

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 12-0424
Prime Sponsor(s): Sen. Harvey

Date: February 15, 2012
Bill Status: Senate Local Government
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE PREEMPTION OF LOCAL REGULATION OF OIL AND GAS OPERATIONS.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: August 8, 2012, if the General Assembly adjourns on May 9, 2012, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2012-2013: See State Appropriations section.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

The bill specifies that the regulation of oil and gas operations is a matter of statewide concern, the Colorado Oil and Gas Conservation Commission (COGCC) has exclusive jurisdiction to regulate oil and gas operations, and local regulation of oil and gas operations is preempted by state law.

State Expenditures

This bill is not expected to change the workload of any state agency. The bill establishes that state regulation preempts local land use regulation of oil and gas operations. Local governments continue to have land use authority over those areas of oil and gas operations that are not in conflict with the COGCC rules.

Local Government Impact

According to the Colorado Petroleum Association, oil and gas wells are located in 42 of 64 Colorado counties. Several local governments have developed significant regulation of oil and gas development and others are in the process of developing regulations. The bill's impact on local governments will vary depending on the amount of oil and gas activity and existing regulations. Because of the variety of conditions applicable to local governments, the fiscal impact cannot be determined.

Departments Contacted

Natural Resources

Local Government

Law