

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 18-1075.01 Thomas Morris x4218

SENATE BILL 18-192

SENATE SPONSORSHIP

Marble,

HOUSE SPONSORSHIP

Buck,

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT A LOCAL GOVERNMENT THAT**
102 **INTERFERES WITH OIL AND GAS OPERATIONS COMPENSATE**
103 **PERSONS DAMAGED BY THE INTERFERENCE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill specifies that a local government that bans hydraulic fracturing of an oil and gas well is liable to the mineral interest owner for the value of the mineral interest and that a local government that enacts a moratorium on oil and gas activities shall compensate oil and gas operators, mineral lessees, and royalty owners for all costs, damages, and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
2nd Reading Unamended
March 28, 2018

losses of fair market value associated with the moratorium.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 29-20-204.5 as
3 follows:

4 **29-20-204.5. Compensation required - hydraulic fracturing**
5 **ban - oil and gas moratorium.** A LOCAL GOVERNMENT THAT ADOPTS OR
6 ENFORCES AN ORDINANCE, RESOLUTION, OR OTHER POLICY OR
7 REGULATION THAT PROHIBITS AN OIL AND GAS OPERATOR, AS THAT TERM
8 IS DEFINED IN SECTION 34-60-103 (6.8), FROM CONDUCTING A HYDRAULIC
9 FRACTURING TREATMENT ON AN OIL AND GAS WELL THAT IS OR, BUT FOR
10 THE PROHIBITION, WOULD BE LOCATED WITHIN THE LOCAL GOVERNMENT'S
11 JURISDICTION IS LIABLE TO THE MINERAL INTEREST OWNER FOR THE VALUE
12 OF THE MINERAL INTEREST NOT RECEIVED DUE TO THE PROHIBITION. A
13 LOCAL GOVERNMENT THAT ENACTS A MORATORIUM OF ANY DURATION ON
14 OIL AND GAS ACTIVITIES IN ITS JURISDICTION SHALL COMPENSATE OIL AND
15 GAS OPERATORS, MINERAL LESSEES, AND ROYALTY OWNERS FOR ALL
16 COSTS, DAMAGES, AND LOSSES OF FAIR MARKET VALUE ASSOCIATED IN
17 ANY RESPECT WITH IMPOSITION OF THE MORATORIUM, INCLUDING DELAY
18 OR LOSS OF ROYALTY PAYMENTS, DELAY OR LOSS IN DEVELOPING OIL AND
19 GAS RESOURCES, OR DELAY OR LOSS IN REALIZING THE VALUE OF MINERAL
20 LEASES.

21 **SECTION 2. Act subject to petition - effective date -**
22 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
23 the expiration of the ninety-day period after final adjournment of the
24 general assembly (August 8, 2018, if adjournment sine die is on May 9,
25 2018); except that, if a referendum petition is filed pursuant to section 1

1 (3) of article V of the state constitution against this act or an item, section,
2 or part of this act within such period, then the act, item, section, or part
3 will not take effect unless approved by the people at the general election
4 to be held in November 2018 and, in such case, will take effect on the
5 date of the official declaration of the vote thereon by the governor.

6 (2) This act applies to local government conduct occurring on or
7 after the applicable effective date of this act.