

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Agriculture & Natural Resources.

SB25-040 be amended as follows:

1 Amend printed bill, page 2, after line 1 insert:

2 "SECTION 1. **Legislative declaration.** (1) The general  
3 assembly finds and declares that:

4 (a) Severance taxes provide a source of revenue to the state and  
5 the state's political subdivisions;

6 (b) A portion of revenues derived from severance taxes is used to  
7 fund the development and conservation of the state's water resources;

8 (c) Another portion of revenues derived from severance taxes is  
9 made available to local governments to offset the impact created by  
10 nonrenewable resource development;

11 (d) The state also relies on severance tax revenue to fund staff  
12 positions in the department of natural resources and the department of  
13 local affairs;

14 (e) In times of need, the state has relied on severance tax revenue  
15 to backfill the state budget, which depletes funding from programs that  
16 would otherwise benefit local governments; and

17 (f) There is a need to study how the state can:

18 (I) Avoid using severance tax revenue to backfill the state budget  
19 in the future;

20 (II) Begin to pay back the severance tax revenue previously used  
21 to backfill the state budget; and

22 (III) Continue to fund water needs and grants to local  
23 governments without relying on the revenues derived from severance  
24 taxes."

25 Renumber succeeding sections accordingly.

26 Page 3, strike line 23 and substitute "BEEN SOCIALLY OR ECONOMICALLY  
27 IMPACTED BY THE DEVELOPMENT, PROCESSING, OR ENERGY CONVERSION  
28 OF OIL AND GAS OPERATIONS SUBJECT TO TAXATION UNDER ARTICLE 29 OF  
29 TITLE 39, APPOINTED BY THE".

30 Page 4, line 15, after "NEEDS" insert "AND ENERGY IMPACT GRANTS  
31 DISTRIBUTED PURSUANT TO SECTION 39-29-110 (1)(b)(I)".

32 Page 4, line 18, after "RECOMMENDATIONS." add "THE STUDY MUST  
33 FOCUS ON IDENTIFYING WAYS TO ALLEVIATE THE NEED TO TRANSFER  
34 REVENUES DERIVED FROM SEVERANCE TAXES TO THE GENERAL FUND AND  
35 TO REPLACE SEVERANCE TAX REVENUE THAT WAS PREVIOUSLY  
36 TRANSFERRED."

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