

**SUPREME COURT, STATE OF COLORADO**

2 East 14<sup>th</sup> Avenue  
Denver, CO 80203

ORIGINAL PROCEEDING PURSUANT TO § 1-40-107(2), C.R.S. (2006) Appeal from Ballot Title Board

IN THE MATTER OF THE TITLE, BALLOT TITLE AND SUBMISSION CLAUSE FOR 2007-2008 #14

J. GREG SCHNACKE,

Petitioner,

v.

MEGAN FERLAND AND MATT SAMELSON,  
PROPONENTS

AND

WILLIAM A. HOBBS, DANIEL DOMENICO  
AND SHARON EUBANKS

TITLE BOARD,

Respondents.

JOHN W. SUTHERS, Attorney General  
MAURICE G. KNAIZER, Deputy Attorney  
General\*

1525 Sherman Street, 7<sup>th</sup> Floor

Denver, CO 80203

(303) 866-5380

Registration Number: 05264

\*Counsel of Record

FILED IN THE  
SUPREME COURT

JUN 13 2007

OF THE STATE OF COLORADO  
SUSAN J. FESTAG, CLERK

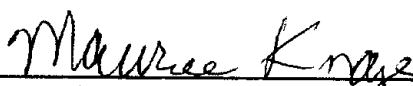
▲ **COURT USE ONLY** ▲

Case No.: 07SA155

**NOTICE OF FILING OF ADMINISTRATIVE RECORD**

The Title Board hereby files the administrative record of the Title Board for  
Initiative 2007-2008 #14.

JOHN W. SUTHERS  
Attorney General

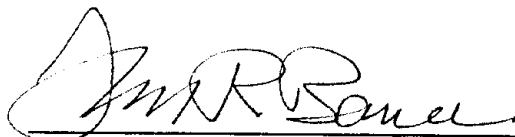
  
MAURICE G. KNAIZER, 05264\*  
Deputy Attorney General  
Public Officials  
State Services Section  
Attorneys for Title Board  
\*Counsel of Record

**CERTIFICATE OF SERVICE**

This is to certify that on the 12<sup>th</sup> day of June, 2007, I served a true and complete copy of the foregoing *Notice of Filing of Administrative Record* by overnight courier (DHL Express) to each of the following:

Sean R. Gallagher, Esq.  
Jacquiline S. Cooper, Esq.  
Hogan & Hartson LLP  
1200 17<sup>th</sup> Street, Suite 1500  
Denver, CO 80202

Edward Ramey, Esq.  
Isaacson Rosenbaum PC  
633 17<sup>th</sup> Street, Suite 2200  
Denver, CO 80202



---

THOMAS R. BOVEE  
Legal Assistant  
State Services Section



# STATE OF COLORADO

DEPARTMENT OF  
STATE

## CERTIFICATE

I, **MIKE COFFMAN**, Secretary of State of the State of Colorado, do hereby certify that:

the attached are true and exact copies of the official file thereon of the Title Board on Proposed Initiative "2007-2008 #14".....

..... **IN TESTIMONY WHEREOF** I have unto set my hand .....  
and affixed the Great Seal of the State of Colorado, at the  
City of Denver this 12<sup>th</sup> day of June, 2007.

A handwritten signature in black ink, appearing to read "Mike Coffman", is written over a horizontal line.

SECRETARY OF STATE

**Cesiah Gomez**

---

**From:** McKune, Donna J. [DJMcKune@HHLAW.com]  
**Sent:** Thursday, May 17, 2007 11:35 AM  
**To:** Cesiah Gomez  
**Subject:** Certified Copies of Proposed Initiative 13 & 14

Cesiah -

I am requesting a certified copy of Proposed Initiative 13 and Proposed Initiative 14.

Please let me know when they are available and I will send a courier to pick them up. I can be reached by responding to this e-mail or by phone at 303.899.7322.

Thank you in advance for your assistance.

D J

D J MCKUNE, ASSISTANT  
HOGAN & HARTSON LLP  
One Tabor Center, Suite 1500, 1200 Seventeenth Street, Denver, CO 80202  
direct +1.303.899.7322 | tel +1.303.899.7300 | fax +1.303.899.7333  
[djmckune@hhlaw.com](mailto:djmckune@hhlaw.com) | <http://www.hhlaw.com>

This electronic message transmission contains information from this law firm which may be confidential or otherwise subject to the attorney-client privilege. If you have received this electronic transmission in error, please notify us by tele

5/17/2007

**STATE OF COLORADO**

**Department of State**

1700 Broadway  
Suite 270  
Denver, CO 80290



**Mike Coffman**  
Secretary of State

**Holly Z. Lowder**  
Director, Elections Division

**SUMMARY OF BOARD ACTION**

**Initiative Title Setting Review Board**

**Wednesday, May 16, 2007**

**Secretary of State's Blue Spruce Conference Room**

**1700 Broadway, Suite 270**

**Denver, Colorado**

**The order for the day was:**

1. **2007 -2008 #24 - "Higher Education Funding Fee on New Construction"\***  
*Commenced 9:03 a.m.; single subject approved; staff draft amended; titles set; adjourned 9:44 a.m.*
2. **2007 -2008 #13 - "Imposition and Distribution of Severance Tax on Oil and Gas"\* - Rehearing**  
*Commenced 9:45 a.m.; Motion for Rehearing denied; adjourned 10:13 a.m.*
3. **2007 -2008 #14 - "Imposition and Distribution of Severance Tax on Oil and Gas"\* - Rehearing**  
*Commenced 9:45 a.m.; Motion for Rehearing granted in part to the extent Board amended titles; denied in all other respects; adjourned 10:13 a.m.*
4. **2007 -2008 #22 - "Imposition and Distribution of Severance Tax on Oil and Gas"\***  
*Commenced 10:13 a.m.; title setting denied - lack of single subject; adjourned 10:57 a.m.*
5. **2007 -2008 #21 - "Amendment 41 Modifications/Lobbyist Tax"\***  
*Commenced 1:30 p.m.; single subject approved; staff draft amended; titles set; adjourned 4:46 p.m.*
6. **2007 -2008 #25 - "Operation and Distribution of Money From Colorado Lottery"\***  
*Measure withdrawn by proponents prior to meeting.*
7. **2007 -2008 #26 - "Operation of and Distribution of Money From Colorado Lottery"\***  
*Measure withdrawn by proponents prior to meeting.*
8. **2007 -2008 #27 - "Operation and Distribution of Money From Colorado Lottery"\***  
*Measure withdrawn by proponents prior to meeting.*
9. **2007 -2008 #28 - "Operation and Distribution of Money From Colorado Lottery"\***  
*Measure withdrawn by proponents prior to meeting.*

**ALL AGENDA ITEMS WERE COMPLETED.**

**\* Unofficial caption assigned by legislative staff for tracking purposes. Such caption is not part of the titles set by the Board.**

Main Number (303) 894-2200  
TDD (303) 869-4867  
Fax (303) 869-4861

Web Site  
E-mail - Elections

www.sos.state.co.us  
sos.elections@sos.state.co.us

**Ballot Title Setting Board**





STATE OF COLORADO  
Department of State  
1700 Broadway  
Suite 270  
Denver, CO 80290



Mike Coffman  
Secretary of State

Holly Z. Lowder  
Director, Elections Division

AGENDA

Initiative Title Setting Review Board  
Wednesday, May 16, 2007  
Secretary of State's Blue Spruce Conference Room  
1700 Broadway, Suite 270  
Denver, Colorado

The order for the day shall be as follows:

9:00 a.m.

1. 2007-2008 #24 - "Higher Education Funding Fee on New Construction"\*
2. 2007-2008 #13 - "Imposition and Distribution of Severance Tax on Oil and Gas"\* - Rehearing
3. 2007-2008 #14 - "Imposition and Distribution of Severance Tax on Oil and Gas"\* - Rehearing
4. 2007-2008 #22 - "Imposition and Distribution of Severance Tax on Oil and Gas"\*

1:30 p.m.

5. 2007-2008 #21 - "Amendment 41 Modifications/Lobbyist Tax"\*
6. 2007-2008 #25 - "Operation and Distribution of Money From Colorado Lottery"\*
7. 2007-2008 #26 - "Operation of and Distribution of Money From Colorado Lottery"\*
8. 2007-2008 #27 - "Operation of and Distribution of Money From Colorado Lottery"\*
9. 2007-2008 #28 - "Operation of and Distribution of Money From Colorado Lottery"\*

AUDIO BROADCASTS NOW AVAILABLE. PLEASE VISIT [WWW.SOS.STATE.CO.US](http://WWW.SOS.STATE.CO.US) AND CLICK ON THE "INFORMATION CENTER".

AGENDA ITEMS NOT COMPLETED AT THE END OF THE DAY WILL BE CONTINUED TO A DATE, TIME, AND PLACE TO BE DETERMINED ON WEDNESDAY, MAY 16, 2007

\* Unofficial caption assigned by legislative staff for tracking purposes. Such caption is not part of the titles set by the Board.

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**STATE OF COLORADO**  
**Department of State**  
1700 Broadway  
Suite 270  
Denver, CO 80290



**Mike Coffman**  
Secretary of State  
**Holly Z. Lowder**  
Director, Elections Division

May 8, 2007

**NOTICE OF REHEARING MEETING**

You are hereby notified that the Secretary of State,  
Attorney General, and the Director of the Office of Legislative

Legal Services will meet for a rehearing

for a proposed initiative concerning

2005 - 2006 #14\*

Wednesday, May 16, 2007 at 9:00 a.m.

Secretary of State's Blue Spruce Conference Room

1700 Broadway, Suite 270

Denver, Colorado

You are invited to attend.

A handwritten signature in black ink that reads "Mike Coffman".

**MIKE COFFMAN**  
Secretary of State

**AUDIO BROADCASTS NOW AVAILABLE. PLEASE VISIT [WWW.SOS.STATE.CO.US](http://WWW.SOS.STATE.CO.US) AND CLICK ON THE "INFORMATION CENTER".**

**MOTION FOR REHEARING TEXT ALSO AVAILABLE ON OUR WEBSITE, LOCATED ON THE INITIATIVE INFORMATION PAGE UNDER "TITLE BOARD FILINGS".**

\* Unofficially captioned "Imposition and Distribution of Severance Tax on Oil and Gas" by legislative staff for tracking purposes. Such caption is not part of the titles set by the Board.

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[sos.elections@sos.state.co.us](mailto:sos.elections@sos.state.co.us)

**STATE OF COLORADO**  
**Department of State**  
Civic Center Plaza  
1560 Broadway, Suite 200  
Denver, CO 80202-5169

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**Mike Coffman**  
Secretary of State  
  
**Holly Z. Lowder**  
Director, Elections Division

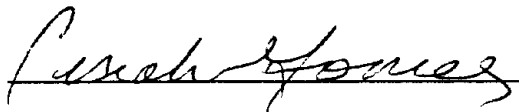
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**RECEIPT**

To: Sean R. Gallagher  
Date: May 8, 2007  
Re: Proposed Initiative 2007-2008 #14  
Time: 4:36 p.m.

The Secretary of State's office on this day received from Sean Gallagher, a Motion for Rehearing on Proposed Initiative 2007-2008 #14. Your copy of the rehearing notice is attached.

Secretary of State's Office

By 

Cesi Gomez, Administrative Assistant

RECEIVED

MAY 08 2007

ELECTIONS / LICENSING  
SECRETARY OF STATE

BALLOT TITLE BOARD  
STATE OF COLORADO

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MOTION FOR REHEARING

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IN RE PROPOSED INITIATIVE 2007-2008 #14

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J. Greg Schnacke ("Petitioner"), who is a registered elector of the State of Colorado, respectfully submits this Motion for Rehearing, pursuant to C.R.S. § 1-40-107(1). Petitioner moves for a rehearing of the title, ballot title, and summary for regarding Proposed Initiative 2007-2008 #14, which were set by the Title Board ("Board") on May 2, 2007, and state as follows:

1. The initiative violates the single subject requirement because it contains "at least two distinct and separate purposes which are not dependent upon or connected with each other"—creating a new tax and dedicating the revenues from that tax to certain programs. *In re Proposed Initiative on "Public Rights in Water II"*, 898 P.2d 1076, 1079 (Colo. 1995) ("*Water II*"); see also Colo. Const. art. V, § 21. There is no necessary or proper connection between these two purposes, even under the general theme of "tax revenue," and therefore the measure contains more than one subject in violation of Colo. Const. art. V, § 21. See *Water II*, 898 P.2d at 1081 (proposed initiative that adopted the public trust doctrine for the state's waters and imposed certain voting requirements for water conservation districts violated single subject rule even though both purposes related loosely to water).

2. The title fails to inform voters of the measure's true meaning and intent because it fails to disclose the final, full fiscal year dollar increase that will result from the new tax to be established in the Colorado constitution. See Colo. Const. art. X, § 20(3)(c).

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 9th day of May 2007

STATE OF COLORADO

Department of State



Mike Coffman

Secretary of State

[REDACTED]

## Ballot Title Setting Board

### Proposed Initiative 2007-2008 #14<sup>1</sup>

The title as designated and fixed by the Board is as follows:

State taxes shall be increased \$244.6 million annually by an amendment to the Colorado constitution concerning the severance tax on the sale of oil and gas extracted in the state, and, in connection therewith, effective January 1, 2008, replacing the existing severance tax with a new severance tax of five percent of the gross income from the sale of oil and gas extracted in the state; permitting the general assembly to increase the rate of the new severance tax subject to future voter approval; exempting taxpayers with less than \$300,000 of gross income from the tax; prohibiting a credit against the tax for property taxes paid; exempting revenues from the tax from state and local government spending limits; requiring specified percentages of the tax revenues to be distributed for (1) school district capital construction, (2) counties and municipalities impacted by the development, processing, transportation, or energy conversion of oil and gas, (3) public elementary and secondary education, (4) state capital construction, and (5) such other purposes as determined by the general assembly.

The ballot title and submission clause as designated and fixed by the Board is as follows:

Shall state taxes be increased \$244.6 million annually by an amendment to the Colorado constitution concerning the severance tax on the sale of oil and gas extracted in the state, and, in connection therewith, effective January 1, 2008, replacing the existing severance tax with a new severance tax of five percent of the gross income from the sale of oil and gas extracted in the state; permitting the general assembly to increase the rate of the new severance tax subject to future voter approval; exempting taxpayers with less than \$300,000 of gross income from the tax; prohibiting a credit against the tax for property taxes paid; exempting revenues from the tax from state and local government spending limits; requiring specified percentages of the tax revenues to be distributed for (1) school district capital construction, (2) counties and municipalities impacted by the development, processing, transportation, or energy conversion of oil and gas, (3) public elementary and secondary education, (4) state capital construction, and (5) such other purposes as determined by the general assembly?

*Hearing May 2, 2007:*

*Single subject approved; staff draft amended; titles set.*

*Hearing adjourned 5:06 p.m.*

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<sup>1</sup> Unofficially captioned "Imposition and Distribution of Severance Tax on Oil and Gas" by legislative staff for tracking purposes. Such caption is not part of the titles set by the Board.

Sign-Up Sheet

Ed Ramey	633 17th St. # 2000 Denver CO 80202	303-15	
Sean Gallagher	1200 17th St. # 1500 Denver CO 80202	303-7	
Matt Sisk	1157 S. Adams St Denver, CO 80210	303-5	
Top Seman	1660 Lincoln St # 3050 Denver CO. 80264	720/34	
Stan Dempsey	1580 Lincoln St Aurora CO 80013	303-0	
Don Koppa	15409 Hwy 72 Aurora CO 80017	303-4	



**STATE OF COLORADO**  
**Department of State**  
1700 Broadway  
Suite 270  
Denver, CO 80290



**Mike Coffman**  
Secretary of State

**Holly Z. Lowder**  
Director, Elections Division

April 23, 2007

**NOTICE OF MEETING**

You are hereby notified that the Secretary of State,  
Attorney General, and the Director of the Office of Legislative

Legal Services will meet for a hearing  
for a proposed initiative concerning

2007 - 2008 #14\*

Wednesday, May 2, 2007 at 2:00 p.m.

Secretary of State's Blue Spruce Conference Room

1700 Broadway, Suite 270

Denver, Colorado

You are invited to attend.

**Mike Coffman**  
Secretary of State

**AUDIO BROADCASTS NOW AVAILABLE. PLEASE VISIT [WWW.SOS.STATE.CO.US](http://WWW.SOS.STATE.CO.US) AND CLICK ON THE "INFORMATION CENTER".**

**PROPOSED INITIATIVE TEXT ALSO AVAILABLE ON OUR WEBSITE, LOCATED ON THE INITIATIVE INFORMATION PAGE UNDER "TITLE BOARD FILINGS".**

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[sos.elections@sos.state.co.us](mailto:sos.elections@sos.state.co.us)

**Ballot Title Setting Board**

**Proposed Initiative 2007-2008 #14<sup>1</sup>**

The title as designated and fixed by the Board is as follows:

1 State taxes shall be increased \_\_\_\_\_ annually by an amendment to the Colorado  
2 constitution concerning the tax on oil and gas extracted in the state, and, in connection  
3 therewith, establishing a new severance tax of five percent of the gross proceeds from oil and  
4 gas extracted in the state; permitting the general assembly to increase the rate of the new  
5 severance tax, subject to other constitutional provisions relating to tax increases; exempting  
6 taxpayers with less than three hundred thousand dollars of gross income from the tax;  
7 prohibiting a credit against the tax for property taxes paid; exempting revenues from the tax  
8 from state and local government spending limits; repealing the existing statutory tax on oil and  
9 gas extracted in the state, effective January 1, 2008, which may reduce the amount of  
10 severance taxes paid and collected for taxable years commencing in 2007; and requiring  
11 certain revenues from the new severance tax to be used to provide funding for school capital  
12 expenditures, public education, state capital construction, and energy-impacted communities.

The ballot title and submission clause as designated and fixed by the Board is as follows:

13 Shall state taxes be increased \_\_\_\_\_ annually by an amendment to the Colorado  
14 constitution concerning the tax on oil and gas extracted in the state, and, in connection  
15 therewith, establishing a new severance tax of five percent of the gross proceeds from oil and  
16 gas extracted in the state; permitting the general assembly to increase the rate of the new  
17 severance tax, subject to other constitutional provisions relating to tax increases; exempting  
18 taxpayers with less than three hundred thousand dollars of gross income from the tax;  
19 prohibiting a credit against the tax for property taxes paid; exempting revenues from the tax  
20 from state and local government spending limits; repealing the existing statutory tax on oil and

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<sup>1</sup> Unofficially captioned "Imposition and Distribution of Severance Tax on Oil and Gas" by legislative staff for tracking purposes. Such caption is not part of the titles set by the Board.

1 gas extracted in the state, effective January 1, 2008, which may reduce the amount of  
2 severance taxes paid and collected for taxable years commencing in 2007; and requiring  
3 certain revenues from the new severance tax to be used to provide funding for school capital  
4 expenditures, public education, state capital construction, and energy-impacted communities?

# STATE OF COLORADO

## OFFICE OF STATE PLANNING AND BUDGETING

111 State Capitol Building  
Denver, Colorado 80203  
(303) 866-3317



## MEMORANDUM

Bill Ritter, Jr.  
Governor  
Todd Saliman  
Director

**TO:** Title Setting Review Board

**FROM:** Todd Saliman, Director

**DATE:** April 30, 2007

**SUBJECT:** Fiscal Analysis for Proposed Ballot Initiative #14

furnish two numbers: the estimated incremental revenue impact from the entire initiative, and a forecast of the gross amount of tax revenue generated by the new tax.

### **Fiscal Analysis**

Prices for Colorado's natural gas and oil are a weighted approximation, derived at the point-of-sale at hubs located in surrounding states where Colorado natural gas and oil is priced. These weighted prices are tracked by the Colorado Oil and Gas Conservation Commission and accessible from their website (<http://oil-gas.state.co.us/>). Colorado is distant from markets, leading to generally lower prices and a "basis differential" from national market gas prices. Ultimately, the basis differential, combined with national market behavior in response to supply and storage capacity, all act to create an extremely dynamic price environment.

The OSPB used the component analysis done by the Department of Local Affairs to establish the percentage increase DOLA expects to see in oil and gas tax revenue above DOLA's current-law forecast. After some technical adjustments regarding differences in assumptions between the OSPB and DOLA forecasts, this growth factor was applied to the OSPB forecast to establish the forecast of the gross amount of tax revenue resulting from the new tax.

**The OSPB estimates that the gross amount of tax revenue generated by the new tax will be \$428.3 million in FY 2008-09. The OSPB March 2007 forecast of severance tax revenue in FY 2008-09 is \$183.7 million, which leaves the incremental impact of this initiative at \$244.6 million.** The OSPB wishes to reiterate that this incremental amount is the difference between two forecasts, which are both heavily dependent on price and volume forecasts that can vary widely from actual data. As indicated above, it will not be possible to calculate the true fiscal impact of this initiative, because the old severance tax will be abolished and the new tax is structured differently from the old one.

**STATE OF COLORADO**  
**Department of State**  
1700 Broadway  
Suite 270  
Denver, CO 80290

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**Mike Coffman**  
Secretary of State

**Holly Z. Lowder**  
Director, Elections Division

---

## **AGENDA**

### **Initiative Title Setting Review Board**

**Wednesday, May 2, 2007, 2:00 p.m.**

**Secretary of State's Blue Spruce Conference Room**

**1700 Broadway, Suite 270**

**Denver, Colorado**

**The order for the day shall be as follows:**

- 1. 2007 -2008 #13 - "Imposition and Distribution of Severance Tax on Oil and Gas"\***
- 2. 2007 -2008 #14 - "Imposition and Distribution of Severance Tax on Oil and Gas"\***
- 3. 2007 -2008 #9 - "Higher Education Funding Fee on New Construction"\***

**AUDIO BROADCASTS NOW AVAILABLE. PLEASE VISIT [WWW.SOS.STATE.CO.US](http://WWW.SOS.STATE.CO.US) AND CLICK ON THE "INFORMATION CENTER".**

**AGENDA ITEMS NOT COMPLETED AT THE END OF THE DAY WILL BE CONTINUED TO A DATE, TIME, AND PLACE TO BE DETERMINED ON WEDNESDAY, MAY 2, 2007.**

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**\* Unofficial caption assigned by legislative staff for tracking purposes. Such caption is not part of the titles set by the Board.**

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**STATE OF COLORADO**  
**Department of State**  
1700 Broadway  
Suite 270  
Denver, CO 80290

---



**Mike Coffman**  
**Secretary of State**  
  
**Holly Z. Lowder**  
**Director, Elections Division**

---

April 23, 2007

Mr. Jason Dunn  
Office of the Attorney General  
1525 Sherman Street, 7<sup>th</sup> Floor  
Denver, CO 80203

Dear Mr. Dunn:

You are hereby officially notified that on April 20, 2007, the Colorado Secretary of State received a filing for Proposed Initiative 2007-2008 #14 – Imposition and Distribution of Severance Tax on Oil and Gas.

According to Section 1-40-106(1) Colorado Revised Statutes, the Secretary of State, the Attorney General, and the Director of Legislative Legal Services Office are constituted as a board to fix a title and submission clause for the proposal.

Pursuant to the same subsection, the Secretary of State has called a public meeting of the Board for hearing on May 2, 2007 at 2:00 p.m., at the Secretary of State Conference Room, 1700 Broadway, Suite 270, Denver, Colorado.

If you have further questions, please contact the office of the Secretary of State.

Sincerely,

A handwritten signature in black ink that reads "Mike Coffman".

Mike Coffman  
Secretary of State

**STATE OF COLORADO**

**Department of State**

1700 Broadway  
Suite 270  
Denver, CO 80290

---



**Mike Coffman**  
Secretary of State

**Holly Z. Lowder**  
Director, Elections Division

---

April 23, 2007

The Honorable John Suthers  
Attorney General  
1525 Sherman, 7<sup>th</sup> Floor  
Denver, CO 80203

Dear Mr. Suthers:

You are hereby officially notified that on April 20, 2007, the Colorado Secretary of State received a filing for Proposed Initiative 2007-2008 #14 – Imposition and Distribution of Severance Tax on Oil and Gas.

According to Section 1-40-106(1) Colorado Revised Statutes, the Secretary of State, the Attorney General, and the Director of Legislative Legal Services Office are constituted as a board to fix a title and submission clause for the proposal.

Pursuant to the same subsection, the Secretary of State has called a public meeting of the Board for hearing on May 2, 2007 at 2:00 p.m., at the Secretary of State Conference Room, 1700 Broadway, Suite 270, Denver, Colorado.

If you have further questions, please contact the office of the Secretary of State.

Sincerely,

Mike Coffman  
Secretary of State



**STATE OF COLORADO**

**Department of State**

1700 Broadway  
Suite 270  
Denver, CO 80290

---



**Mike Coffman**

**Secretary of State**

**Holly Z. Lowder**

**Director, Elections Division**

---

April 23, 2007

Mr. Dan Domenico  
Office of the Attorney General  
1525 Sherman Street, 7<sup>th</sup> Floor  
Denver, CO 80203

Dear Mr. Domenico:

You are hereby officially notified that on April 20, 2007, the Colorado Secretary of State received a filing for Proposed Initiative 2007-2008 #14 – Imposition and Distribution of Severance Tax on Oil and Gas.

According to Section 1-40-106(1) Colorado Revised Statutes, the Secretary of State, the Attorney General, and the Director of Legislative Legal Services Office are constituted as a board to fix a title and submission clause for the proposal.

Pursuant to the same subsection, the Secretary of State has called a public meeting of the Board for hearing on May 2, 2007 at 2:00 p.m., at the Secretary of State Conference Room, 1700 Broadway, Suite 270, Denver, Colorado.

If you have further questions, please contact the office of the Secretary of State.

Sincerely,

Mike Coffman  
Secretary of State

**STATE OF COLORADO**

**Department of State**

1700 Broadway  
Suite 270  
Denver, CO 80290



**Mike Coffman**  
Secretary of State

**Holly Z. Lowder**  
Director, Elections Division

April 23, 2007

Mr. Charles Pike  
Director of Legislative Legal Services  
State Capitol, Room 091  
Denver, CO 80203

Dear Mr. Pike:

You are hereby officially notified that on April 20, 2007, the Colorado Secretary of State received a filing for Proposed Initiative 2007-2008 #14 – Imposition and Distribution of Severance Tax on Oil and Gas.

According to Section 1-40-106(1) Colorado Revised Statutes, the Secretary of State, the Attorney General, and the Director of Legislative Legal Services Office are constituted as a board to fix a title and submission clause for the proposal.

Pursuant to the same subsection, the Secretary of State has called a public meeting of the Board for hearing on May 2, 2007 at 2:00 p.m., at the Secretary of State Conference Room, 1700 Broadway, Suite 270, Denver, Colorado.

If you have further questions, please contact the office of the Secretary of State.

Sincerely,

Mike Coffman  
Secretary of State

**STATE OF COLORADO**  
**Department of State**  
1700 Broadway  
Suite 270  
Denver, CO 80290

---



**Mike Coffman**  
Secretary of State

**Holly Z. Lowder**  
Director, Elections Division

---

April 23, 2007

Ms. Deborah Godshall  
Legislative Council  
State Capitol, Room 29  
Denver, CO 80203

Dear Ms. Godshall:

You are hereby officially notified that on April 20, 2007, the Colorado Secretary of State received a filing for Proposed Initiative 2007-2008 #14 – Imposition and Distribution of Severance Tax on Oil and Gas.

According to Section 1-40-106(1) Colorado Revised Statutes, the Secretary of State, the Attorney General, and the Director of Legislative Legal Services Office are constituted as a board to fix a title and submission clause for the proposal.

Pursuant to the same subsection, the Secretary of State has called a public meeting of the Board for hearing on May 2, 2007 at 2:00 p.m., at the Secretary of State Conference Room, 1700 Broadway, Suite 270, Denver, Colorado.

If you have further questions, please contact the office of the Secretary of State.

Sincerely,



Mike Coffman  
Secretary of State

**STATE OF COLORADO**  
**Department of State**  
1700 Broadway  
Suite 270  
Denver, CO 80290

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**Mike Coffman**  
**Secretary of State**  
  
**Holly Z. Lowder**  
**Director, Elections Division**

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April 23, 2007

Mr. Maurice Knaizer  
Deputy Attorney General  
1525 Sherman, 7<sup>th</sup> Floor  
Denver, CO 80203

Dear Mr. Knaizer:

You are hereby officially notified that on April 20, 2007, the Colorado Secretary of State received a filing for Proposed Initiative 2007-2008 #14 – Imposition and Distribution of Severance Tax on Oil and Gas.

According to Section 1-40-106(1) Colorado Revised Statutes, the Secretary of State, the Attorney General, and the Director of Legislative Legal Services Office are constituted as a board to fix a title and submission clause for the proposal.

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If you have further questions, please contact the office of the Secretary of State.

Sincerely,

Mike Coffman  
Secretary of State

**STATE OF COLORADO**  
**Department of State**  
1700 Broadway  
Suite 270  
Denver, CO 80290

---



**Mike Coffman**  
**Secretary of State**  
  
**Holly Z. Lowder**  
**Director, Elections Division**

---

April 23, 2007

Ms. Susan E. Kirkpatrick, Executive Director  
Local Affairs  
1313 Sherman, Suite 500  
Denver, CO 80203

Dear Ms. Kirkpatrick:

You are hereby officially notified that on April 20, 2007, the Colorado Secretary of State received a filing for Proposed Initiative 2007-2008 #14 – Imposition and Distribution of Severance Tax on Oil and Gas.

According to Section 1-40-106(1) Colorado Revised Statutes, the Secretary of State, the Attorney General, and the Director of Legislative Legal Services Office are constituted as a board to fix a title and submission clause for the proposal.

Pursuant to the same subsection, the Secretary of State has called a public meeting of the Board for hearing on May 2, 2007 at 2:00 p.m., at the Secretary of State Conference Room, 1700 Broadway, Suite 270, Denver, Colorado.

If you have further questions, please contact the office of the Secretary of State.

Sincerely,

A handwritten signature in black ink that reads "Mike Coffman".

Mike Coffman  
Secretary of State

**STATE OF COLORADO**  
**Department of State**  
1700 Broadway  
Suite 270  
Denver, CO 80290

---



**Mike Coffman**  
Secretary of State  
  
**Holly Z. Lowder**  
Director, Elections Division

---

April 23, 2007

Mr. Todd Saliman, Director  
State Planning & Budgeting  
State Capitol, Room 111  
Denver, CO 80203

Dear Mr. Todd Saliman:

You are hereby officially notified that on April 20, 2007, the Colorado Secretary of State received a filing for Proposed Initiative 2007-2008 #14 – Imposition and Distribution of Severance Tax on Oil and Gas.

According to Section 1-40-106(1) Colorado Revised Statutes, the Secretary of State, the Attorney General, and the Director of Legislative Legal Services Office are constituted as a board to fix a title and submission clause for the proposal.

Pursuant to the same subsection, the Secretary of State has called a public meeting of the Board for hearing on May 2, 2007 at 2:00 p.m., at the Secretary of State Conference Room, 1700 Broadway, Suite 270, Denver, Colorado.

If you have further questions, please contact the office of the Secretary of State.

Sincerely,

Mike Coffman  
Secretary of State

**STATE OF COLORADO**

**Department of State**

1700 Broadway  
Suite 270  
Denver, CO 80290



**Mike Coffman**  
Secretary of State

**Holly Z. Lowder**  
Director, Elections Division

**RECEIPT**

To: Matt Samelson  
Date: April 20, 2007  
Re: Proposed Initiative 2007-2008 #14  
Time: 1:10 p.m.

The Secretary of State's office on this day received from Matt Samelson a copy of the original text submitted with the Legislative Council, a copy of the highlighted changes, and the final copy of the text of proposed initiative 2007-2008 #14. Your copy of the notice of hearing is attached.

Secretary of State's Office

By

Cesi Gomez, Administrative Assistant

RECEIVED

APR 20 2007

ELECTIONS LICENSING  
SECRETARY OF STATE

*Apr 20 11:10 pm  
[Signature]*

**Final Language for Proposed Initiative, Ballot Proposal #14**

Be it Enacted by the People of the State of Colorado:

Article X of the Constitution of the State of Colorado is hereby amended BY THE ADDITION OF A NEW SECTION to read:

**SECTION 22. SEVERANCE TAX ON OIL AND GAS.** (1) THE PEOPLE OF THE STATE OF COLORADO HEREBY FIND THAT NONRENEWABLE NATURAL RESOURCES OF OIL AND GAS ARE A PART OF COLORADO'S TREASURE AND LEGACY AND, WHEN REMOVED FROM THE EARTH, THE VALUE OF SUCH RESOURCES TO THE STATE OF COLORADO IS IRRETRIEVABLY LOST; AND THAT IT IS APPROPRIATE AND FITTING THAT THE STATE ASSESS A TAX UPON INCOME DERIVED FROM THE EXTRACTION AND SALE OF SUCH NONRENEWABLE RESOURCES AND DEDICATE THE REVENUES COLLECTED FOR THE BENEFIT AND WELFARE OF THE PEOPLE OF COLORADO.

(2) IN ADDITION TO ANY OTHER TAX, THERE SHALL BE LEVIED, COLLECTED, AND PAID FOR ALL OR ANY PART OF EACH TAXABLE YEAR COMMENCING ON OR AFTER JANUARY 1, [REDACTED] GROSS INCOME ATTRIBUTABLE TO THE SALE OF OIL AND GAS





Mike Coffman  
Secretary of State  
1700 Broadway, Suite 270  
Denver, Colorado 80290

**RECEIVED**

APR 20 2007

ELECTIONS / LICENSING  
SECRETARY OF STATE

Secretary of State Coffman,

Enclosed are two proposed initiatives with the original typewritten drafts submitted for a review and comment hearing, the amended drafts with changes highlighted and the original typewritten drafts which has the final language for printing of the proposed initiatives.

The proponents for both initiatives are:

Matt Samelson  
1159 South Adams Street  
Denver, CO 80210  
720.932.1544  
303.534.5785 (fax)  
[samelsonmatt@hotmail.com](mailto:samelsonmatt@hotmail.com)

Megan Ferland  
1120 Lincoln Street, Suite 125  
Denver, CO 80203  
303.839.1580  
303.839.1354 (fax)  
[megan@coloradokids.org](mailto:megan@coloradokids.org)

If there are any questions or concerns, please feel free to contact either of us.

Much appreciated,

  
Matt Samelson

RECEIVED

Amended #

Ballot Proposal #14 with Highlighted Changes

APR 20 2007

1:10pm

Be it Enacted by the People of the State of Colorado: ELECTIONS/LICENSING SECRETARY OF STATE

Article X of the Constitution of the State of Colorado is hereby amended BY THE ADDITION OF A NEW SECTION to read:

SECTION 22. SEVERANCE TAX ON OIL AND GAS. (1) THE PEOPLE OF THE STATE OF COLORADO HEREBY FIND THAT NONRENEWABLE NATURAL RESOURCES OF OIL AND GAS ARE A PART OF COLORADO'S TREASURE AND LEGACY AND, WHEN REMOVED FROM THE EARTH, THE VALUE OF SUCH RESOURCES TO THE STATE OF COLORADO IS IRRETRIEVABLY LOST; AND THAT IT IS APPROPRIATE AND FITTING THAT THE STATE ASSESS A TAX UPON INCOME DERIVED FROM THE EXTRACTION AND SALE OF SUCH NONRENEWABLE RESOURCES AND DEDICATE THE REVENUES COLLECTED FOR THE BENEFIT AND WELFARE OF THE PEOPLE OF COLORADO.

Deleted: 9

(2) IN ADDITION TO ANY OTHER TAX, THERE SHALL BE LEVIED, COLLECTED, AND PAID FOR ALL OR ANY PART OF EACH TAXABLE YEAR COMMENCING ON OR AFTER JANUARY 1, 2008, A TAX UPON THE GROSS INCOME ATTRIBUTABLE TO THE SALE OF OIL AND GAS SEVERED FROM THE EARTH IN THIS STATE. THE TAX FOR OIL AND GAS SHALL BE AT THE FOLLOWING RATES OF THE GROSS INCOME:

Deleted: ELIMINATE THE AD VALOREM CREDIT AFFORDED PRODUCERS OF OIL AND GAS

Deleted: A PORTION OF

Deleted: AS A RESULT FOR THE PURPOSE OF CREATING LONG-TERM SUSTAINABLE ASSETS FOR

(A) UNDER THREE HUNDRED THOUSAND DOLLARS SHALL BE EXEMPT; AND (B) THREE HUNDRED THOUSAND DOLLARS AND OVER SHALL BE FIVE PERCENT OF THE ENTIRE GROSS INCOME OR AT SUCH GREATER RATE AS MAY BE DETERMINED BY THE GENERAL ASSEMBLY SUBJECT TO SECTION 20 OF ARTICLE X OF THE COLORADO CONSTITUTION.

Deleted: \$0 AND UNDER \$300,000 SHALL BE ZERO PERCENT (0%)

Deleted: \$300,000 AND OVER SHALL BE NO LESS THAN FIVE PERCENT

(3) THERE SHALL NOT BE ALLOWED AS A CREDIT AGAINST THE TAX CREATED BY THIS SECTION ANY AMOUNT BASED ON AD VALOREM TAXES ASSESSED ON THE VALUE OF REAL OR PERSONAL PROPERTY.

(4) ALL REVENUES RECEIVED BY OPERATION OF THIS SECTION SHALL BE EXCLUDED FROM FISCAL YEAR SPENDING, AS THAT TERM IS DEFINED IN SECTION 20 OF ARTICLE X OF THIS CONSTITUTION, AND FROM THE SPENDING LIMITS CONTAINED WITHIN SECTION 20 OF ARTICLE X, OR WITHIN ANY OTHER LAW, UPON STATE GOVERNMENT AND ALL LOCAL GOVERNMENTS RECEIVING SUCH REVENUES.

(5) THE REVENUES, INTEREST INCOME, AND INTEREST GENERATED BY OPERATION OF THIS SECTION SHALL BE APPROPRIATED ANNUALLY IN THE FOLLOWING PROPORTIONS:

Deleted: 22

Deleted: (23%)

(a) TWENTY-THREE PERCENT OF SUCH REVENUES SHALL BE APPROPRIATED TO THE CAPITAL CONSTRUCTION EXPENDITURES RESERVE ESTABLISHED IN SECTION 22-54-117 (1.5), COLORADO REVISED STATUTES, OR ANY SUCCESSOR RESERVE, FOR THE PURPOSES SET FORTH THEREIN.

Deleted: ARTICLE 54 OF TITLE 22 OF THE

Deleted: ACT

Deleted: (15%)

(b) FIFTEEN PERCENT OF SUCH REVENUES SHALL BE APPROPRIATED TO THE STATE EDUCATION FUND CREATED PURSUANT TO SECTION 17 OF ARTICLE IX OF THE COLORADO CONSTITUTION.

Deleted: SECTION 17

Deleted: 15