



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

Initiative 137

Fiscal Summary

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LCS TITLE: COLORADO INDEPENDENT OIL AND GAS COMMISSION

Fiscal Summary of Initiative 137

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at www.coloradobluebook.com. This fiscal summary identifies the following impact.

State expenditures and expenditures. Under current law, the Colorado Oil and Gas Conservation Commission (COGCC) in the Department of Natural Resources (DNR) regulates the development and production of oil and gas in the state. Initiative 137 creates the Independent Oil and Gas Commission as a new division in the DNR to replace the COGCC. The measure results in no net change in the expenses related to the regulation of oil and gas, or operations of the COGCC and its staff. Under current law, these expenses are paid using revenue from permit fees, fines, and a mill levy assessment on oil and gas development.

The measure increases expenditures and staff for the Colorado Department of Public Health and Environment to coordinate co-regulatory activities and joint approval of rules with the independent commission, and in the Department of Law to provide legal services to state departments for rulemaking and the transfer of responsibilities from the COGCC to the new division. To establish the commission, expenditures increase for the Judicial Department to compensate a panel of retired judges to make the initial selection of commission members.

Economic impacts. While the new commission may make future decisions that differ from those that the existing COGCC would have made, these decisions and their potential economic impacts cannot be known in advance. The change in governing structure under Initiative 137 itself has no direct impact on the state's economy.