

CHAPTER 400

TAXATION

HOUSE BILL 14-1371

BY REPRESENTATIVE(S) Young, Buck, Labuda, Lawrence, Rosenthal, Schafer, Vigil;
also SENATOR(S) Grantham, Tochtrop, Crowder, Schwartz.

AN ACT

CONCERNING PROPERTY TAXATION OF OIL AND GAS LEASEHOLDS AND LANDS, AND, IN CONNECTION THEREWITH, SPECIFYING THAT THE WELLHEAD IS THE POINT OF VALUATION AND TAXATION FOR SUCH LEASEHOLDS AND LANDS.

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

SECTION 1. In Colorado Revised Statutes, 39-7-101, **amend** (1) introductory portion, (1) (a), and (1) (c) as follows:

39-7-101. Statement of owner or operator. (1) Every operator of, or if there is no operator, every person owning any oil or gas leasehold or lands within this state, either as a single lease or as a unit, ~~which leaseholds or lands~~ THAT are producing or are capable of producing oil or gas on the assessment date of any year, shall, no later than the fifteenth day of April of each year, prepare, sign under the penalty of perjury in the second degree, and file in person or by mail with the assessor of the county ~~wherein such~~ IN WHICH THE WELLHEAD PRODUCING THE OIL AND GAS LEASEHOLDS OR LANDS ~~are~~ IS LOCATED a statement for ~~such~~ THE lease or unit. FOR PURPOSES OF THIS ARTICLE, IRRESPECTIVE OF THE PHYSICAL LOCATION OF THE PRODUCING LEASEHOLDS OR LANDS, THE POINT OF TAXATION IS THE SAME AS THE POINT OF VALUATION, WHICH IS THE WELLHEAD. THE STATEMENT MUST BE MADE ON a form prescribed by the administrator, showing:

(a) The WELLHEAD location thereof and the name thereof, if there is a name;

(c) The number of barrels of oil, or the quantity of gas measured in thousands of cubic feet, sold or transported from the ~~premises~~ WELLHEAD during the calendar year immediately preceding, after separately reporting the number of barrels of oil, or the quantity of gas measured in thousands of cubic feet, delivered to the United States government or any agency thereof, the state of Colorado or any agency or

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

political subdivision thereof, or any Indian tribe as royalty during the calendar year immediately preceding;

SECTION 2. In Colorado Revised Statutes, 39-7-102, **amend** (1) (a) as follows:

39-7-102. Valuation for assessment. (1) Except as provided in subsection (2) of this section, on the basis of the information contained in such statement, the assessor shall value such oil and gas leaseholds and lands for assessment, as real property, at an amount equal to eighty-seven and one-half percent of:

(a) The selling price of the oil or gas sold ~~therefrom~~ FROM EACH WELLHEAD during the preceding calendar year, after excluding the selling price of all oil or gas delivered to the United States government or any agency thereof, the state of Colorado or any agency thereof, or any political subdivision of the state as royalty during the preceding calendar year;

SECTION 3. In Colorado Revised Statutes, **amend** 39-7-107 as follows:

39-7-107. Oil and gas lands in more than one county. (1) Whenever any oil and gas leaseholds or lands ~~are~~ APPEAR TO BE situated ~~partly~~ in MORE THAN one county, ~~and partly in another county or in lesser political subdivisions, the person making the statement required by the provisions of section 39-7-101 shall allocate the production value between such counties or lesser political subdivisions in the proportion that the surface acreage of such oil and gas leaseholds or lands situated within each such county or lesser political subdivision bears to the total surface acreage thereof~~ THE PRODUCTION VALUE IS ASSIGNED TO THE COUNTY IN WHICH THE WELLHEAD IS LOCATED.

(2) Whenever THE WELLHEADS OF a group of contiguous oil and gas leaseholds or lands operated as a unit ~~is~~ ARE situated ~~partly~~ in MORE THAN one county, ~~and partly in another county or lesser political subdivisions, the person making the statement required by the provisions of section 39-7-101 shall assign to each county or lesser political subdivision WELLHEAD that portion of the production value from the unit as is assigned by the unit agreement. to the oil and gas leaseholds or lands actually situated in each such county or lesser political subdivision.~~

(3) Whenever any oil and gas leaseholds or lands ~~are situated partly in one county and partly in another~~ UNIT PRODUCTION OCCURS FROM WELLHEADS IN MORE THAN ONE county, a copy of the statement required by the provisions of section 39-7-101 shall be filed with the assessor of each ~~such~~ AFFECTED county.

SECTION 4. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2014 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

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(2) This act applies to property tax years commencing on or after January 1, 2014.

Became Law: June 7, 2014