

Be it enacted by the People of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** 34-60-106.5 as follows:

34-60-106.5. Prohibition on new oil and gas permits starting in 2030 - requirement for operations by 2032 - rules - definitions.

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

(a) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

(b) "OIL AND GAS WELL" DOES NOT INCLUDE A CLASS II OR CLASS VI INJECTION WELL CLASSIFIED IN 40 CFR 144.6.

(c) "PERMIT" HAS THE MEANING SET FORTH IN SECTION 34-60-103 (7.5) AND INCLUDES:

(I) A PERMIT OR OTHER APPROVAL ISSUED BY THE COMMISSION THAT COULD RESULT IN:

(A) NEW DRILLING, DEEPENING, REENTERING, OR RECOMPLETION OPERATIONS; OR

(B) INCREASED HYDROCARBON PRODUCTION; AND

(II) AN OIL AND GAS LOCATION ASSESSMENT, AN APPLICATION FOR A PERMIT-TO-DRILL, AN OIL AND GAS DEVELOPMENT PLAN, AND A COMPREHENSIVE AREA PLAN.

(2) NOTWITHSTANDING ANY PROVISION OF THIS ARTICLE 60 TO THE CONTRARY, ON OR BEFORE JULY 1, 2027, THE COMMISSION SHALL ADOPT RULES TO CEASE ISSUING NEW PERMITS FOR OIL AND GAS WELLS BEFORE JANUARY 1, 2030. THE RULES ADOPTED PURSUANT TO THIS SUBSECTION (2) MUST ADDRESS, AT A MINIMUM:

(a) CRITERIA FOR THE ISSUANCE OF NEW PERMITS DURING THE TIME PERIOD BEGINNING JANUARY 1, 2028, AND ENDING DECEMBER 31, 2029, WHICH CRITERIA MUST INCLUDE A CONSISTENT REDUCTION IN THE AMOUNT OF NEW PERMITS ISSUED BY THE COMMISSION IN EACH YEAR OF THE TIME PERIOD, WHICH AMOUNT OF NEW PERMITS MUST NOT COVER MORE THAN:

(I) SIX HUNDRED SIXTY OIL AND GAS WELLS DURING THE TIME PERIOD BEGINNING JANUARY 1, 2028, AND ENDING DECEMBER 31, 2028; AND

(II) THREE HUNDRED THIRTY OIL AND GAS WELLS DURING THE TIME PERIOD BEGINNING JANUARY 1, 2029, AND ENDING DECEMBER 31, 2029; AND

(b) AMENDMENT OF COMMISSION RULES TO REMOVE ANY AUTHORIZATION TO ISSUE NEW PERMITS, EFFECTIVE JANUARY 1, 2030.

(3) THE CONSISTENT REDUCTION IN THE AMOUNT OF PERMITS ISSUED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION MUST PRIORITIZE REDUCTIONS IN DISPROPORTIONATELY IMPACTED COMMUNITIES.

(4) THE COMMISSION SHALL INCLUDE AS A CONDITION IN ANY PERMIT ISSUED AFTER JULY 1, 2024, THAT DRILLING, DEEPENING, REENTERING, OR RECOMPLETION OPERATIONS MUST COMMENCE ON OR BEFORE DECEMBER 31, 2032, AS TO EACH OIL AND GAS WELL INCLUDED IN THE PERMIT.

SECTION 2. In Colorado Revised Statutes, 34-60-124, **amend** (7), (8)(b), and (9) as follows:

34-60-124. Energy and carbon management cash fund - definitions - legislative declaration - repeal.

(7) If the commission determines that mitigation of a significant adverse environmental impact on any air, water, soil, or biological resource is necessary as a result of the conduct of ~~oil and gas operations~~ ANY ACTIVITY REGULATED BY THE COMMISSION, the commission shall issue an order requiring the responsible party to perform ~~such~~ THE mitigation. If the responsible party cannot be

identified or refuses to comply with ~~such~~ THE order, the commission shall authorize the necessary expenditures from the fund. The commission shall bring suit in the second judicial district to recover ~~such~~ THE expenditures from any responsible party ~~who~~ THAT refuses to perform ~~such~~ THE mitigation or any responsible party ~~who~~ THAT is subsequently identified, ~~such~~ THE action to be brought within a two-year period ~~from~~ AFTER the date that final expenditures were authorized. ~~Moneys~~ MONEY recovered as a result of ~~such~~ THE suit ~~shall~~ MUST first be applied to the commission's legal costs and attorney fees and ~~shall~~ MUST then be credited to the fund.

(8) As used in this section:

(b)(I)(A) "Responsible party" means any person ~~who~~ THAT conducts ~~an oil and gas operation in a manner that violates any then applicable provision of this article 60, or of any rule or order of the commission, or of any permit~~ ANY ACTIVITY REGULATED BY THE COMMISSION that threatens to cause, or actually causes, a significant adverse environmental impact to any air, water, soil, or biological resource.

(B) "Responsible party" includes any person ~~who~~ THAT disposes of any ~~other~~ waste by mixing it with exploration and production waste that threatens to cause, or actually causes, a significant adverse environmental impact to any air, water, soil, or biological resource.

(C) IN THE EVENT THAT A CURRENT OWNER OR OPERATOR CANNOT BE IDENTIFIED OR REFUSES TO PAY THE EXPENDITURES DESCRIBED IN SUBSECTION (7) OF THIS SECTION, "RESPONSIBLE PARTY" MAY INCLUDE ANY PRIOR OWNER OR OPERATOR, REGARDLESS OF WHETHER THE PRIOR OWNER OR OPERATOR VIOLATED ANY PROVISION OF LAW DURING THE PRIOR OWNER'S OR OPERATOR'S PERIOD OF OWNERSHIP OR OPERATION.

(D) IT IS THE INTENT OF THE PEOPLE THAT THE INCLUSION OF A PRIOR OWNER OR OPERATOR AS A RESPONSIBLE PARTY PURSUANT TO SUBSECTION (8)(b)(I)(C) OF THIS SECTION APPLIES TO OWNERSHIP OR OPERATIONS OCCURRING BEFORE THE EFFECTIVE DATE OF VOTER ADOPTION OF THIS MEASURE IN 2024.

(II) Except as otherwise provided in subsection (8)(b)(I) of this section, "responsible party" does not include any landowner, whether of the surface estate, mineral estate, or both, ~~who~~ THAT does not engage in, or assume responsibility for, the conduct of ~~oil and gas operations~~ DESCRIBED IN SUBSECTION (7) OF THIS SECTION.

(9) For purposes of this section, any person ~~who~~ THAT is found to be a responsible party shall be deemed to have consented to the jurisdiction of the commission and the courts of the state of Colorado. ~~Each responsible party shall be liable only for a proportionate share of any costs imposed under this section and shall not be held jointly and severally liable for such costs~~ RESPONSIBLE PARTIES MAY BE HELD JOINTLY AND SEVERALLY LIABLE FOR ANY COSTS IMPOSED UNDER THIS SECTION.

SECTION 3. In Colorado Revised Statutes, 8-15.8-104, **add** (3) as follows:

8-15.8-104. Reports - recommendations.

(3) IN JANUARY 2028, THE OFW SHALL PROVIDE TO THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE AND THE BUSINESS AFFAIRS AND LABOR COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, A RECOMMENDATION OF ANY FURTHER EVALUATION, STUDY, OR ACTION NECESSARY AS A RESULT OF THE RULES ADOPTED PURSUANT TO SECTION 34-60-106.5 DURING THE DEPARTMENT'S PRESENTATION AT HEARINGS HELD PURSUANT TO THE "SMART ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

SECTION 4. In Colorado Revised Statutes, 34-60-106, **amend** (2) introductory portion; and **add** (1.1) as follows:

34-60-106. Additional powers of commission - rules - definitions - repeal.

(1.1) THIS SUBSECTION (1.1) AND SUBSECTION (1)(f)(I) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2033.

(2) EXCEPT AS SET FORTH IN SECTION 34-60-106.5, the commission may regulate:

SECTION 5. Applicability. Section 34-60-124 (7), (8)(b), and (9), Colorado Revised Statutes, as amended in section 3 of this measure, applies to conduct occurring before the effective date of this measure.