



Colorado's oil and natural gas industry has been an important part of our state's history for over 100 years. It employs over 100,000 workers, helps fund our schools, keeps our energy costs low, and has an annual economic impact of \$32 billion to the state.

What is Proposition 112?

Proposition 112 (previously Initiative 97) is a statutory ballot measure that if passed, will establish a 2,500-foot setback between new oil and natural gas development and occupied structures or other vulnerable areas. Vulnerable areas include, but are not limited to: playgrounds, permanent sports fields, amphitheaters, public parks, public open space, public and community drinking water sources, irrigation canals, reservoirs, lakes, rivers, and perennial or intermittent streams and creeks.

If the state or any local government decides other areas need to fall within this setback, they would have the discretion to do so under Proposition 112. Federal lands are excluded from this measure.

While advocated as a simple buffer zone increase, this measure is anything but. If passed, the measure would devastate the oil and natural gas industry, eliminating jobs, drastically reducing tax dollars for schools, parks and libraries and stripping away the private property rights of thousands of Coloradans. Illustrated in the image above, [94 percent](#) of private lands in the top five oil and natural gas producing counties in Colorado would become off limits to new development.

Economic & Fiscal Impact

The passing of Proposition 112 would have far-reaching, negative effects on Colorado. According to a [study](#) conducted by the Common-Sense Policy Roundtable¹ and a coalition of other organizations, they found that:

- Proposition 112 would kill up to **147,800** good-paying jobs in Colorado by 2030, with up to **43,000 jobs** being lost in the first year alone.
- From 2019 to 2030 the estimated loss in state GDP would be **\$218 billion**, with the state losing \$26 billion annually in GDP by 2030.
- From 2019 to 2030 over **\$147.6 billion** in personal income would be lost.
- From 2019 to 2030 an estimated **\$7 to 9 billion** in state and local tax revenue would be lost, with that amounting to a loss of more than \$1 billion annually by 2030.

¹ "Increasing the Oil and Gas Setback Requirement to 2,500-feet in Colorado, The Economic and Fiscal Impacts of 2018 Initiative 97." Chris Brown & Zhao Chang. Common Sense Policy Roundtable, Colorado Concern, Denver South Economic Development Partnership, Colorado Bankers Association, Colorado Association of Realtors. 2018

Colorado's schools, parks and libraries would also be affected. In 2016 and 2017, Colorado's K-12 system benefited from over \$700 million in local oil and natural gas tax revenue. Counties received almost \$350 million, municipalities received over \$66 million, and special districts received over \$270 million.

Impacts Outside Industry

As a primary employer, every direct job within the oil and natural gas sector leads to 4 to 5 additional Colorado jobs. Many sectors of Colorado's economy rely on the business that the oil and natural gas industry generates, including trucking companies, hotels, restaurants, retail stores, and many others. Proposition 112 would take away up to:

- 16,000 Retail Jobs
- 10,000 Construction Jobs
- 9,000 Teachers & Government Jobs
- 6,000 Real Estate Jobs
- 12,000 Health Care Jobs
- 9,000 Hotel & Food Service Jobs

In fact, 147,800 jobs could be lost overall, with 77 percent of those job losses occurring outside of the oil and natural gas industry.

Strongest Regulations in the Nation

Colorado has arguably the strongest regulatory framework for oil and natural gas development in the nation. Not only is the industry regulated by federal agencies such as the EPA, but also by state agencies like COGCC, CDPHE, and Colorado Parks and Wildlife. Local governments also have a say in oil and natural gas development, regulating the industry through land use provisions. If oil and natural gas is being extracted in Colorado, it is being done safely and responsibly.

Additional Resources & Information

[COGCC GIS-Based Impact Assessment of Initiative #97](#)

[CSPR Economic and Fiscal Impacts of 2018 Initiative #97](#)

[COGA Statement: *Voters to face half-mile setback measure*](#)

[Protect Colorado](#)

For More Oil & Natural Gas Industry Informational Fact Sheets:

www.coga.org/energy-education/factsheet

Updated: 9.20.2018