

**LFC Requester:**

**Helen Gaussoin**

**AGENCY BILL ANALYSIS**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

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*and*

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**SECTION I: GENERAL INFORMATION**

*Check all that apply:*

**Original**  **Amendment**   
**Correction**  **Substitute**

**Date** 2/1/24

**Bill No:** SM 8

**Agency Name  
and Code**

EMNRD 521

**Sponsor:** Sens. Stewart & McKenna

**Number:**

**Short** Oil & Gas Facility Setback

**Person Writing Analysis:** Ben Shelton, General Counsel

**Title:** Study

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Relates to HB 32 and HB 133 as introduced.  
 Duplicates/Relates to Appropriation in the General Appropriation Act: N/A

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

The “whereas” sections of SM 8 establish that oil and gas operations are emitters of certain pollutants that can pose a threat to human health, that living in close proximity to oil and gas facilities has the potential to result in human exposure to those pollutants, and that the establishment of setback requirements may limit that exposure to pollutants.

The memorial then resolves that the Energy, Minerals and Natural Resources Department evaluate risks to humans and the environment from proximity to oil and gas operations, that the Department consult with relevant stakeholders to develop measures to mitigate the risk of such exposure, that the Department recommend legislation for the 2025 legislative session, and that a copy of the memorial be sent to the Department.

**FISCAL IMPLICATIONS**

None for EMNRD.

**SIGNIFICANT ISSUES**

Staff from the Office of the Secretary, the Office of General Counsel, and the Oil Conservation Division participated in workgroups relating to reform and modernization of the Oil and Gas Act with industry and NGO stakeholders beginning in August 2023 and leading up to the 2024 legislative session, resulting in the introduction of 2024 HB 133. The resolutions in SM 8 simply direct EMNRD staff to continue to participate in that process in the 2024 interim leading into the 2025 long session.

**PERFORMANCE IMPLICATIONS**

The staff time required to participate in these sort of policy development meetings is minimal and not expected to disrupt or subtract from the performance of other agency duties.

**ADMINISTRATIVE IMPLICATIONS**

None for EMNRD.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

N/A

**TECHNICAL ISSUES**

N/A

**OTHER SUBSTANTIVE ISSUES**

N/A

**ALTERNATIVES**

N/A

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

N/A

**AMENDMENTS**

N/A