

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 20-0382.01 Pierce Lively x2059

HOUSE BILL 20-1004

HOUSE SPONSORSHIP

Cutter and Will, McCluskie, Snyder

SENATE SPONSORSHIP

Lee, Fenberg, Ginal

House Committees

Rural Affairs & Agriculture
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING WILDFIRE MITIGATION ASSISTANCE FOR LANDOWNERS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Wildfire Matters Review Committee. The bill establishes the wildfire mitigation resources and best practices grant program (grant program) within the division of local government in the department of local affairs. Grant recipients use grant money to conduct outreach among landowners to inform them of resources available for wildfire mitigation and best practices for wildfire mitigation. The grant program only awards grants to applicants conducting outreach to landowners in high wildfire hazard areas and prioritizes applications based on the potential impact of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

the applicant's proposed outreach.

The bill also extends the increased wildfire mitigation income tax deduction that allows a landowner to claim 100%, rather than 50%, of the costs they incur in performing wildfire mitigation measures.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add 23-31-310.5** as
3 follows:

4 **23-31-310.5. Wildfire mitigation resources and best practices**
5 **grant program - creation - report - definitions - repeal.** (1) THERE IS
6 HEREBY CREATED IN THE **FOREST SERVICE** THE WILDFIRE MITIGATION
7 RESOURCES AND BEST PRACTICES GRANT PROGRAM, REFERRED TO IN THIS
8 SECTION AS THE "GRANT PROGRAM". GRANT RECIPIENTS MAY USE THE
9 MONEY TO CONDUCT OUTREACH AMONG LANDOWNERS TO INFORM THEM
10 OF RESOURCES AVAILABLE FOR WILDFIRE MITIGATION AND BEST
11 PRACTICES FOR WILDFIRE MITIGATION.

12 (2) **AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE**
13 **REQUIRES:**

14 (a) **"DIRECTOR" MEANS THE DIRECTOR OF THE FOREST SERVICE.**

15 (b) **"FOREST SERVICE" MEANS THE COLORADO STATE FOREST**
16 **SERVICE IDENTIFIED IN SECTION 23-31-302 AND THE DIVISION OF**
17 **FORESTRY CREATED IN SECTION 24-33-104.**

18 (3) **THE FOREST SERVICE SHALL ADMINISTER THE GRANT PROGRAM**
19 **AND, SUBJECT TO AVAILABLE APPROPRIATIONS, SHALL AWARD GRANTS AS**
20 **PROVIDED IN THIS SECTION. THE FOREST SERVICE SHALL DEVELOP AND**
21 **PUBLISH POLICIES AND PROCEDURES TO IMPLEMENT THE GRANT PROGRAM**
22 **IN ACCORDANCE WITH THIS SECTION. AT A MINIMUM, THE POLICIES AND**
23 **PROCEDURES MUST SPECIFY THE TIME FRAMES FOR APPLYING FOR GRANTS,**

1 THE FORM OF THE GRANT PROGRAM APPLICATION, AND THE GRANT
2 PROGRAM EVALUATION AND REPORTING REQUIREMENTS FOR GRANT
3 RECIPIENTS.

4 (4) TO BE ELIGIBLE TO RECEIVE A GRANT, AN ENTITY MUST BE AN
5 AGENCY OF LOCAL GOVERNMENT, A COUNTY, A MUNICIPALITY, A SPECIAL
6 DISTRICT, A TRIBAL AGENCY OR PROGRAM, [REDACTED] OR A NONPROFIT OR
7 NOT-FOR-PROFIT ORGANIZATION THAT IS REGISTERED AND IN GOOD
8 STANDING WITH THE SECRETARY OF STATE'S OFFICE. APPLICANTS MUST
9 MEET ANY OTHER CRITERIA SPECIFIED IN THE FOREST SERVICE'S POLICIES
10 AND PROCEDURES.

11 (5) THE FOREST SERVICE SHALL REVIEW THE APPLICATIONS
12 RECEIVED PURSUANT TO THIS SECTION. THE FOREST SERVICE SHALL ONLY
13 AWARD GRANTS TO APPLICANTS PROPOSING TO CONDUCT OUTREACH
14 AMONG LANDOWNERS IN HIGH WILDFIRE HAZARD AREAS AND SHALL
15 CONSIDER THE POTENTIAL IMPACT OF THE APPLICANTS' PROPOSED
16 OUTREACH WHEN AWARDING GRANTS.

17 (6) SUBJECT TO AVAILABLE APPROPRIATIONS, ON OR BEFORE
18 JANUARY 1 AND EACH YEAR THEREAFTER FOR THE DURATION OF THE
19 GRANT PROGRAM, THE DIRECTOR SHALL AWARD GRANTS AS PROVIDED IN
20 THIS SECTION. GRANTS ARE AWARDED AT THE SOLE DISCRETION OF THE [REDACTED]
21 DIRECTOR IN ACCORDANCE WITH THIS SECTION.

22 (7) ON OR BEFORE SEPTEMBER 1, 2021, AND ON OR BEFORE
23 SEPTEMBER 1 EACH YEAR THEREAFTER, THE FOREST SERVICE SHALL
24 SUBMIT A REPORT TO THE WILDFIRE MATTERS REVIEW COMMITTEE, OR ANY
25 SUCCESSOR COMMITTEE, ON THE GRANT PROGRAM. NOTWITHSTANDING
26 SECTION 24-1-136 (11)(a)(I), THE REPORTING REQUIREMENT CONTINUES
27 UNTIL THE GRANT PROGRAM REPEALS PURSUANT TO SUBSECTION (8) OF

1 THIS SECTION.

2 (8) THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE
3 MONEY FROM THE GENERAL FUND TO THE FOREST SERVICE TO IMPLEMENT
4 THE GRANT PROGRAM. THE FOREST SERVICE MAY USE A PORTION OF THE
5 MONEY ANNUALLY APPROPRIATED FOR THE GRANT PROGRAM TO PAY THE
6 DIRECT AND INDIRECT COSTS THAT THE FOREST SERVICE INCURS TO
7 ADMINISTER THE GRANT PROGRAM.

8 (9) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2025.

9 SECTION 2. In Colorado Revised Statutes, 39-22-104, amend
10 (4)(n.5)(I)(A) and (4)(n.5)(IV) as follows:

11 39-22-104. Income tax imposed on individuals, estates, and
12 trusts - single rate - legislative declaration - definitions - repeal.

13 (4) There shall be subtracted from federal taxable income:

14 (n.5) (I) (A) For income tax years commencing on or after January
15 1, 2014, but prior to January 1, 2017, and for income tax years
16 commencing on or after January 1, 2020, but prior to ~~January 1, 2025,~~
17 JANUARY 1, 2021, an amount equal to fifty percent of a landowner's costs
18 incurred in performing wildfire mitigation measures in that income tax
19 year on his or her property located within the state; except that the amount
20 of the deduction claimed in an income tax year shall not exceed two
21 thousand five hundred dollars or the total amount of the landowner's
22 federal taxable income for the income tax year for which the deduction
23 is claimed, whichever is less.

24 (IV) This ~~paragraph (n.5)~~ SUBSECTION (4)(n.5) is repealed,
25 effective ~~January 1, 2026~~ JANUARY 1, 2025.

26 SECTION 3. In Colorado Revised Statutes, add 39-22-543 as
27 follows:

1 **39-22-543. Credit for wildfire hazard mitigation expenses -**
2 **legislative declaration - definitions - repeal.** (1) THE GENERAL
3 ASSEMBLY DECLARES THAT THE PURPOSE OF THE TAX EXPENDITURE IN
4 THIS SECTION IS TO REIMBURSE A LANDOWNER FOR THE COSTS INCURRED
5 IN PERFORMING WILDFIRE MITIGATION MEASURES ON HIS OR HER
6 PROPERTY LOCATED WITHIN THE STATE.

7 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
8 REQUIRES:

9 (a) "COSTS" MEANS ANY ACTUAL OUT-OF-POCKET EXPENSE
10 INCURRED AND PAID BY THE LANDOWNER, DOCUMENTED BY RECEIPT, FOR
11 PERFORMING WILDFIRE MITIGATION MEASURES. "COSTS" DO NOT INCLUDE
12 ANY INSPECTION OR CERTIFICATION FEES, IN-KIND CONTRIBUTIONS,
13 DONATIONS, INCENTIVES, OR COST SHARING ASSOCIATED WITH
14 PERFORMING WILDFIRE MITIGATION MEASURES. "COSTS" DO NOT INCLUDE
15 EXPENSES PAID BY THE LANDOWNER FROM ANY GRANTS AWARDED TO THE
16 LANDOWNER FOR PERFORMING WILDFIRE MITIGATION MEASURES.

17 (b) "INFLATION" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE
18 UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS
19 CONSUMER PRICE INDEX FOR DENVER-AURORA-LAKEWOOD FOR ALL
20 ITEMS PAID BY ALL URBAN CONSUMERS, OR ITS APPLICABLE PREDECESSOR
21 OR SUCCESSOR INDEX.

22 (c) "LANDOWNER" MEANS ANY OWNER OF RECORD OF PRIVATE
23 LAND LOCATED WITHIN THE STATE, INCLUDING ANY EASEMENT,
24 RIGHT-OF-WAY, OR ESTATE IN THE LAND, AND INCLUDES THE HEIRS,
25 SUCCESSORS, AND ASSIGNS OF SUCH LAND. "LANDOWNER" SHALL NOT
26 INCLUDE ANY PARTNERSHIP, S CORPORATION, OR OTHER SIMILAR ENTITY
27 THAT OWNS PRIVATE LAND AS AN ENTITY, UNLESS THERE IS A DWELLING

1 ON THAT LAND THAT IS DESIGNED FOR RESIDENTIAL OCCUPANCY.

2 (d) "WILDFIRE MITIGATION MEASURES" MEANS THE CREATION OF
3 A DEFENSIBLE SPACE AROUND STRUCTURES; THE ESTABLISHMENT OF FUEL
4 BREAKS; THE THINNING OF WOODY VEGETATION FOR THE PRIMARY
5 PURPOSE OF REDUCING RISK TO STRUCTURES FROM WILDLAND FIRE; OR
6 THE SECONDARY TREATMENT OF WOODY FUELS BY LOPPING AND
7 SCATTERING, PILING, CHIPPING, REMOVING FROM THE SITE, OR PRESCRIBED
8 BURNING; SO LONG AS SUCH ACTIVITIES MEET OR EXCEED ANY COLORADO
9 STATE FOREST SERVICE STANDARDS OR ANY OTHER APPLICABLE STATE
10 RULES.

11 (3) (a) IN THE CASE OF TWO TAXPAYERS FILING A JOINT RETURN,
12 THE AMOUNT OF THE CREDIT SHALL NOT EXCEED SIX HUNDRED TWENTY
13 FIVE DOLLARS IN ANY TAXABLE YEAR. IN THE CASE OF TWO TAXPAYERS
14 WHO MAY LEGALLY FILE A JOINT RETURN BUT ACTUALLY FILE SEPARATE
15 RETURNS, ONLY ONE OF THE TAXPAYERS MAY CLAIM THE CREDIT
16 SPECIFIED IN THIS SECTION.

17 (b) IN THE CASE OF REAL PROPERTY OWNED BY TENANTS IN
18 COMMON OR JOINT TENANTS, THE CREDIT ALLOWED PURSUANT TO THIS
19 SECTION IS ONLY ALLOWED FOR ONE OF THE INDIVIDUALS OF THE
20 OWNERSHIP GROUP.

21 (4) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
22 1, 2021, BUT PRIOR TO JANUARY 1, 2026, A LANDOWNER WITH A FEDERAL
23 TAXABLE INCOME AT OR BELOW ONE HUNDRED TWENTY THOUSAND
24 DOLLARS FOR THE INCOME TAX YEAR COMMENCING ON OR AFTER
25 JANUARY 1, 2021, AS ADJUSTED FOR INFLATION AND ROUNDED TO THE
26 NEAREST HUNDRED DOLLAR AMOUNT FOR EACH INCOME TAX YEAR
27 THEREAFTER, IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED

1 BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF
2 UP TO TWO THOUSAND FIVE HUNDRED DOLLARS IN COSTS FOR WILDFIRE
3 MITIGATION MEASURES. THE MAXIMUM TOTAL CREDIT IN A TAXABLE YEAR
4 IS SIX HUNDRED TWENTY FIVE DOLLARS.

5 (5) IF THE AMOUNT OF A CREDIT UNDER THIS SECTION EXCEEDS A
6 TAXPAYER'S ACTUAL TAX LIABILITY FOR AN INCOME TAX YEAR, THE
7 AMOUNT OF THE CREDIT NOT USED TO OFFSET THE TAXPAYER'S INCOME
8 TAX LIABILITY IS NOT REFUNDED TO THE TAXPAYER AND SHALL NOT BE
9 CARRIED FORWARD AS A TAX CREDIT AGAINST THE TAXPAYER'S INCOME
10 TAX LIABILITY IN ANY SUBSEQUENT TAX YEAR.

11 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2029.

12 **SECTION 4. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, or safety.