

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE COLORADO OIL AND GAS CONSERVATION COMMISSION'S ADOPTION OF UNIFORM STATEWIDE GROUNDWATER SAMPLING RULES.

Prime Sponsors: Reps. Hullinghorst and Salazar

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Date Prepared: April 25, 2013

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/23/13.

	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
<b>XXX</b>	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Health, Insurance, and Environment Committee Report (04/25/13) strikes much of the introduced bill and clarifies that the Oil and Gas Conservation Commission (OGCC) "shall not exempt the greater Wattenberg area from an otherwise generally applicable statewide water quality sampling rule." The introduced bill directed the OGCC to adopt a statewide water quality sampling rule and specified some requirements for the rule. As amended, the bill simply requires the OGCC to apply the previously adopted water quality sampling rule to the greater Wattenberg area, which is currently exempt from the rule.

The amended bill will reduce the complexity and time requirements for the rulemaking associated with the bill. While the Legislative Council Staff Fiscal Note assumed a three day rulemaking was necessary under the introduced bill, Legislative Council Staff, JBC Staff, and Department of Natural Resources staff agree that the amended bill would require only a one day rulemaking process, reducing the fiscal impact of the bill by \$9,112 cash funds. The following table shows the fiscal impact of the amended bill.

<b>H.B. 13-1316 UPDATED 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	\$18,543	\$43,025
<b>FTE Position Change</b>	0.1 FTE	0.6 FTE

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.001	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriation clause.

**Description of Amendments in This Packet**

**J.001** Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$18,543 cash funds from the Oil and Gas Conservation and Environmental Response Fund to the Department of Natural Resources for FY 2013-14 to support the implementation of the bill, including:

- \$927 to the Department of Natural Resources for the purchase of legal services associated with the bill (which is then reappropriated to the Department of Law to provide legal services);
- \$10,614 and 0.1 FTE to the OGCC for personal services; and
- \$7,002 to the OGCC for operating expenses, including \$4,180 for the cost of the rulemaking and \$2,822 in standard operating expenses associated with the new staff required by the bill.

**Points to Consider**

None.