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SECTION 1. In Colorado Revised Statutes, **add** 34-60-108.1 as follows:

34-60-108.1. Full Consideration of Public Health and Welfare Impacts of Commission Rules and Regulations – regulatory impact analysis – legislative declaration – definitions. (1) THE PEOPLE OF THE STATE OF COLORADO FIND AND DECLARE THAT:

(A) OIL AND GAS DEVELOPMENT IN THIS STATE CREATES ECONOMIC AND SOCIAL BENEFITS THAT CONTRIBUTE TO AND IMPROVE THE WELFARE OF THE CITIZENS OF THIS STATE;

(B) AMONG THESE BENEFITS ARE DIRECT AND INDIRECT EMPLOYMENT, AD VALOREM TAXES, STATE AND OTHER ROYALTIES, SEVERANCE TAXES, AND FEDERAL MINERAL ROYALTIES AND RENTALS;

(C) REVENUE GENERATED FROM OIL AND GAS DEVELOPMENT HELPS FUND ESSENTIAL SERVICES ACROSS THE STATE AND IN CITIES, TOWNS, AND MUNICIPALITIES INCLUDING FUNDING CONTRIBUTIONS TO EMERGENCY RESPONSE AND COMMUNITY PROTECTION, THE COLORADO PUBLIC SCHOOL SYSTEM, THE COLORADO GENERAL FUND, THE COLORADO WATER CONSERVATION BOARD, THE OIL AND GAS AND ENVIRONMENTAL RESPONSE FUND, THE INNOVATIVE ENERGY FUND, AND THE COLORADO PARKS AND WILDLIFE;

(D) REVENUE GENERATED FROM OIL AND GAS DEVELOPMENT IN COLORADO ALSO INCLUDES DISBURSEMENTS TO THE FEDERAL GOVERNMENT THAT CONTRIBUTE TO THE NATION’S WELFARE;

(E) REDUCTIONS IN REVENUE AND OTHER CONTRIBUTIONS FROM OIL AND GAS DEVELOPMENT HAVE A DETRIMENTAL IMPACT ON PUBLIC HEALTH, SAFETY, AND WELFARE, INCLUDING THROUGH LOST DIRECT AND INDIRECT EMPLOYMENT, REDUCTIONS IN STATE AND LOCAL ESSENTIAL SERVICES, AND REDUCED TAX, AND ROYALTY PAYMENTS TO THE STATE AND LOCAL GOVERNMENTS;

(F) TO PROTECT PUBLIC HEALTH, SAFETY, AND WELFARE, THE PEOPLE DESIRE TO ENSURE THAT ALL RULES AND REGULATIONS PROMULGATED PURSUANT TO ANY PROVISION OF THIS ACT ARE ADOPTED ONLY AFTER FULL CONSIDERATION OF THE ECONOMIC AND SOCIAL HEALTH AND WELFARE COSTS IMPOSED BY SUCH RULES AND REGULATIONS;

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(A) “COMMERCIALLY AVAILABLE” MEANS ANY PRODUCT OR TECHNOLOGY THAT HAS BEEN ADEQUATELY TESTED AND IS GENERALLY AVAILABLE THROUGH A COMMON MARKETPLACE, IS AFFORDABLE, IS FIT AND SUITABLE FOR THE PURPOSE REQUIRED, GENERATES RELIABLE AND QUALITY DATA, AND REQUIRES LITTLE OR NO MODIFICATION.

(B) “CUMULATIVE COST” MEANS FOR AN AVERAGE OPERATOR, THE TOTAL COST OF COMPLIANCE WITH THE RULES AND REGULATIONS OF THE COMMISSION ESTABLISHED PURSUANT TO THIS ACT, INCLUDING THE EXPECTED COSTS OF THE PROPOSED RULE BEING CONSIDERED.

(3) THE PEOPLE OF THE STATE OF COLORADO HEREBY ESTABLISH THAT PRIOR TO ADOPTING ANY RULE OR REGULATION UNDER THE AUTHORITY PROVIDED BY ANY PROVISION OF THIS ACT, THE COMMISSION MUST ADOPT, IN WRITING, REGULATORY IMPACT FINDING(S) THAT IDENTIFY FOR THE FIRST, FIFTH, AND TENTH YEAR FOLLOWING THE EFFECTIVE DATE OF THE RULE OR REGULATION:

(A) THE CUMULATIVE COST OF THE PROPOSED RULE OR REGULATION;

(B) ANY DIRECT OR INDIRECT IMPACT TO EMPLOYMENT EXPECTED AS A RESULT OF THE RULE OR REGULATION;

(C) THE EXPECTED IMPACT OF THE PROPOSED RULE OR REGULATION ON STATE, LOCAL, AND MUNICIPAL TAX REVENUE;

(D) THE EXPECTED IMPACT OF THE PROPOSED RULE OR REGULATION ON ALL ROYALTY PAYMENTS;

(E) THE PROJECTED IMPACTS ON THE GROWTH OR RETRACTION OF THE OIL AND GAS INDUSTRY AS A RESULT OF THE RULE OR REGULATION;

(F) THAT THE RULE OR REGULATION IS CAPABLE OF IMPLEMENTATION;

(G) IF THE RULE OR REGULATION REQUIRES THE ACQUISITION OR USE OF ANY TECHNOLOGY OR EQUIPMENT, THAT SUCH TECHNOLOGY OR EQUIPMENT IS COMMERCIALY AVAILABLE;

(H) THE PROVISION(S) OF THE ACT AUTHORIZING THE RULE OR REGULATION AND WHERE APPLICABLE THE DEFICIENCY IN EXISTING RULES OR REGULATIONS THAT THE PROPOSED RULE OR REGULATION IMPROVES OR CORRECTS;

(4) THIS SECTION TAKES EFFECT UPON OFFICIAL DECLARATION OF THE GOVERNOR AND IS SELF-EXECUTING;

(5) THIS SECTION APPLIES TO ANY RULE OR REGULATION PROPOSED AND ADOPTED AFTER THE EFFECTIVE DATE OR UPON THE PROCLAMATION OF THE GOVERNOR, WHICHEVER IS LATER.