



## Fiscal Summary

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

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**Measure:** Initiative 311 – LIABILITY FOR OIL AND GAS AND WASTE INJECTION OPERATIONS

**Analyst:** Colin Gaiser, colin.gaiser@coleg.gov, 303-866-2677

**Date:** April 7, 2026

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### Fiscal Summary of Initiative 311

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 [leg.colorado.gov/bluebook](http://leg.colorado.gov/bluebook). This fiscal summary identifies the following impact.

#### State Expenditures and Revenue

By making oil and gas operators and waste injectors liable for damages from generating or injecting exploration or production waste, the Judicial Department will see an increase in expenditures and revenue from additional civil case filings. The measure will increase the number of plaintiffs seeking damages from oil and gas companies and waste injectors, and increase the scope of any corresponding lawsuits. Workload may also increase for the Energy and Carbon Management Commission in the Department of Natural Resources and the Department of Public Health and Environment to consult on any remediation of underground sources of drinking water. Any potential revenue impacts will depend on future business decisions regarding increased liability risk and economic conditions, and have not been estimated.

#### Local Government

To the extent the measure reduces oil and gas operations in the state, local property tax revenue on oil and gas-related property may decrease.

#### Economic Impacts

To the extent the measure increases legal action against oil and gas operators, the initiative may lead to higher costs or reduced activity in the oil and gas sector. This could decrease employment and investment in this industry. Meanwhile, the measure could improve public health and increase property values in areas where drinking water is restored to its pre-damage condition or environmental impacts are addressed.