INTRODUCED

LLS NO. 17-0484.01 Thomas Morris x4218

HOUSE BILL 17-1124

HOUSE SPONSORSHIP

Buck,

SENATE SPONSORSHIP

Neville T.,

House Committees
State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

CONCERNING A REQUIREMENT THAT A LOCAL GOVERNMENT THAT
INTERFERES WITH OIL AND GAS OPERATIONS COMPENSATE
PERSONS DAMAGED BY THE INTERFERENCE.

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://leg.colorado.gov/)

The bill specifies that a local government that bans hydraulic fracturing of an oil and gas well is liable to the mineral interest owner for the value of the mineral interest and that a local government that enacts a moratorium on oil and gas activities shall compensate oil and gas operators, mineral lessees, and royalty owners for all costs, damages, and

Shading denotes HOUSE amendment
Double underlining denotes SENATE amendment
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.
losses of fair market value associated with the moratorium.

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

SECTION 1. In Colorado Revised Statutes, add 29-20-204.5 as follows:

29-20-204.5. Compensation required - hydraulic fracturing ban - oil and gas moratorium. A local government that adopts or enforces an ordinance, resolution, or other policy or regulation that prohibits an oil and gas operator, as that term is defined in section 34-60-103 (6.8), from conducting a hydraulic fracturing treatment on an oil and gas well that is or, but for the prohibition, would be located within the local government’s jurisdiction is liable to the mineral interest owner for the value of the mineral interest not received due to the prohibition. A local government that enacts a moratorium of any duration on oil and gas activities in its jurisdiction shall compensate oil and gas operators, mineral lessees, and royalty owners for all costs, damages, and losses of fair market value associated in any respect with imposition of the moratorium, including delay or loss of royalty payments, delay or loss in developing oil and gas resources, or delay or loss in realizing the value of mineral leases.

SECTION 2. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the
state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.