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Colorado Distribution of Federal Mineral Lease Revenue  
Stephen Colby, Colorado Department of Local Affairs  
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Federal Mineral Lease revenues are collected by the federal Minerals Management Service in the U.S. Department of Interior. These revenues come from the leases of federal lands for mineral production. Roughly 50% of the revenues collected on federal leases in Colorado, are transferred by the U.S. Government to the Colorado State Treasurer. These receipts at the State Treasurer have ranged from \$30 to \$150 million annually.

From the State Treasurer, the distribution of these funds is conducted under state legislative statute C.R.S.34-63. This statute operates on a formula basis to distribute funds to state agencies counties, cities, and school districts through a number of different programs. This distribution was changed substantially effective July 2008 by legislation Sb08-218.

The largest share of the funds goes to the State School Fund for distribution to school districts throughout the state under the School Finance Act and to state higher education programs. Counties, cities and school districts in counties with federal mineral leases receive significant direct payments from the State Treasurer on a quarterly basis. A like share gets to local governments through the Department of Local Affairs grants program. Finally, 10% goes to the Colorado Water Conservation Board for funding of local water supply development.

The formula for these distributions is complex, as the chart attached below demonstrates. It was crafted by the legislature in a cascade format, which provides a first cut share to the parties and then allocates any residuals in a second and third cut. This approach was crafted over the years as the amount of money distributed by the statute increased from \$30 to \$150 million. The cascade method was used to hold harmless the existing recipient amounts while allocating the increased totals.

Additional information can be found on the State Treasurer web site at:  
[http://www.colorado.gov/treasury/transfers/fed\\_funds.html](http://www.colorado.gov/treasury/transfers/fed_funds.html)

# Federal Mineral Lease Distributions under Senate Bill 08-218

## FEDERAL MINERAL LEASING ACT

- The Federal government returns 50% of rentals and royalties from federal lands in the state of origin, and directs that such funds be used by the states for planning, construction and maintenance of public facilities and services in areas of the state socially and economically impacted by the federal mineral leasing development.

## COLORADO MINERAL LEASING FUND

- Sb08-218 distribution operates on a quarterly basis with percents and Fiscal year caps, with some inflated 4% each year after a transition period.  
 - On the basis of the data provided by the Federal Mineral Management Service with the transfer of the state share of the federal mineral lease payments, the amounts are segregated by the type of payment or the type of lease:

### BONUS PAYMENT TYPES

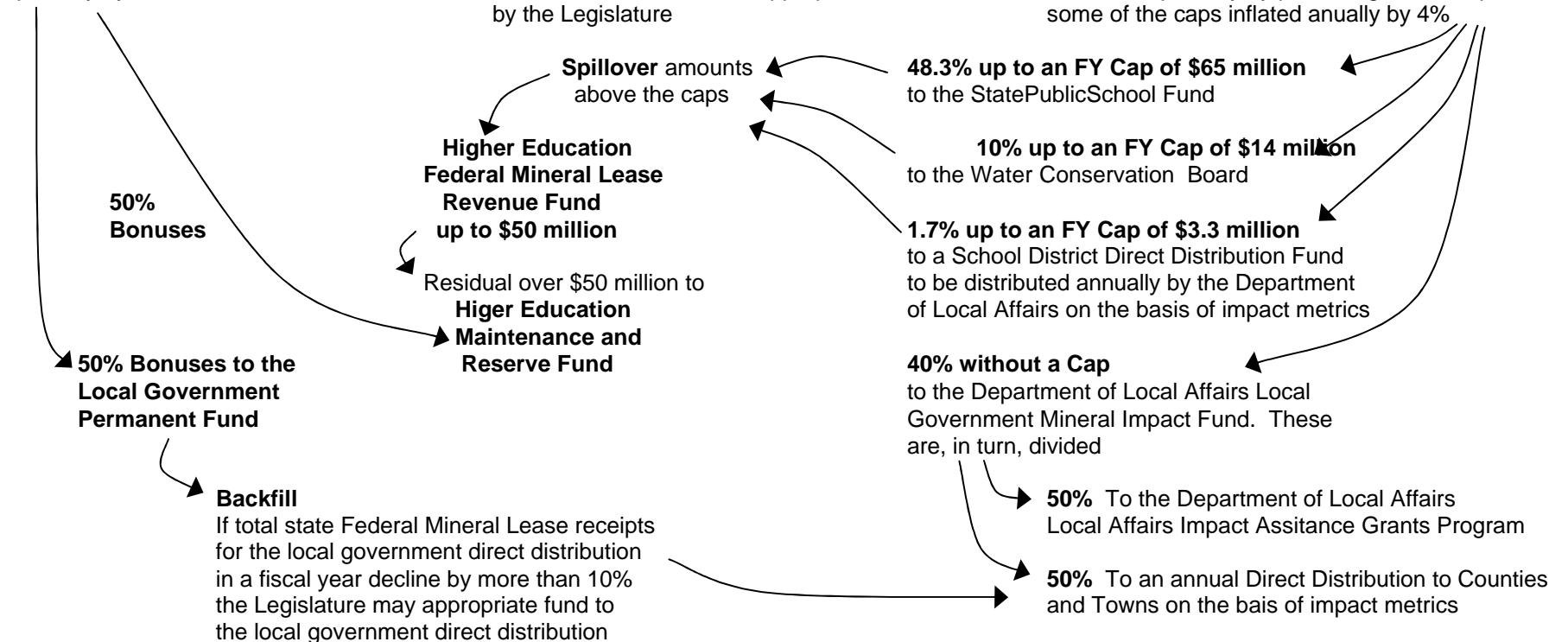
These payments are allocated quarterly by the State Treasurer

### OIL SHALE LEASE PAYMENTS

These payments remain in the Oil Shale Trust Fund until appropriated by the Legislature

### ALL OTHER PAYMENTS

These remaining funds are allocated by the State Treasurer quarterly by percentages and caps, with some of the caps inflated annually by 4%



## DISTRIBUTION OF FEDERAL MINERAL LEASE RECEIPTS TO THE STATE OF COLORADO

Calendar Year->	2003	2004	2005	2006	2007	2008
<b>Total Receipts</b>						
<b>\$M</b>	\$62.8	\$89.9	\$114.8	\$144.1	\$128.7	\$254.9
<b>Counties</b>	\$5.2	\$5.6	\$6.2	\$6.2	\$6.2	
<b>School Districts</b>	\$3.0	\$3.4	\$3.7	\$3.8	\$3.7	\$5.4
<b>Towns</b>	\$2.9	\$3.4	\$3.8	\$4.0	\$3.8	
<b>CWCB</b>	\$6.3	\$9.0	\$11.5	\$14.4	\$12.9	\$19.3
<b>State Public School Fund</b>	\$31.2	\$44.1	\$55.9	\$70.4	\$62.8	\$93.8
<b>Grants to Local Govts</b>	\$13.0	\$21.7	\$29.6	\$39.4	\$34.3	\$34.3
<b>Direct Distributions</b>	\$1.2	\$2.7	\$4.1	\$5.9	\$5.0	\$33.3

The detailed county by county calculations are shown for the most recent completed calendar year on the next page. Prior years tables of these detailed calculations can be found at:

<http://dola.colorado.gov/dlg/fa/eiaf/docs/FMLCountyCalcTableCY08.pdf>  
<http://dola.colorado.gov/dlg/fa/eiaf/docs/FMLCountyCalcTableCY07.pdf>  
<http://dola.colorado.gov/dlg/fa/eiaf/docs/FMLCountyCalcTableCY06.pdf>  
<http://dola.colorado.gov/dlg/fa/eiaf/docs/FMLCountyCalcTableCY05.pdf>  
<http://dola.colorado.gov/dlg/fa/eiaf/docs/FMLCountyCalcTableCY04.pdf>  
<http://dola.colorado.gov/dlg/fa/eiaf/docs/FMLCountyCalcTableCY03.pdf>  
<http://dola.colorado.gov/dlg/fa/eiaf/docs/FMLCountyCalcTableCY02.pdf>  
<http://dola.colorado.gov/dlg/fa/eiaf/docs/FMLCountyCalcTableCY01.pdf>  
<http://dola.colorado.gov/dlg/fa/eiaf/docs/FMLCountyCalcTableCY00.pdf>

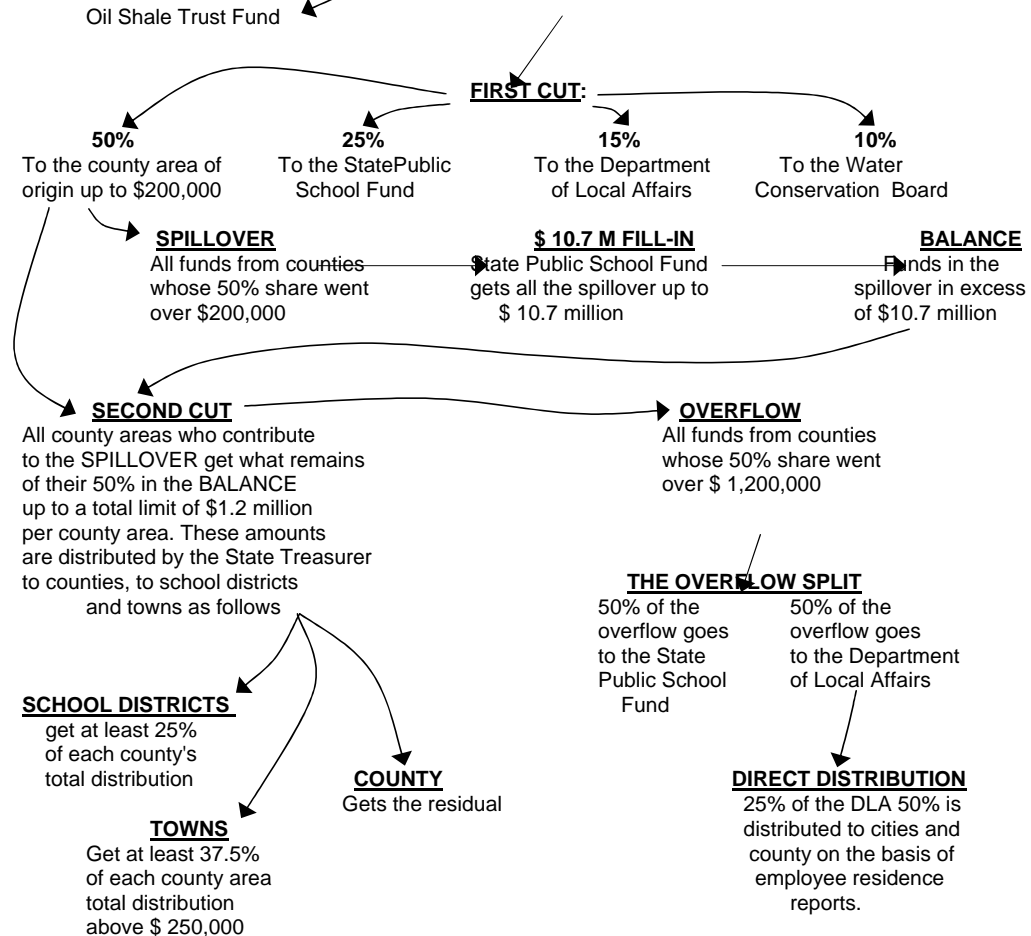
**Prior to Sb08-218 through June 2008  
FEDERAL MINERAL LEASE DISTRIBUTION**

**FEDERAL MINERAL LEASING ACT**

- Net of NOSR set aside\*, returns 50% of rentals and royalties from federal lands in the state of origin.  
- Directs that such funds be used by the states for planning, construction and maintenance of public facilities and services in areas of the state socially and economically impacted by mineral development.

**COLORADO MINERAL LEASING FUND**

-Colorado statute (CRS 34-63-102) directs that in the distribution of these funds priority shall be given to school districts and political subdivisions socially or economically impacted by the development or processing of the federal minerals.  
- Distribute oil shale lease revenue to a legislative trust fund,  
- Distributes all other amounts originating in each county as reported by the Federal government under the following "cascade" type of formula:



\* Under a special act in 1997 Congress directed that revenue from the Naval Oil Shale Reserve in Garfield County go to a special set aside fund in the U.S. Treasury

CY2007	FIRST CUT:	SPILLOVER:				FILL:	SECOND CUT:	COUNTY DISTRIBUTION:			OVERFLOW:	DoLA				
FEDERAL MINERAL	128,663,241.22	COUNTY	State Public	DLA GRANT	CWCB	FROM COUNTY	\$10.7M TO	COUNTY	COUNTY	SCHOOLS	TOWNS	State Public	DLA GRANTS	State Public	DEPT	Direct
LEASE		ALLOCATION	School Fund	GRANT FUND		50%	State Public	Allocation	SHARE	50% Elect	50% Elect or	School Fund	50%	School Fund	LOCAL	Distribution
DISTRIBUTION	TOTAL	UP TO 200K	25%	15%	10%		School Fund	UP TO \$1.2M		or 25%	\$250k	50%		TOTAL	AFFAIRS	12.5% of
															TOTAL	OverFlow
CY2007Q4																
1 ADAMS	724.34	362	181	109	72	-	-	362	272	91	-	-	-	181	109	-
2 ALAMOSA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 ARAPAHOE	4,168.14	2,084	1,042	625	417	-	-	2,084	1,563	521	-	-	-	1,042	625	-
4 ARCHULETA	85,099.53	42,550	21,275	12,765	8,510	-	-	42,550	31,912	10,637	-	-	-	21,275	12,765	-
5 BACA	31,576.78	15,788	7,894	4,737	3,158	-	-	15,788	11,841	3,947	-	-	-	7,894	4,737	-
6 BENT	15,919.11	7,960	3,980	2,388	1,592	-	-	7,960	5,970	1,990	-	-	-	3,980	2,388	-
7 BOULDER	4.03	2	1	1	0	-	-	2	2	1	-	-	-	1	1	-
8 BROOMFIELD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 CHAFFEE	73.03	37	18	11	7	-	-	37	27	9	-	-	-	18	11	-
10 CHEYENNE	14,627.83	7,314	3,657	2,194	1,463	-	-	7,314	5,485	1,828	-	-	-	3,657	2,194	-
11 CLEAR CREEK	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 CONEJOS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 COSTILLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 CROWLEY	13,136.16	6,568	3,284	1,970	1,314	-	-	6,568	4,926	1,642	-	-	-	3,284	1,970	-
15 CUSTER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 DELTA	5,248,335.38	200,000	1,312,084	787,250	524,834	2,424,168	426,373	1,200,000	543,750	300,000	356,250	997,795	498,897	2,237,354	1,286,148	124,724
17 DENVER	4,580.39	2,290	1,145	687	458	-	-	2,290	1,718	573	-	-	-	1,145	687	-
18 DOLORES	1,507,723.63	200,000	376,931	226,159	150,772	553,862	97,416	656,446	339,917	164,112	152,417	-	-	474,346	226,159	-
19 DOUGLAS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 EAGLE	12,073.26	6,037	3,018	1,811	1,207	-	-	6,037	4,527	1,509	-	-	-	3,018	1,811	-
21 ELBERT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 EL PASO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 FREMONT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 GARFIELD	31,628,310.49	200,000	7,907,078	4,744,247	3,162,831	15,614,155	2,746,284	1,200,000	543,750	300,000	356,250	11,867,871	5,933,936	16,587,297	10,678,182	1,483,484
25 GILPIN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 GRAND	14,020.57	7,010	3,505	2,103	1,402	-	-	7,010	5,258	1,753	-	-	-	3,505	2,103	-
27 GUNNISON	10,116,427.74	200,000	2,529,107	1,517,464	1,011,643	4,858,214	854,483	1,200,000	543,750	300,000	356,250	3,003,731	1,501,865	4,885,456	3,019,329	375,466
28 HINSDALE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 HUERFANO	232,173.68	116,087	58,043	34,826	23,217	-	-	116,087	87,065	29,022	-	-	-	58,043	34,826	-
30 JACKSON	495,627.66	200,000	123,907	74,344	49,563	47,814	8,410	239,404	179,553	59,851	-	-	-	132,317	74,344	-
31 JEFFERSON	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 KIOWA	24,155.80	12,078	6,039	3,623	2,416	-	-	12,078	9,058	3,019	-	-	-	6,039	3,623	-
33 KIT CARSON	1,516.46	758	379	227	152	-	-	758	569	190	-	-	-	379	227	-
34 LAKE	248.27	124	62	37	25	-	-	124	93	31	-	-	-	62	37	-
35 LA PLATA	4,086,301.56	200,000	1,021,575	612,945	408,630	1,843,151	324,181	1,200,000	543,750	300,000	356,250	518,970	259,485	1,605,241	872,430	64,871
36 LARIMER	5,098.67	2,549	1,275	765	510	-	-	2,549	1,912	637	-	-	-	1,275	765	-
37 LAS ANIMAS	1,257,707.37	200,000	314,427	188,656	125,771	428,854	75,429	553,425	301,284	138,356	113,784	-	-	389,855	188,656	-
38 LINCOLN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39 LOGAN	11,049.23	5,525	2,762	1,657	1,105	-	-	5,525	4,143	1,381	-	-	-	2,762	1,657	-
40 MESA	6,297,813.68	200,000	1,574,453	944,672	629,781	2,948,907	518,666	1,200,000	543,750	300,000	356,250	1,430,241	715,120	2,808,240	1,659,792	178,780
41 MINERAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42 MOFFAT	19,788,765.98	200,000	4,947,191	2,968,315	1,978,877	9,694,383	1,705,089	1,200,000	543,750	300,000	356,250	6,989,294	3,494,647	10,146,928	6,462,962	873,662
43 MONTEZUMA	11,142,807.12	200,000	2,785,702	1,671,421	1,114,281	5,371,404	944,745	1,200,000	543,750	300,000	356,250	3,426,658	1,713,329	5,443,776	3,384,750	428,332
44 MONTROSE	1,006,391.21	200,000	251,598	150,959	100,639	303,196	53,327	449,868	262,451	112,467	74,951	-	-	304,925	150,959	-
45 MORGAN	7,968.61	3,984	1,992	1,195	797	-	-	3,984	2,988	996	-	-	-	1,992	1,195	-
46 OTERO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47 OURAY	5,921.42	2,961	1,480	888	592	-	-	2,961	2,221	740	-	-	-	1,480	888	-
48 PARK	35,645.90	17,823	8,911	5,347	3,565	-	-	17,823	13,367	4,456	-	-	-	8,911	5,347	-
49 PHILLIPS	2,517.19	1,259	629	378	252	-	-	1,259	944	315	-	-	-	629	378	-
50 PITKIN	54,077.53	27,039	13,519	8,112	5,408	-	-	27,039	20,279	6,760	-	-	-	13,519	8,112	-
51 PROWERS	4,260.62	2,130	1,065	639	426	-	-	2,130	1,598	533	-	-	-	1,065	639	-
52 PUEBLO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53 RIO BLANCO	27,571,617.61	200,000	6,892,904	4,135,743	2,757,162	13,585,809	2,389,530	1,200,000	543,750	300,000	356,250	10,196,279	5,098,139	14,380,574	9,233,882	1,274,535
54 RIO GRANDE	17,002.04	8,501	4,251	2,550	1,700	-	-	8,501	6,376	2,125	-	-	-	4,251	2,550	-
55 ROUTT	586,407.31	200,000	146,602	87,961	58,641	93,204	16,393	276,811	197,554	69,203	10,054	-	-	162,995	87,961	-
56 SAGUACHE	2,184.78	1,092	546	328	218	-	-	1,092	819	273	-	-	-	546	328	-
57 SAN JUAN	315.44	158	79	47	32	-	-	158	118	39	-	-	-	79	47	-
58 SAN MIGUEL	6,426,157.16	200,000	1,606,539	963,924	642,616	3,013,079	529,953	1,200,000	543,750	300,000	356,250	1,483,125	741,563	2,878,055	1,705,486	185,391
59 SEDGWICK	635.71	318	159	95	64	-	-	318	238	79	-	-	-	159	95	-
60 SUMMIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61 TELLER	230.77	115	58	35	23	-	-	115	87	29	-	-	-	58	35	-
62 WASHINGTON	37,450.42	18,725	9,363	5,618	3,745	-	-	18,725	14,044	4,681	-	-	-	9,363	5,618	-
63 WELD	510,529.87	200,000	127,632	76,579	51,053	55,265	9,720	245,545	184,159	61,386	-	-	-	137,353	76,579	-
64 YUMA	353,861.71	176,931	88,465	53,079	35,386	-	-	176,931	132,698	44,233	-	-	-	88,465	53,079	-
TOTAL	128,663,241.22	3,496,159	32,165,810	19,299,486	12,866,324	60,835,462	10,700,000	13,717,658	6,187,037	3,729,414	3,801,206	39,913,963	19,956,981	62,822,792	39,256,468	4,989,245