

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**FINAL FISCAL IMPACT**

**Drafting Number:** LLS 07-0503

**Date:** June 4, 2007

**Prime Sponsor(s):** Rep. Gibbs  
Sen. Tochtrop

**Bill Status:** Signed into Law

**Fiscal Analyst:** Bill Goosmann (303-866-3561)

**TITLE:** CONCERNING THE CONSERVATION OF WILDLIFE HABITAT IN CONNECTION WITH THE DEVELOPMENT OF OIL AND GAS, AND MAKING AN APPROPRIATION THEREFOR.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
<b>State Revenue</b>	\$0	\$0
<b>State Expenditures</b>		
Cash Funds		
Oil and Gas Conservation and Environmental Response Cash Fund	\$5,050	\$0
<b>FTE Position Change</b>	0.0 FTE	0.0 FTE
<b>Effective Date:</b> The Governor signed the bill into law on May 29, 2007, and it is effective July 1, 2007.		
<b>Appropriation Summary for FY 2007-08:</b> See the State Appropriations section.		
<b>Local Government Impact:</b> None.		

**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.

**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 bill contains the required cash funds appropriation for the Oil and Gas Conservation Commission.

**Departments Contacted**

Natural Resources