



*Providing a Voice for Northeast Colorado*

## ALLOCATION OF ENERGY IMPACT FUNDS

LG-2007-1

**WHEREAS**, Energy and Mineral Development activities in Colorado occur primarily in rural regions of the State. For example, while recent State information indicates much of the activity happens on the Western Slope, the Eastern Plains also experience a significant impact from development, and

**WHEREAS**, Federal and State laws enacting Mineral Leasing Royalties and State Severance Taxes both establish a priority for these revenues to be used to assist local entities and State agencies directly impacted to deal with the socioeconomic and environmental impacts of the mineral development activities, and

**WHEREAS**, history repeatedly demonstrates the cyclical nature of both mineral development and their attendant revenues, with the need to retain and invest a portion of these revenues during boom periods to be available for Energy Impact Assistance for both the front-end investments during upturns in energy and mineral development activity and when adverse fiscal impacts and revenue shortfalls occur during downturns, and

**WHEREAS**, the State already allocates more than 50% of State severance taxes and more than 60% of the State share of Federal Mineral Leasing Royalties to State agencies or the State General Fund, with numerous initiative, referenda or legislative proposals to take more.

**NOW, THEREFORE BE IT RESOLVED**, that:

- PROGRESSIVE 15 supports the continued dedication of Federal mineral leasing royalties and State severance taxes to be returned to the source communities from whence the minerals were developed to help mitigate the adverse impacts associated with the development of those minerals,
- PROGRESSIVE 15 strenuously opposes any proposal to thwart the provisions in both Federal and State statute establishing a priority for use of severance tax and Federal and State mineral leasing royalty funds for mineral and energy impact purposes,
- PROGRESSIVE 15 objects to taxes which fall primarily on rural Colorado industries when the revenue is earmarked primarily for the benefit of Front Range urban areas and programs, and
- PROGRESSIVE 15 advocates distribution of a greater share, not less, of these mineral and energy related revenues directly to the local governments that are directly

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- impacted by the development activities involved, and
- PROGRESSIVE 15 believes that any proposals involving these funds should be developed in full consultation with Eastern Plains Legislators, community leaders and mineral industry representatives who stand to be adversely affected by such proposals.

*Adopted February 23, 2007*

Policy Statements

**PS-2007-7**

Progressive 15 believes that fiscal limits should be statutory in nature and opposes the placement of additional fiscal limitations within the state constitution.

**PS-2007-8**

Progressive 15 supports retaining the opportunity for voters to approve proposed tax increases