


Colorado Legislative Council Staff Fiscal Note
STATE
REVISED FISCAL IMPACT
(replaces fiscal note dated February 18, 2007)

Drafting Number: LLS 07-0503
Prime Sponsor(s): Rep. Gibbs
 Sen. Tochtrop

Date: March 13, 2007
Bill Status: House Appropriations
Fiscal Analyst: Bill Goosmann (303-866-3561)

TITLE: CONCERNING THE CONSERVATION OF WILDLIFE HABITAT IN CONNECTION WITH THE DEVELOPMENT OF OIL AND GAS.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
State Revenue	\$0	\$0
State Expenditures		
Cash Funds		
Oil and Gas Conservation and Environmental Response Cash Fund	\$5,050	\$0
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: July 1, 2007.		
Appropriation Summary for FY 2007-08: See the State Appropriations section.		
Local Government Impact: None.		

This fiscal note is revised to reflect amendments adopted in the House Agriculture Committee as well as information provided by the Division of Wildlife (DOW).

Summary of Legislation

This bill directs the Oil and Gas Conservation Commission (OGCC) to minimize adverse impacts to wildlife resources from oil and gas development activities and to require mitigation of any unavoidable impacts. Toward those ends, OGCC is directed to implement oil and gas best management practices and to consult with the Colorado Wildlife Commission and the Division of Wildlife (DOW) while establishing rules regarding oil and gas development standards that minimize adverse impacts to wildlife resources and habitat. At a minimum, such standards must address:

- developing a notification and consultation process with DOW to minimize adverse impacts to wildlife resources and habitat;
- encouraging drillers to use comprehensive plans and geographic area analysis to provide for orderly development of oil and gas fields; and
- minimizing surface disturbance and habitat fragmentation.

As introduced, the bill included specific measures to minimize surface disturbance and habitat fragmentation, such as maximizing the distance between drilling pads and using existing roads rather than building new access roads. **As amended**, by the House Agriculture Committee (February 20, 2007), these specific measures were removed and replaced by incorporating the approaches discussed above into existing OGCC statutory procedures for approval of oil and gas drilling.

State Expenditures

In FY 2007-08, OGCC will hold two rule-making hearings that will cost \$5,050. No other costs are expected during FY 2008-09. Because the coordination with DOW is similar to existing OGCC efforts with local governments (e.g., local government designee procedures), no additional OGCC staff or computer programming are required. For DOW, review and consultation on wildlife issues and habitat impacts reflect existing DOW responsibilities and procedures.

State Appropriations

For FY 2007-08, the Oil and Gas Conservation Commission will require a cash funds appropriation of \$5,050 from the Oil and Gas Conservation and Environmental Response Cash Fund.

Departments Contacted

Natural Resources