



**Colorado
Legislative
Council
Staff**

SB16-092

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 16-0922
Prime Sponsor(s): Sen. Grantham
Rep. Rankin

Date: August 3, 2016
Bill Status: Signed into Law
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: STATE AUTHORITY UNDER FEDERAL OIL POLLUTION ACT

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue	See State Revenue section.	
Cash Funds		
State Expenditures		
Appropriation Required: None.		
Future Year Impacts: Ongoing revenue increase		

Summary of Legislation

This bill allows for money that is recovered for damages to the state’s natural resources from oil spills under the federal Oil Pollution Act of 1990 (OPA) to be deposited in the Natural Resource Damage Recovery Fund (NRDRF). The bill also allows the Department of Law (Law) and the Colorado Department of Public Health and Environment (CDPHE) to borrow money from the Hazardous Substance Recovery Fund (HSRF) to pay for the administrative costs of bringing a claim under the OPA. Once moneys are collected for damages, the funds borrowed from the HSRF are repaid.

Background

Under current law, when money is recovered under the OPA, it is held by the United States Department of the Interior because the state has not designated a fund for the recoveries. Investigation and litigation of natural resource damage claims under the OPA are currently funded through a memorandum of understanding between CDPHE, Law, and the Department of the Interior, or by the potentially responsible party.

Moneys in the NRDRF are custodial funds, meaning that CDPHE may expend such funds without the need for annual appropriation. NRDRF funds are used for the replacement, acquisition, or remediation of the property that was the subject of the OPA natural resource damage claim.

State Revenue

This bill will increase revenue to the state from OPA recoveries but does not increase the amount of funds available to pursue claims under the OPA. As such, the bill will not result in an increase in claims filed under the OPA. The bill will make money more readily available to pursue claims by allowing natural resource damage recoveries to be deposited into the NRDRF and accessible to CDPHE and Law. The amount of money will vary depending on the timing and size of recoveries.

Effective Date

The bill was signed into law by the Governor on March 23, 2016, and takes effect August 10, 2016, assuming no referendum petition is filed. The bill applies to conduct undertaken pursuant to the OPA occurring on or after the effective date.

State and Local Government Contacts

Judicial
Natural Resources
Public Health & Environment

Law
Information Technology