

COMPENSATION FOR MINERAL OWNERS TAKE STEPS FORWARD

The Colorado Senate isn't awaiting recommendations from the Governor's Oil and Gas Task Force before moving solutions to the fracking battle forward. This week the Senate approved a measure to compensate mineral owners for the lost value of their mineral rights in communities that ban fracking.

The measure, <u>Senate Bill 15-093</u>, is sponsored by Senator Jerry Sonnenberg, a Sterling Republican who has significant concerns about protecting property rights when a local government imposes restrictions on the extraction of the minerals, thereby diminishing the value of the property. His proposal would require local governments to compensate the owner should the value be diminished by 60% or more.

The measure passed the Senate Agriculture, Natural Resources and Energy Committee on a 5-4 party line vote. It proceeds to the full Senate for action.

On the House side, Republican Representative Perry Buck of Greely faced an uphill battle in front of a hostile committee this week on a similar measure she introduced in the House. Buck's proposal, <u>House Bill 15-1119</u> would make a local government that bans fracking liable to the royalty owners for the value of the lost royalties due to the ban.

A few weeks ago, legislative leadership informed Buck that no bills relating to oil and gas would be heard until the oil and gas task force had completed its work. Despite the bill's assignment to the House State Affairs Committee, the committee situated by leadership to assure defeat of certain measures, Buck called for a hearing on the measure. The committee, with testimony and committee discussion, considered the bill. Action on the bill, however, was delayed until a later date.

Both bills face an uphill battle in the House. The task force reports its recommendations for policy changes by February 27th setting the stage for spirited debate on a hot issue.