A BILL FOR AN ACT

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...
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.

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

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

23-31-310.5. Wildfire mitigation resources and best practices grant program - creation - report - definitions - repeal. (1) There is hereby created in the Forest Service the wildfire mitigation resources and best practices grant program, referred to in this section as the "grant program". Grant recipients may use the money to conduct outreach among landowners to inform them of resources available for wildfire mitigation and best practices for wildfire mitigation.

(2) As used in this section, unless the context otherwise requires:

(a) "Director" means the Director of the Forest Service.

(b) "Forest Service" means the Colorado State Forest Service identified in section 23-31-302 and the Division of Forestry created in section 24-33-104.

(3) The Forest Service shall administer the grant program and, subject to available appropriations, shall award grants as provided in this section. The Forest Service shall develop and publish policies and procedures to implement the grant program in accordance with this section. At a minimum, the policies and procedures must specify the time frames for applying for grants,
THE FORM OF THE GRANT PROGRAM APPLICATION, AND THE GRANT
PROGRAM EVALUATION AND REPORTING REQUIREMENTS FOR GRANT
RECIPIENTS.

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

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

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

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

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

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

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

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - legislative declaration - definitions - repeal. (4) There shall be subtracted from federal taxable income:

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

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

SECTION 3. In Colorado Revised Statutes, add 39-22-543 as follows:
39-22-543. Credit for wildfire hazard mitigation expenses -
legislative declaration - definitions - repeal. (1) The general
assembly declares that the purpose of the tax expenditure in
this section is to reimburse a landowner for the costs incurred
in performing wildfire mitigation measures on his or her
property located within the state.

(2) As used in this section, unless the context otherwise
requires:
   (a) "Costs" means any actual out-of-pocket expense
       incurred and paid by the landowner, documented by receipt, for
       performing wildfire mitigation measures. "Costs" do not include
       any inspection or certification fees, in-kind contributions,
       donations, incentives, or cost sharing associated with
       performing wildfire mitigation measures. "Costs" do not include
       expenses paid by the landowner from any grants awarded to the
       landowner for performing wildfire mitigation measures.
   (b) "Landowner" means any owner of record of private
       land located within the state, including any easement,
       right-of-way, or estate in the land, and includes the heirs,
       successors, and assigns of such land. "Landowner" shall not
       include any partnership, S corporation, or other similar entity
       that owns private land as an entity, unless there is a dwelling
       on that land that is designed for residential occupancy.
   (c) "Wildfire mitigation measures" means the creation of
       a defensible space around structures; the establishment of fuel
       breaks; the thinning of woody vegetation for the primary
       purpose of reducing risk to structures from wildland fire; or
THE SECONDARY TREATMENT OF WOODY FUELS BY LOPPING AND
SCATTERING, PILING, CHIPPING, REMOVING FROM THE SITE, OR PRESCRIBED
BURNING; SO LONG AS SUCH ACTIVITIES MEET OR EXCEED ANY COLORADO
STATE FOREST SERVICE STANDARDS OR ANY OTHER APPLICABLE STATE
RULES.

(3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
1, 2020, BUT PRIOR TO JANUARY 1, 2025, A LANDOWNER IS ALLOWED A
CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN
AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF UP TO TWO THOUSAND FIVE
HUNDRED DOLLARS IN COSTS FOR WILDFIRE MITIGATION MEASURES. THE
MAXIMUM TOTAL CREDIT IN A TAXABLE YEAR IS SIX HUNDRED TWENTY
FIVE DOLLARS.

(4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028.

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