



**Colorado  
Legislative  
Council  
Staff**

**HB16-1430**

**FINAL  
FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 16-1073  
**Prime Sponsor(s):** Rep. Lebsack  
Sen. Hodge

**Date:** July 26, 2016  
**Bill Status:** Postponed Indefinitely  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**BILL TOPIC:** OIL & GAS OPERATORS SHARE DEV PLANS WITH LOCAL GOV

| Fiscal Impact Summary         | FY 2016-2017      | FY 2017-2018 |
|-------------------------------|-------------------|--------------|
| State Revenue                 |                   |              |
| State Expenditures            | Workload increase |              |
| Appropriation Required: None. |                   |              |
| Future Year Impacts: None.    |                   |              |

**NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.**

**Summary of Legislation**

This bill requires that an oil and gas operator register with both the Colorado Oil and Gas Conservation Commission (COGCC), and with the local governments in whose jurisdiction the operator has either an approved state drilling permit, or an application for a new well. The operator may register with the local government either by complying with a locally established registration process, or by delivering a current copy of the operator's COGCC registration and designation-of-agent forms.

The bill also allows a local government to request:

- a good-faith estimate of the number of wells the operator intends to drill in the next five years within the local government's jurisdiction; and
- a map showing the location of existing well sites and production facilities, approved well sites or sites for which an application is pending, and sites the operator has identified for development on its current drilling schedule, but for which it has not yet submitted an application for COGCC approval.

**State Expenditures**

Under current COGCC rules, oil and gas operators are required to share their development plans with municipalities where their proposed operations will occur. This bill requires that operators also share their development plans with affected counties. In FY 2016-17 only, the COGCC will be required to amend current rules to comport with this requirement.

Updating commission rules can be accomplished at a regular COGCC hearing; however, should the commission's agenda prevent adopting modified rules during a regular hearing, the DNR will require an extra night of lodging and meals for two commissioners, and \$50 per diem for seven other commissioners for one extra day. The combined travel and per diem expense equals about \$800; the COGCC's existing appropriation is sufficient to accommodate this expense.

**Local Government Impact**

County governments will have an increase in workload should they choose to receive notification of an oil and gas operator's development plans.

**Effective Date**

The bill was postponed indefinitely by the Senate Agriculture, Natural Resources and Energy Committee on April 28, 2016

**State and Local Government Contacts**

|                   |               |                          |
|-------------------|---------------|--------------------------|
| Agriculture       | Counties      | Governor's Energy Office |
| Law               | Local Affairs | Municipalities           |
| Natural Resources | Public Health | Public Safety            |
| Special Districts |               |                          |