



Legislative Council Staff

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Fiscal Note

Drafting Number: LLS 22-0491 **Date:** January 12, 2022
Prime Sponsors: Sen. Ginal; Kirkmeyer **Bill Status:** Senate Finance
Rep. Boesenecker; Rich **Fiscal Analyst:** Marc Carey | 303-866-4102
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Bill Topic: **OIL & GAS OPERATOR PROPERTY TAX PROCEDURES**

Summary of Fiscal Impact: **No Fiscal Impact.** This bill specifies that oil and gas fractional interest owners are not entitled to separate notification procedures by the county assessor. It is assessed as having no fiscal impact.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

Under current law, a county assessor is required to send a notice of valuation of personal property to the operator of each oil and gas wellsite. If there is no operator, the notice of valuation must be sent to the owner who has filed a statutorily required statement with the assessor.

This bill states that oil and gas fractional interest owners are not entitled to separate valuation, notification, review, audit, protest, abatement, or appeal procedures by the assessor. Further, the bill designates the wellsite operator, or the owner who filed the statement, as the representative of all fractional interest owners and the exclusive point of contact for the assessor for such procedures.

Assessment of No Fiscal Impact

This bill specifies that fractional interest owners are not subject to separate valuation by the assessor and shall be represented by the well or unit operator of each wellsite. The operator is the sole point of contact for all notifications, review, audit, protest, abatement and appeal procedures. The bill codifies current practices, and as such, is assessed as having no fiscal impact.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Division of Property Taxation
County Assessors

Counties
Special Districts