

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 22-0491.01 Jessica Herrera x4218

SENATE BILL 22-026

SENATE SPONSORSHIP

Ginal and Kirkmeyer, Cooke, Coram, Hisey, Liston, Lundeen, Moreno, Priola, Rankin,
Scott, Sonnenberg, Woodward, Zenzinger

HOUSE SPONSORSHIP

Boesenecker and Rich,

Senate Committees
Finance

House Committees
Finance

A BILL FOR AN ACT

101 **CONCERNING AN OIL AND GAS OPERATOR'S SOLE ABILITY TO REVIEW**
102 **AND PROTEST PROPERTY TAX.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law requires a county property tax assessor (assessor) to send a notice of valuation of personal property to the operator of each wellsite, or if there is no operator, to the owner who has filed a statutorily required statement with the assessor.

The bill:

- States that oil and gas fractional interest owners are not

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
3rd Reading Unamended
February 15, 2022

SENATE
2nd Reading Unamended
February 14, 2022

entitled to separate valuation, notification, review, audit, protest, abatement, or appeal procedures by the assessor; and

- Designates the operator of each wellsite, or if there is no operator, the owner who filed the statement, as the representative of all fractional interest owners and as the exclusive point of contact for the assessor for all notification, review, audit, protest, abatement, and appeal procedures.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 39-5-121, **amend**
3 (1.5)(b) as follows:

4 **39-5-121. Notice of valuation - legislative declaration - repeal.**

5 (1.5) (b) (I) Notwithstanding ~~paragraph (a) of this subsection (1.5)~~
6 SUBSECTION (1.5)(a) OF THIS SECTION, for taxable REAL PROPERTY AND
7 personal property on oil and gas leaseholds or lands for which the
8 operator has filed the statement required by section 39-7-101 (1), the
9 assessor shall send the notice of valuation only to the operator, who shall
10 accept it. The acceptance of the notice of valuation by the operator shall
11 not be construed as an indication that the operator agrees with the amount
12 of the actual value of the property stated in the notice or as obligating the
13 operator to pay the tax attributable to property in which the operator has
14 no ownership interest. Upon the written request of the county treasurer,
15 the operator shall submit to the treasurer a written statement containing
16 the name and address of each person who has an ownership interest in the
17 property. If the operator fails to submit the statement within thirty days
18 after receiving the request, the operator shall pay a penalty to the treasurer
19 in the amount of one hundred dollars or the amount of tax due on the
20 property, whichever is less.

1 (II) AS USED IN THIS ARTICLE 5, "WELL OR UNIT OPERATOR" MEANS
2 THE OPERATOR OF EACH WELLSITE OR, IF THERE IS NO OPERATOR, THE
3 OWNER WHO FILED THE STATEMENT WITH THE ASSESSOR PURSUANT TO
4 SECTION 39-7-101.

5 SECTION 2. In Colorado Revised Statutes, **add** 39-7-110 as
6 follows:

7 **39-7-110. Oil and gas operator - definition.** (1) AS USED IN THIS
8 ARTICLE 7, "WELL OR UNIT OPERATOR" MEANS THE OPERATOR OF EACH
9 WELLSITE OR, IF THERE IS NO OPERATOR, THE OWNER WHO FILED THE
10 STATEMENT WITH THE ASSESSOR PURSUANT TO SECTION 39-7-101.

11 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
12 PARTIAL INTERESTS OF OIL AND GAS FRACTIONAL INTEREST OWNERS ARE
13 NOT SUBJECT TO SEPARATE VALUATION BY THE ASSESSOR AND SHALL BE
14 REPRESENTED BY THE WELL OR UNIT OPERATOR OF EACH WELLSITE. THE
15 WELL OR UNIT OPERATOR IS THE SOLE POINT OF CONTACT FOR ALL
16 NOTIFICATION, REVIEW, AUDIT, PROTEST, ABATEMENT, AND APPEAL
17 PROCEDURES.

18 SECTION 3. **Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, or safety.