO LOCAL GOVERNMENTS, THEN THE STATE'S AUTHORITY TO RETAIN AND
20 SPEND REVENUE BASED ON THE VOTERS' APPROVAL OF THE BALLOT ISSUE
21 IS RESCINDED FOR THE STATE FISCAL YEAR DURING WHICH THE ACTION
22 BECAME EFFECTIVE AND FOR ALL STATE FISCAL YEARS THEREAFTER.

23 (5) FOR PURPOSES OF SECTION 1-5-407 (5)(b), THE BALLOT ISSUE
24 IS A PROPOSITION. SECTION 1-40-106 (3)(d) DOES NOT APPLY TO THE
25 BALLOT ISSUE.

26 (6) (a) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT
27 ISSUE VOTE "NO/AGAINST", THEN THIS SECTION IS REPEALED, EFFECTIVE

1 JULY 1, 2019.

2 (b) IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE
3 VOTE "YES/FOR", THEN THIS SUBSECTION (6) IS REPEALED, EFFECTIVE
4 JULY 1, 2019.

5 **SECTION 2. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.