

# NATURAL RESOURCES

## Wildlife

**SB 14-188** (*Enacted*)

Species Conservation Trust Fund

**HB 14-1267** (*Enacted*)

Authorize Local Governments to Reintroduce Black-Footed Ferret

## Oil and Gas

**SB 14-009** (*Enacted*)

Disclose Separate Mineral Estate

**HB 14-1064** (*Postponed Indefinitely*)

Severance Tax Distribution to Local Governments that Limit Oil and Gas

**HB 14-1297** (*Postponed Indefinitely*)

Analyze Health Data Regarding Front Range Oil and Gas

**HB 14-1356** (*Enacted*)

Increase Maximum Penalty Oil Gas Violations

## Wildfire Mitigation

**SB 14-164** (*Enacted*)

Colorado Aerial Firefighting Fleet Aircraft Acquisitions

The General Assembly considered a variety of natural resources-related legislation during the 2014 session. Major topics addressed include parks and wildlife, forest health, and oil, gas, and minerals.

## Wildlife

In 2014, the General Assembly passed two bills concerning endangered species.

According to state law, before any species may be introduced or reintroduced in Colorado through action by any state or local government entity, the General Assembly must act by bill that specifies the manner of introduction or reintroduction. In order to be eligible for reintroduction, the species may not be found in the state, and must be on the threatened or endangered species list pursuant to the federal Endangered Species Act of 1973, or be a candidate for such listings. **House Bill 14-1267** allows a political subdivision, such as a county or municipality, to reintroduce black-footed ferrets on its own land if done in accordance with a federal programmatic safe harbor agreement and federal enhancement-of-survival permit. Until July 1, 2019, only three political subdivisions can be authorized by the Division of Parks and Wildlife in the Department of Natural Resources (DNR) to reintroduce black-footed ferrets. The permit provides immunity to landowners in cases of an "incidental take" (unintentional injury or death) that may result from implementation of conservation actions, specific land uses, and the return of the land to baseline conditions. The permit also limits the federal government's imposition of land, water, or resource-use restrictions or additional commitments of land, water, or finances to those contained in the original enhancement-of-survival permit.

**Senate Bill 14-188** appropriates \$6.5 million from the Species Conservation Trust Fund for programs selected by the DNR director that are designed to conserve native species that have been listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Service.

## Oil and Gas

Two bills were passed concerning oil and gas during the 2014 legislative session, and two other bills failed to pass. Major topics that were debated include penalties for violations of oil and gas regulations, studies to assess the health impacts of oil and gas development, and the distribution of tax revenue from oil and gas.

Moneys in the Local Government Severance Tax Fund are primarily used for grants and loans to political subdivisions impacted by mineral development and processing and for direct distributions to counties and municipalities based on factors related to oil and gas production. As introduced, **House Bill 14-1064**, postponed indefinitely, would have prohibited any local government that has a moratorium or a permanent prohibition on the extraction of oil and gas from receiving more direct distributions or grants and loans than the local government received in the fiscal year during which the moratorium or permanent prohibition was enacted.

As introduced, **House Bill 14-1297**, postponed indefinitely, would have required the Colorado Department of Public Health and Environment to study and report on the effects of oil and gas operations on health and quality of life for selected communities in Adams, Boulder, Larimer, and Weld counties. The study was to be conducted in two stages. In Stage 1 of the study, the department was to review scientific literature on the effects of human exposure to oil and gas operations, identify specific conditions of interest that the literature indicates may affect human health and quality of life, and summarize relevant findings in a written report. In Stage 2, the department was to seek approval of study design and procedures by an institutional review board, as defined by federal law. The board was required to approve a Tier 1 proposal to collect health and quality-of-life data from selected communities. A final report for Stage 2 was to be prepared by January 1, 2017, with findings concerning the significance of occurrences of conditions of interest and recommendations for any additional studies. All reports were required to be delivered and presented to the relevant committees of reference in the General Assembly and published on the department's website. The final report must also have been submitted to a peer-reviewed scientific journal.

**House Bill 14-1356** increases the penalties for violations of the Oil and Gas Conservation Act. The maximum daily fine is increased from \$1,000 to \$15,000 for each act of violation per day that the violation continues. The \$10,000 maximum cap on violations that do not result in a significant adverse impact is repealed. The Colorado Oil and Gas Conservation Commission (COGCC) in DNR is required to promulgate rules to establish the basis for determining the duration of a violation for purposes of imposing the applicable penalty; publish a quarterly report on its website that lists specific information on penalties assessed; and present penalty information to the General Assembly. The COGCC is required to hold a hearing if there is evidence that an operator is responsible for gross negligence or knowing and willful misconduct that results in an egregious violation. After a hearing in which the operator is found responsible, the COGCC may issue an order that prohibits issuance of new permits to the operator, suspends any or all of the operator's certificates of clearance, or both. The COGCC may vacate the order once the operator has come into compliance and all penalties have been paid.

Current law requires that sellers of real estate disclose specified information prior to the final sale. For example, sellers must inform buyers when the property is located within a special taxing district, or is subject to assessments as part of a common interest community. **Senate Bill 14-009** adds a requirement for sellers to disclose that a separate mineral estate may subject the property to oil, gas, or mineral extraction. The Real Estate Commission in the Department of Regulatory Affairs must promulgate rules to implement the requirement.

## Wildfire Mitigation

In 2013, the legislature enacted a law that created the Colorado firefighting air corps (C-FAC) under the Division of Fire Prevention and Control (division) in the Department of Public Safety and empowered the division to acquire firefighting aircraft for the C-FAC. Currently, the division has no such aircraft. **Senate Bill 14-164** directs the division to acquire or contract for firefighting aircraft for use during the 2014 fire season. The division is also authorized to operate and promote the Center of Excellence based on technology, tactics, and economics of aerial firefighting resources employed by the C-FAC. Resources appropriated to C-FAC may be used to support the Center of Excellence. The Center of Excellence must follow statutory guidelines in the bill if the division elects to proceed with operations. These guidelines include a focus on evaluating the effectiveness, efficiency, and sustainability of aerial firefighting equipment and practices; regular conduct and documentation of aerial firefighting research; and periodic consultation with one appointed member from each chamber of the General Assembly.