

## CHAPTER 238

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**GOVERNMENT - LOCAL**

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**SENATE BILL 21-258**

BY SENATOR(S) Ginal and Rankin, Bridges, Cooke, Coram, Danielson, Gardner, Gonzales, Hansen, Hisey, Holbert, Jaquez Lewis, Kirkmeyer, Kolker, Lee, Liston, Lundeen, Moreno, Pettersen, Priola, Scott, Simpson, Sonnenberg, Story, Winter, Woodward, Zenzinger, Garcia;  
also REPRESENTATIVE(S) Snyder and Froelich, Bernett, Bird, Boesenecker, Cutter, Daugherty, Duran, Esgar, Exum, Gray, Herod, Hooton, Jackson, Kipp, Lontine, Lynch, McCluskie, McCormick, McLachlan, Michaelson Jenet, Ricks, Roberts, Soper, Sullivan, Titone, Valdez A., Valdez D., Young, Garnett.

**AN ACT**

**CONCERNING THE ADMINISTRATION OF STATE ASSISTANCE PROGRAMS TO MITIGATE THE RISK OF WILDFIRE, AND, IN CONNECTION THEREWITH, CREATING THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND AND THE HAZARD MITIGATION FUND; TRANSFERRING MONEY INTO SPECIALLY DESIGNED WILDFIRE FUNDS; AND MAKING AN APPROPRIATION.**

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

**SECTION 1. Legislative declaration.** (1) The general assembly hereby finds and declares that:

(a) Colorado's wildfire crisis is at a pivotal point and immediate decisive action is necessary to protect lives, homes, businesses, and critical infrastructure;

(b) In 2020, Colorado experienced the three largest wildfires in its history;

(c) These three wildfires burned over six hundred thousand acres, caused significant displacement, devastated communities, and ultimately resulted in hundreds of millions of dollars in property loss and damage;

(d) Although Colorado has been and remains committed to taking meaningful action to mitigate wildfires, past efforts have lacked the coordination and landscape-scale focus required to properly address the size and behavior of catastrophic wildfires;

(e) A comprehensive, statewide analysis of wildfire risk will help the state

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

identify, prioritize, and take strategic actions to address Colorado's critical forest health and wildfire mitigation preparedness needs;

(f) Increasing funding for wildfire mitigation will prevent the future devastation of Colorado communities, critical watershed and water supply assets, and key ecological and wildlife resources;

(g) Increasing Colorado's capacity and workforce to conduct critical forest restoration and wildfire mitigation work will help prepare the state to prevent and respond to wildfires;

(h) Forest products businesses are key partners in maintaining healthy forests and supporting local communities;

(i) Local communities and governments play a vital role in identifying, preparing for, and implementing wildfire mitigation actions; and

(j) Therefore, it is in the public interest to create the wildfire mitigation capacity development fund, increase funding for the wildfire risk mitigation loan program for forest-based businesses, and increase funding for the healthy forest and vibrant communities fund.

**SECTION 2.** In Colorado Revised Statutes, 23-31-310, **amend** (3), (5) introductory portion, (8), (8.2)(a)(I), (8.2)(b)(II), and (8.3)(a)(I) as follows:

**23-31-310. Forest restoration and wildfire risk mitigation grant program - technical advisory panel - legislative declaration - definitions - repeal.** (3) **Grant projects.** The forest service shall issue a statewide request for proposals for cost-share grants for projects that are designed through a collaborative community process. The projects may be entirely on, or on any combination of, private, state, county, or municipal forest lands. PROJECTS MAY ALSO BE ON FEDERAL LANDS, SO LONG AS THE PROJECT MAINTAINS CONTINUITY ACROSS A LANDSCAPE INCLUDING FEDERAL LANDS AND THE AREA OF THE FEDERAL LANDS DOES NOT EXCEED THE COMBINED AREA OF THE NONFEDERAL LANDS INVOLVED IN THE PROJECT. The grant share of an individual project cost must not exceed fifty percent of the total cost of the project or exceed one million dollars per project. In the case of a project that is located in an area with fewer economic resources, the grant share of an individual project cost must not exceed seventy-five percent of the total cost of the project or exceed one million dollars per project. The remaining portion of the project's funding may be in the form of cash, stumpage, or in-kind contribution. In meeting the match requirements under this subsection (3), a project may be funded, in whole or in part, from gifts, grants, or donations received from any organization, entity, or individual. In measuring an in-kind contribution for purposes of meeting the fifty percent and twenty-five percent matches required by this subsection (3), "in-kind contribution" may include volunteer hours provided by the staff of an entity or organization applying for grant funding and the time for which staff receives monetary compensation in the form of salary or other financial benefits. Such compensated time that counts toward the in-kind contribution is limited to the estimated time of paid staff in planning and implementing the mitigation project. The forest service shall establish a policy that specifies the criteria by which a particular project will satisfy the requirement of this subsection

(3) that it is located in an area with fewer economic resources, as applicable.

(5) **Technical advisory panel.** The director shall convene a technical advisory panel to evaluate the proposals for forest restoration and wildfire risk mitigation grants and provide recommendations regarding which proposals would best meet the objectives of this section. The panel shall consider eligibility criteria established in subsections (4) and (4.5) of this section, a project's effect on long-term forest management, and the number of acres treated for state dollars spent and seek to use a consensus-based decision-making process to develop such recommendations. A panel member shall recuse himself or herself if he or she has an actual or potential conflict of interest with respect to a grant applicant. The panel is composed of ~~ten~~ ~~to eleven~~ members to be appointed by the director. The composition of the panel includes AT LEAST:

(8) **Administrative costs.** The forest service may utilize no more than ~~three~~ SEVEN percent of any amounts appropriated in any fiscal year for its direct and indirect costs in administering the program.

(8.2) **Community watershed restoration and wildfire risk mitigation.** (a) In order to support communities and land managers in efforts to reduce risk to people and property and in support of long-term ecological restoration so that the underlying condition of Colorado's forests supports a variety of values, particularly public water supply and high-quality wildlife habitat, the forest service shall:

(I) Hire additional ~~temporary~~ field capacity to support the implementation of forest restoration and wildfire risk mitigation program grants awarded pursuant to this section;

(b) (II) This subsection (8.2)(b) is repealed, effective ~~September 1, 2023~~ SEPTEMBER 1, 2028.

(8.3) **Grant program.** (a) The forest service shall develop and administer the program in consultation with the technical advisory panel created in subsection (5) of this section. In developing the program, the forest service shall:

(I) Dedicate up to twenty-five percent of the money available in the forest restoration and wildfire risk mitigation grant program cash fund, created in subsection (8.5) of this section, to fund capacity-building efforts to provide local governments, community groups, and collaborative forestry groups with the resources AND STAFFING necessary to ~~provide site-based hazardous fuel reduction treatments;~~ PLAN AND IMPLEMENT FOREST RESTORATION AND WILDFIRE RISK MITIGATION PROJECTS, including ~~neighborhood slash piles;~~ COMMUNITY AND PARTNER OUTREACH AND ENGAGEMENT, IDENTIFYING PRIORITY PROJECT AREAS, PRESCRIPTION PLANNING, and ACQUIRING community equipment for use by landowners;

**SECTION 3.** In Colorado Revised Statutes, 23-31-313, **amend** (5)(b) and (9)(a); and **add** (8)(e) and (10)(a)(III) as follows:

**23-31-313. Healthy forests - vibrant communities - funds created - repeal.** (5) **Community wildfire risk mitigation.** To help communities address the urgent

need to reduce wildfire risks by supporting implementation of risk mitigation treatments that focus on protecting lives, homes, and essential community infrastructure, and by improving inventory and monitoring of forest conditions, the forest service shall:

(b) Hire additional temporary field capacity to support the implementation and monitoring of fuels mitigation grant awards;

**(8) Wildfire risk mitigation loan program.** (e) ON THE EFFECTIVE DATE OF THIS SUBSECTION (8)(e), OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER TWO MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE WILDFIRE RISK MITIGATION REVOLVING FUND.

**(9) Improved outreach and technical assistance.** In order to ensure that the forest service has the capacity to deliver key funding and technical assistance that will be needed to guide and support implementation of wildfire preparedness, risk mitigation, watershed restoration, and economic development initiatives in a way that adds value to these efforts at the state level and across community boundaries, the forest service shall:

(a) Secure full-time temporary staff for developing, revising, and implementing CWPPs AND COLLABORATIVE LANDSCAPE LEVEL PRIORITIZATION PLANS; developing and implementing risk mitigation and watershed restoration plans; strengthening the responsible use of prescribed fire; and supporting economically beneficial uses of woody biomass;

**(10) Healthy forests and vibrant communities fund.** (a) (III) ON THE EFFECTIVE DATE OF THIS SUBSECTION (10)(a)(III), OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE HEALTHY FORESTS AND VIBRANT COMMUNITIES FUND.

**SECTION 4.** In Colorado Revised Statutes, add 24-33.5-706.5 as follows:

**24-33.5-706.5. Hazard mitigation fund - established - financing - legislative intent.** (1) THE HAZARD MITIGATION FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (4) OF THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

(2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE HAZARD MITIGATION FUND TO THE FUND.

(3) MONEY IN THE HAZARD MITIGATION FUND IS CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT TO ASSIST LOCAL JURISDICTIONS IN OBTAINING THE MATCHING FUNDS REQUIRED FOR CERTAIN FEDERAL HAZARD MITIGATION GRANTS.

(4) ON THE EFFECTIVE DATE OF THIS SUBSECTION (4), IF POSSIBLE, OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER THREE MILLION DOLLARS FROM THE WILDFIRE PREPAREDNESS FUND ESTABLISHED IN SECTION 24-33.5-1227 TO THE HAZARD MITIGATION FUND.

**SECTION 5.** In Colorado Revised Statutes, **add** 24-33-117 as follows:

**24-33-117. Wildfire mitigation capacity development fund - established - financing - legislative intent - repeal.** (1) THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (5) OF THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

(2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND TO THE FUND.

(3) MONEY IN THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND IS CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT OF NATURAL RESOURCES AND MAY BE USED BY THE DEPARTMENT FOR THE FOLLOWING PURPOSES:

(a) INITIATING A FEDERAL NATIONAL INCIDENT MANAGEMENT ORGANIZATION COMPREHENSIVE RISK ANALYSIS BY JUNE 15, 2021, TO IDENTIFY THE MOST STRATEGIC LANDSCAPES IN THE STATE FOR WILDFIRE MITIGATION AND FUEL REDUCTION PROJECTS;

(b) SUPPORTING WILDFIRE MITIGATION WORKFORCE DEVELOPMENT INCLUDING THE ENGAGEMENT OF CONSERVATION CORPS AND THE DEPARTMENT OF CORRECTIONS STATE WILDLAND INMATE FIRE TEAMS IN PRIORITY WILDFIRE MITIGATION PROJECTS INCLUDING THOSE PROJECTS IDENTIFIED BY THE FEDERAL NATIONAL INCIDENT MANAGEMENT ORGANIZATION COMPREHENSIVE RISK ANALYSIS CONDUCTED PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION;

(c) HIRING STAFF RESOURCES TO COORDINATE CROSS-BOUNDARY WILDFIRE MITIGATION EFFORTS, FACILITATE ENGAGEMENT, AND CONNECT PRIORITY WILDFIRE MITIGATION PROJECTS WITH AVAILABLE RESOURCES. THESE STAFF SHALL CONSULT WITH STAKEHOLDERS INCLUDING FEDERAL AND STATE AGENCIES, LOCAL GOVERNMENTS, TRIBES, COMMUNITIES, FOREST COLLABORATIVE GROUPS, AND OTHER ENTITIES TO IDENTIFY AND IMPLEMENT PRIORITY WILDFIRE MITIGATION PROJECTS ON MUNICIPAL, COUNTY, TRIBAL, STATE, STATE-OPERATED, FEDERAL, AND PRIVATE LANDS, AS APPROPRIATE.

(d) CONDUCTING AN ASSESSMENT OF WILDFIRE MITIGATION EFFORTS UNDERTAKEN OR SUPPORTED BY THE STATE TO DETERMINE THE MOST EFFICIENT AND EFFECTIVE ORGANIZATIONAL STRUCTURE FOR THOSE EFFORTS;

(e) FUNDING PROJECTS OR GRANTS TO SUPPORT THE PLANNING AND IMPLEMENTATION OF FUEL REDUCTION AND WILDFIRE MITIGATION PROJECTS AT LANDSCAPE-SCALE TO REDUCE THE RISK OF CATASTROPHIC WILDFIRE IN PRIORITY AREAS, INCLUDING THOSE IDENTIFIED BY THE ANALYSIS IN SUBSECTION (3)(a) OF THIS SECTION; AND

(f) FUNDING THE DIRECT AND INDIRECT COSTS OF ADMINISTERING THE ACTIVITIES DESCRIBED IN THIS SUBSECTION (3).

(4) TO THE EXTENT PRACTICABLE, WHEN SUPPORTING OR FUNDING PROJECTS OR GRANTS FOR THE PLANNING AND IMPLEMENTATION OF FUEL REDUCTION AND WILDFIRE MITIGATION PROJECTS IN ACCORDANCE WITH SUBSECTIONS (3)(b) AND (3)(e) OF THIS SECTION, THE DEPARTMENT OF NATURAL RESOURCES SHALL PRIORITIZE THOSE PROJECTS WITH THE GREATEST POTENTIAL TO PROTECT LIFE, PROPERTY, AND INFRASTRUCTURE.

(5) ON THE EFFECTIVE DATE OF THIS SUBSECTION (5), IF POSSIBLE, OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND. THE MONEY TRANSFERRED PURSUANT TO THIS SUBSECTION (5) MUST BE ALLOCATED TO SUPPORTED AREAS ADMINISTERED BY THE DEPARTMENT OF NATURAL RESOURCES AS FOLLOWS:

(a) UP TO TWO HUNDRED THOUSAND DOLLARS FOR THE FEDERAL NATIONAL INCIDENT MANAGEMENT ORGANIZATION STATEWIDE RISK ASSESSMENT DESCRIBED IN SUBSECTION (3)(a) OF THIS SECTION;

(b) FOR THE WILDFIRE MITIGATION WORKFORCE DEVELOPMENT DESCRIBED IN SUBSECTION (3)(b) OF THIS SECTION;

(c) UP TO FIVE HUNDRED FIFTY THOUSAND DOLLARS FOR THE WILDFIRE MITIGATION PROJECT COORDINATION DESCRIBED IN SUBSECTION (3)(c) OF THIS SECTION;

(d) UP TO FIVE HUNDRED THOUSAND DOLLARS FOR THE WILDFIRE MITIGATION ORGANIZATIONAL PLANNING DESCRIBED IN SUBSECTION (3)(d) OF THIS SECTION;

(e) FOR THE LANDSCAPE WILDFIRE MITIGATION PROJECTS DESCRIBED IN SUBSECTION (3)(e) OF THIS SECTION;

(f) UP TO FIVE PERCENT OF THE FUNDS TRANSFERRED PURSUANT TO SUBSECTION (5)(b) OF THIS SECTION MAY BE USED FOR BOTH THE DIRECT AND INDIRECT ADMINISTRATIVE COSTS ASSOCIATED WITH THE WILDFIRE MITIGATION WORKFORCE DEVELOPMENT FUNDED BY SUBSECTION (5)(b) OF THIS SECTION; AND

(g) UP TO FIVE PERCENT OF THE FUNDS TRANSFERRED PURSUANT TO SUBSECTION (5)(e) OF THIS SECTION MAY BE USED FOR BOTH THE DIRECT AND INDIRECT ADMINISTRATIVE COSTS ASSOCIATED WITH THE LANDSCAPE WILDFIRE MITIGATION PROJECTS FUNDED BY SUBSECTION (5)(e) OF THIS SECTION.

(6) ON JUNE 30, 2023, THE STATE TREASURER SHALL TRANSFER ANY UNEXPENDED AND UNENCUMBERED MONEY IN THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND THAT WAS TRANSFERRED BY THE STATE TREASURER TO THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND PURSUANT TO SUBSECTION (5) OF THIS SECTION TO THE GENERAL FUND, EXCEPT FOR THE MONEY ALLOCATED BY THE DEPARTMENT OF NATURAL RESOURCES PURSUANT TO SUBSECTIONS (5)(c), (5)(f), AND (5)(g) OF THIS SECTION.

(7) TO IMPLEMENT THIS SECTION, THE DEPARTMENT OF NATURAL RESOURCES SHALL COORDINATE WITH THE DIVISION OF FIRE PREVENTION AND CONTROL IN THE

DEPARTMENT OF PUBLIC SAFETY AND WITH THE COLORADO STATE FOREST SERVICE AT THE DEPARTMENT OF HIGHER EDUCATION AND ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH SUCH AGENCIES TO DIRECT THE IMPLEMENTATION OF THIS SECTION.

**SECTION 6.** In Colorado Revised Statutes, 24-33.5-1226, **add** (6) as follows:

**24-33.5-1226. Wildfire emergency response fund - creation - gifts, grants, and donations authorized.** (6) (a) ON THE EFFECTIVE DATE OF THIS SUBSECTION (6), IF POSSIBLE, OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER SIX HUNDRED THOUSAND DOLLARS FROM THE WILDFIRE PREPAREDNESS FUND CREATED IN SECTION 24-33.5-1227 AND ONE MILLION TWO HUNDRED THOUSAND DOLLARS FROM THE COLORADO FIREFIGHTING AIR CORPS FUND CREATED IN SECTION 24-33.5-1228 TO THE WILDFIRE EMERGENCY RESPONSE FUND.

(b) ON JULY 1, 2021, THE STATE TREASURER SHALL TRANSFER SIX HUNDRED THOUSAND DOLLARS FROM THE WILDFIRE PREPAREDNESS FUND CREATED IN SECTION 24-33.5-1227 AND ONE MILLION TWO HUNDRED THOUSAND DOLLARS FROM THE COLORADO FIREFIGHTING AIR CORPS FUND CREATED IN SECTION 24-33.5-1228 TO THE WILDFIRE EMERGENCY RESPONSE FUND.

**SECTION 7. 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.

Approved: June 15, 2021