

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0737
Prime Sponsor(s): Sen. Jones
 Rep. Singer

Date: July 24, 2013
Bill Status: Signed into Law
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING ADDITIONAL INSPECTIONS OF OIL AND GAS FACILITIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

| Fiscal Impact Summary | FY 2013-2014 | FY 2014-2015 |
|--|---------------------|---------------------------------|
| State Revenue | | |
| State Expenditures | | See State Expenditures section. |
| Cash Funds | | |
| Oil and Gas Conservation and Environmental Response Fund | \$100,000 | |
| FTE Position Change | | |
| Effective Date: The bill was signed into law by the Governor and took effect on May 24, 2013. | | |
| Appropriation Summary for FY 2013-2014: See State Appropriations section. | | |
| Local Government Impact: None. | | |

Summary of Legislation

This bill requires the Colorado Oil and Gas Conservation Commission (COGCC) in the Department of Natural Resources (DNR) to report to the Joint Budget Committee and House and Senate committees of reference with jurisdiction over energy by February 1, 2014, on utilizing a risk-based strategy for inspecting oil and gas locations that targets operational phases that are most likely to experience spills, excess emissions, and other types of violations. The report is to include findings, recommendations, and a plan, including staffing and equipment needs for implementing the strategy. The bill requires implementation of a strategy by July 1, 2014, which may include a pilot project to test the strategy. The reporting requirement is repealed September 1, 2014.

State Expenditures

This bill is expected to increase expenditures by \$100,000 in FY 2013-14 from the Oil and Gas Conservation and Environmental Response Fund. These expenditures are for the COGCC to contract for preparing the report required by the bill.

Because the report will make recommendations on the resources required to implement a risk-based strategy, expenditures for FY 2014-15 cannot be estimated at this time.

State Appropriations

For FY 2013-14, the COGCC requires an appropriation of \$100,000 from the Oil and Gas Conservation and Environmental Response Fund.

Departments Contacted

Counties

Local Affairs

Municipalities

Natural Resources