

*Colorado Legislative Council Staff Fiscal Note*

**FINAL  
FISCAL NOTE**

<b>Drafting Number:</b> LLS 13-0899	<b>Date:</b> July 24, 2013
<b>Prime Sponsor(s):</b> Rep. Mitsch Bush Sen. Todd; Jahn	<b>Bill Status:</b> Signed into Law
	<b>Fiscal Analyst:</b> Clare Pramuk (303-866-2677)

**TITLE:** CONCERNING THE REPORTING OF OIL SPILLS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
Cash Funds		
Oil and Gas Conservation and Environmental Response Fund	\$10,417	
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill was signed into law by the Governor on May 11, 2013, and takes effect August 7, 2013, assuming no referendum petition is filed.		
<b>Appropriation Summary for FY 2013-2014:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill requires that spills of oil or exploration and production waste of one barrel (42 U.S. gallons) that is spilled outside of berms or other secondary containment mechanisms be reported within 24 hours of discovery to both the Colorado Oil and Gas Commission (COGCC) and the local jurisdiction responsible for emergency response. The spill report must include any available information concerning the type of waste involved in the spill. The COGCC may promulgate rules to implement these requirements. The bill was signed by the Governor on May 11, 2013.

**Background**

Spill response requirements for oil or exploration and production waste are included in the rules administered by the COGCC. Spills of any size which impact or threaten any waters of the state, a residence or occupied structure, livestock, or public byway, must be reported as soon as practicable to the COGCC, but not more than 24 hours after discovery. For spills that do not fall under the 24 hour time frame, only spills exceeding 5 barrels (210 gallons) are required to be reported to the COGCC.

### **State Expenditures**

*This bill is expected to increase expenditures by \$10,417 in FY 2013-14 only from the Oil and Gas Conservation and Environmental Response Fund.* The fiscal note assumes that the fund has sufficient reserves to pay for this bill without an increase in the mill levy charged on the market value at the well of produced oil and gas.

The expenditures for this bill are for a 2-day rulemaking hearing for the COGCC to conform its rules to the bill. Costs for the hearing are estimated at \$10,417 for travel and meeting expenses. Legal services provided by the Department of Law to support the rulemaking will be addressed within existing appropriations.

### **Local Government Impact**

The bill will increase reporting of spills to local jurisdictions but does not require a response from those jurisdictions. If a local jurisdiction makes a policy decision to respond to reported spills, the workload for that jurisdiction will increase accordingly.

### **State Appropriations**

For FY 2013-14, the Department of Natural Resources requires an appropriation of \$10,417 from the Oil and Gas Conservation and Environmental Response Fund.

### **Departments Contacted**

Counties      Law      Municipalities      Natural Resources