



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

INITIAL FISCAL IMPACT STATEMENT

Date: April 14, 2020

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LCS TITLE: OIL AND GAS DEVELOPMENT RULES

***Disclaimer.** This initial fiscal impact statement has been prepared for the Title Board. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available.*

Summary of Measure

The measure amends the Colorado Constitution to prevent certain rules of the Colorado Oil and Gas Conservation Commission (COGCC) and of the Air Quality Control Commission (AQCC) from being repealed or amended to be less stringent. These rules include:

- COGCC safety rules;
- COGCC aesthetic and noise control rules;
- COGCC spill reporting rules;
- COGCC reclamation rules;
- COGCC flowline rules;
- AQCC air emission reduction rules; and
- AQCC air emission inventory rules.

State Revenue and Expenditures

There are no direct costs or revenue impacts associated with implementing this measure. However, the existence of these constraints in the Colorado Constitution could cause fiscal impacts to result from future actions by the federal government, state legislature, or regulatory entities. For example, the federal Environmental Protection Agency may require Colorado to remove certain air monitoring methodologies from rule in order to maintain compliance with future federal standards. If this measure is construed as preventing the removal of the rule, the state could incur sanctions.

Economic Impact

Prohibiting changes to certain rules regulating oil and gas does not have a direct impact on the state economy.

Effective Date

If approved by voters at the 2020 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Public Health and Environment
Information Technology
Judicial

Natural Resources
Counties
Law

Local Affairs
Municipalities

Abstract of Initiative 312: OIL AND GAS DEVELOPMENT RULES

The abstract includes estimates of the fiscal impact of the proposed initiative. If this initiative is to be placed on the ballot, Legislative Council Staff will prepare new estimates as part of a fiscal impact statement, which includes an abstract of that information. All fiscal impact statements are available at www.ColoradoBlueBook.com and the abstract will be included in the ballot information booklet that is prepared for the initiative.

This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of April 14, 2020, identifies the following impacts:

State revenue and expenditures. There are no direct costs or revenue impacts associated with implementing this measure. There may be indirect state fiscal impacts associated with permanently constraining regulatory rules in the constitution. These impacts cannot be assessed.

Economic impact. The measure has no direct impact on the state economy.