Good Afternoon, my name is Chris McGowne and I’m the Associate Director of the Colorado Petroleum Council. CPC is a division of the American Petroleum Institute and represents all facets of the oil and natural gas industry in Colorado. I am here, on behalf of CPC to testify in opposition to Senate Bill 181.

We believe the fiscal note attached to this bill does not appropriately account for the fiscal impacts to our state that could occur after implementation. While the fiscal note anticipates an increase in state revenue due to an estimated increase in fees and fines, it does not appropriately depict the potential decrease in funding that the state and local governments depend on. The fiscal note’s prediction of increased revenue is also based on a consistent flow of new permits being submitted and processed. However, the bill as written, would
provide the Director of the Commission with sole discretion to potentially delay the issuance of permits for an undefined amount of time. This could serve as a *de facto* moratorium on new natural gas and oil development in counties and municipalities across Colorado, as the bill provides no defined timeline in which the rulemakings associated with this section must be completed. Rulemakings of this nature are highly complex and technical and often take many months, if not years. With the uncertainty around just how many permits for new development would be held up within this process, there will inevitably be a significant impact to the tax base paid by the industry on a local and state level, swamping any revenue increases generated by new fees.

The natural gas and oil industry contributes approximately $31.4 billion to Colorado’s economy and supports over 232,000 jobs. The industry generates an average of $669 million per year in K-12 and higher education funding. Our industry is one of the pillars of Colorado’s economy and foundational to the budget priorities our elected leaders
set each year. We ask that as you consider an overhaul of this magnitude, you ensure that the repercussions are fully realized before moving forward.

Thank you for allowing me to testify today and I urge you to vote no on Senate Bill 181.