

STATE OF COLORADO

Colorado General Assembly

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MEMORANDUM

TO: John Brackney and Barbara Kirkmeyer

FROM: Legislative Council Staff and Office of Legislative Legal Services

DATE: April 2, 2019

SUBJECT: Proposed initiative measure 2019-2020 #66, concerning Oil and Gas Regulation

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Colorado Legislative Council and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado constitution. We hereby submit our comments to you regarding the appended proposed initiative.

The purpose of this statutory requirement of the directors of Legislative Council and the Office of Legislative Legal Services is to provide comments intended to aid proponents in determining the language of their proposal and to avail the public of knowledge of the contents of the proposal. Our first objective is to be sure we understand your intent and your objective in proposing the amendment. We hope that the statements and questions contained in this memorandum will provide a basis for discussion and understanding of the proposal.

This initiative was submitted with a series of initiatives including proposed initiatives 2019-2020 #64, #65, and #67. The comments and questions raised in this memorandum will not include comments and questions that were addressed in the memoranda for proposed initiatives 2019-2020 #64, #65, and #67, except as necessary to fully understand the issues raised by the revised proposed initiative. Comments and questions addressed in those other memoranda may also be relevant, and those questions and comments are hereby incorporated by reference in this memorandum. Only new comments and questions are included in this memorandum.

Purposes

The major purposes of the proposed amendment to the **Colorado Revised Statutes** appear to be to:

1. Restructure and rename the oil and gas regulatory body from the oil and gas conservation commission to the independent oil and gas regulatory commission;
2. Change the purpose of the oil and gas regulatory body;
3. Create a modern, robust, and independent regulatory structure to foster and regulate responsible oil and gas production in Colorado;
4. Reasonably and in a fact-based manner balance the protection of private property rights, both surface and mineral; local input and priorities, including mitigation of impacts on local communities; and the protection of public health, safety, and the environment;
5. Replace the current regulatory structure with a structure that protects critical decisions about the regulation of oil and gas from undue political influence by any one political party, special interest, or elected official or appointees;
6. End the political appointment of oil and gas regulators and create a mechanism by which appointments are made by a selection panel composed of retired justices and judges based on nominations made by a group of high-ranking state public officials representing different major political parties;
7. Ensure that oil and gas development that supports the state economy and creates jobs across the state can continue in a way that balances protecting the public health and the environment;
8. Create a commission that will independently monitor, foster, and regulate oil and gas development in this state through impartial and balanced professional experts managed and overseen by the independent commission;
9. Ensure local governments have direct input in the commission's oil and gas development decisions in local communities;
10. Give the commission independent control over use of mill levy funds and exempt commission funding from the state revenue and spending limits under section 20 of article X of the state constitution;
11. Repeal Senate Bill 19-181 if that bill is enacted; and

12. Create a framework and authority for comprehensive regulation of oil and gas development in the state and to preempt any statutory or regulatory provisions in conflict or inconsistent with amended statutes.

Substantive Comments and Questions

Substantive comments and questions are the same as the substantive comments and questions for proposed initiative 2019-2020 #64, except that question #32 in proposed initiative 2019-2020 #64 does not apply to this proposed initiative.

Technical Comments

Technical comments are the same as the technical comments for proposed initiative 2019-2020 #64.