

Please **OPPOSE** Senate Bill 181

Senate Bill 181 poses broad implications to Colorado's business community as the unintended consequences stretch further than just the oil and natural gas industry. The current legislative process sets a negative precedent and does not reflect the Colorado way. A piece of legislation as sweeping as SB 181, with the potentiality of dramatically impacting a cornerstone industry of our economy that employs many thousand Coloradans, deserves thoughtful consideration and a robust conversation that includes all stakeholders, rather than the narrow priorities of a few. .

- As written, SB 181 provides singular authority to the politically appointed COGCC Director to deny future permits on new oil and natural gas development until all rulemakings have been completed as prescribed in the legislation. Depending on that individual's thinking or feeling toward industry, that unique power would afford him or her the ability to oversee a years-long moratorium to new oil and natural gas development, impacting businesses and communities across the state of Colorado.
- It is important to note that this piece of legislation removes state preemption and grants full authority to local governments to regulate the oil and natural gas industry, with no guardrails. SB 181 removes important technical proficiency, creates a patchwork of regulations, and builds significant uncertainty into the investment process, which will have unintended consequences on the broader business community. For example, developers will be operating under the same level of uncertainty in planning future projects as they wait to see how a local government decides to regulate industry, particularly as it relates to setbacks and administrative oversight.
- This uncertainty threatens service providers, developers, farming and ranching, retail businesses, subcontractors, the leasing of office space, and many other businesses across several sectors of our economy.
- This bill would also lead to expensive litigation for the state and local governments. The broad nature that various sections of this legislation are crafted will open opportunities from anti-development, anti-business individuals and organizations to impede commercial activity through litigation, costing the state, counties, and municipalities.
- The oil and natural gas industry in Colorado supports approximately 232,000 jobs and generates \$31.4 billion into the economy. Education funding, transportation funding, and healthcare alike all depend on the money generated from the industry and this bill poses a direct threat to that revenue.

SB 181 does not reflect good policy and was not put forward in good faith. The business community of Colorado urges the legislature to slow the process down and ensure all stakeholders have an opportunity to weigh in. A bill of this magnitude deserves the time it takes to craft good policy that is good for all of Colorado.