

## CHAPTER 184

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**NATURAL RESOURCES**

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**SENATE BILL 24-230**

BY SENATOR(S) Fenberg and Cutter, Buckner, Coleman, Exum, Hinrichsen, Jaquez Lewis, Marchman, Michaelson Jenet, Priola, Winter F., Hansen, Mullica;  
also REPRESENTATIVE(S) McCluskie and Velasco, Amabile, Bacon, Boesenecker, Brown, Clifford, deGruy Kennedy, Daugherty, English, Froelich, Garcia, Hernandez, Herod, Jodeh, Joseph, Kipp, Lindsay, Lindstedt, Marvin, McCormick, McLachlan, Ortiz, Ricks, Rutinel, Story, Titone, Valdez, Vigil, Weissman, Willford, Woodrow, Duran, Hamrick, Lukens, Sirota.

**AN ACT****CONCERNING SUPPORT FOR STATEWIDE REMEDIATION SERVICES THAT POSITIVELY IMPACT THE ENVIRONMENT.**

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

**SECTION 1.** In Colorado Revised Statutes, 43-4-1201, **amend** (2)(a), (2)(b), (2)(e) introductory portion, (2)(e)(II), and (2)(f); and **add** (1.5), (2)(c.5), and (2)(g) as follows:

**43-4-1201. Legislative declaration.** (1.5) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) SCIENTIFIC AND GOVERNMENT AGENCY STUDIES, INCLUDING THE NATIONAL CLIMATE ASSESSMENT AND THE "COLORADO GREENHOUSE GAS POLLUTION REDUCTION ROADMAP", PUBLISHED BY THE COLORADO ENERGY OFFICE AND DATED JANUARY 14, 2021, CONFIRM THAT OIL AND GAS OPERATIONS CAN CREATE SIGNIFICANT ENVIRONMENTAL AND OTHER ADVERSE IMPACTS, INCLUDING GREENHOUSE GAS EMISSIONS THAT CONTRIBUTE TO CLIMATE CHANGE AND EMISSIONS OF LOCAL AIR POLLUTANTS THAT ARE OZONE PRECURSORS;

(b) ACCORDING TO MODELING CONDUCTED BY THE DIVISION OF ADMINISTRATION IN THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT IN 2023, OIL AND GAS DEVELOPMENT IS THE LEADING ANTHROPOGENIC SOURCE OF OZONE PRECURSORS IN COLORADO'S OZONE NONATTAINMENT AREAS AND IS RESPONSIBLE FOR FORTY-ONE PERCENT OF VOLATILE ORGANIC COMPOUND EMISSIONS AND FORTY-FIVE PERCENT OF NITROGEN OXIDE EMISSIONS;

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

(c) THE ADVERSE IMPACTS OF OIL AND GAS PRODUCTION AFFECT BOTH URBAN AND RURAL COMMUNITIES, JUSTIFYING INVESTMENT IN TRANSIT SERVICE IMPROVEMENTS IN COMMUNITIES ACROSS THE STATE TO REDUCE LOCAL POLLUTANTS AND GREENHOUSE GAS EMISSIONS AND BENEFIT DISPROPORTIONATELY IMPACTED COMMUNITIES;

(d) THE OIL AND GAS INDUSTRY IS THE THIRD LARGEST SOURCE OF GREENHOUSE GAS EMISSIONS IN THE STATE;

(e) IN THE 2019 LEGISLATIVE SESSION, THE GENERAL ASSEMBLY PASSED HOUSE BILL 19-1261, WHICH RECOGNIZED THAT CLIMATE CHANGE ADVERSELY AFFECTS COLORADO'S ECONOMY, AIR QUALITY, PUBLIC HEALTH, ECOSYSTEMS, NATURAL RESOURCES, AND QUALITY OF LIFE AND SET SCIENCE-BASED GOALS OF REDUCING STATEWIDE GREENHOUSE GAS POLLUTION, FROM 2005 LEVELS, BY TWENTY-SIX PERCENT BY 2025, FIFTY PERCENT BY 2030, AND NINETY PERCENT BY 2050. THROUGH SENATE BILL 23-016, ENACTED IN 2023, THE GENERAL ASSEMBLY UPDATED THESE GOALS TO ACHIEVE NET-ZERO GREENHOUSE GAS EMISSIONS BY 2050 WITH INTERIM REDUCTION GOALS OF SIXTY-FIVE PERCENT BY 2035, SEVENTY-FIVE PERCENT BY 2040, AND NINETY PERCENT BY 2045, MEASURED AGAINST 2005 STATEWIDE GREENHOUSE GAS POLLUTION LEVELS.

(f) ACCORDING TO THE "COLORADO GREENHOUSE GAS POLLUTION REDUCTION ROADMAP 2.0", PUBLISHED BY THE COLORADO ENERGY OFFICE IN FEBRUARY 2024, CURRENT POLICY AND FUTURE COMMITMENTS THROUGH 2026 ALONE ARE UNLIKELY TO ACHIEVE THE STATE'S 2025 AND 2030 GREENHOUSE GAS EMISSION REDUCTION GOALS WITHOUT FURTHER ACTIONS TO REDUCE EMISSIONS ASSOCIATED WITH TRANSPORTATION, AND THE ROADMAP'S LIST OF NEAR-TERM ACTIONS NECESSARY TO MEET THOSE GOALS INCLUDES POLICIES AND PROGRAMS THAT EXPAND AND INCREASE PUBLIC TRANSIT SERVICE, PASSENGER RAIL SERVICE, AND RIDERSHIP;

(g) REDUCING VEHICLE TRIPS BY ENCOURAGING THE USE OF PUBLIC TRANSIT HELPS TO LOWER OZONE-FORMING AND GREENHOUSE GAS EMISSIONS. ACCORDING TO "AN UPDATE ON PUBLIC TRANSPORTATION'S IMPACTS ON GREENHOUSE GAS EMISSIONS", PUBLISHED BY THE NATIONAL ACADEMIES OF SCIENCES, ENGINEERING, AND MEDICINE IN 2021, COLORADO TRANSIT AGENCIES OPERATING IN DENVER, FORT COLLINS, COLORADO SPRINGS, GREELEY, AND PUEBLO COLLECTIVELY REDUCED SIX HUNDRED TWENTY-FOUR THOUSAND NINE HUNDRED FORTY-TWO METRIC TONS OF GREENHOUSE GAS EMISSIONS IN 2018.

(h) POLICY DIRECTIVE 1610.0, PUBLISHED BY THE COLORADO DEPARTMENT OF TRANSPORTATION AND EFFECTIVE MAY 19, 2022, ESTIMATES TWENTY-THREE METRIC TONS OF GREENHOUSE GAS EMISSION REDUCTIONS FOR EVERY ONE THOUSAND ADDITIONAL VEHICLE-REVENUE-HOURS OF NEW TRANSIT SERVICE DELIVERED BY A ZERO-EMISSION VEHICLE AND EIGHTEEN METRIC TONS FOR EVERY ONE THOUSAND ADDITIONAL VEHICLE-REVENUE-HOURS OF NEW TRANSIT SERVICE DELIVERED BY A DIESEL-POWERED VEHICLE;

(i) ACCORDING TO THE "ZERO FARE FOR BETTER AIR 2023 EVALUATION REPORT", PUBLISHED BY THE REGIONAL TRANSPORTATION DISTRICT ON NOVEMBER 30, 2023, THE TWO-MONTH ZERO FARE FOR BETTER AIR PROGRAM RESULTED IN A

TWELVE PERCENT INCREASE IN RIDERSHIP AND A TOTAL REDUCTION OF NINE MILLION FOURTEEN THOUSAND THREE HUNDRED SEVENTY VEHICLE MILES TRAVELED, TWO THOUSAND FIVE HUNDRED EIGHTY-THREE POUNDS OF VOLATILE ORGANIC COMPOUNDS, TWO THOUSAND THREE HUNDRED EIGHTY-FIVE POUNDS OF NITROUS OXIDES, AND SIX MILLION ONE HUNDRED SIXTY-ONE THOUSAND SEVEN HUNDRED SEVENTY-TWO POUNDS OF GREENHOUSE GAS EMISSIONS, WHICH DEMONSTRATES A DIRECT RELATIONSHIP BETWEEN INCREASED TRANSIT RIDERSHIP AND REDUCED AIR POLLUTION AND GREENHOUSE GAS EMISSIONS;

(j) NUMEROUS STUDIES HAVE FOUND THAT, IN ADDITION TO THE DIRECT IMPACT ON POLLUTION DUE TO REPLACING INDIVIDUAL VEHICLE TRIPS WITH TRIPS ON TRANSIT, THERE ARE LARGE ADDITIONAL IMPACTS THAT COME FROM THE INDIRECT EFFECT THAT TRANSIT HAS ON ENABLING MORE DENSE LAND USE NEAR TRANSIT STOPS AND STATIONS, WHICH REDUCES TRIP LENGTHS AND INCREASES THE SHARE OF TRIPS TAKEN BY WALKING, BICYCLING, AND USING TRANSIT. FOR EXAMPLE, "AN UPDATE ON PUBLIC TRANSIT'S IMPACTS ON GREENHOUSE GAS EMISSIONS", PUBLISHED IN 2021 BY THE NATIONAL ACADEMIES OF SCIENCES, ENGINEERING, AND MEDICINE, FOUND THAT THE INDIRECT IMPACTS OF TRANSIT INCREASED THE EMISSION REDUCTIONS BY AN AMOUNT MORE THAN SEVEN TIMES LARGER THAN THE DIRECT REDUCTIONS.

(k) TO MITIGATE SOME OF THE ADVERSE ENVIRONMENTAL AND HEALTH IMPACTS OF AIR POLLUTION AND GREENHOUSE GAS EMISSIONS CAUSED BY OIL AND GAS OPERATIONS, IT IS NECESSARY, APPROPRIATE, EQUITABLE, AND IN THE BEST INTEREST OF ALL COLORADANS TO IMPOSE FEES ON OIL AND GAS PRODUCED IN THE STATE.

(2) The general assembly further finds and declares that:

(a) In order to incentivize, support, and accelerate the electrification AND AVAILABILITY OF public transit and thereby reap the environmental, health, business, and operational efficiency benefits of electrification AND WIDER AVAILABILITY OF PUBLIC TRANSIT, it is necessary, appropriate, and in the best interest of the state to create a clean transit enterprise that can provide specialized remediation and other services that help public transit providers fund both the construction of the charging infrastructure needed to support electrification, and the acquisition of electric motor vehicles, AND THE REMEDIATION SERVICES DESCRIBED IN SECTION 43-4-1204;

(b) The specific focus of the enterprise is the equitable reduction and mitigation of the adverse environmental and health impacts of air pollution and greenhouse gas emissions through incentivization, support, and acceleration of the electrification of public transit in rural and urban areas throughout the state AND THROUGH THE IMPLEMENTATION OF THE REMEDIATION SERVICES DESCRIBED IN SECTION 43-4-1204;

(c.5) THE ENTERPRISE PROVIDES THE REMEDIATION SERVICES DESCRIBED IN SECTION 43-4-1204 IN EXCHANGE FOR PAYMENT OF THE PRODUCTION FEES FOR CLEAN TRANSIT, WHICH ARE USED TO PARTIALLY MITIGATE THE IMPACTS OF OIL AND GAS OPERATIONS ON THE ENVIRONMENT THROUGH THE IMPLEMENTATION OF ACTIONS RELATED TO PUBLIC TRANSIT, INCLUDING INVESTMENT IN PUBLIC TRANSIT TO ACHIEVE THE LEVEL OF FREQUENT, CONVENIENT, AND RELIABLE TRANSIT THAT IS KNOWN TO INCREASE TRANSIT RIDERSHIP BY REPLACING CAR TRIPS WITH BUS AND RAIL TRIPS;

(e) Consistent with the determination of the Colorado supreme court in *Nicholl v. E-470 Public Highway Authority*, 896 P.2d 859 (Colo. 1995), that the power to impose taxes is inconsistent with enterprise status under section 20 of article X of the state constitution, it is the conclusion of the general assembly that the revenue collected by the enterprise is generated by fees, not taxes, because the clean transit retail delivery fee imposed by the enterprise as authorized by section 43-4-1203 (7) ~~is~~ AND THE PRODUCTION FEE FOR CLEAN TRANSIT ARE:

(II) Collected at rates that are reasonably calculated based on the impacts caused by fee payers and the cost of remediating those impacts; ~~and~~

(f) So long as the enterprise qualifies as an enterprise for purposes of section 20 of article X of the state constitution, the revenue from the clean transit retail delivery fee collected by the enterprise is not state fiscal year spending, as defined in section 24-77-102 (17), or state revenues, as defined in section 24-77-103.6 (6)(c), and does not count against either the state fiscal year spending limit imposed by section 20 of article X of the state constitution or the excess state revenues cap, as defined in section 24-77-103.6 (6)(b)(I)(D); AND

(g) THE ADDITION OF THE PRODUCTION FEE FOR CLEAN TRANSIT CONTINUES TO SERVE THE ENTERPRISE'S PRIMARY BUSINESS PURPOSES SET FORTH IN SECTION 43-4-1203 (3)(a). IF THE ADDITION OF THE PRODUCTION FEE FOR CLEAN TRANSIT COMBINED WITH THE CLEAN TRANSIT RETAIL DELIVERY FEE IS ESTIMATED TO RESULT IN THE COLLECTION OF FEES AND SURCHARGES THAT EXCEED ONE HUNDRED MILLION DOLLARS IN THE ENTERPRISE'S FIRST FIVE FISCAL YEARS, THE BOARD SHALL ADJUST THE FEES, LOWER THE FEES, OR STOP COLLECTING THE FEES IN ORDER TO NOT COLLECT FEES OR SURCHARGES THAT EXCEED ONE HUNDRED MILLION DOLLARS IN THE ENTERPRISE'S FIRST FIVE FISCAL YEARS, WHICH FIVE-YEAR PERIOD, FOR THE PURPOSE OF SECTION 24-77-108, ENDS ON JUNE 30, 2026. THEREFORE, THE ENTERPRISE, ORIGINALLY CREATED IN SECTION 43-4-1203, IS IN COMPLIANCE WITH SECTION 24-77-108.

**SECTION 2.** In Colorado Revised Statutes, 43-4-1202, **amend** (1); and **add** (1.5), (7.3), (7.7), (9.5), (9.7), (11.3), (11.7), (12.5), (12.7), (14.3), (14.5), (14.7), and (14.9) as follows:

**43-4-1202. Definitions.** As used in this part 12, unless the context otherwise requires:

(1) ~~"Battery electric motor vehicle" means a motor vehicle that is powered exclusively by a rechargeable battery pack that can be recharged by being plugged into an external source of electricity and that has no secondary source of propulsion~~  
"BARREL" MEANS FORTY-TWO UNITED STATES GALLONS AT SIXTY DEGREES FAHRENHEIT AT ATMOSPHERIC PRESSURE.

(1.5) "BATTERY ELECTRIC MOTOR VEHICLE" MEANS A MOTOR VEHICLE THAT IS POWERED EXCLUSIVELY BY A RECHARGEABLE BATTERY PACK THAT CAN BE RECHARGED BY BEING PLUGGED INTO AN EXTERNAL SOURCE OF ELECTRICITY AND THAT HAS NO SECONDARY SOURCE OF PROPULSION.

(7.3) "ELIGIBLE ENTITY" MEANS A LOCAL GOVERNMENT, LOCAL OR REGIONAL TRANSIT DISTRICT, REGIONAL TRANSPORTATION AUTHORITY SERVING ONE OR MORE COUNTIES, OR NONPROFIT ORGANIZATION THAT PROVIDES PUBLIC TRANSIT.

(7.7) "ELIGIBLE OPERATING EXPENSES" MEANS ALL OPERATING EXPENSES REQUIRED FOR PUBLIC TRANSPORTATION, INCLUDING EMPLOYEE WAGES AND BENEFITS, MATERIALS, FUELS, SUPPLIES, FACILITIES, RENTAL OF FACILITIES, AND ANY OTHER EXPENDITURE THAT DIRECTLY SUPPORTS THE EXPANSION OF TRANSIT SERVICE.

(9.5) "GAS" HAS THE MEANING SET FORTH IN SECTION 34-60-103 AND INCLUDES NATURAL GAS LIQUIDS.

(9.7) "GAS SPOT PRICE" MEANS THE HENRY HUB NATURAL GAS SPOT PRICE AS REPORTED BY THE UNITED STATES ENERGY INFORMATION ADMINISTRATION OR A SUCCESSOR PRICE INDEX SELECTED BY THE ENERGY AND CARBON MANAGEMENT COMMISSION CREATED IN SECTION 34-60-104.3.

(11.3) "MCF" MEANS ONE THOUSAND CUBIC FEET.

(11.7) "MMBTU" MEANS ONE MILLION BRITISH THERMAL UNITS.

(12.5) "OIL" HAS THE MEANING SET FORTH IN SECTION 34-60-103.

(12.7) "OIL SPOT PRICE" MEANS THE WEST TEXAS INTERMEDIATE SPOT PRICE AS REPORTED BY THE UNITED STATES ENERGY INFORMATION ADMINISTRATION OR A SUCCESSOR PRICE INDEX SELECTED BY THE ENERGY AND CARBON MANAGEMENT COMMISSION.

(14.3) "PRODUCER" HAS THE MEANING SET FORTH IN SECTION 34-60-103.

(14.5) "PRODUCTION FEE AMOUNTS" MEANS:

(a) FOR OIL, IF THE AVERAGE OIL SPOT PRICE FOR THE CALENDAR QUARTER IN WHICH THE PRODUCTION FEE FOR CLEAN TRANSIT IS BEING ASSESSED IS:

(I) FORTY DOLLARS PER BARREL OF OIL OR LESS, AN AMOUNT DETERMINED BY THE ENTERPRISE, WITH A MAXIMUM AMOUNT OF FOUR CENTS PER BARREL OF OIL;

(II) GREATER THAN FORTY DOLLARS BUT LESS THAN OR EQUAL TO FIFTY DOLLARS PER BARREL OF OIL, AN AMOUNT DETERMINED BY THE ENTERPRISE, WITH A MAXIMUM AMOUNT OF TWELVE CENTS PER BARREL OF OIL;

(III) GREATER THAN FIFTY DOLLARS BUT LESS THAN OR EQUAL TO SIXTY DOLLARS PER BARREL OF OIL, AN AMOUNT DETERMINED BY THE ENTERPRISE, WITH A MAXIMUM AMOUNT OF TWENTY-FOUR CENTS PER BARREL OF OIL; AND

(IV) GREATER THAN SIXTY DOLLARS PER BARREL OF OIL, AN AMOUNT DETERMINED BY THE ENTERPRISE, WHICH AMOUNT MUST ONLY INCREASE AT A MAXIMUM RATE OF TWELVE CENTS FOR EACH TEN DOLLARS, OR FRACTION OF TEN

DOLLARS, BY WHICH THE AVERAGE OIL SPOT PRICE EXCEEDS SIXTY DOLLARS PER BARREL OF OIL; AND

(b) FOR GAS, IF THE AVERAGE GAS SPOT PRICE FOR THE CALENDAR QUARTER IN WHICH THE PRODUCTION FEE FOR CLEAN TRANSIT IS BEING ASSESSED IS:

(I) ONE DOLLAR AND FORTY CENTS PER MMBTU OF GAS OR LESS, AN AMOUNT DETERMINED BY THE ENTERPRISE, WITH A MAXIMUM AMOUNT OF 0.16 CENTS PER MCF OF GAS;

(II) GREATER THAN ONE DOLLAR AND FORTY CENTS BUT LESS THAN OR EQUAL TO ONE DOLLAR AND EIGHTY CENTS PER MMBTU OF GAS, AN AMOUNT DETERMINED BY THE ENTERPRISE, WITH A MAXIMUM AMOUNT OF 0.64 CENTS PER MCF OF GAS;

(III) GREATER THAN ONE DOLLAR AND EIGHTY CENTS BUT LESS THAN OR EQUAL TO TWO DOLLARS AND TWENTY CENTS PER MMBTU OF GAS, AN AMOUNT DETERMINED BY THE ENTERPRISE, WITH A MAXIMUM AMOUNT OF 1.12 CENTS PER MCF OF GAS; AND

(IV) GREATER THAN TWO DOLLARS AND TWENTY CENTS PER MMBTU OF GAS, AN AMOUNT DETERMINED BY THE ENTERPRISE, WHICH AMOUNT MUST ONLY INCREASE AT A MAXIMUM RATE OF 0.48 CENTS FOR EACH FORTY CENTS, OR FRACTION OF FORTY CENTS, BY WHICH THE AVERAGE GAS SPOT PRICE EXCEEDS TWO DOLLARS AND TWENTY CENTS PER MMBTU OF GAS.

(14.7) "PRODUCTION FEE FOR CLEAN TRANSIT" OR "PRODUCTION FEES FOR CLEAN TRANSIT" MEANS THE PRODUCTION FEE FOR CLEAN TRANSIT IMPOSED BY THE ENTERPRISE PURSUANT TO SECTION 43-4-1204 (1).

(14.9) "PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION" OR "PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION" MEANS THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION IMPOSED BY THE DIVISION OF PARKS AND WILDLIFE PURSUANT TO SECTION 33-61-103.

**SECTION 3.** In Colorado Revised Statutes, 43-4-1203, **amend** (1)(a) and (3) as follows:

**43-4-1203. Clean transit enterprise - creation - board - powers and duties - rules - fees - fund.** (1) (a) The clean transit enterprise is created in the department. The enterprise is and operates as a government-owned business within the department in order to execute its business ~~purpose~~ PURPOSES as specified in ~~subsection (3)~~ SUBSECTION (3)(a) of this section by exercising the powers and performing the duties and functions set forth in this section.

(3) (a) The primary business ~~purpose~~ PURPOSES of the enterprise ~~is~~ ARE to:

(I) Reduce and mitigate the adverse environmental and health impacts of air pollution and greenhouse gas emissions produced by motor vehicles used to make retail deliveries by supporting the replacement of existing gasoline and diesel transit vehicles with electric motor vehicles, including motor vehicles that originally were powered exclusively by internal combustion engines but have been converted into

electric motor vehicles; providing the associated charging infrastructure for electric transit fleet motor vehicles; supporting facility modifications that allow for the safe operation and maintenance of electric transit motor vehicles; and funding planning studies that enable transit agencies to plan for transit vehicle electrification; AND

(II) REDUCE AND MITIGATE THE ADVERSE ENVIRONMENTAL AND HEALTH IMPACTS OF AIR POLLUTION AND GREENHOUSE GAS EMISSIONS PRODUCED BY OIL AND GAS DEVELOPMENT BY INVESTING IN PUBLIC TRANSIT, INCLUDING VEHICLES, INFRASTRUCTURE, EQUIPMENT, MATERIALS, SUPPLIES, MAINTENANCE, AND OPERATIONS AND STAFFING, TO ACHIEVE THE LEVEL OF FREQUENT, CONVENIENT, AND RELIABLE TRANSIT THAT IS KNOWN TO INCREASE RIDERSHIP BY REPLACING CAR TRIPS WITH BUS AND RAIL TRIPS AND FORMS OF TRANSIT KNOWN TO SUPPORT DENSER LAND USE PATTERNS THAT FURTHER REDUCE POLLUTION DUE TO SHORTER TRIP LENGTHS AND GREATER WALKING AND CYCLING MODE SHARE.

(b) To allow the enterprise to accomplish ~~this~~ THE business ~~purpose~~ PURPOSES DESCRIBED IN SUBSECTION (3)(a) OF THIS SECTION and fully exercise its powers and duties through the board, the enterprise may:

~~(a)~~ (I) Impose a clean transit retail delivery fee as authorized by subsection (7) of this section;

(II) IMPOSE THE PRODUCTION FEE FOR CLEAN TRANSIT AS AUTHORIZED BY SECTION 43-4-1204;

~~(b)~~ (III) Issue grants and provide loans and rebates as authorized by subsection (8) of this section; ~~and~~

(IV) IMPLEMENT THE REMEDIATION SERVICES DESCRIBED IN SECTION 43-4-1204; AND

~~(c)~~ (V) Issue revenue bonds payable from the revenue and other available money of the enterprise.

**SECTION 4.** In Colorado Revised Statutes, **add** 43-4-1204 as follows:

**43-4-1204. Production fee for clean transit imposed by the enterprise - local transit operations program - local transit grant program - rail funding program - cash funds - report.** (1) (a) IN FURTHERANCE OF ITS BUSINESS PURPOSE PURSUANT TO SECTION 43-4-1203 (3)(a)(II), THE ENTERPRISE SHALL IMPOSE A PRODUCTION FEE FOR CLEAN TRANSIT TO BE PAID QUARTERLY BY EVERY PRODUCER THAT APPLIES TO ALL OIL AND GAS PRODUCED BY THE PRODUCER IN THE STATE ON AND AFTER JULY 1, 2025.

(b) (I) NO LATER THAN ONE WEEK AFTER OCTOBER 1, 2025, AND NO LATER THAN ONE WEEK AFTER THE FIRST DAY OF EACH CALENDAR QUARTER THEREAFTER, THE ENERGY AND CARBON MANAGEMENT COMMISSION, CREATED IN SECTION 34-60-104.3 (1), SHALL CALCULATE, INCLUDING PERFORMING ANY NECESSARY MEASUREMENT UNIT CONVERSIONS TO CALCULATE, THE AVERAGE OIL SPOT PRICE AND THE AVERAGE GAS SPOT PRICE FOR THE PREVIOUS CALENDAR QUARTER AND PUBLISH THE AVERAGE OIL SPOT PRICE AND AVERAGE GAS SPOT PRICE ON THE ENERGY AND CARBON

MANAGEMENT COMMISSION'S WEBSITE. THE ENERGY AND CARBON MANAGEMENT COMMISSION SHALL ROUTINELY PROVIDE WRITTEN GUIDANCE TO THE ENTERPRISE ON FACTORS RELEVANT TO THE PRODUCTION FEE AMOUNTS, INCLUDING GUIDANCE ON THE CURRENT CONDITION OF THE OIL AND GAS MARKET AND THE MARKET'S SENSITIVITY TO HIGHER OR LOWER PRODUCTION FEE AMOUNTS. IN PREPARING THE WRITTEN GUIDANCE, THE ENERGY AND CARBON MANAGEMENT COMMISSION SHALL:

(A) TAKE INTO CONSIDERATION EMERGENCIES, NATIONAL SECURITY NEEDS, EXTREME MARKET DISRUPTIONS, AND EXTREME NEW REGULATORY BURDENS ON PRODUCERS; AND

(B) NOT ACT IN AN ARBITRARY AND CAPRICIOUS MANNER.

(II) NO LATER THAN ONE MONTH AFTER THE ENERGY AND CARBON MANAGEMENT COMMISSION PUBLISHES THE AVERAGE OIL SPOT PRICE AND THE AVERAGE GAS SPOT PRICE FOR THE PREVIOUS CALENDAR QUARTER ON THE ENERGY AND CARBON MANAGEMENT COMMISSION'S WEBSITE PURSUANT TO SUBSECTION (1)(b)(I) OF THIS SECTION, THE ENTERPRISE SHALL SET THE PRODUCTION FEE AMOUNTS APPLICABLE TO THE PREVIOUS CALENDAR QUARTER, NOTIFY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE OF THE PRODUCTION FEE AMOUNTS SET, AND PUBLISH THE PRODUCTION FEE AMOUNTS ON THE ENTERPRISE'S WEBSITE. PRIOR TO ADOPTING THE PRODUCTION FEE AMOUNTS, THE ENTERPRISE SHALL CONSULT WITH THE ENERGY AND CARBON MANAGEMENT COMMISSION ON THE APPROPRIATE PRODUCTION FEE AMOUNTS FOR THE PREVIOUS QUARTER AND TAKE INTO ACCOUNT THE MAXIMUM AMOUNTS DESCRIBED IN SECTION 43-4-1202 AND OTHER RELEVANT MARKET FACTORS.

(III) ON OR BEFORE THE LAST DAY OF THE SECOND MONTH FOLLOWING THE PREVIOUS CALENDAR QUARTER, EVERY PRODUCER SHALL FILE A RETURN AND PAY THE PRODUCTION FEE FOR CLEAN TRANSIT FOR THE PREVIOUS CALENDAR QUARTER IN ACCORDANCE WITH SECTION 33-61-106.

(c) (I) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE SHALL COLLECT, ADMINISTER, AND ENFORCE THE PRODUCTION FEE FOR CLEAN TRANSIT ON BEHALF OF THE ENTERPRISE IN ACCORDANCE WITH ARTICLE 61 OF TITLE 33 AND ARTICLE 21 OF TITLE 39.

(II) FOR THE PURPOSE OF MINIMIZING COMPLIANCE COSTS FOR PRODUCERS AND ADMINISTRATIVE COSTS FOR THE STATE, WHEN THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE COLLECTS THE PRODUCTION FEE FOR CLEAN TRANSIT, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE SHALL ALSO COLLECT THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION IN THE SAME MANNER.

(d) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE SHALL TRANSMIT ANY PRODUCTION FEES FOR CLEAN TRANSIT COLLECTED PURSUANT TO SUBSECTION (1)(c) OF THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT:

(I) FIRST, THE COSTS TO THE DEPARTMENT OF REVENUE FOR ADMINISTERING THE PRODUCTION FEES FOR CLEAN TRANSIT PURSUANT TO SECTION 33-61-104, WHICH SHALL BE CREDITED TO THE OIL AND GAS PRODUCTION FEES COLLECTION FUND CREATED IN SECTION 33-61-104 (1); AND



(II) SECOND, OF THE AMOUNT OF THE PRODUCTION FEES FOR CLEAN TRANSIT REMAINING:

(A) SEVENTY PERCENT TO THE LOCAL TRANSIT OPERATIONS CASH FUND CREATED IN SUBSECTION (3)(a) OF THIS SECTION;

(B) TEN PERCENT TO THE LOCAL TRANSIT GRANT PROGRAM CASH FUND CREATED IN SUBSECTION (4)(a) OF THIS SECTION; AND

(C) TWENTY PERCENT TO THE RAIL FUNDING PROGRAM CASH FUND CREATED IN SUBSECTION (5)(a) OF THIS SECTION.

(e) ANY MONEY THAT THE DEPARTMENT OF REVENUE COLLECTS AND TRANSMITS TO THE STATE TREASURER PURSUANT TO THIS SUBSECTION (1):

(I) IS COLLECTED FOR THE ENTERPRISE;

(II) IS CUSTODIAL MONEY INTENDED FOR THE ENTERPRISE AND HELD TEMPORARILY BY THE DEPARTMENT OF REVENUE AND THE STATE TREASURER SOLELY FOR THE PURPOSE OF CREDITING THE MONEY TO THE CASH FUNDS DESCRIBED IN SUBSECTION (1)(d) OF THIS SECTION; AND

(III) BASED ON THE ENTERPRISE'S STATUS AS AN ENTERPRISE, IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AT ANY TIME DURING ITS COLLECTION, TRANSMISSION, AND USE.

(2) NO LATER THAN MARCH 1, 2030, AND EVERY FIFTH MARCH 1 THEREAFTER, THE ENTERPRISE SHALL COMPLETE AN ANALYSIS OF THE PRODUCTION FEE AMOUNTS, THE AMOUNT OF REVENUE GENERATED BY THE PRODUCTION FEES FOR CLEAN TRANSIT, AND THE USE OF THE PRODUCTION FEE FOR CLEAN TRANSIT REVENUE IN ORDER TO ENSURE THAT THE ENTERPRISE IS CONTINUING TO IMPOSE PRODUCTION FEE AMOUNTS THAT ARE REASONABLY CALCULATED TO NOT EXCEED THE OVERALL COSTS OF PROVIDING THE REMEDIATION SERVICES DESCRIBED IN THIS SECTION. THE ENTERPRISE SHALL POST THE ANALYSIS ON THE ENTERPRISE'S WEBSITE.

(3) (a) THE LOCAL TRANSIT OPERATIONS CASH FUND IS CREATED IN THE STATE TREASURY. THE LOCAL TRANSIT OPERATIONS CASH FUND CONSISTS OF PRODUCTION FEES FOR CLEAN TRANSIT CREDITED TO THE LOCAL TRANSIT OPERATIONS CASH FUND PURSUANT TO SUBSECTION (1)(d)(II)(A) OF THIS SECTION, ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE LOCAL TRANSIT OPERATIONS CASH FUND, AND ANY FEDERAL MONEY OR GIFTS, GRANTS, OR DONATIONS RECEIVED. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE LOCAL TRANSIT OPERATIONS CASH FUND TO THE LOCAL TRANSIT OPERATIONS CASH FUND. MONEY IN THE LOCAL TRANSIT OPERATIONS CASH FUND IS CONTINUOUSLY APPROPRIATED TO THE ENTERPRISE FOR THE PURPOSES SPECIFIED IN THIS SUBSECTION (3).

(b) THE LOCAL TRANSIT OPERATIONS PROGRAM IS CREATED TO:

(I) EXPAND TRANSIT SERVICE, INCREASE TRANSIT FREQUENCY, AND IMPROVE SYSTEM-WIDE TRANSIT NETWORK CONNECTIVITY WITH THE GOAL OF MAXIMIZING TRANSIT RIDERSHIP, THEREFORE DECREASING VEHICLE MILES TRAVELED, GREENHOUSE GAS EMISSIONS, AND AIR POLLUTANTS; AND

(II) PRIORITIZE TRANSIT SERVICE IMPROVEMENTS IN COMMUNITIES WITH HIGH TRANSIT PROPENSITY, SUCH AS LOW-INCOME COMMUNITIES, COMMUNITIES OF COLOR, COMMUNITIES WITH HIGH-DENSITY POPULATIONS, COMMUNITIES WITH ZONING AND OTHER LOCAL POLICIES THAT SUPPORT HIGHER DENSITIES ALONG TRANSIT LINES, COMMUNITIES WITH LOW VEHICLE OWNERSHIP RATES, THE DISABILITY COMMUNITY, SENIORS, AND OTHER POPULATIONS THAT USE TRANSIT MORE FREQUENTLY THAN THE GENERAL POPULATION.

(c) PURSUANT TO THE PURPOSES OF THE LOCAL TRANSIT OPERATIONS PROGRAM, THE ENTERPRISE SHALL ALLOCATE MONEY FROM THE LOCAL TRANSIT OPERATIONS CASH FUND TO ELIGIBLE ENTITIES USING A FORMULA DEVELOPED BY THE BOARD, WHICH SHALL BE BASED ON POPULATION, POPULATION DENSITY, LOCAL ZONING, TRANSIT RIDERSHIP, VEHICLE REVENUE MILES, SHARE OF DISPROPORTIONATELY IMPACTED COMMUNITY POPULATION, AND OTHER TRANSIT-RELATED CRITERIA. AN ELIGIBLE ENTITY THAT IS AWARDED MONEY FROM THE LOCAL TRANSIT OPERATIONS CASH FUND SHALL:

(I) PRIOR TO RECEIVING ANY MONEY, SUBMIT THE ELIGIBLE ENTITY'S MOST RECENT SERVICE IMPROVEMENT PLAN OR SYSTEM OPTIMIZATION PLAN TO THE BOARD AND DESCRIBE HOW THE MONEY WOULD BE USED TO EXPAND TRANSIT SERVICE, INCREASE TRANSIT FREQUENCY, IMPROVE SYSTEM-WIDE TRANSIT CONNECTIVITY, AND MEET THE OTHER PURPOSES DESCRIBED IN SUBSECTION (3)(b) OF THIS SECTION;

(II) USE THE MONEY FOR ELIGIBLE OPERATING EXPENSES; AND

(III) USE THE ENTIRETY OF THE MONEY NO LATER THAN TWO YEARS AFTER THE CONTRACT ALLOCATING THE MONEY IS FINALIZED.

(d) AN ELIGIBLE ENTITY AWARDED MONEY PURSUANT TO SUBSECTION (3)(c) OF THIS SECTION THAT PROVIDES SERVICE TO AREAS WITH A POPULATION OF ONE MILLION INDIVIDUALS OR MORE SHALL:

(I) IN A FORMAT THAT IS EASY TO ACCESS, UNDERSTAND, AND NAVIGATE:

(A) MAKE THE ELIGIBLE ENTITY'S ANNUAL BUDGET OR OTHER INFORMATION RELATED TO THE BUDGET AVAILABLE TO THE PUBLIC ON THE ELIGIBLE ENTITY'S WEBSITE; AND

(B) CREATE AND MAKE AVAILABLE TO THE PUBLIC ON THE ELIGIBLE ENTITY'S WEBSITE AN ANNUAL BUDGET OVERVIEW THAT PROVIDES A SINGLE-PAGE SUMMARY OF THE ELIGIBLE ENTITY'S REVENUES AND EXPENSES BY CATEGORY AS SPECIFIED IN THE ELIGIBLE ENTITY'S ANNUAL BUDGET; AND

(II) CREATE, MAINTAIN, AND REGULARLY UPDATE THE FOLLOWING ON THE ELIGIBLE ENTITY'S WEBSITE:

(A) AN ANNUAL UPDATE REGARDING THE ELIGIBLE ENTITY'S FINANCIAL PLAN THAT INCLUDES A DETAILED REPORT OF ALL THE ELIGIBLE ENTITY'S CAPITAL PROJECTS THAT ARE IN PROGRESS;

(B) A QUARTERLY UPDATE REGARDING ALL OF THE ELIGIBLE ENTITY'S CAPITAL PROJECTS THAT ARE IN PROGRESS, INCLUDING A PROJECT SCHEDULE AND PROJECT EXPENDITURE INFORMATION FOR EACH PROJECT;

(C) A PUBLIC ACCOUNTABILITY DASHBOARD THAT PROVIDES, AT A MINIMUM, ACCESSIBLE AND TRANSPARENT SUMMARY INFORMATION REGARDING EACH OF THE ELIGIBLE ENTITY'S CAPITAL PROJECTS THAT IS IN PROGRESS; THE FUNDING STATUS OF EACH PROJECT, INCLUDING THE PROJECT'S TOTAL FUNDING AND EXPENDITURES TO DATE; AND THE ELIGIBLE ENTITY'S PROGRESS TOWARD THE COMPLETION OF EACH PROJECT;

(D) A PUBLIC ACCOUNTABILITY DASHBOARD THAT SHOWS RIDERSHIP BY ROUTE AND RELIABILITY OF SERVICE;

(E) A PUBLIC ACCOUNTABILITY DASHBOARD THAT SHOWS THE ELIGIBLE ENTITY'S WORKFORCE STATISTICS REGARDING EMPLOYEE RETENTION, RECRUITMENT, AND VACANCIES; AND

(F) A SUMMARY PAGE FOR PLANNED SERVICE CHANGES THAT INCLUDES DETAILED TIMING CHANGES, EFFECTS ON LOCAL TRANSFERS, AND THE REASONS FOR ANY PLANNED CHANGES.

(4) (a) THE LOCAL TRANSIT GRANT PROGRAM CASH FUND IS CREATED IN THE STATE TREASURY. THE LOCAL TRANSIT GRANT PROGRAM CASH FUND CONSISTS OF PRODUCTION FEES FOR CLEAN TRANSIT CREDITED TO THE LOCAL TRANSIT GRANT PROGRAM CASH FUND PURSUANT TO SUBSECTION (1)(d)(II)(B) OF THIS SECTION, ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE LOCAL TRANSIT GRANT PROGRAM CASH FUND, AND ANY FEDERAL MONEY OR GIFTS, GRANTS, OR DONATIONS RECEIVED. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE LOCAL TRANSIT GRANT PROGRAM CASH FUND TO THE LOCAL TRANSIT GRANT PROGRAM CASH FUND. MONEY IN THE LOCAL TRANSIT GRANT PROGRAM CASH FUND IS CONTINUOUSLY APPROPRIATED TO THE ENTERPRISE FOR THE PURPOSES SPECIFIED IN THIS SUBSECTION (4).

(b) THE LOCAL TRANSIT GRANT PROGRAM IS CREATED TO INCREASE TRANSIT RIDERSHIP AND SERVICE, PARTICULARLY IN TRANSIT-RELIANT COMMUNITIES, THEREFORE DECREASING VEHICLE MILES TRAVELED, GREENHOUSE GAS EMISSIONS, AND AIR POLLUTANTS.

(c) THE ENTERPRISE SHALL PROVIDE COMPETITIVE GRANTS FROM THE LOCAL TRANSIT GRANT PROGRAM CASH FUND TO ELIGIBLE ENTITIES FOR ELIGIBLE OPERATING EXPENSES AND CAPITAL EXPENSES ASSOCIATED WITH PROVIDING PUBLIC TRANSPORTATION, INCLUDING MULTIMODAL PROJECTS THAT IMPROVE ACCESSIBILITY AND CONNECTIVITY BETWEEN TRANSIT SERVICES AND SAFE ACCESS TO TRANSIT FOR PEDESTRIANS AND BICYCLISTS. THE BOARD SHALL DESIGN THE GRANT PROGRAM TO

INCENTIVIZE THE MATCHING OF GRANTS AND THE CREATION OR EXPANSION OF LOCAL REGIONAL TRANSPORTATION AUTHORITIES.

(5) (a) THE RAIL FUNDING PROGRAM CASH FUND IS CREATED IN THE STATE TREASURY. THE RAIL FUNDING PROGRAM CASH FUND CONSISTS OF PRODUCTION FEES FOR CLEAN TRANSIT CREDITED TO THE RAIL FUNDING PROGRAM CASH FUND PURSUANT TO SUBSECTION (1)(d)(II)(C) OF THIS SECTION, ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE RAIL FUNDING PROGRAM CASH FUND, AND ANY FEDERAL MONEY OR GIFTS, GRANTS, OR DONATIONS RECEIVED. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE RAIL FUNDING PROGRAM CASH FUND TO THE RAIL FUNDING PROGRAM CASH FUND. MONEY IN THE RAIL FUNDING PROGRAM CASH FUND IS CONTINUOUSLY APPROPRIATED TO THE ENTERPRISE FOR THE PURPOSES SPECIFIED IN THIS SUBSECTION (5).

(b) THE RAIL FUNDING PROGRAM IS CREATED TO FUND PASSENGER RAIL PROJECTS AND SERVICE, THEREFORE DECREASING VEHICLE MILES TRAVELED, GREENHOUSE GAS EMISSIONS, AND AIR POLLUTANTS.

(c) PURSUANT TO THE PURPOSE OF THE RAIL FUNDING PROGRAM, THE ENTERPRISE SHALL ALLOCATE MONEY ANNUALLY FROM THE RAIL FUNDING PROGRAM CASH FUND FOR PASSENGER RAIL PROJECTS OF REGIONAL AND STATEWIDE IMPORTANCE, INCLUDING PROJECTS THAT:

(I) HAVE ESTABLISHED PLANS AND CAN DEMONSTRATE THE POTENTIAL FOR HIGH RIDERSHIP AND THE REDUCTION OF VEHICLE MILES TRAVELED;

(II) FACILITATE LOWER-IMPACT LOCAL LAND USE DECISIONS, IN PARTICULAR THE CONSTRUCTION OF MIXED-USE OR INFILL HOUSING DEVELOPMENT ALONG THE PASSENGER RAIL CORRIDOR TO ACHIEVE LOWER ENERGY USE INTENSITY, FEWER GREENHOUSE GAS EMISSIONS, GREATER DENSITY AND WALKABILITY, AND LESS WATER CONSUMPTION FROM THE BUILT ENVIRONMENT; AND

(III) STRIVE TO USE LOW- TO ZERO-EMISSIONS TECHNOLOGY.

(d) (I) PURSUANT TO THE PURPOSE OF THE RAIL FUNDING PROGRAM, THE ENTERPRISE SHALL PRIORITIZE FUNDING OPPORTUNITIES TO ESTABLISH PASSENGER RAIL WHERE THERE IS MATCHING FUNDING FROM OTHER SOURCES, SUCH AS THE REGIONAL TRANSPORTATION DISTRICT'S FASTRACKS INTERNAL SAVINGS ACCOUNT, FEDERAL FUNDING, LOCAL FUNDING, AND OTHER SOURCES.

(II) ANY MONEY FROM THE RAIL FUNDING PROGRAM CASH FUND THAT IS USED FOR THE REGIONAL TRANSPORTATION DISTRICT'S TRANSPORTATION EXPANSION PLAN ADOPTED BY THE BOARD OF THE REGIONAL TRANSPORTATION DISTRICT AND APPROVED BY THE VOTERS ON NOVEMBER 2, 2004, MUST BE IN ADDITION TO THE REGIONAL TRANSPORTATION DISTRICT'S FASTRACKS INTERNAL SAVINGS ACCOUNT AND MUST NOT SUPPLANT EXISTING RESOURCES IN THE REGIONAL TRANSPORTATION DISTRICT'S FASTRACKS INTERNAL SAVINGS ACCOUNT.

**SECTION 5.** In Colorado Revised Statutes, 32-9-119.7, **add** (8) as follows:

**32-9-119.7. Cost efficiency of transit services - reporting - plans.** (8) (a) THE DISTRICT SHALL PRIORITIZE COMPLETION OF THE NORTHWEST RAIL LINE TO LONGMONT AND THE NORTH LINES OF THE TRANSPORTATION EXPANSION PLAN, ADOPTED BY THE BOARD AND APPROVED BY THE VOTERS ON NOVEMBER 2, 2004, WHICH SHALL INCLUDE COOPERATING AND ACTIVELY PARTNERING WITH THE STATE AND THE FRONT RANGE PASSENGER RAIL DISTRICT AND RECOGNIZING THE STATE'S PLAN TO FUND AND EXECUTE THE NORTHWEST RAIL LINE IN ORDER TO TAKE ADVANTAGE OF ANY AVAILABLE FEDERAL FUNDING OPPORTUNITIES.

(b) ON OR BEFORE JULY 1, 2025, THE DISTRICT SHALL SUBMIT A REPORT TO THE GOVERNOR AND THE GENERAL ASSEMBLY THAT DEMONSTRATES HOW THE DISTRICT WILL FULFILL THE DISTRICT'S COMMITMENT IN THE TRANSPORTATION EXPANSION PLAN, ADOPTED BY THE BOARD AND APPROVED BY THE VOTERS ON NOVEMBER 2, 2004, TO COMPLETE THE TRANSPORTATION EXPANSION ROUTES PROPOSED IN THE TRANSPORTATION EXPANSION PLAN BY DECEMBER 31, 2034. ON OR BEFORE DECEMBER 15, 2025, THE DISTRICT SHALL PRESENT THE REPORT TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE.

**SECTION 6.** In Colorado Revised Statutes, **add** article 61 to title 33 as follows:

**ARTICLE 61**  
**Production Fees for**  
**Wildlife and Land Remediation**

**33-61-101. Legislative declaration.** (1) THE GENERAL ASSEMBLY FINDS THAT:

(a) COLORADO IS AMONG THE TOP STATES WHERE OIL AND GAS PRODUCTION OCCURS, AND THE STATE ACKNOWLEDGES THE MEANINGFUL ECONOMIC AND JOB-CREATION ROLE THAT THE INDUSTRY HISTORICALLY AND CURRENTLY HAS, AS WELL AS THE NUMEROUS EFFORTS TAKEN BY THE INDUSTRY TO DECREASE THE INDUSTRY'S ENVIRONMENTAL IMPACTS AND INCREASE SUSTAINABILITY MEASURES;

(b) SCIENTIFIC AND GOVERNMENT AGENCY STUDIES, INCLUDING THE NATIONAL CLIMATE ASSESSMENT, CONFIRM THAT OIL AND GAS OPERATIONS CONTRIBUTE TO CLIMATE CHANGE AND THE LOSS OF WILDLIFE, ECOSYSTEMS, AND BIODIVERSITY;

(c) THE STATE PERMITS AND REGULATES THE DEVELOPMENT AND PRODUCTION OF OIL AND GAS, AND OIL AND GAS DEVELOPMENT OCCURS IN THE MAJORITY OF COUNTIES IN THE STATE; IN REGULATING OIL AND GAS DEVELOPMENT, THE STATE INCURS MANY DIRECT AND INDIRECT COSTS ASSOCIATED WITH THE LONG-LASTING IMPACTS CAUSED BY OIL AND GAS OPERATIONS;

(d) SCIENTIFIC AND GOVERNMENT STUDIES CONFIRM THAT HEALTHY GRASSLANDS, FORESTS, SHRUBLANDS, RIPARIAN ECOSYSTEMS, AND AQUATIC ECOSYSTEMS, AMONG OTHERS, PROVIDE CRITICAL ECOSYSTEM SERVICES TO HUMANS AND WILDLIFE SPECIES. CLIMATE CHANGE IS NEGATIVELY AFFECTING THE ABILITY OF THESE LANDS AND WATERS TO PROVIDE ECOSYSTEM SERVICES. HOWEVER, STUDIES SHOW THAT CONSERVATION AND RESTORATION CAN STRENGTHEN ECOSYSTEM RESILIENCE AGAINST THESE THREATS.

(e) THE PROTECTION AND RESTORATION OF MORE CONNECTED AND RESILIENT LAND IS ONE OF THE MOST COST-EFFECTIVE STRATEGIES FOR MITIGATING CLIMATE CHANGE AND PROTECTING WILDLIFE AND BIODIVERSITY IN THE FACE OF A CHANGING CLIMATE;

(f) THE OIL AND GAS INDUSTRY IS THE THIRD LARGEST SOURCE OF GREENHOUSE GAS EMISSIONS IN THE STATE;

(g) AS DOCUMENTED IN NUMEROUS SCIENTIFIC STUDIES, INCLUDING THE NATIONAL CLIMATE ASSESSMENT, EMISSIONS OF GREENHOUSE GASES LEAD TO CHANGES IN CLIMATIC PATTERNS AND INCREASE THE VARIABILITY AND SEVERITY OF WEATHER EVENTS. CHANGES IN CLIMATE IN TURN HAVE HARMFUL IMPACTS ON NATIVE WILDLIFE, HABITATS, AND ECOSYSTEMS IN COLORADO.

(h) THE COLORADO STATE WILDLIFE ACTION PLAN, DIVISION-LED RESEARCH, AND OTHER SUPPORTING LITERATURE IDENTIFY NUMEROUS EXAMPLES OF THE WAYS IN WHICH SPECIES ARE IMPACTED BY CLIMATE CHANGE. THESE EXAMPLES INCLUDE INCREASING TEMPERATURES AND CHANGES IN PRECIPITATION AND RUNOFF, PROLIFERATION OF INVASIVE SPECIES, HABITAT AND ECOSYSTEM DEGRADATION, MORE EXTREME HEAT, WILDFIRE, DROUGHT, AND STORMS, AMONG MANY OTHERS.

(i) ADDITIONALLY, THE STATE WILDLIFE ACTION PLAN INCLUDES A VULNERABILITY ASSESSMENT OF VARIOUS COLORADO HABITAT TYPES, NOTING VULNERABILITIES TO THE IMPACTS OF CLIMATE CHANGE AND HABITAT LOSS;

(j) THE CLIMATE CHANGE ASSESSMENT INCLUDED IN THE STATE WILDLIFE ACTION PLAN, AS WELL AS NUMEROUS OTHER STUDIES, DOCUMENTS THAT A HABITAT'S ADAPTIVE CAPACITY TO CLIMATE CHANGE CAN BE AFFECTED BY MANAGEMENT ACTIONS;

(k) AS DOCUMENTED IN NUMEROUS STUDIES, OIL AND GAS PRODUCTION CAN IMPACT WILDLIFE AND ECOSYSTEMS THROUGH HABITAT LOSS AND FRAGMENTATION AND CHANGES IN WILDLIFE BEHAVIOR, INCLUDING AVOIDANCE OF LARGE AMOUNTS OF ACREAGE AROUND OIL AND GAS OPERATIONS DUE TO THE INCREASED ROUTE DENSITY AND VEHICULAR TRAFFIC, HUMAN ACTIVITY, AND NOISE ASSOCIATED WITH OIL AND GAS OPERATIONS;

(l) GLOBAL AND REGIONAL ENERGY PRICES INCREASE THE DEVELOPMENT PRESSURES OF OIL AND GAS WITHIN THE STATE, GENERALLY LEADING TO MORE OIL AND GAS DEVELOPMENT WHEN OIL AND GAS PRICES ARE HIGH AND, IN TURN, GREATER COMPOUNDING IMPACTS FROM BOTH THE DISTURBANCE AND DESTRUCTION OF HABITAT AND INCREASED GREENHOUSE GAS EMISSIONS CORRELATED TO HIGHER OIL AND GAS PRICES;

(m) THE ENERGY AND CARBON MANAGEMENT COMMISSION'S RULES ARE INTENDED TO MINIMIZE ADVERSE IMPACTS TO WILDLIFE RESOURCES AND ENSURE PROPER RECLAMATION OF WILDLIFE HABITATS. THE RULES INCLUDE COMPENSATORY MITIGATION REQUIREMENTS INTENDED TO MITIGATE OIL AND GAS DEVELOPMENT'S DIRECT AND INDIRECT ADVERSE IMPACTS ON WILDLIFE AND HABITATS. SITING OF NEW OR MODIFIED OIL AND GAS DEVELOPMENT PLAN LOCATIONS WITHIN A HIGH-PRIORITY HABITAT REQUIRES AUTOMATIC CONSULTATION WITH THE DIVISION,

THE ENERGY AND CARBON MANAGEMENT COMMISSION WORKING WITH APPLICANTS TO AVOID ADVERSE IMPACTS, AND, IF IMPACTS CANNOT BE AVOIDED, IMPOSING ADDITIONAL BEST MANAGEMENT PRACTICES OR CONDITIONS ON AN OPERATOR'S PERMIT TO MINIMIZE IMPACTS. WHERE RESIDUAL ADVERSE IMPACTS TO WILDLIFE REMAIN AFTER AVOIDANCE AND MINIMIZATION EFFORTS, OFFSET MEASURES ARE IMPLEMENTED, SUCH AS COMPENSATORY MITIGATION FEES.

(n) DESPITE THESE COMPENSATORY MITIGATION REQUIREMENTS, OIL AND GAS OPERATIONS AND EMISSIONS ASSOCIATED WITH THE OPERATIONS HAVE HAD AND CAN CONTINUE TO HAVE ADVERSE CLIMATE-RELATED AND OTHER IMPACTS ON WILDLIFE RESOURCES IN THE STATE, AND ADDITIONAL EFFORTS ARE NECESSARY TO MITIGATE THOSE IMPACTS;

(o) THE ADVERSE IMPACTS OF OIL AND GAS OPERATIONS ON WILDLIFE CHALLENGE THE DIVISION'S CAPACITY TO FULFILL ITS MISSION PURSUANT TO SECTION 33-1-101 TO ENSURE THAT THE STATE'S WILDLIFE AND ITS HABITATS ARE PROTECTED, PRESERVED, ENHANCED, AND MANAGED FOR FUTURE GENERATIONS;

(p) IT IS NECESSARY TO INVEST IN DURABLE PROTECTIONS FOR THE STATE'S REMAINING HIGH-VALUE NATURAL AREAS AND WILDLIFE TO PARTIALLY MITIGATE FOR LANDS LOST TO OIL AND GAS OPERATIONS AND OTHER ADVERSE IMPACTS OF OIL AND GAS OPERATIONS ON WILDLIFE AND HABITATS; AND

(q) INVESTMENT IN THE FOLLOWING REMEDIATION SERVICES WOULD PARTIALLY MITIGATE THE IMPACTS OF OIL AND GAS OPERATIONS:

(I) CREATING NEW STATE PARKS AND NEW STATE WILDLIFE AREAS, WITH A PRIMARY FOCUS ON BENEFITS TO WILDLIFE AND NATIVE BIODIVERSITY;

(II) SLOWING BIODIVERSITY LOSS AND IMPROVING ECOSYSTEM RESILIENCE;

(III) IMPROVING WILDLIFE CONNECTIVITY AND MIGRATION CORRIDORS;

(IV) ACQUIRING AND LEASING LANDS AND WATERS FOR THE PROTECTION OF WILDLIFE AND HABITATS;

(V) RESTORING LANDS, INCLUDING THROUGH IMPROVEMENTS IN GRASSLAND, FOREST, WATERSHED, SHRUBLAND, RIPARIAN, AND AQUATIC ECOSYSTEM HEALTH;

(VI) NATIVE SPECIES CONSERVATION, REHABILITATION, AND REINTRODUCTION, EXCEPT FOR THE REINTRODUCTION OF GRIZZLY BEARS AND GRAY WOLVES THAT NEGATIVELY IMPACT LIVESTOCK;

(VII) CONTINUED RESEARCH AND MONITORING OF THREATS TO COLORADO WILDLIFE AND ECOSYSTEMS, INCLUDING FROM CLIMATE CHANGE AND OIL AND GAS OPERATIONS; AND

(VIII) THE PROVISION OF GRANTS, AWARDS, EASEMENTS, OR OTHER AGREEMENTS SOLELY TO ASSIST IN IMPLEMENTING THE REMEDIATION SERVICES DESCRIBED IN THIS SUBSECTION (1)(q).

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) TO MITIGATE SOME OF THE ADVERSE IMPACTS OF OIL AND GAS OPERATIONS ON WILDLIFE AND HABITATS, IT IS NECESSARY, APPROPRIATE, EQUITABLE, AND IN THE BEST INTEREST OF ALL COLORADANS TO IMPOSE FEES ON OIL AND GAS PRODUCED IN THE STATE;

(b) ADDRESSING THE ADVERSE IMPACTS OF OIL AND GAS OPERATIONS ON THE ENVIRONMENT REQUIRES THE IMPLEMENTATION OF ACTIONS, INCLUDING INVESTMENT IN LAND, WILDLIFE, AND HABITAT CONSERVATION AND RESTORATION TO PARTIALLY MITIGATE THE IMPACTS OF OIL AND GAS OPERATIONS ON HABITATS, WILDLIFE, AND LOSS OF BIODIVERSITY;

(c) THE FEES IMPOSED BY THE DIVISION PURSUANT TO THIS ARTICLE 61 ARE FOR THE PRIMARY PURPOSE OF ALLOWING THE DIVISION TO DEFRAY THE COSTS OF PROVIDING THE REMEDIATION SERVICES SPECIFIED IN THIS ARTICLE 61, AND THE FEES CONTRIBUTE TO THE IMPLEMENTATION OF ACTIONS REQUIRED FOR THE FUNDING AND SUPERVISION OF BROAD INVESTMENT IN LAND, WILDLIFE, AND HABITAT CONSERVATION AND RESTORATION;

(d) THE FEES IMPOSED BY THE DIVISION ARE COLLECTED AT RATES REASONABLY CALCULATED BASED ON THE IMPACTS CAUSED BY PRODUCERS AND THE COST OF PARTIALLY REMEDIATING THOSE IMPACTS;

(e) BY PROVIDING REMEDIATION SERVICES AS AUTHORIZED BY THIS SECTION, THE DIVISION PROVIDES A VALUABLE BENEFIT TO PRODUCERS BY PARTIALLY REMEDIATING THE IMPACTS CAUSED BY OIL AND GAS DEVELOPMENT;

(f) CONSISTENT WITH THE DETERMINATION OF THE COLORADO SUPREME COURT IN *COLORADO UNION OF TAXPAYERS FOUNDATION v. CITY OF ASPEN*, 2018 CO 36, THAT A CHARGE IS NOT A TAX IF THE PRIMARY PURPOSE OF THE CHARGE IS NOT TO RAISE REVENUE FOR GENERAL GOVERNMENTAL PURPOSES BUT IS INSTEAD TO DEFRAY SOME OF THE COSTS OF PROVIDING A SERVICE OR REGULATING AN ACTIVITY UNDER A COMPREHENSIVE REGULATORY SCHEME, THE CHARGES IMPOSED BY THE DIVISION AS AUTHORIZED BY THIS ARTICLE 61 ARE FEES, NOT TAXES, BECAUSE THE FEES ARE COLLECTED FROM PRODUCERS FOR THE PRIMARY PURPOSE OF DEFRAYING SOME OF THE COSTS OF MITIGATING THE ADVERSE IMPACTS CAUSED BY PRODUCERS IN AN AMOUNT REASONABLY RELATED TO THE IMPACTS CAUSED BY OIL AND GAS OPERATIONS AND THE AMOUNT EXPENDED TO MITIGATE THOSE IMPACTS;

(g) PURSUANT TO SECTION 33-9-105, THE DIVISION CONSTITUTES AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, AND, AS AN ENTERPRISE THAT HAS EXISTED SINCE 2011, SECTION 24-77-108 DOES NOT APPLY; AND

(h) SO LONG AS THE DIVISION QUALIFIES AS AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE REVENUE FROM THE FEES COLLECTED BY THE ENTERPRISE IS NOT STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DOES NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION



OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(G).

**33-61-102. Definitions.** AS USED IN THIS ARTICLE 61, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "BARREL" MEANS FORTY-TWO UNITED STATES GALLONS AT SIXTY DEGREES FAHRENHEIT AT ATMOSPHERIC PRESSURE.

(2) "COMMISSION" MEANS THE ENERGY AND CARBON MANAGEMENT COMMISSION CREATED IN SECTION 34-60-104.3 (1).

(3) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE.

(4) "FUND" MEANS THE CLIMATE RESILIENT WILDLIFE AND LAND CASH FUND CREATED IN SECTION 33-61-103 (3)(a).

(5) "GAS" HAS THE MEANING SET FORTH IN SECTION 34-60-103 AND INCLUDES NATURAL GAS LIQUIDS.

(6) "GAS SPOT PRICE" MEANS THE HENRY HUB NATURAL GAS SPOT PRICE AS REPORTED BY THE UNITED STATES ENERGY INFORMATION ADMINISTRATION OR A SUCCESSOR PRICE INDEX SELECTED BY THE COMMISSION.

(7) "MCF" MEANS ONE THOUSAND CUBIC FEET.

(8) "MMBTU" MEANS ONE MILLION BRITISH THERMAL UNITS.

(9) "OIL" HAS THE MEANING SET FORTH IN SECTION 34-60-103.

(10) "OIL SPOT PRICE" MEANS THE WEST TEXAS INTERMEDIATE SPOT PRICE AS REPORTED BY THE UNITED STATES ENERGY INFORMATION ADMINISTRATION OR A SUCCESSOR PRICE INDEX SELECTED BY THE COMMISSION.

(11) "PRODUCER" HAS THE MEANING SET FORTH IN SECTION 34-60-103.

(12) "PRODUCTION FEE AMOUNTS" MEANS:

(a) FOR OIL, IF THE AVERAGE OIL SPOT PRICE FOR THE CALENDAR QUARTER IN WHICH THE FEE IS BEING ASSESSED IS:

(I) FORTY DOLLARS PER BARREL OF OIL OR LESS, AN AMOUNT DETERMINED BY THE DIVISION, WITH A MAXIMUM AMOUNT OF ONE CENT PER BARREL OF OIL;

(II) GREATER THAN FORTY DOLLARS BUT LESS THAN OR EQUAL TO FIFTY DOLLARS PER BARREL OF OIL, AN AMOUNT DETERMINED BY THE DIVISION, WITH A MAXIMUM AMOUNT OF THREE CENTS PER BARREL OF OIL;

(III) GREATER THAN FIFTY DOLLARS BUT LESS THAN OR EQUAL TO SIXTY DOLLARS

PER BARREL OF OIL, AN AMOUNT DETERMINED BY THE DIVISION, WITH A MAXIMUM AMOUNT OF SIX CENTS PER BARREL OF OIL; AND

(IV) GREATER THAN SIXTY DOLLARS PER BARREL OF OIL, AN AMOUNT DETERMINED BY THE DIVISION, WHICH AMOUNT MUST ONLY INCREASE AT A MAXIMUM RATE OF THREE CENTS FOR EACH TEN DOLLARS, OR FRACTION OF TEN DOLLARS, BY WHICH THE AVERAGE OIL SPOT PRICE EXCEEDS SIXTY DOLLARS PER BARREL OF OIL; AND

(b) FOR GAS, IF THE AVERAGE GAS SPOT PRICE FOR THE CALENDAR QUARTER IN WHICH THE FEE IS BEING ASSESSED IS:

(I) ONE DOLLAR AND FORTY CENTS PER MMBTU OF GAS OR LESS, AN AMOUNT DETERMINED BY THE DIVISION, WITH A MAXIMUM AMOUNT OF 0.04 CENTS PER MCF OF GAS;

(II) GREATER THAN ONE DOLLAR AND FORTY CENTS BUT LESS THAN OR EQUAL TO ONE DOLLAR AND EIGHTY CENTS PER MMBTU OF GAS, AN AMOUNT DETERMINED BY THE DIVISION, WITH A MAXIMUM AMOUNT OF 0.16 CENTS PER MCF OF GAS;

(III) GREATER THAN ONE DOLLAR AND EIGHTY CENTS BUT LESS THAN OR EQUAL TO TWO DOLLARS AND TWENTY CENTS PER MMBTU OF GAS, AN AMOUNT DETERMINED BY THE DIVISION, WITH A MAXIMUM AMOUNT OF 0.28 CENTS PER MCF OF GAS; AND

(IV) GREATER THAN TWO DOLLARS AND TWENTY CENTS PER MMBTU OF GAS, AN AMOUNT DETERMINED BY THE DIVISION, WHICH AMOUNT MUST ONLY INCREASE AT A MAXIMUM RATE OF 0.12 CENTS FOR EACH FORTY CENTS, OR FRACTION OF FORTY CENTS, BY WHICH THE AVERAGE GAS SPOT PRICE EXCEEDS TWO DOLLARS AND TWENTY CENTS PER MMBTU OF GAS.

(13) "PRODUCTION FEE FOR CLEAN TRANSIT" OR "PRODUCTION FEES FOR CLEAN TRANSIT" MEANS THE PRODUCTION FEE FOR CLEAN TRANSIT IMPOSED BY THE CLEAN TRANSIT ENTERPRISE PURSUANT TO SECTION 43-4-1204.

(14) "PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION", "PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION", OR "FEE" MEANS THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION IMPOSED BY THE DIVISION PURSUANT TO SECTION 33-61-103 (1)(a).

**33-61-103. Fee for oil and gas production - remediation of harm to wildlife and land - cash fund.** (1) (a) IN FURTHERANCE OF ITS BUSINESS PURPOSE PURSUANT TO SECTION 33-9-105, THE DIVISION SHALL IMPOSE A PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION TO BE PAID QUARTERLY BY EVERY PRODUCER THAT APPLIES TO ALL OIL AND GAS PRODUCED BY THE PRODUCER IN THE STATE ON AND AFTER JULY 1, 2025.

(b) (I) NO LATER THAN ONE WEEK AFTER OCTOBER 1, 2025, AND NO LATER THAN ONE WEEK AFTER THE FIRST DAY OF EACH CALENDAR QUARTER THEREAFTER, THE COMMISSION SHALL CALCULATE, INCLUDING PERFORMING ANY NECESSARY MEASUREMENT UNIT CONVERSIONS TO CALCULATE, THE AVERAGE OIL SPOT PRICE

AND THE AVERAGE GAS SPOT PRICE FOR THE PREVIOUS CALENDAR QUARTER AND PUBLISH THE AVERAGE OIL SPOT PRICE AND THE AVERAGE GAS SPOT PRICE ON THE COMMISSION'S WEBSITE. THE COMMISSION SHALL ROUTINELY PROVIDE WRITTEN GUIDANCE TO THE DIVISION ON FACTORS RELEVANT TO THE PRODUCTION FEE AMOUNTS, INCLUDING GUIDANCE ON THE CURRENT CONDITION OF THE OIL AND GAS MARKET AND THE MARKET'S SENSITIVITY TO HIGHER OR LOWER PRODUCTION FEE AMOUNTS. IN PREPARING THE WRITTEN GUIDANCE, THE COMMISSION SHALL:

(A) TAKE INTO CONSIDERATION EMERGENCIES, NATIONAL SECURITY NEEDS, EXTREME MARKET DISRUPTIONS, AND EXTREME NEW REGULATORY BURDENS ON PRODUCERS; AND

(B) NOT ACT IN AN ARBITRARY AND CAPRICIOUS MANNER.

(II) NO LATER THAN ONE MONTH AFTER THE COMMISSION PUBLISHES THE AVERAGE OIL SPOT PRICE AND THE AVERAGE GAS SPOT PRICE FOR THE PREVIOUS CALENDAR QUARTER ON THE COMMISSION'S WEBSITE PURSUANT TO SUBSECTION (1)(b)(I) OF THIS SECTION, THE DIVISION SHALL SET THE PRODUCTION FEE AMOUNTS APPLICABLE TO THE PREVIOUS CALENDAR QUARTER, NOTIFY THE EXECUTIVE DIRECTOR OF THE PRODUCTION FEE AMOUNTS SET, AND PUBLISH THE PRODUCTION FEE AMOUNTS ON THE DIVISION'S WEBSITE. PRIOR TO ADOPTING THE PRODUCTION FEE AMOUNTS, THE DIVISION SHALL CONSULT WITH THE COMMISSION ON THE APPROPRIATE PRODUCTION FEE AMOUNTS FOR THE PREVIOUS QUARTER AND TAKE INTO ACCOUNT THE MAXIMUM AMOUNTS DESCRIBED IN SECTION 33-61-102(12) AND OTHER RELEVANT FACTORS.

(III) ON OR BEFORE THE LAST DAY OF THE SECOND MONTH FOLLOWING THE PREVIOUS CALENDAR QUARTER, EVERY PRODUCER SHALL FILE A RETURN AND PAY THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION FOR THE PREVIOUS CALENDAR QUARTER IN ACCORDANCE WITH SECTION 33-61-106.

(c) (I) THE EXECUTIVE DIRECTOR SHALL COLLECT, ADMINISTER, AND ENFORCE THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION ON BEHALF OF THE DIVISION IN ACCORDANCE WITH THIS ARTICLE 61 AND ARTICLE 21 OF TITLE 39.

(II) FOR THE PURPOSE OF MINIMIZING COMPLIANCE COSTS FOR PRODUCERS AND ADMINISTRATIVE COSTS FOR THE STATE, WHEN THE EXECUTIVE DIRECTOR COLLECTS THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION, THE EXECUTIVE DIRECTOR SHALL ALSO COLLECT THE PRODUCTION FEE FOR CLEAN TRANSIT IN THE SAME MANNER.

(d) THE EXECUTIVE DIRECTOR SHALL TRANSMIT ANY FEES COLLECTED PURSUANT TO SUBSECTION (1)(c) OF THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES, MINUS THE COSTS TO THE DEPARTMENT OF REVENUE FOR ADMINISTERING THE FEES PURSUANT TO SECTION 33-61-104, WHICH COSTS SHALL BE CREDITED TO THE OIL AND GAS PRODUCTION FEES COLLECTION FUND CREATED IN SECTION 33-61-104 (1), TO THE FUND.

(e) ANY MONEY THAT THE DEPARTMENT OF REVENUE COLLECTS AND TRANSMITS TO THE STATE TREASURER PURSUANT TO THIS ARTICLE 61:

(I) IS COLLECTED FOR THE DIVISION, WHICH IS AN ENTERPRISE PURSUANT TO SECTION 33-9-105;

(II) IS CUSTODIAL MONEY INTENDED FOR THE DIVISION AND HELD TEMPORARILY BY THE DEPARTMENT OF REVENUE AND THE STATE TREASURER SOLELY FOR THE PURPOSE OF CREDITING THE MONEY TO THE FUND; AND

(III) BASED ON THE DIVISION'S STATUS AS AN ENTERPRISE, IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AT ANY TIME DURING ITS COLLECTION, TRANSMISSION, AND USE.

(2) NO LATER THAN MARCH 1, 2030, AND EVERY FIFTH MARCH 1 THEREAFTER, THE DIVISION SHALL COMPLETE AN ANALYSIS OF THE PRODUCTION FEE AMOUNTS, THE AMOUNT OF REVENUE GENERATED BY THE FEES, AND THE USE OF THE FEE REVENUE IN ORDER TO ENSURE THAT THE DIVISION IS CONTINUING TO IMPOSE PRODUCTION FEE AMOUNTS THAT ARE REASONABLY CALCULATED TO NOT EXCEED THE OVERALL COSTS OF PROVIDING THE REMEDIATION SERVICES DESCRIBED IN SUBSECTION (3) OF THIS SECTION. THE DIVISION SHALL POST THE ANALYSIS ON THE DIVISION'S WEBSITE.

(3) (a) THE CLIMATE RESILIENT WILDLIFE AND LAND CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION CREDITED TO THE FUND PURSUANT TO SUBSECTION (1)(c) OF THIS SECTION, ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND, AND ANY FEDERAL MONEY OR GIFTS, GRANTS, OR DONATIONS RECEIVED. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND. MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE DIVISION FOR THE PURPOSES SPECIFIED IN SUBSECTION (3)(b) OF THIS SECTION.

(b) THE DIVISION SHALL ONLY EXPEND MONEY IN THE FUND FOR THE FOLLOWING REMEDIATION SERVICES TO PARTIALLY MITIGATE THE IMPACTS OF OIL AND GAS OPERATIONS:

(I) CREATING NEW STATE PARKS AND NEW STATE WILDLIFE AREAS, WITH A PRIMARY FOCUS ON BENEFITS TO WILDLIFE AND NATIVE BIODIVERSITY;

(II) SLOWING BIODIVERSITY LOSS AND IMPROVING ECOSYSTEM RESILIENCE;

(III) IMPROVING WILDLIFE CONNECTIVITY AND MIGRATION CORRIDORS;

(IV) ACQUIRING AND LEASING LANDS AND WATERS FOR THE PROTECTION OF WILDLIFE AND HABITATS;

(V) RESTORING LANDS, INCLUDING THROUGH IMPROVEMENTS IN GRASSLAND, FOREST, WATERSHED, SHRUBLAND, RIPARIAN, AND AQUATIC ECOSYSTEM HEALTH;

(VI) NATIVE SPECIES CONSERVATION, REHABILITATION, AND REINTRODUCTION, EXCEPT FOR THE REINTRODUCTION OF GRIZZLY BEARS AND GRAY WOLVES THAT NEGATIVELY IMPACT LIVESTOCK;

(VII) CONTINUED RESEARCH AND MONITORING OF THREATS TO COLORADO WILDLIFE AND ECOSYSTEMS, INCLUDING FROM CLIMATE CHANGE AND OIL AND GAS OPERATIONS;

(VIII) THE PROVISION OF GRANTS, AWARDS, EASEMENTS, OR OTHER AGREEMENTS SOLELY TO ASSIST IN IMPLEMENTING THE REMEDIATION SERVICES DESCRIBED IN THIS SUBSECTION (3); AND

(IX) THE DIVISION'S DIRECT AND INDIRECT COSTS, AS WELL AS THE DIRECT AND INDIRECT COSTS OF THE RECIPIENTS OF GRANTS, AWARDS, EASEMENTS, OR OTHER AGREEMENTS DESCRIBED IN SUBSECTION (3)(b)(VIII) OF THIS SECTION, IN IMPLEMENTING THE REMEDIATION SERVICES DESCRIBED IN THIS SUBSECTION (3).

**33-61-104. Collection and administration of production fees - rules.**

(1) WHEN COLLECTING THE PRODUCTION FEES FOR CLEAN TRANSIT AND THE PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION, THE EXECUTIVE DIRECTOR SHALL RETAIN AN AMOUNT THAT DOES NOT EXCEED THE TOTAL COST OF COLLECTING, ADMINISTERING, AND ENFORCING THE PRODUCTION FEES FOR CLEAN TRANSIT AND THE PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION, AND SHALL TRANSMIT THE AMOUNT RETAINED TO THE STATE TREASURER, WHO SHALL CREDIT THE PRODUCTION FEES FOR CLEAN TRANSIT AND THE PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION TO THE OIL AND GAS PRODUCTION FEES COLLECTION FUND, WHICH IS CREATED IN THE STATE TREASURY. ALL MONEY IN THE OIL AND GAS PRODUCTION FEES COLLECTION FUND IS CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT OF REVENUE TO DEFRAY THE COSTS INCURRED BY THE DEPARTMENT OF REVENUE IN COLLECTING, ENFORCING, AND ADMINISTERING THE PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION AND THE PRODUCTION FEES FOR CLEAN TRANSIT.

(2) THE EXECUTIVE DIRECTOR MAY PROMULGATE RULES NOT INCONSISTENT WITH THIS ARTICLE 61 OR SECTION 43-4-1204, PRESCRIBE FORMS, AND TAKE OTHER ACTIONS NECESSARY FOR THE PROPER COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF THE PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION AND THE PRODUCTION FEES FOR CLEAN TRANSIT.

**33-61-105. Registration required - petty offense - civil penalty.** (1) EVERY PRODUCER LIABLE FOR THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION AND THE PRODUCTION FEE FOR CLEAN TRANSIT SHALL FILE A REGISTRATION STATEMENT ON A FORM PRESCRIBED BY THE EXECUTIVE DIRECTOR ON OR BEFORE JULY 1, 2025, OR ON OR BEFORE THE DATE OF FIRST PRODUCTION, WHICHEVER IS LATER.

(2) (a) ANY PRODUCER THAT PRODUCES OIL OR GAS ON OR AFTER JULY 1, 2025, IN THE STATE WITHOUT REGISTERING IN ACCORDANCE WITH SUBSECTION (1) OF THIS SECTION COMMITS A PETTY OFFENSE AND SHALL BE PUNISHED IN ACCORDANCE WITH SECTION 18-1.3-503.

(b) THE EXECUTIVE DIRECTOR SHALL ALSO ASSESS A CIVIL PENALTY OF FIFTY DOLLARS PER DAY TO A MAXIMUM PENALTY OF ONE THOUSAND DOLLARS AGAINST ANY PRODUCER THAT PRODUCES OIL OR GAS IN THE STATE ON OR AFTER JULY 1, 2025, WITHOUT REGISTERING AS SET FORTH IN SUBSECTION (1) OF THIS SECTION. THE

EXECUTIVE DIRECTOR SHALL ASSESS AND COLLECT AND TRANSMIT THE CIVIL PENALTY IMPOSED BY THIS SUBSECTION (2)(b) TO THE STATE TREASURER, AND THE STATE TREASURER SHALL CREDIT THE CIVIL PENALTIES TRANSMITTED IN THE SAME MANNER AS THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION AND THE PRODUCTION FEE FOR CLEAN TRANSIT. THE EXECUTIVE DIRECTOR MAY WAIVE OR REDUCE THE CIVIL PENALTY ASSESSED PURSUANT TO THIS SUBSECTION (2)(b) IF THE PRODUCER'S FAILURE TO REGISTER IS DUE TO REASONABLE CAUSE AND NOT WILLFUL NEGLIGENCE OR INTENT TO DEFRAUD.

**33-61-106. Returns and remittance of fees - rules.** (1) EVERY PRODUCER SHALL FILE A RETURN WITH THE EXECUTIVE DIRECTOR FOR EACH CALENDAR QUARTER UPON FORMS PRESCRIBED AND FURNISHED BY THE EXECUTIVE DIRECTOR. THE RETURN MUST CONTAIN THE VOLUME OF OIL AND GAS PRODUCED IN THE STATE DURING THE PREVIOUS CALENDAR QUARTER, THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION AND THE PRODUCTION FEE FOR CLEAN TRANSIT DUE ON THE VOLUME OF OIL AND GAS PRODUCED IN THE STATE DURING THE PREVIOUS CALENDAR QUARTER, AND ANY OTHER INFORMATION THAT THE EXECUTIVE DIRECTOR MAY REASONABLY REQUIRE.

(2) THE PRODUCER SHALL FILE THE RETURN REQUIRED BY SUBSECTION (1) OF THIS SECTION WITH THE EXECUTIVE DIRECTOR ON OR BEFORE THE LAST DAY OF THE SECOND MONTH FOLLOWING THE PREVIOUS CALENDAR QUARTER APPLICABLE TO THE RETURN AND WITH THE RETURN SHALL REMIT THE PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION AND THE PRODUCTION FEES FOR CLEAN TRANSIT DUE. THE PRODUCER SHALL FILE THE RETURN REQUIRED BY SUBSECTION (1) OF THIS SECTION ELECTRONICALLY AND REMIT THE AMOUNT OF THE PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION AND THE PRODUCTION FEES FOR CLEAN TRANSIT DUE BY ELECTRONIC FUNDS TRANSFER.

(3) THE EXECUTIVE DIRECTOR MAY EXTEND THE TIME FOR MAKING A RETURN AND PAYING THE PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION AND THE PRODUCTION FEES FOR CLEAN TRANSIT DUE FOR GOOD CAUSE SHOWN OR UNDER SUCH REASONABLE RULES AS THE EXECUTIVE DIRECTOR MAY PROMULGATE.

(4) (a) IF A PERSON NEGLECTS OR REFUSES TO MAKE A TIMELY RETURN, TO PAY OR CORRECTLY ACCOUNT FOR ANY PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION OR PRODUCTION FEES FOR CLEAN TRANSIT AS REQUIRED BY THIS ARTICLE 61, OR TO KEEP COMPLETE AND ACCURATE RECORDS PURSUANT TO SECTION 33-61-107, THE EXECUTIVE DIRECTOR SHALL MAKE AN ESTIMATE, BASED UPON THE INFORMATION THAT MAY BE AVAILABLE, OF THE AMOUNT OF PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION OR PRODUCTION FEES FOR CLEAN TRANSIT DUE, NOT ACCOUNTED FOR, OR INCORRECTLY ACCOUNTED FOR ON A RETURN FOR THE PERIOD FOR WHICH THE PRODUCER IS DELINQUENT. THE EXECUTIVE DIRECTOR SHALL ADD TO THE ESTIMATED AMOUNT OF PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION OR PRODUCTION FEES FOR CLEAN TRANSIT DUE, NOT ACCOUNTED FOR, OR INCORRECTLY ACCOUNTED FOR INTEREST IF APPLICABLE UNDER SECTION 39-21-110.5 AND A PENALTY EQUAL TO THE GREATER OF:

(I) FIFTEEN DOLLARS; OR

(II) TEN PERCENT OF SUCH UNPAID, UNACCOUNTED, OR INCORRECTLY ACCOUNTED AMOUNT, PLUS ONE-HALF PERCENT PER MONTH FROM THE DATE WHEN DUE, NOT EXCEEDING EIGHTEEN PERCENT IN THE AGGREGATE.

(b) THE EXECUTIVE DIRECTOR SHALL PROVIDE THE DELINQUENT PRODUCER A WRITTEN NOTICE OF DEFICIENCY DETAILING THE ESTIMATED FEES, PENALTY, AND INTEREST IN ACCORDANCE WITH SECTION 39-21-103 (1).

**33-61-107. Books and records.** EVERY PRODUCER SHALL KEEP COMPLETE AND ACCURATE RECORDS NECESSARY FOR THE DETERMINATION OF THE CORRECT AMOUNT OF THE PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION AND PRODUCTION FEES FOR CLEAN TRANSIT COLLECTED PURSUANT TO THIS ARTICLE 61 AND SECTION 43-4-1204. THE PRODUCER SHALL PROVIDE A COPY OF THE RECORDS REQUIRED TO BE KEPT PURSUANT TO THIS SECTION AND ANY OTHER RECORDS DETERMINED TO BE NECESSARY BY THE EXECUTIVE DIRECTOR FOR THE CORRECT AMOUNT OF THE PRODUCTION FEES FOR WILDLIFE AND LAND REMEDIATION AND PRODUCTION FEES FOR CLEAN TRANSIT DUE, TO THE EXECUTIVE DIRECTOR, IF SO REQUESTED. THE EXECUTIVE DIRECTOR MAY ESTABLISH THE ACCEPTABLE FORM OF SUCH RECORDS.

**SECTION 7.** In Colorado Revised Statutes, 39-21-102, **add** (8) as follows:

**39-21-102. Scope.** (8) THE PROVISIONS OF THIS ARTICLE 21 APPLY TO THE FEES IMPOSED PURSUANT TO THE PROVISIONS OF ARTICLE 61 OF TITLE 33 AND THE FEES IMPOSED BY THE PROVISIONS OF SECTION 43-4-1204, BUT ONLY TO THE EXTENT THAT THE PROVISIONS OF THIS ARTICLE 21 ARE NOT INCONSISTENT WITH THE PROVISIONS OF ARTICLE 61 OF TITLE 33 AND THE PROVISIONS OF SECTION 43-4-1204.

**SECTION 8.** In Colorado Revised Statutes, 39-21-107, **amend** (1) as follows:

**39-21-107. Limitations.** (1) Except as provided in this section, in section 29-2-106.1 (5)(b), and unless such time is extended by waiver, the amount of any tax or of any charge on oil and gas production, ~~imposed pursuant to articles 24 to 29 of this title 39 or article 3 of title 42,~~ and the penalty and interest applicable ~~thereto~~ TO THE TAX OR CHARGE, shall be assessed within three years after the return was filed, whether or not such return was filed on or after the date prescribed, and no assessment shall be made or credit taken and no notice of lien shall be filed, nor distraint warrant issued, nor suit for collection instituted, nor any other action to collect the same commenced after the expiration of such period; except that a written proposed adjustment of the tax liability by the department issued prior to the expiration of such period shall extend the limitation of this subsection (1) for one year after a final determination or assessment is made. No lien shall continue after the three-year period provided for in this subsection (1), except for taxes assessed before the expiration of such period, notice of lien with respect to which has been filed prior to the expiration of such period, and except for taxes on which written notice of any proposed adjustment of the tax liability has been sent to the taxpayer during such three-year period, in which case the lien shall continue for one year only after the expiration of such period or after the issuance of a final determination or assessment based on the proposed adjustment issued prior to the expiration of the three-year period. This subsection (1) ~~shall~~ DOES not apply to income tax or to any tax imposed under article 23.5 of this title 39.

**SECTION 9.** In Colorado Revised Statutes, 39-21-108, **amend** (1)(a); and **add** (1)(c) as follows:

**39-21-108. Refunds.** (1) (a) (I) In the case of income tax imposed by article 22 of this title 39, except as provided in section 39-22-601.5, the taxpayer must file any claim for refund or credit for any year not later than the period provided for filing a claim for refund of federal income tax plus one year. The department shall not pay any refund for which the claim is filed later than the period provided for the payment of a refund of federal income tax plus one year. However, no refund or credit of income tax may be made to any taxpayer who fails to file a return pursuant to section 39-22-601 within four years from the date the return was required to be filed. Except in the case of failure to file a return or the filing of a false or fraudulent return with intent to evade tax and otherwise notwithstanding any provision of law, the statute of limitations relating to claims for refund or credit for any year shall not expire prior to the expiration of the time within which a deficiency for such year could be assessed.

(II) In the case of the charge on oil and gas production imposed by article 60 of title 34, ~~and THE PRODUCTION FEE FOR CLEAN TRANSIT IMPOSED BY SECTION 43-4-1204, THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION IMPOSED BY SECTION 33-61-103, the passenger-mile tax imposed by article 3 of title 42, or~~ AND the severance tax imposed by article 29 of this title 39, the ~~taxpayer~~ PAYER shall file any claim for refund or credit for any period not later than three years after the date of payment.

(III) Claims for refund of other taxes covered by this article 21 must be made within the time limits expressly provided for the specific taxes involved. ~~Except as provided in section 39-21-105, no suit for refund may be commenced.~~ This subsection (1) does not apply to sales and use taxes.

(c) EXCEPT AS PROVIDED IN SECTION 39-21-105, NO SUIT FOR REFUND MAY BE COMMENCED.

**SECTION 10.** In Colorado Revised Statutes, 39-21-119.5, **amend** (4)(k) and (4)(l); and **add** (4)(m) as follows:

**39-21-119.5. Mandatory electronic filing of returns - mandatory electronic payment - penalty - waiver - definitions.** (4) Except as provided in subsection (6) of this section, on and after August 2, 2019, electronic filing of returns and the payment of any tax or fee by electronic funds transfer is required for the following:

(k) Any clean fleet per ride fee and air pollution mitigation per ride fee return required to be filed and payment required pursuant to section 40-10.1-607.5; ~~and~~

(l) Any quarterly report for the advance payment of an income tax credit required to be filed pursuant to section 39-22-629 (2)(b); AND

(m) ANY PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION AND PRODUCTION FEE FOR CLEAN TRANSIT RETURN REQUIRED TO BE FILED AND PAYMENT REQUIRED TO BE MADE PURSUANT TO ARTICLE 61 OF TITLE 33 AND SECTION 43-4-1204.



**SECTION 11.** In Colorado Revised Statutes, **add** 43-1-135 as follows:

**43-1-135. Restrictions on the use of transportation - related fees - definition - repeal.** (1) IF A CONSTITUTIONAL AMENDMENT IS ADOPTED AT THE 2024 STATEWIDE GENERAL ELECTION THAT REQUIRES, AMONG OTHER THINGS, VOTER APPROVAL OF FEES ASSESSED FOR THE PURPOSE OF, OR THAT MAY BE USED FOR, FUNDING MASS TRANSPORTATION SUCH AS BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS, SUCH AS THE PRODUCTION FEE FOR CLEAN TRANSIT IMPOSED PURSUANT TO SECTION 43-4-1204, THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION IMPOSED PURSUANT TO SECTION 33-61-103, AND THE CONGESTION IMPACT FEE IMPOSED PURSUANT TO SECTION 43-4-806 (7.6), THE FOLLOWING PROVISIONS APPLY:

(a) ABSENT VOTER APPROVAL REQUIRED BY THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1), A FEE TO WHICH THE CONSTITUTIONAL AMENDMENT WOULD OTHERWISE APPLY MUST BE ASSESSED TO FUND ONLY THE TYPES OF SURFACE TRANSPORTATION INFRASTRUCTURE FOR WHICH THE FEE IS ALREADY AUTHORIZED; EXCEPT THAT THE FEE SHALL NOT BE ASSESSED AND USED FOR MASS TRANSPORTATION SUCH AS BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS.

(b) AS USED IN THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1) AND IN THIS SUBSECTION (1):

(I) "MASS TRANSPORTATION SUCH AS BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS" MEANS ANY BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS THAT ARE CAPITAL PROJECTS AND THAT INVOLVE CONSTRUCTION OR ACQUISITION OF NEW INFRASTRUCTURE.

(II) "MASS TRANSPORTATION SUCH AS BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS" DOES NOT INCLUDE:

(A) ROADS, HIGHWAYS, BRIDGES, AND ANY OTHER SURFACE TRANSPORTATION INFRASTRUCTURE ON WHICH MOTOR VEHICLES OPERATE, INCLUDING INFRASTRUCTURE ON WHICH MOTOR VEHICLES OPERATE THAT HAS MASS TRANSPORTATION COMPONENTS OR BENEFITS MASS TRANSPORTATION RIDERSHIP, INCLUDING DEDICATED BUS LANES THAT OPERATE ON HIGHWAYS, RAIL LINES THAT OPERATE WITHIN A HIGHWAY RIGHT-OF-WAY, AND PARKING STRUCTURES WITHIN A HIGHWAY RIGHT-OF-WAY THAT SERVE MASS TRANSIT RIDERS; OR

(B) MASS TRANSIT OPERATIONS COSTS, INCLUDING MAINTENANCE, FACILITIES UPKEEP, STAFF SALARIES AND WAGES, AND RELATED OPERATIONS EXPENSES.

(2) IF A CONSTITUTIONAL AMENDMENT THAT REQUIRES, AMONG OTHER THINGS, VOTER APPROVAL OF FEES ASSESSED FOR THE PURPOSE OF FUNDING MASS TRANSPORTATION SUCH AS BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS IS NOT ADOPTED AT THE 2024 STATEWIDE GENERAL ELECTION, THIS SECTION IS REPEALED, EFFECTIVE JUNE 30, 2025.

**SECTION 12.** In Colorado Revised Statutes, **add** 43-1-135 as follows:

**43-1-135. Restrictions on the use of transportation - related fees - definition - repeal.** (1) IF A CONSTITUTIONAL AMENDMENT IS ADOPTED AT THE 2024 STATEWIDE GENERAL ELECTION THAT REQUIRES, AMONG OTHER THINGS, VOTER APPROVAL OF FEES ASSESSED FOR THE PURPOSE OF, OR THAT MAY BE USED FOR, FUNDING MASS TRANSPORTATION SUCH AS BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS, SUCH AS THE PRODUCTION FEE FOR CLEAN TRANSIT IMPOSED PURSUANT TO SECTION 43-4-1204 AND THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION IMPOSED PURSUANT TO SECTION 33-61-103, THE FOLLOWING PROVISIONS APPLY:

(a) ABSENT VOTER APPROVAL REQUIRED BY THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1), A FEE TO WHICH THE CONSTITUTIONAL AMENDMENT WOULD OTHERWISE APPLY MUST BE ASSESSED TO FUND ONLY THE TYPES OF SURFACE TRANSPORTATION INFRASTRUCTURE FOR WHICH THE FEE IS ALREADY AUTHORIZED; EXCEPT THAT THE FEE SHALL NOT BE ASSESSED AND USED FOR MASS TRANSPORTATION SUCH AS BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS.

(b) AS USED IN THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1) AND IN THIS SUBSECTION (1):

(I) "MASS TRANSPORTATION SUCH AS BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS" MEANS ANY BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS THAT ARE CAPITAL PROJECTS AND THAT INVOLVE CONSTRUCTION OR ACQUISITION OF NEW INFRASTRUCTURE.

(II) "MASS TRANSPORTATION SUCH AS BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS" DOES NOT INCLUDE:

(A) ROADS, HIGHWAYS, BRIDGES, AND ANY OTHER SURFACE TRANSPORTATION INFRASTRUCTURE ON WHICH MOTOR VEHICLES OPERATE, INCLUDING INFRASTRUCTURE ON WHICH MOTOR VEHICLES OPERATE THAT HAS MASS TRANSPORTATION COMPONENTS OR BENEFITS MASS TRANSPORTATION RIDERSHIP, INCLUDING DEDICATED BUS LANES THAT OPERATE ON HIGHWAYS, RAIL LINES THAT OPERATE WITHIN A HIGHWAY RIGHT-OF-WAY, AND PARKING STRUCTURES WITHIN A HIGHWAY RIGHT-OF-WAY THAT SERVE MASS TRANSIT RIDERS; OR

(B) MASS TRANSIT OPERATIONS COSTS, INCLUDING MAINTENANCE, FACILITIES UPKEEP, STAFF SALARIES AND WAGES, AND RELATED OPERATIONS EXPENSES.

(2) IF A CONSTITUTIONAL AMENDMENT THAT REQUIRES, AMONG OTHER THINGS, VOTER APPROVAL OF FEES ASSESSED FOR THE PURPOSE OF FUNDING MASS TRANSPORTATION SUCH AS BUS, LIGHT RAIL, HIGH-SPEED RAIL, PASSENGER RAIL, OR FIXED RAIL PROJECTS IS NOT ADOPTED AT THE 2024 STATEWIDE GENERAL ELECTION, THIS SECTION IS REPEALED, EFFECTIVE JUNE 30, 2025.

**SECTION 13.** In Colorado Revised Statutes, add 24-77-109 as follows:

**24-77-109. Definition of fee - scope - definitions - repeal.** (1) IF A CONSTITUTIONAL AMENDMENT IS ADOPTED AT THE 2024 STATEWIDE GENERAL

ELECTION THAT AMENDS SECTION 20 OF ARTICLE X OF THE COLORADO CONSTITUTION TO DEFINE THE TERM "FEE", THE FOLLOWING PROVISIONS APPLY:

(a) THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1) APPLIES TO FEES INCREASED ONLY BY:

(I) LEGISLATION ENACTED BY THE GENERAL ASSEMBLY ON OR AFTER THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT;

(II) RULES OF THE APPLICABLE RULE-MAKING AUTHORITY ON OR AFTER THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT; AND

(III) FORMAL APPROVAL OR ENACTMENT BY A GOVERNING BOARD WITH LEGAL AUTHORITY TO ASSESS AND RAISE FEES ON OR AFTER THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT.

(b) IF A FEE EXISTS IN STATE LAW OR RULES BEFORE THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT AND IS SUBJECT TO A TIME FRAME, SCHEDULE, ADJUSTMENT, OR MATHEMATICAL FORMULA WITH PREDETERMINED OBJECTIVE COMPONENTS FOR INCREASING THE FEE, ANY INCREASE TO THE FEE AMOUNT DOES NOT CONSTITUTE AN INCREASE FOR THE PURPOSE OF THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1).

(c) THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1) DOES NOT APPLY TO FEES ESTABLISHED BEFORE THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT. A FEE IS ESTABLISHED BEFORE THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT IF, REGARDLESS OF WHEN THE FEE BEGINS TO BE CHARGED OR OTHERWISE ASSESSED, THE FEE IS CREATED BY LEGISLATION OR RULES ENACTED OR ADOPTED BEFORE THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT OR THE FEE IS CREATED BY A CITIZEN-INITIATED MEASURE THAT TAKES EFFECT BEFORE THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT.

(d) AS USED IN THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1) AND AS USED IN THIS SUBSECTION (1):

(I) "COSTS INCURRED BY THE GOVERNMENT IN PROVIDING SAID SPECIFIC BENEFIT" MEANS ALL DIRECT AND INDIRECT COSTS A GOVERNMENTAL ENTITY INCURS TO PROVIDE A SPECIFIC BENEFIT, INCLUDING ADMINISTRATIVE EXPENSES, SALARIES AND WAGES, COSTS OF MATERIALS, RENTALS OF REAL AND PERSONAL PROPERTY, OVERHEAD, PAYMENTS TO CONTRACTORS, AND ANY OTHER COSTS INCURRED TO PROVIDE THE SPECIFIC BENEFIT.

(II) (A) "FAIR SHARE" MEANS THE TOTAL ANTICIPATED COSTS INCURRED BY THE GOVERNMENT IN PROVIDING A SPECIFIC BENEFIT DURING THE STATE FISCAL YEAR DIVIDED BY THE ANTICIPATED NUMBER OF PAYERS OF THE FEE DURING THE STATE FISCAL YEAR.

(B) "FAIR SHARE" DOES NOT MEAN A MATHEMATICAL CERTAINTY OR APPROXIMATION OF THE PAYER'S TOTAL BENEFIT IN COMPARISON TO THE TOTAL PAYERS THAT REMIT THE FEE.

(III) "SPECIFIC BENEFIT" MEANS A SERVICE, ITEM, OR OTHER TYPE OF DIRECT OR INDIRECT BENEFIT CONFERRED ON THE PAYER OF THE FEE, WHICH MAY INCLUDE BENEFITS REALIZED THROUGH INVESTMENTS IN PUBLIC PRIORITIES, NEEDS, INTERESTS, PROGRAMS, INFRASTRUCTURE, AND SERVICES, REGARDLESS OF WHETHER THE SPECIFIC BENEFIT IS DIRECTLY USED BY THE PAYER, WHETHER THE PAYER CHOOSES TO AVAIL THEMSELVES OF THE SPECIFIC BENEFIT, AND WHETHER THE SPECIFIC BENEFITS ARE MADE AVAILABLE TO PERSONS THAT DO NOT PAY THE FEE.

(IV) "VOLUNTARILY INCURRED" MEANS A PAYER IS NOT FORMALLY COMPELLED, REQUIRED, OR MANDATED TO PAY A FEE AND HAS THE ABILITY TO REFUSE, TAKE ACTION, OR OPT TO TAKE NO ACTION TO AVOID INCURRING THE FEE. A PAYER'S ACTUAL ABILITY TO REFUSE SERVICES OR OPT NOT TO PURCHASE PROPERTY THAT IS CONNECTED WITH A FEE IS EVIDENCE THAT A FEE IS VOLUNTARILY INCURRED.

(2) AS USED IN THIS SECTION, "FEE" MEANS ANY FEE CHARGED FOR REMEDIATION SERVICES THAT POSITIVELY IMPACT THE ENVIRONMENT, SUCH AS THE PRODUCTION FEE FOR CLEAN TRANSIT IMPOSED PURSUANT TO SECTION 43-4-1204, THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION IMPOSED PURSUANT TO SECTION 33-61-103, AND THE CONGESTION IMPACT FEE IMPOSED PURSUANT TO SECTION 43-4-806 (7.6).

(3) IF A CONSTITUTIONAL AMENDMENT THAT AMENDS SECTION 20 OF ARTICLE X OF THE COLORADO CONSTITUTION TO DEFINE THE TERM "FEE" IS NOT ADOPTED AT THE 2024 STATEWIDE GENERAL ELECTION, THIS SECTION IS REPEALED, EFFECTIVE JUNE 30, 2025.

**SECTION 14.** In Colorado Revised Statutes, **add 24-77-109** as follows:

**24-77-109. Definition of fee - scope - definitions - repeal.** (1) IF A CONSTITUTIONAL AMENDMENT IS ADOPTED AT THE 2024 STATEWIDE GENERAL ELECTION THAT AMENDS SECTION 20 OF ARTICLE X OF THE COLORADO CONSTITUTION TO DEFINE THE TERM "FEE", THE FOLLOWING PROVISIONS APPLY:

(a) THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1) APPLIES TO FEES INCREASED ONLY BY:

(I) LEGISLATION ENACTED BY THE GENERAL ASSEMBLY ON OR AFTER THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT;

(II) RULES OF THE APPLICABLE RULE-MAKING AUTHORITY ON OR AFTER THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT; AND

(III) FORMAL APPROVAL OR ENACTMENT BY A GOVERNING BOARD WITH LEGAL AUTHORITY TO ASSESS AND RAISE FEES ON OR AFTER THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT.

(b) IF A FEE EXISTS IN STATE LAW OR RULES BEFORE THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT AND IS SUBJECT TO A TIME FRAME, SCHEDULE, ADJUSTMENT, OR MATHEMATICAL FORMULA WITH PREDETERMINED OBJECTIVE COMPONENTS FOR INCREASING THE FEE, ANY INCREASE TO THE FEE AMOUNT DOES

NOT CONSTITUTE AN INCREASE FOR THE PURPOSE OF THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1).

(c) THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1) DOES NOT APPLY TO FEES ESTABLISHED BEFORE THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT. A FEE IS ESTABLISHED BEFORE THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT IF, REGARDLESS OF WHEN THE FEE BEGINS TO BE CHARGED OR OTHERWISE ASSESSED, THE FEE IS CREATED BY LEGISLATION OR RULES ENACTED OR ADOPTED BEFORE THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT OR THE FEE IS CREATED BY A CITIZEN-INITIATED MEASURE THAT TAKES EFFECT BEFORE THE EFFECTIVE DATE OF THE CONSTITUTIONAL AMENDMENT.

(d) AS USED IN THE CONSTITUTIONAL AMENDMENT DESCRIBED IN THIS SUBSECTION (1) AND AS USED IN THIS SUBSECTION (1):

(I) "COSTS INCURRED BY THE GOVERNMENT IN PROVIDING SAID SPECIFIC BENEFIT" MEANS ALL DIRECT AND INDIRECT COSTS A GOVERNMENTAL ENTITY INCURS TO PROVIDE A SPECIFIC BENEFIT, INCLUDING ADMINISTRATIVE EXPENSES, SALARIES AND WAGES, COSTS OF MATERIALS, RENTALS OF REAL AND PERSONAL PROPERTY, OVERHEAD, PAYMENTS TO CONTRACTORS, AND ANY OTHER COSTS INCURRED TO PROVIDE THE SPECIFIC BENEFIT.

(II) (A) "FAIR SHARE" MEANS THE TOTAL ANTICIPATED COSTS INCURRED BY THE GOVERNMENT IN PROVIDING A SPECIFIC BENEFIT DURING THE STATE FISCAL YEAR DIVIDED BY THE ANTICIPATED NUMBER OF PAYERS OF THE FEE DURING THE STATE FISCAL YEAR.

(B) "FAIR SHARE" DOES NOT MEAN A MATHEMATICAL CERTAINTY OR APPROXIMATION OF THE PAYER'S TOTAL BENEFIT IN COMPARISON TO THE TOTAL PAYERS THAT REMIT THE FEE.

(III) "SPECIFIC BENEFIT" MEANS A SERVICE, ITEM, OR OTHER TYPE OF DIRECT OR INDIRECT BENEFIT CONFERRED ON THE PAYER OF THE FEE, WHICH MAY INCLUDE BENEFITS REALIZED THROUGH INVESTMENTS IN PUBLIC PRIORITIES, NEEDS, INTERESTS, PROGRAMS, INFRASTRUCTURE, AND SERVICES, REGARDLESS OF WHETHER THE SPECIFIC BENEFIT IS DIRECTLY USED BY THE PAYER, WHETHER THE PAYER CHOOSES TO AVAIL THEMSELVES OF THE SPECIFIC BENEFIT, AND WHETHER THE SPECIFIC BENEFITS ARE MADE AVAILABLE TO PERSONS THAT DO NOT PAY THE FEE.

(IV) "VOLUNTARILY INCURRED" MEANS A PAYER IS NOT FORMALLY COMPELLED, REQUIRED, OR MANDATED TO PAY A FEE AND HAS THE ABILITY TO REFUSE, TAKE ACTION, OR OPT TO TAKE NO ACTION TO AVOID INCURRING THE FEE. A PAYER'S ACTUAL ABILITY TO REFUSE SERVICES OR OPT NOT TO PURCHASE PROPERTY THAT IS CONNECTED WITH A FEE IS EVIDENCE THAT A FEE IS VOLUNTARILY INCURRED.

(2) AS USED IN THIS SECTION, "FEE" MEANS ANY FEE CHARGED FOR REMEDIATION SERVICES THAT POSITIVELY IMPACT THE ENVIRONMENT, SUCH AS THE PRODUCTION FEE FOR CLEAN TRANSIT IMPOSED PURSUANT TO SECTION 43-4-1204 AND THE PRODUCTION FEE FOR WILDLIFE AND LAND REMEDIATION IMPOSED PURSUANT TO SECTION 33-61-103.

(3) IF A CONSTITUTIONAL AMENDMENT THAT AMENDS SECTION 20 OF ARTICLE X OF THE COLORADO CONSTITUTION TO DEFINE THE TERM "FEE" IS NOT ADOPTED AT THE 2024 STATEWIDE GENERAL ELECTION, THIS SECTION IS REPEALED, EFFECTIVE JUNE 30, 2025.

**SECTION 15. Effective date - applicability.** (1) Except as otherwise provided in subsection (2) of this section, this act takes effect upon passage.

(2) (a) Sections 11 and 13 of this act take effect only if Senate Bill 24-184 becomes law, in which case sections 11 and 13 of this act take effect upon passage.

(b) Sections 12 and 14 of this act take effect only if Senate Bill 24-184 does not become law, in which case sections 12 and 14 of this act take effect upon passage.

**SECTION 16. Severability.** If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

**SECTION 17. Safety clause.** The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: May 16, 2024