

Election — November 6, 2018

**City of Lafayette
Ballot Issue**



**League of Women Voters®
of Boulder County**

The League of Women Voters is not responsible for the accuracy or fairness of the arguments of either side.

**Lafayette Issue 2A
Oil and Gas
Pollution Tax**

SHALL CITY OF LAFAYETTE TAXES BE INCREASED \$0 IN 2019 AND BY WHATEVER AMOUNTS ARE GENERATED ANNUALLY THEREAFTER THROUGH THE LEVY OF AN OIL AND GAS POLLUTION TAX AT THE RATE OF UP TO \$6.90 PER BARREL OF OIL AND UP TO \$0.88 PER THOUSAND CUBIC FEET OF NATURAL GAS FOR OIL AND GAS EXTRACTED WITHIN THE LAFAYETTE CITY LIMITS FROM NEW OIL WELLS AND GAS WELLS, AND FROM EXISTING OIL WELLS AND GAS WELLS WHOSE EXTRACTION CAPACITY IS SIGNIFICANTLY EXPANDED, COMMENCING JANUARY 1, 2019, AND SHALL REVENUE FROM THE TAX BE USED TO FUND COSTS ASSOCIATED WITH OIL AND GAS EXTRACTION IN THE CITY OF LAFAYETTE AND WITH THE REMAINDER USED BY THE GENERAL FUND, AND SHALL THE CITY BE PERMITTED TO COLLECT, RETAIN

AND EXPEND ALL REVENUES DERIVED FROM SUCH TAX, INCLUDING ANY EARNINGS FROM THE INVESTMENT THEREOF, AS A VOTER APPROVED REVENUE CHANGE, AND AN EXCEPTION TO THE REVENUE AND SPENDING LIMITS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

Major Provisions

The proposal, referred to voters by City Council, would impose a tax upon oil and gas extracted within the city limits beginning January 1, 2019, through new wells and significant expansion of any existing wells. Proposal 2A specifies that any revenue generated by these taxes would be used to pay for costs to the City associated with oil and gas extraction in the City with any remainder going to the City’s General Fund. The income and expenditure from these taxes would be exempt from TABOR limits.

Background

Cities cannot, under state law, ban drilling for oil and gas, but extraction activities within city limits can impose a burden on the community economically, environmentally and socially. Health problems, harm to the environment, degradation of natural resources, and damage to infrastructure are a few of the concerns. Existing taxes and fees are not adequate to pay for remediation of such damages. Recognizing the need for industry accountability, municipalities are asking voters to approve taxes on oil and gas extraction.

Those IN FAVOR say

1. Oil and gas developers should pay local taxes to be used toward repair of damages to the areas in which they operate. Low severance taxes do not generate adequate revenue to pay for damages.
2. Local taxes on oil and gas extraction could deter companies from drilling in the City.

Those OPPOSED say

1. Oil and gas can be extracted from under the City of Lafayette without putting the well pad in the city, so no taxes will be collected.
2. Taxes under 2A will not be a deterrent to oil and gas companies.

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