

First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 13-0274.02 Thomas Morris x4218

HOUSE BILL 13-1267

HOUSE SPONSORSHIP

Foote,

SENATE SPONSORSHIP

Jones,

House Committees

Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 CONCERNING INCREASED PENALTIES FOR VIOLATIONS BY OIL AND GAS
102 OPERATORS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Current law specifies that a violation of the "Oil and Gas Conservation Act" is punishable by a maximum fine of \$1,000 per day, subject to a penalty schedule promulgated by the oil and gas conservation commission that considers aggravating and mitigating circumstances. The maximum total fine is capped at \$10,000 for violations that are not

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

significant. The bill increases the maximum daily fine to \$15,000, sets a minimum fine of \$5,000 per violation per day for violations that have a significant adverse impact on public health, safety, or welfare, including the environment and wildlife resources, and repeals the cap on the maximum total fine.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 34-60-121, **amend**
3 (1) as follows:

4 **34-60-121. Violations - penalties - rules.** (1) (a) Any operator
5 who violates any provision of this article, any rule or order of the
6 commission, or any permit ~~shall be~~ IS subject to a penalty of not more
7 than ~~one~~ FIFTEEN thousand dollars for each act of violation per day that
8 such violation continues. ~~Any such~~ THE MINIMUM PENALTY FOR A
9 VIOLATION THAT RESULTS IN A SIGNIFICANT ADVERSE IMPACT ON PUBLIC
10 HEALTH, SAFETY, OR WELFARE, INCLUDING THE ENVIRONMENT AND
11 WILDLIFE RESOURCES, IS FIVE THOUSAND DOLLARS FOR EACH ACT OF
12 VIOLATION PER DAY THAT SUCH VIOLATION CONTINUES. THE COMMISSION
13 SHALL IMPOSE A penalty ~~shall be imposed by order, of the commission,~~
14 after a hearing in accordance with section 34-60-108, or by an
15 administrative order by consent entered into by the commission and an
16 operator. ~~For a violation that does not result in significant waste of oil and~~
17 ~~gas resources or damage to correlative rights or does not result in a~~
18 ~~significant adverse impact on public health, safety, or welfare, the~~
19 ~~maximum penalty shall not exceed ten thousand dollars.~~ The commission
20 shall promulgate rules that establish a penalty schedule appropriate to the
21 nature of the violation and that provide for the consideration of any
22 aggravating or mitigating circumstances.

23 (b) An operator subject to a penalty order shall pay the amount

1 due within thirty days after its imposition, unless ~~such~~ THE operator files
2 a judicial appeal. The COMMISSION MAY RECOVER penalties owed under
3 this section ~~may be recovered~~ in a civil action brought by the attorney
4 general at the request of the commission in the second judicial district.
5 Moneys collected through the imposition of penalties shall be credited
6 first to any legal costs and attorney fees incurred by the attorney general
7 in ~~such a~~ THE recovery action and then to the environmental response
8 account in the oil and gas conservation and environmental response fund
9 created in section 34-60-122.

10 **SECTION 2. Applicability.** This act applies to conduct occurring
11 on or after the effective date of this act.

12 **SECTION 3. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, and safety.