

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 11-0711  
**Prime Sponsor(s):** Rep. Scott  
 Sen. King S.

**Date:** February 10, 2011  
**Bill Status:** House Agriculture  
**Fiscal Analyst:** Marc Carey (303-866-4102)

**TITLE:** CONCERNING THE COMPOSITION OF THE COLORADO OIL AND GAS CONSERVATION COMMISSION, AND, IN CONNECTION THEREWITH, REDUCING THE SIZE OF THE COMMISSION, INCREASING THE PROPORTION OF INDUSTRY REPRESENTATION, AND SPECIFYING THE TYPE OF EXPERIENCE REQUIRED FOR CERTAIN INDUSTRY MEMBERS.

<b>Fiscal Impact Summary</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
Cash Funds		
Oil and Gas Conservation and Environmental Response Fund	(\$1,182)	(\$1,182)
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2011-2012:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

Current law specifies that the Colorado Oil and Gas Conservation Commission (COGCC) will consist of 9 members, including:

- the Executive Directors of the Department of Public Health and Environment (CDPHE) and the Department of Natural Resources (DNR) as ex officio voting members;
- 3 members with oil and gas industry experience; and
- 1 member as a representative of a local government.

This configuration was created through legislation passed by the General Assembly during the 2007 legislative session.

This bill restores the COGCC to its pre-2007 composition, which includes 5 members with oil and gas industry experience. At least 3 of these members are required to have technical experience in petroleum geology or engineering, while the remaining 2 members must have recent, practical, field experience in the industry. The remaining 2 members of the COGCC can have experience in environmental protection, soil conservation, or agricultural production. If a member is actively engaged in agriculture production, however, the bill stipulates that member must also be a royalty owner.

**State Expenditures**

*Department of Natural Resources, Colorado Oil and Gas Conservation Commission.* This bill alters the composition of the COGCC, but does not change its administrative duties. However, by removing the Executive Directors of CDPHE and DNR, the bill slightly reduces travel and per diem expenses. Assuming an average number of annual meetings and average travel and per diem expenses, the bill is expected to result in a savings of \$1,182 annually from the Oil and Gas Conservation and Environmental Response Fund.

**State Appropriations**

For FY 2011-12, this bill requires an appropriation reduction of \$1,182 to the Department of Natural Resources from the Oil and Gas Conservation and Environmental Response Fund.

**Departments Contacted**

Natural Resources