

Ted Leighty, Colorado Association of Home Builders

The association opposes SB 181 and we just recently took this position, so Sen. Fenberg, I apologize you are just hearing this now.

Our position is based on the uncertainty caused by the bill -- uncertainty for the fiscal impact to the state, but also uncertainty for our industry and for Colorado's economy.

The threat of unknowns of how and when each local government will regulate energy production also affects the home building industry.

If local governments will be able to set any distance of setback, our production builders will not invest in any land in oil producing areas until everything is settled, I am talking about COGCC rules, local rules, land use decisions, litigation, etc.

As you know, a lot of this bill will be litigated and litigation even between energy companies and local governments could hold up our surface use.

These are volume builders that do business in many different states so they don't have to do business here, and if there is uncertainty here, they will not invest.

Without production builders, who have the ability to build at a faster pace, it will take many more years to attack our housing deficit, thus impacting our ability to address our housing affordability problem – an issue this legislature has spent innumerable hours trying to tackle.

You have heard a lot about the multiplier effect today. The effect works both ways, this bill will direct it in a negative way across the full spectrum, from accountants and software developers, to police, fire

and teachers. And to bring it close to home, to our construction workers.

We also wonder how the bill will affect existing surface use agreements? Under 181, will local governments be able to negate existing SUAs? This creates further uncertainty.

What I have just laid out here calls into question how a curtailing of residential development might do to both state and local revenues - in property, sales, and income taxes.

So, another question we have is how will 181 affect Gallagher?

We don't have that answer at this point, but it needs to be answered.

Madame Chair, committee members, thank you for your time today.

Remember that reverse set backs (i.e.- cant build a home within X feet of an oil facility) takes away the surface owner investment not the company.