



“Voice of the Western Slope Since 1953”

A coalition of individuals, businesses and local governments

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Energy Impact Funds, Dedicating to Source Communities

WHEREAS Energy and Mineral Development activities in Colorado occur primarily in Western Colorado and other rural regions of the State. For example, recent State information indicates that more than 90% of Federal Mineral Leasing activity and more than 75% of State Severance Tax activity occurs in Western Colorado, 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:

- CLUB 20 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,
- CLUB 20 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,
- CLUB 20 objects to taxes which fall primarily on Western Colorado industries when the revenue is earmarked primarily for the benefit of Front Range urban areas and programs, and
- CLUB 20 advocates distribution of a greater share, not less, of these mineral and energy related revenues directly to the local governments that are directly impacted by the development activities involved, and
- CLUB 20 insists that any proposals involving these funds should be developed in full consultation with West Slope Legislators, community leaders and mineral industry representatives who stand to be adversely affected by such proposals.

Adopted March 31, 2006