

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 16-0596.01 Thomas Morris x4218

HOUSE BILL 16-1181

HOUSE SPONSORSHIP

Buck, Saine, Neville P., Ransom, Klingenschmitt, Priola, Van Winkle, Wist, Leonard, DelGrosso, Brown, Conti, Navarro, Thurlow, Windholz

SENATE SPONSORSHIP

(None),

House Committees

State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT A LOCAL GOVERNMENT THAT**
102 **BANS HYDRAULIC FRACTURING COMPENSATE OIL AND GAS**
103 **MINERAL INTEREST OWNERS AFFECTED BY THE BAN.**

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://www.leg.state.co.us/billsummaries>.)

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 lost royalties.

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.

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

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

4 **29-20-204.5. Compensation to mineral interest owners affected**
5 **by hydraulic fracturing ban.** A LOCAL GOVERNMENT THAT ADOPTS OR
6 ENFORCES AN ORDINANCE, RESOLUTION, OR OTHER POLICY OR
7 REGULATION THAT PROHIBITS AN OIL AND GAS OPERATOR, AS THAT TERM
8 IS DEFINED IN SECTION 34-60-103 (6.8), C.R.S., FROM CONDUCTING A
9 HYDRAULIC FRACTURING TREATMENT ON AN OIL AND GAS WELL THAT IS
10 OR, BUT FOR THE PROHIBITION, WOULD BE LOCATED WITHIN THE LOCAL
11 GOVERNMENT'S JURISDICTION IS LIABLE TO THE MINERAL INTEREST OWNER
12 FOR THE VALUE OF THE ROYALTIES NOT RECEIVED DUE TO THE
13 PROHIBITION.

14 **SECTION 2. Act subject to petition - effective date -**
15 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
16 the expiration of the ninety-day period after final adjournment of the
17 general assembly (August 10, 2016, if adjournment sine die is on May 11,
18 2016); except that, if a referendum petition is filed pursuant to section 1
19 (3) of article V of the state constitution against this act or an item, section,
20 or part of this act within such period, then the act, item, section, or part
21 will not take effect unless approved by the people at the general election
22 to be held in November 2016 and, in such case, will take effect on the
23 date of the official declaration of the vote thereon by the governor.

24 (2) This act applies to conduct occurring on or after the applicable
25 effective date of this act.