

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0355  
**Prime Sponsor(s):** Rep. Ginal  
 Sen. Aguilar

**Date:** April 4, 2013  
**Bill Status:** House Health, Insurance, and  
 Environment  
**Fiscal Analyst:** Kirk Mlinek (303-866-2756)

**TITLE:** CONCERNING THE COLLECTION OF HUMAN HEALTH DATA REGARDING OIL AND GAS OPERATIONS IN COUNTIES NEAR THE FRONT RANGE.

<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 Cash Fund	\$350,000	
<b>FTE Position Change</b>	0.5 FTE	
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2013-2014:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

The bill requires the State Board of Health (board), in the Department of Public Health and Environment (DPHE), to issue a request for proposals (RFP) to conduct a review of existing epidemiological data to determine whether oil and gas operations can have an adverse effect on human health. The board is to give preference to researchers who are associated with an accredited institution of higher education. The selected contractor's final report, which must be prepared in consultation with the oversight committee created in the bill, is due by March 15, 2014.

The review is to be based on data collected in or near Larimer, Weld, Boulder, and Arapahoe counties and is to include at least one control area. The contractor is required to design the review with input from medical researchers, statisticians, and environmentalists to provide scientifically-based information, including:

- acute, chronic, debilitating, fatal, and transgenerational conditions of the general population and certain at-risk populations; and
- an analysis of existing incidence data for an appropriate period of time before and after the commencement of oil and gas operations in each particular geographic area.

The review may include a finding regarding whether the Division of Administration or the Water Quality Division in the DPHE, or the Colorado Oil and Gas Conservation Commission (COGCC) in the Department of Natural Resources, should exercise their power to issue a cease-and-desist order for specific oil and gas facilities.

The oversight committee is comprised of 11 members. Appointees who are not legislators must be physicians or have experience in occupational or public health, epidemiology, biomedical science, or statistics. Appointments must be made by July 1, 2013, and are made as follows:

- the President of the Senate and Speaker of the House each make three appointments, including one legislator from each house;
- the minority leaders of each house make two appointments; and
- the Governor appoints one member to represent DPHE.

The various enabling provisions of the bill are repealed September 1, 2014.

### **State Expenditures**

**The bill increases expenditures in DPHE by \$350,000 and 0.5 FTE for FY 2013-14 only.** Expenditures include \$250,000 for the contractor; \$50,000 for DPHE to offset personnel costs associated with managing the RFP process, accessing and providing related health statistics to the contractor, staffing the oversight committee, and monitoring the contract; and \$50,000 to purchase data from the Colorado Hospital Association. As identified by the bill, the source of funds for these expenditures is the Oil and Gas Conservation and Environmental Response Fund.

The workload of the COGCC will increase to the extent that the final report recommends that specific cease-and-desist actions be taken. The fiscal note assumes that any increase in the number of cease-and-desist orders issues can be accommodated within existing appropriations.

### **State Appropriations**

For FY 2013-14, the Department of Public Health and Environment requires an appropriation of \$350,000 from the Oil and Gas Conservation and Environmental Response Fund in the Department of Natural Resources.

### **Departments Contacted**

Public Health and Environment  
Natural Resources  
Law  
Governor  
Municipalities

Legislative Council  
Higher Education  
Local Affairs  
Counties