

Summit Daily News

Lawmakers, activists look to energy money to pay for higher ed

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By The Associated Press

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DENVER - Backers of different ballot initiatives to increase tax payments by oil and gas companies said Tuesday they've agreed to work together on one proposal that would provide about \$120 million a year for the state's colleges and universities.

The plan to get rid of a property tax credit for energy companies would bring in an estimated \$200 million a year, with 60 percent going toward higher education funding. The rest of the money would be spent on renewable energy, protecting wildlife habitat and transportation projects in communities where wells are being built.

The proposal is endorsed by Gov. Bill Ritter, who encouraged the conservation, environmental and education groups to work together.

It's opposed by the Colorado Oil and Gas Association, but Ritter spokesman Wil Alston said the governor hopes the industry would eventually back the proposal or a similar measure that could still be introduced in the Legislature.

"The people at the table has to include industry," Alston said.

Currently, the tax energy companies pay on the oil and gas they extract is divided between the Department of Natural Resources and the Department of Local Affairs, which gives out some grants to affected cities and counties as well as others not affected by oil and gas.

That formula wouldn't change. Only the estimated \$200 million generated by eliminating the tax credit would go to higher education and the other listed projects.

Colorado's severance tax, the lowest after Utah in the West, wouldn't be increased.

Meg Collins, the president of the Colorado Oil and Gas Association, said the proposal would divert energy revenue to pay for the "radical agendas" of the coalition, which includes The Nature Conservancy, the Colorado Environmental Coalition and the Donnell-Kay Foundation.

"Why does this anti-energy coalition want to steal money from these impacted communities? How magnanimous for these out-of-state funded groups to allow local communities 10 percent," Collins said in a statement.

Charles Bedford, executive director of The Nature Conservancy, thinks it makes sense to use revenue from nonrenewable resources to make an investment in the state's future.

Bedford said he believes the industry will eventually support the proposal. He said the plan gives the

industry a chance to promote the contribution it is making to the economy and the state overall.

"I think the state deserves a conversation about the type of investment we make," Bedford said.

He said he expects his group to vote on formally backing the proposal in the coming weeks.

Growth in the energy industry is one of the few bright spots in the state's economy and lawmakers have been eyeing its tax revenue as one way to boost funding for higher education, which usually gets the biggest cuts during downturns.

Ritter and a group of state lawmakers also announced Tuesday that they wanted to use a different pot of energy revenue to provide about \$30 million for higher education construction projects, including a new science building on the Auraria campus.

Currently, natural gas producers pay a 12.5 percent tax to the federal government, which in turn gives 6.25 percent to Colorado, amounting to about \$165 million a year. About half of the state's share of the mineral lease revenue goes to communities impacted by oil and gas development and the other half goes into a savings account for kindergarten through 12th grade schools.

Rep. Bernie Buescher, chairman of the Joint Budget Committee, said the education fund is now solvent and its share of the mineral lease money would go to higher education projects.

The proposal is still being drafted and would have to be approved by the Legislature.

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