



Legislative
Council Staff

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FISCAL NOTE

Drafting Number: LLS 18-0266
Prime Sponsors: Rep. Becker K.; Singer

Date: February 20, 2018
Bill Status: House Transportation
Fiscal Analyst: Josh Abram | 303-866-3561
Josh.Abram@state.co.us

Bill Topic: INCREASED REPORTING OIL & GAS INCIDENTS

- Summary of Fiscal Impact:**
- State Revenue
 - State Expenditure
 - State Transfer
 - TABOR Refund
 - Local Government
 - Statutory Public Entity

The bill increases the information that oil and gas operators are required to report for all minor and major reportable events. The bill increases state expenditures in the Department of Natural Resources for FY 2018-19 only.

Appropriation Summary: No appropriation is required; the DNR can implement the bill with existing appropriations.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 18-1157

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	Cash Funds	\$18,370	
	Total	\$18,370	-
Transfers		-	-

Summary of Legislation

The bill increases the information that oil and gas operators are required to report for all minor and major reportable events. Such events include the unauthorized release of oil, produced water, oilfield chemicals, or exploration or production waste, the flaring or venting of gases or other uncontrolled releases, and worker injury or death. Regardless of the location of the event, oil and gas operators are required to report each major and minor occurrence.

The bill specifies the types of incidents that constitute both a major and minor reportable event. For each event, the notification must include an immediate oral report submitted to the Colorado Oil and Gas Conservation Commission (COGCC), and a complete written report submitted within five days to the commission's website, and using the commission's reportable event form. The bill specifies the detailed data that operators must report for each event.

The COGCC is required to make all notifications and reports publicly available on its website in a database that is searchable by operator, location, type of event, date, and other criteria established by rule. The website must also include a summary report of major and minor reportable events.

State Expenditures

For FY 2018-19 only, the bill increases state expenditures in the DNR by \$18,370. New cash fund expenditures are displayed in Table 2 and described below.

**Table 2
Expenditures Under HB 18-1157**

	FY 2018-19	FY 2019-20
Department of Natural Resources		
Computer Programing / Reportable Event Form	\$8,960	-
Rulemaking	\$6,000	-
Legal Services	\$3,410	-
Total Cost	\$18,370	\$0

Creation of an online reportable event form is estimated to require 80 hours of computer programming at a FY 2018-19 rate of \$112 per hour, two days of stakeholder engagement and rulemaking at \$3,000 per day, and 16 hours of legal services at a blended rate of \$106.56 per hour. Sufficient resources are available to the DNR to implement the bill without additional appropriations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to conduct or conditions occurring on or after that date.

State and Local Government Contacts

Information Technology
Natural Resources

Law
Public Health

Local Affairs