HOUSE BILL 13-1267

FOOTE, THOMAS

SENATE BILL NO. 13-0274.02

FIRST REGULAR SESSION
SIxTIETH GENERAL ASSEMBLY
STATE OF COLORADO

REREVISED
This Version Includes All Amendments
Adopted in the Second House

LLS NO. 13-0274.02 Thomas Morris x4218

A BILL FOR AN ACT
CONCERNING INCREASED PENALTIES FOR VIOLATIONS BY OIL AND GAS
OPERATORS, AND, IN CONNECTION THEREWITH, MAKING AN
APPROPRIATION,

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 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.

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

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

34-60-121. Violations - penalties - rules. (1) (a) Any operator who violates any provision of this article, any rule or order of the commission, or any permit shall be subject to a penalty of not more than one FIFTEEN thousand dollars for each act of violation per day that such violation continues. Any such penalty shall be imposed by order of the commission, after a hearing in accordance with section 34-60-108, or by an administrative order by consent entered into by the commission and an operator. For a violation that does not result in significant waste of oil and gas resources or damage to correlative rights or does not result in a significant adverse impact on public health, safety, or welfare, the maximum penalty shall not exceed ten thousand dollars. The commission shall promulgate rules that establish a penalty schedule appropriate to the nature of the violation and that provide for the consideration of any aggravating or mitigating circumstances.

(b) An operator subject to a penalty order shall pay the amount due within thirty days after its imposition, unless the operator files a judicial appeal. The COMMISSION MAY RECOVER penalties owed under this section in a civil action brought by the attorney
general at the request of the commission in the second judicial district. Moneys collected through the imposition of penalties shall be credited first to any legal costs and attorney fees incurred by the attorney general in such a recovery action and then to the environmental response account in the oil and gas conservation and environmental response fund created in section 34-60-122.

SECTION 2. Appropriation. (1) In addition to any other appropriation, there is hereby appropriated, out of any moneys in the oil and gas conservation and environmental response fund created in section 34-60-122 (5), Colorado Revised Statutes, not otherwise appropriated, to the department of natural resources, for the fiscal year beginning July 1, 2013, the sum of $157,125 and 0.9 FTE, or so much thereof as may be necessary, to be allocated for the implementation of this act as follows:

(a) $66,290 and 0.9 FTE for the oil and gas conservation commission for personal services;

(b) $15,130 for the oil and gas conservation commission for operating expenses and board meeting costs; and

(c) $75,705 for the purchase of legal services.

(2) In addition to any other appropriation, there is hereby appropriated to the department of law, for the fiscal year beginning July 1, 2013, the sum of $75,705 and 0.6 FTE, or so much thereof as may be necessary, for the provision of legal services for the department of natural resources related to the implementation of this act. Said sum is from reappropriated funds received from the department of natural resources out of the appropriation made in paragraph (c) of subsection (1) of this section.

SECTION 3. Applicability. This act applies to conduct occurring
on or after the effective date of this act.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.