

**First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 13-0759.01 Thomas Morris x4218

**HOUSE BILL 13-1273**

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**HOUSE SPONSORSHIP**

**Fischer**, Foote, Ginal, Hullinghorst, Lebsock, Levy, May, Mitsch Bush, Pabon, Primavera, Ryden, Singer

**SENATE SPONSORSHIP**

**Kefalas**, Jones

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**House Committees**

Health, Insurance & Environment  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING ADDITIONAL FINANCIAL RESOURCES FOR LOCAL**  
102             **GOVERNMENTS TO ADDRESS IMPACTS CAUSED BY NEW OIL AND**  
103             **GAS DEVELOPMENT.**

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**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 authorizes local governments to designate a person to participate in certain proceedings before the Colorado oil and gas conservation commission, including the issuance of permits to drill a well. **Section 2** of the bill requires oil and gas operators to pay to the

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.*

commission a local government designee fee, established by the commission by rule, when applying for a permit to drill. The commission will allocate the fee equally to each local government that has registered a local government designee with the commission within whose boundaries an oil and gas facility authorized by the permit is located. The commission must set the fee, after consulting with local governments, at a level to provide reimbursement to a local government for its costs associated with maintaining a local government designee. The prohibition on local governments charging a tax or fee to conduct inspections or monitoring of oil and gas operations with regard to matters that are subject to rule, order, or permit condition administered by the commission is repealed.

**Section 3** authorizes local governments to collect an environmental or public health and welfare oversight charge on new oil and gas development, collectible upon issuance of a development permit by the local government.

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

2 **SECTION 1.** In Colorado Revised Statutes, 34-60-102, **add** (1)  
3 (c) as follows:

4 **34-60-102. Legislative declaration.** (1) (c) THE GENERAL  
5 ASSEMBLY HEREBY FINDS AND DECLARES THAT THE PUBLIC INTEREST IS  
6 BEST SERVED WHEN THIS ARTICLE AND LOCAL GOVERNMENT REGULATORY  
7 AUTHORITY ARE APPLIED HARMONIOUSLY IN PURSUIT OF COMPREHENSIVE,  
8 EFFICIENT, AND EFFECTIVE REGULATION OF AND ENFORCEMENT OVER OIL  
9 AND GAS OPERATIONS. NOTHING IN THIS ARTICLE PRECLUDES LOCAL  
10 GOVERNMENTS FROM EXERCISING THEIR REGULATORY AND ENFORCEMENT  
11 AUTHORITY OVER MATTERS PERTAINING TO THE IMPACTS OF OIL AND GAS  
12 OPERATIONS WITHIN THEIR JURISDICTIONAL BOUNDARIES. IT IS FURTHER  
13 DECLARED THAT THIS ARTICLE DOES NOT LIMIT A LOCAL GOVERNMENT'S  
14 AUTHORITY TO PROTECT AND MAINTAIN LOCAL CAPITAL FACILITIES AND  
15 INFRASTRUCTURE, AS WELL AS TO MONITOR AND OVERSEE  
16 ENVIRONMENTAL CONDITIONS OR PUBLIC HEALTH AND WELFARE

1 CONCERNS RELATED TO OIL AND GAS OPERATIONS WITHIN THEIR  
2 JURISDICTIONAL BOUNDARIES.

3 **SECTION 2.** In Colorado Revised Statutes, 34-60-106, **amend**  
4 (1) (f) and (15) as follows:

5 **34-60-106. Additional powers of commission - rules - local**  
6 **government designee fund.** (1) The commission also has authority to  
7 require:

8 (f) (I) That ~~no AN OPERATOR SHALL NOT COMMENCE~~ operations for  
9 the drilling of a well for oil and gas ~~shall be commenced~~ without first  
10 ~~giving to~~ NOTIFYING the commission ~~notice~~ of ITS intention to drill; ~~and~~  
11 ~~without first~~ obtaining a permit from the commission, under such rules  
12 ~~and regulations~~ as may be prescribed by the commission; and paying to  
13 the commission a filing and service fee, ~~to be~~ NOT TO EXCEED TWO  
14 HUNDRED DOLLARS, established by the commission ~~for the purpose of~~  
15 ~~paying~~ TO PAY the expense of administering this article as provided in  
16 section 34-60-122, which fee may be transferable or refundable, at the  
17 option of the commission, if ~~such~~ THE permit is not used. ~~but no such fee~~  
18 ~~shall exceed two hundred dollars.~~

19 (II) AN OPERATOR MUST PAY TO THE COMMISSION A LOCAL  
20 GOVERNMENT DESIGNEE FEE, ESTABLISHED BY THE COMMISSION BY RULE,  
21 WHEN APPLYING FOR A PERMIT TO DRILL. **THE COMMISSION SHALL**  
22 **TRANSFER THE FEES TO THE STATE TREASURER, WHO SHALL DEPOSIT THEM**  
23 **IN THE LOCAL GOVERNMENT DESIGNEE FUND, WHICH IS HEREBY CREATED**  
24 **IN THE STATE TREASURY. ALL INTEREST EARNED ON DEPOSITS IN THE FUND**  
25 **ARE CREDITED TO THE FUND.** THE COMMISSION SHALL **QUARTERLY**  
26 **DISTRIBUTE REVENUES IN THE FUND EQUALLY TO EACH LOCAL**  
27 GOVERNMENT THAT HAS REGISTERED A LOCAL GOVERNMENT DESIGNEE

1 WITH THE COMMISSION. ■ ■ THE COMMISSION SHALL SET THE FEE, AFTER  
2 CONSULTING WITH LOCAL GOVERNMENTS, AT A LEVEL TO PROVIDE  
3 REIMBURSEMENT TO A LOCAL GOVERNMENT FOR ITS COSTS ASSOCIATED  
4 WITH MAINTAINING A LOCAL GOVERNMENT DESIGNEE.

5 (15) The commission may, as it deems appropriate, assign its  
6 inspection and monitoring function, but not its enforcement authority,  
7 through intergovernmental agreement or by private contract; except that  
8 ~~no such~~ AN assignment ~~shall~~ MUST NOT allow for the imposition of any  
9 new tax or fee by the assignee in order to conduct ~~such~~ THE assigned  
10 inspection and monitoring and ~~no such assignment shall~~ MUST NOT  
11 provide for compensation contingent on the number or nature of alleged  
12 violations referred to the commission by the assignee. ~~No local~~  
13 ~~government may charge a tax or fee to conduct inspections or monitoring~~  
14 ~~of oil and gas operations with regard to matters that are subject to rule,~~  
15 ~~regulation, order, or permit condition administered by the commission.~~  
16 Nothing in this subsection (15) ~~shall affect~~ AFFECTS the ability of a local  
17 government to:

18 (a) Charge a reasonable and nondiscriminatory fee THAT IS  
19 OTHERWISE PROVIDED FOR BY LAW, INCLUDING for inspection ~~and~~ OF,  
20 monitoring for, AND MITIGATION OF road damage and compliance with  
21 local fire codes, land use permit conditions, and local building codes; OR

22 (b) IMPOSE IMPACT FEES IN ACCORDANCE WITH SECTION  
23 29-20-104.5, C.R.S.

24 **SECTION 3.** In Colorado Revised Statutes, 29-20-104.5, **amend**  
25 (1), (2), (3), and (4) as follows:

26 **29-20-104.5. Impact fees.** (1) Pursuant to the authority granted  
27 in section 29-20-104 (1) (g) and as a condition of issuance of a

1 development permit, a local government may impose an impact fee or  
2 other similar development charge to fund expenditures by ~~such~~ THE local  
3 government on capital facilities OR ENVIRONMENTAL OR PUBLIC HEALTH  
4 AND WELFARE OVERSIGHT needed to serve new development. ~~No~~ A LOCAL  
5 GOVERNMENT SHALL NOT IMPOSE AN impact fee or other similar  
6 development charge ~~shall be imposed~~ except pursuant to a schedule that  
7 is:

8 (a) Legislatively adopted;  
9 (b) Generally applicable to a broad class of property OR  
10 ATTRIBUTABLE TO ENVIRONMENTAL OR PUBLIC HEALTH AND WELFARE  
11 OVERSIGHT; and

12 (c) Intended to defray the projected impacts CAUSED BY PROPOSED  
13 DEVELOPMENT on:

14 (I) Capital facilities; ~~caused by proposed development~~; OR  
15 (II) ENVIRONMENTAL OR PUBLIC HEALTH AND WELFARE  
16 OVERSIGHT.

17 (2) A local government shall quantify the reasonable impacts of  
18 proposed development on existing capital facilities AND ENVIRONMENTAL  
19 OR PUBLIC HEALTH AND WELFARE OVERSIGHT and establish the impact fee  
20 or development charge at a level no greater than necessary to defray ~~such~~  
21 THE impacts directly related to proposed development. ~~No~~ A LOCAL  
22 GOVERNMENT SHALL NOT IMPOSE AN impact fee or other similar  
23 development charge ~~shall be imposed~~ to remedy any deficiency in capital  
24 facilities OR ENVIRONMENTAL OR PUBLIC HEALTH AND WELFARE  
25 OVERSIGHT that exists without regard to the proposed development.

26 (3) Any schedule of impact fees or other similar development  
27 charges adopted by a local government pursuant to this section ~~shall~~ MUST

1 include provisions to ensure that no individual landowner is required to  
2 provide any site-specific dedication or improvement to meet the same  
3 need for capital facilities OR ENVIRONMENTAL OR PUBLIC HEALTH AND  
4 WELFARE OVERSIGHT for which the impact fee or other similar  
5 development charge is imposed.

6 (4) As used in this section: ~~the term~~

7 (a) "Capital facility" means any improvement or facility that:

8 (a) (I) Is directly related to any service ~~that~~ a local government is  
9 authorized to provide;

10 (b) (II) Has an estimated useful life of five years or longer; and

11 (c) (III) Is required by the charter or general policy of a local  
12 government pursuant to a resolution or ordinance.

13 (b) "ENVIRONMENTAL OR PUBLIC HEALTH AND WELFARE  
14 OVERSIGHT" MEANS EXPENDITURES BY A LOCAL GOVERNMENT FOR  
15 INSPECTIONS, MONITORING, OR ENFORCEMENT PERSONNEL OR ASSOCIATED  
16 NONCAPITAL EQUIPMENT THAT IS NEEDED TO ADDRESS IMPACTS CAUSED  
17 BY NEW OIL AND GAS DEVELOPMENT AND THAT IS RELATED TO:

18 (I) AIR, SOIL, OR WATER QUALITY MONITORING;

19 (II) MITIGATION OF IMPACTS TO OPEN SPACE; OR

20 (III) MITIGATION OF VISUAL IMPACTS.

21 **SECTION 4. Applicability.** This act applies to conduct occurring  
22 on or after the effective date of this act.

23 **SECTION 5. Safety clause.** The general assembly hereby finds,  
24 determines, and declares that this act is necessary for the immediate  
25 preservation of the public peace, health, and safety.