

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO
CORRECTED ENGROSSED (*sponsorship only*)**

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 21-0851.01 Thomas Morris x4218

HOUSE BILL 21-1242

HOUSE SPONSORSHIP

McLachlan,

SENATE SPONSORSHIP

Donovan,

House Committees

Agriculture, Livestock, & Water

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF AN AGRICULTURAL DROUGHT AND**
102 **CLIMATE RESILIENCE OFFICE IN THE DEPARTMENT OF**
103 **AGRICULTURE.**

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>.)

Section 1 of the bill creates in the department of agriculture the agricultural drought and climate resilience office (office). The office may provide voluntary technical assistance, nonregulatory programs, and incentives that increase the ability to anticipate, prepare for, mitigate, adapt to, and respond to hazardous events, trends, or disturbances related

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.*

HOUSE
Amended 2nd Reading
April 15, 2021

to drought or the climate. The office may accept gifts, grants, and donations for these purposes. On July 1, 2021, the state treasurer shall transfer all unobligated money in the agriculture value-added cash fund to the newly created agriculture drought and climate resiliency cash fund. The commissioner of agriculture shall appoint the head of the office and may promulgate rules necessary for the administration of the office's assistance, programs, and incentives.

Section 2 annually transfers \$500,000 from tier 2 of the severance tax operational fund to the new cash fund until July 1, 2029.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 35-1-114 as
3 follows:

4 **35-1-114. Agricultural drought and climate resilience office -**
5 **creation - cash fund - rules - definition - repeal.** (1) **Legislative**
6 **declaration.** THE GENERAL ASSEMBLY HEREBY:

7 (a) FINDS THAT:

8 (I) MORE FREQUENT AND SEVERE DROUGHTS WILL ADD PRESSURE
9 TO COLORADO'S ALREADY STRAINED WATER SUPPLY; AND

10 (II) A STRONG, PROSPEROUS, DIVERSE, AND RESILIENT
11 AGRICULTURAL SECTOR IS FUNDAMENTAL TO THE FABRIC OF COLORADO;

12 (b) DETERMINES THAT:

13 (I) COLORADO'S AGRICULTURAL PRODUCERS ARE STEWARDS OF
14 OUR LANDS, WATERS, AND ECOSYSTEMS; AND

15 (II) COLORADO'S AGRICULTURAL SECTOR IS A LEADER IN
16 IMPLEMENTING PRACTICES THAT BUILD RESILIENCY AND ENHANCE OUR
17 ENVIRONMENT; AND

18 (c) DECLARES THAT:

19 (I) CREATING THE AGRICULTURAL DROUGHT AND CLIMATE
20 RESILIENCE OFFICE WILL SUPPORT AND ELEVATE PRODUCERS IN THEIR

1 RESILIENCY EFFORTS THROUGH NONREGULATORY, VOLUNTARY, AND
2 INCENTIVE-BASED PROGRAMS; AND

3 (II) THE AGRICULTURAL DROUGHT AND CLIMATE RESILIENCE
4 OFFICE CAN BEST ADDRESS AND MITIGATE AGRICULTURAL
5 CLIMATE-RELATED ISSUES ON A WIDE SCALE BY PROVIDING SUPPORT TO
6 AND ASSISTING BONA FIDE AGRICULTURAL PRODUCERS IN IMPLEMENTING
7 PRACTICES THAT MINIMIZE THE IMPACTS OF CLIMATE CHANGE.

8 (2) **Office created.** THERE IS HEREBY CREATED IN THE
9 DEPARTMENT THE AGRICULTURAL DROUGHT AND CLIMATE RESILIENCE
10 OFFICE, REFERRED TO IN THIS SECTION AS THE "OFFICE". THE OFFICE MAY
11 PROVIDE VOLUNTARY TECHNICAL ASSISTANCE, NONREGULATORY
12 PROGRAMS, AND INCENTIVES THAT INCREASE THE ABILITY TO ANTICIPATE,
13 PREPARE FOR, MITIGATE, ADAPT TO, AND RESPOND TO HAZARDOUS
14 EVENTS, TRENDS, OR DISTURBANCES RELATED TO DROUGHT OR THE
15 CLIMATE. THE COMMISSIONER SHALL APPOINT THE HEAD OF THE OFFICE.

16 (3) **Rules.** THE COMMISSIONER MAY PROMULGATE RULES
17 NECESSARY FOR THE ADMINISTRATION OF THE OFFICE'S ASSISTANCE,
18 PROGRAMS, AND INCENTIVES, INCLUDING GRANTS. BEFORE
19 PROMULGATING THE RULES, THE COMMISSIONER SHALL CONVENE A
20 STAKEHOLDER GROUP, INCLUDING REPRESENTATIVES OF ORGANIZATIONS
21 WHOSE MEMBERSHIP CONSISTS OF AGRICULTURAL PRODUCERS ENGAGED
22 IN THE PRODUCTION OF THE TOP TEN AGRICULTURAL COMMODITIES
23 PRODUCED IN COLORADO. THE STAKEHOLDER GROUP SHALL ADVISE THE
24 COMMISSIONER AS TO THE NEEDS OF THE AGRICULTURE INDUSTRY TO
25 RESPOND TO AND MITIGATE THE IMPACTS OF CLIMATE CHANGE ON
26 AGRICULTURAL PRODUCTION. FOR THE PURPOSE OF THIS SECTION, "BONA
27 FIDE AGRICULTURAL PRODUCER" MEANS AN AGRICULTURAL PRODUCER

1 THAT RECEIVES A MAJORITY OF THE PRODUCER'S ANNUAL INCOME FROM
2 AGRICULTURE, AN AGRICULTURAL PRODUCER THAT SPENDS MORE THAN
3 ONE THOUSAND FORTY HOURS PER YEAR ENGAGED IN AGRICULTURAL
4 PRODUCTION, OR A COLORADO BUSINESS THAT PROCESSES AGRICULTURAL
5 PRODUCTS. EXCEPT FOR A PROGRAM OR SUPPORT ADMINISTERED BY THE
6 OFFICE TO ADDRESS IMMEDIATE NEEDS AS A RESULT OF DISASTER,
7 INCLUDING WILDFIRE AND DROUGHT, OR A PROGRAM THAT WAS IN
8 EXISTENCE ON JANUARY 1, 2021:

9 (a) A PROGRAM ADMINISTERED BY THE OFFICE MUST BE DESIGNED
10 TO BENEFIT BONA FIDE AGRICULTURAL PRODUCERS ACTIVELY ENGAGED
11 IN AGRICULTURE. GRANTS AWARDED BY THE OFFICE MUST PAY FOR
12 IMPLEMENTATION OF PRACTICES TO ADDRESS AND MITIGATE THE IMPACTS
13 OF CLIMATE CHANGE OR DROUGHT OR TO PROVIDE DIRECT ADAPTATION
14 SUPPORT FOR IMPACTED AGRICULTURAL COMMUNITIES, INCLUDING
15 MENTAL HEALTH RESOURCES, CONFLICT RESOLUTION ASSISTANCE, AND
16 RISK-MANAGEMENT GUIDANCE. A GRANT AWARD MAY PAY NO MORE THAN
17 FIVE PERCENT OF ADMINISTRATIVE EXPENSES INCURRED BY A BONA FIDE
18 AGRICULTURAL PRODUCER TO IMPLEMENT THE PRACTICES.

19 (b) THE DEPARTMENT SHALL, AT LEAST THIRTY DAYS BEFORE
20 OPENING THE GRANT APPLICATION PROCESS, MAKE AVAILABLE ON ITS
21 WEBSITE INFORMATION RELATED TO THE GRANT PROGRAM AVAILABLE TO
22 BONE FIDE AGRICULTURAL PRODUCERS;

23 (c) A GRANT AUTHORIZED PURSUANT TO THIS SECTION MUST
24 RECEIVE FINAL APPROVAL BY THE COMMISSION BEFORE A FINAL AWARD
25 CAN BE ISSUED; AND

26 (d) THE DEPARTMENT SHALL POST ON ITS WEBSITE ALL
27 APPLICATIONS FOR GRANT AWARDS. WITHIN FIFTEEN DAYS AFTER

1 AWARDING A GRANT, THE DEPARTMENT SHALL POST ON ITS WEBSITE THE
2 NAME OF THE INDIVIDUAL OR ENTITY RECEIVING A GRANT, THE AMOUNT
3 OF THE GRANT AWARDED, THE PROJECT OR PROJECTS TO BE FUNDED BY
4 THE GRANT, AND THE DURATION OF THE GRANT AWARD.

5 (4) **Cash fund.** (a) THE AGRICULTURE DROUGHT AND CLIMATE
6 RESILIENCY CASH FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS
7 HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF
8 MONEY CREDITED TO THE FUND PURSUANT TO THIS SUBSECTION (4),
9 MONEY TRANSFERRED TO THE FUND FROM THE SEVERANCE TAX
10 OPERATIONAL FUND PURSUANT TO SECTION 39-29-109.3 (2)(t), AND ANY
11 OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR
12 TRANSFER TO THE FUND. THE STATE TREASURER SHALL CREDIT ALL
13 INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF
14 MONEY IN THE FUND TO THE FUND. MONEY IN THE FUND IS HEREBY
15 CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR ITS DIRECT AND
16 INDIRECT EXPENSES INCURRED IN ADMINISTERING THIS SECTION.

17 (b) (I) ON JULY 1, 2021, THE STATE TREASURER SHALL TRANSFER
18 ALL UNOBLIGATED MONEY IN THE AGRICULTURE VALUE-ADDED CASH
19 FUND, CREATED IN SECTION 35-75-205 (1), TO THE FUND.

20 (II) THIS SUBSECTION (4)(b) IS REPEALED, EFFECTIVE SEPTEMBER
21 1, 2023.

22 (c) THE OFFICE MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,
23 AND DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE ASSISTANCE,
24 PROGRAMS, AND INCENTIVES ADMINISTERED UNDER THIS SECTION.

25 (d) THE DEPARTMENT SHALL:

26 (I) REPORT AND REGULARLY UPDATE ON ITS WEBSITE THE AMOUNT
27 AND SOURCE OF MONEY RECEIVED UNDER THIS SUBSECTION (4) AND, IF

1 THE MONEY IS A GIFT, GRANT, OR DONATION, THE PURPOSE AND PERIOD OF
2 TIME FOR WHICH THE MONEY IS AVAILABLE; AND

3 (II) REPORT ANNUALLY THE AMOUNT AND SOURCE OF MONEY
4 RECEIVED UNDER THIS SUBSECTION (4) IN THE PRIOR FISCAL YEAR AT THE
5 HEARING REQUIRED BY THE "STATE MEASUREMENT FOR ACCOUNTABLE,
6 RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2
7 OF ARTICLE 7 OF TITLE 2 AND, IF THE MONEY IS A GIFT, GRANT, OR
8 DONATION, THE NAME OF THE SOURCE OF THE MONEY AND THE GRANTEE.

9 **SECTION 2.** In Colorado Revised Statutes, 39-29-109.3, **add**
10 (2)(t) as follows:

11 **39-29-109.3. Severance tax operational fund - core reserve -**
12 **grant program reserve - definitions - repeal.** (2) Subject to the
13 requirements of subsections (3) and (3.5) of this section, if the general
14 assembly chooses not to spend up to one hundred percent of the money
15 in the operational fund on core departmental programs, the state treasurer
16 shall transfer the following amounts:

17 (t) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY
18 1, 2021, THROUGH JULY 1, 2029, FIVE HUNDRED THOUSAND DOLLARS PER
19 YEAR TO THE AGRICULTURE DROUGHT AND CLIMATE RESILIENCY CASH
20 FUND CREATED IN SECTION 35-1-114.

21 **SECTION 3. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, or safety.