



Initiative 289

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Summary

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LCS TITLE: STRICT LIABILITY FOR DAMAGES FROM OIL AND GAS OPERATIONS

Fiscal Summary of Initiative 289

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at leg.colorado.gov/bluebook. This fiscal summary identifies the following impact.

State revenue and expenditures. By making oil and gas operators, owners, and producers strictly liable for damages from oil and gas operations, the Judicial Department will have an increase in revenue and expenditures from additional civil case filings. The measure will increase the number of plaintiffs seeking damages from oil and gas companies, and the increase the scope of these types of lawsuits, resulting in additional workload for the trial courts.

Economic impacts. To the extent this measure increases legal action against oil and gas operators, owners, and producers, the initiative may lead to higher costs or reduced activity in the oil and gas sector. This could decrease employment and investment in the industry