

Testimony regarding SB18-192

by Neil Ray President of the Colorado Alliance of Mineral and Royalty Owners

In recent years the right of mineral owners to lease and pursue development of their valuable private property has come under significant assault, in the form of development moratoria and bans. Local governments have implemented restrictions without regard to the impact on the real property rights of mineral owners, and often in the face of evidence that demonstrates value lost to both private property owners and to the State.

Elected officials with local planning and zoning authority are under extreme pressure from their constituents to confiscate the real property that is the mineral estate from people who often do not live in the jurisdiction where their property lies, and have no vote or political recourse.

Mineral owners often work to protect surface interests, moving locations, supporting mitigation efforts such as sound walls, adding berms, buffers and mufflers. Although it reduces the mineral estate's value, CAMRO members regularly work with their neighbors without asking the neighbors to bear this cost.

In turn, our neighbors' preferred solution is to call on the local planning authority to just tell the mineral owners "no." That cost, of course, is entirely on the back of the mineral estate owner. This is not equitable or balanced.

Much of the local control discussion goes to banning operations because they just "don't fit" with certain surface uses. If a surface estate owner was told they couldn't build their home on land they owned because it "didn't fit" with plans for future oil and gas development the surface owner would be outraged.

If oil and gas drilling took away the homeowners' right to build on the property, specifically purchased by the surface owner for surface development, compensation would be in order.

Mineral owners only seek the fair value of the monetary loss. If the proponents fo bans and cynical long term moratoria are accurate, the benefits to society to the end of oil and gas development is priceless to humanity. So compensating for the real property loss should not be a big issue. Fair should mean fair to all and there should not be a small cadre of individuals who are forced to bear the entire monetary burden.

Yesterday a bill was presented that would exempt government jurisdictions from Colorado's 64 year old pooling laws. This bill would effectively give authority to strand thousands of acres of private property from development.

Currently there is initiative 97 making its way to the ballot that would establish a setback provision in Colorado's constitution that would destroy all of the value of the mineral estate. That is why this bill is necessary CAMRO urges a yes vote.