

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

**REVISED**

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

LLS NO. 22-0191.01 Bob Lackner x4350

**HOUSE BILL 22-1007**

**HOUSE SPONSORSHIP**

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**SENATE SPONSORSHIP**

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**House Committees**

Energy & Environment  
Finance  
Appropriations

**Senate Committees**

Finance  
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**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. Section 1** of the bill establishes the wildfire mitigation resources and best practices grant program (grant program) within the Colorado state forest service (forest service). To be eligible to receive a grant, a recipient must be an agency of local government, a county, municipality, special district, a tribal agency or program, or a nonprofit organization.

The forest service is tasked with reviewing grant applications. Grants must be awarded to applicants proposing to conduct outreach

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.*

SENATE  
2nd Reading Unamended  
May 4, 2022

HOUSE  
3rd Reading Unamended  
April 22, 2022

HOUSE  
Amended 2nd Reading  
April 21, 2022

among landowners in high wildfire hazard areas and the forest service must consider the potential impact of the applicants' proposed outreach when awarding grants.

The forest service must report to the wildfire matters review committee on the grant program.

**Section 2** repeals the existing income tax deduction created to offset the landowner's costs incurred in performing wildfire mitigation measures for the 2023 and subsequent income tax years.

**Section 3** creates a state income tax credit to reimburse a landowner for the costs incurred in performing wildfire mitigation measures on the landowner's property. Specifically, a landowner with a federal taxable income at or below \$120,000 for the income tax year commencing on or after January 1, 2023, as adjusted for inflation and rounded to the nearest hundred dollar amount for each income tax year thereafter, is allowed a state income tax credit in an amount equal to 25% of up to \$2,500 in costs for wildfire mitigation measures. The maximum total credit in a taxable year is \$625.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-31-313, **amend**  
3 (10)(a)(I); and **add** (3)(b.5) and (9.7) as follows:

4 **23-31-313. Healthy forests - vibrant communities - funds**  
5 **created - repeal. (3) Definitions.** As used in this section, unless the  
6 context otherwise requires:

7 (b.5) "DIRECTOR" MEANS THE DIRECTOR OF THE FOREST SERVICE.

8 (9.7) **Wildfire mitigation resources and best practices grant**  
9 **program.** (a) THERE IS HEREBY CREATED IN THE FOREST SERVICE THE  
10 WILDFIRE MITIGATION RESOURCES AND BEST PRACTICES GRANT PROGRAM,  
11 REFERRED TO IN THIS SECTION AS THE "GRANT PROGRAM". GRANT  
12 RECIPIENTS MAY USE THE MONEY TO CONDUCT OUTREACH AMONG  
13 LANDOWNERS TO INFORM THEM OF RESOURCES AVAILABLE FOR WILDFIRE  
14 MITIGATION AND BEST PRACTICES FOR WILDFIRE MITIGATION.

15   
16 (b) THE FOREST SERVICE SHALL ADMINISTER THE GRANT PROGRAM

1 AND, SUBJECT TO AVAILABLE APPROPRIATIONS, SHALL AWARD GRANTS AS  
2 PROVIDED IN THIS SECTION. THE FOREST SERVICE SHALL DEVELOP AND  
3 PUBLISH POLICIES AND PROCEDURES TO IMPLEMENT THE GRANT PROGRAM  
4 IN ACCORDANCE WITH THIS SECTION. AT A MINIMUM, THE POLICIES AND  
5 PROCEDURES MUST SPECIFY THE TIME FRAMES FOR APPLYING FOR GRANTS,  
6 THE FORM OF THE GRANT PROGRAM APPLICATION, AND THE GRANT  
7 PROGRAM EVALUATION AND REPORTING REQUIREMENTS FOR GRANT  
8 RECIPIENTS.

9 (c) TO BE ELIGIBLE TO RECEIVE A GRANT, AN ENTITY MUST BE AN  
10 AGENCY OF LOCAL GOVERNMENT, A COUNTY, A MUNICIPALITY, A SPECIAL  
11 DISTRICT, A TRIBAL AGENCY OR PROGRAM, OR A NONPROFIT  
12 ORGANIZATION THAT IS REGISTERED AND IN GOOD STANDING WITH THE  
13 SECRETARY OF STATE'S OFFICE. APPLICANTS MUST MEET ANY OTHER  
14 CRITERIA SPECIFIED IN THE FOREST SERVICE'S POLICIES AND PROCEDURES.

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

21 (e) SUBJECT TO AVAILABLE APPROPRIATIONS, NOT LATER THAN  
22 JANUARY 1, 2024, AND ON OR BEFORE JANUARY 1 EACH YEAR  
23 THEREAFTER FOR THE DURATION OF THE GRANT PROGRAM, THE DIRECTOR  
24 SHALL AWARD GRANTS AS PROVIDED IN THIS SECTION. GRANTS ARE  
25 AWARDED AT THE SOLE DISCRETION OF THE DIRECTOR IN ACCORDANCE  
26 WITH THIS SECTION.

27 (f) ON OR BEFORE SEPTEMBER 1, 2025, AND ON OR BEFORE

1 SEPTEMBER 1 EACH YEAR THEREAFTER FOR THE DURATION OF THE GRANT  
2 PROGRAM, THE FOREST SERVICE SHALL SUBMIT A REPORT TO THE WILDFIRE  
3 MATTERS REVIEW COMMITTEE, OR ANY SUCCESSOR COMMITTEE, ON THE  
4 GRANT PROGRAM. NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE  
5 REPORTING REQUIREMENT CONTINUES UNTIL THE GRANT PROGRAM IS  
6 REPEALED PURSUANT TO SUBSECTION (9) OF THIS SECTION.

7 (g) COMMENCING NO LATER THAN THE FISCAL YEAR THAT BEGINS  
8 ON JULY 1, 2023, THE GENERAL ASSEMBLY SHALL ANNUALLY  
9 APPROPRIATE MONEY FROM THE GENERAL FUND TO THE HEALTHY FORESTS  
10 AND VIBRANT COMMUNITIES FUND, CREATED IN SUBSECTION (10)(a)(I) OF  
11 THIS SECTION, TO IMPLEMENT THE GRANT PROGRAM. THE FOREST SERVICE  
12 MAY USE A PORTION OF THE MONEY ANNUALLY APPROPRIATED FOR THE  
13 GRANT PROGRAM TO PAY THE DIRECT AND INDIRECT COSTS THAT THE  
14 FOREST SERVICE INCURS TO ADMINISTER THE GRANT PROGRAM.

15 (h) THIS SUBSECTION (9.7) IS REPEALED, EFFECTIVE JANUARY 1,  
16 2029.

17 (10) **Healthy forests and vibrant communities fund.**

18 (a) (I) There is hereby created in the state treasury the healthy forests and  
19 vibrant communities fund. The fund consists of all money that may be  
20 appropriated OR TRANSFERRED thereto by the general assembly and all  
21 private and public money received through gifts, grants, reimbursements,  
22 or donations that are transmitted to the state treasurer and credited to the  
23 fund. All interest earned from the investment of money in the fund is  
24 credited to the fund. The money in the fund is hereby continuously  
25 appropriated for the purposes specified in this ~~subsection (10)~~ SECTION  
26 and remains available until expended. Any money not expended at the  
27 end of the fiscal year shall remain in the fund and shall not be transferred

1 to or revert to the general fund.

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

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

7 (n.5) (I) (A) For income tax years commencing on or after January  
8 1, 2014, but prior to January 1, 2017, and for income tax years  
9 commencing on or after January 1, 2020, but prior to ~~January 1, 2025,~~  
10 **JANUARY 1, 2026**, an amount equal to fifty percent of a landowner's costs  
11 incurred in performing wildfire mitigation measures in that income tax  
12 year on his or her property located within the state; except that the amount  
13 of the deduction claimed in an income tax year shall not exceed two  
14 thousand five hundred dollars or the total amount of the landowner's  
15 federal taxable income for the income tax year for which the deduction  
16 is claimed, whichever is less.

17 (IV) This ~~paragraph (n.5)~~ SUBSECTION (4)(n.5) is repealed,  
18 effective ~~January 1, 2026~~ **JANUARY 1, 2030**.

19 **SECTION 3.** In Colorado Revised Statutes, **add** 39-22-543 as  
20 follows:

21 **39-22-543. Credit for wildfire hazard mitigation expenses -**  
22 **legislative declaration - definitions - repeal.** (1) THE GENERAL  
23 ASSEMBLY DECLARES THAT THE PURPOSE OF THE TAX EXPENDITURE IN  
24 THIS SECTION IS TO REIMBURSE A LANDOWNER FOR THE COSTS INCURRED  
25 IN PERFORMING WILDFIRE MITIGATION MEASURES ON THE LANDOWNER'S  
26 PROPERTY LOCATED WITHIN THE STATE.

27 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE

1 REQUIRES:

2 (a) "COSTS" MEANS ANY ACTUAL OUT-OF-POCKET EXPENSE  
3 INCURRED AND PAID BY THE LANDOWNER, DOCUMENTED BY RECEIPT, FOR  
4 PERFORMING WILDFIRE MITIGATION MEASURES. "COSTS" DOES NOT  
5 INCLUDE ANY INSPECTION OR CERTIFICATION FEES, IN-KIND  
6 CONTRIBUTIONS, DONATIONS, INCENTIVES, OR COST SHARING ASSOCIATED  
7 WITH PERFORMING WILDFIRE MITIGATION MEASURES. "COSTS" DOES NOT  
8 INCLUDE EXPENSES PAID BY THE LANDOWNER FROM ANY GRANTS  
9 AWARDED TO THE LANDOWNER FOR PERFORMING WILDFIRE MITIGATION  
10 MEASURES.

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

16 (c) "LANDOWNER" MEANS ANY OWNER OF RECORD OF PRIVATE  
17 LAND LOCATED WITHIN THE STATE, INCLUDING ANY EASEMENT,  
18 RIGHT-OF-WAY, OR ESTATE IN THE LAND, AND INCLUDES THE HEIRS,  
19 SUCCESSORS, AND ASSIGNS OF SUCH LAND. "LANDOWNER" SHALL NOT  
20 INCLUDE ANY PARTNERSHIP, S CORPORATION, OR OTHER SIMILAR ENTITY  
21 THAT OWNS PRIVATE LAND AS AN ENTITY, UNLESS THERE IS A DWELLING  
22 ON THAT LAND THAT IS DESIGNED FOR RESIDENTIAL OCCUPANCY.

23 (d) "WILDFIRE MITIGATION MEASURES" MEANS THE CREATION OF  
24 A DEFENSIBLE SPACE AROUND STRUCTURES; THE ESTABLISHMENT OF FUEL  
25 BREAKS; THE THINNING OF WOODY VEGETATION FOR THE PRIMARY  
26 PURPOSE OF REDUCING RISK TO STRUCTURES FROM WILDLAND FIRE; OR  
27 THE SECONDARY TREATMENT OF WOODY FUELS BY LOPPING AND

1 SCATTERING, PILING, CHIPPING, REMOVING FROM THE SITE, OR PRESCRIBED  
2 BURNING; SO LONG AS SUCH ACTIVITIES MEET OR EXCEED ANY COLORADO  
3 STATE FOREST SERVICE STANDARDS OR ANY OTHER APPLICABLE STATE  
4 RULES.

5 (3) (a) IN THE CASE OF TWO TAXPAYERS FILING A JOINT RETURN,  
6 THE AMOUNT OF THE CREDIT SHALL NOT EXCEED SIX HUNDRED  
7 TWENTY-FIVE DOLLARS IN ANY TAXABLE YEAR. IN THE CASE OF TWO  
8 TAXPAYERS WHO MAY LEGALLY FILE A JOINT RETURN BUT ACTUALLY FILE  
9 SEPARATE RETURNS, ONLY ONE OF THE TAXPAYERS MAY CLAIM THE  
10 CREDIT SPECIFIED IN THIS SECTION.

11 (b) IN THE CASE OF REAL PROPERTY OWNED BY TENANTS IN  
12 COMMON OR JOINT TENANTS, THE CREDIT ALLOWED PURSUANT TO THIS  
13 SECTION IS ONLY ALLOWED FOR ONE OF THE INDIVIDUALS OF THE  
14 OWNERSHIP GROUP.

15 (4) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
16 1, 2023, BUT PRIOR TO JANUARY 1, 2026, A LANDOWNER WITH A FEDERAL  
17 TAXABLE INCOME AT OR BELOW ONE HUNDRED TWENTY THOUSAND  
18 DOLLARS FOR THE INCOME TAX YEAR COMMENCING ON OR AFTER  
19 JANUARY 1, 2023, AS ADJUSTED FOR INFLATION AND ROUNDED TO THE  
20 NEAREST HUNDRED DOLLAR AMOUNT FOR EACH INCOME TAX YEAR  
21 THEREAFTER, IS ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED  
22 BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF  
23 UP TO TWO THOUSAND FIVE HUNDRED DOLLARS IN COSTS FOR WILDFIRE  
24 MITIGATION MEASURES. THE MAXIMUM TOTAL CREDIT IN A TAXABLE YEAR  
25 IS SIX HUNDRED TWENTY-FIVE DOLLARS.

26 (5) IF THE AMOUNT OF A CREDIT UNDER THIS SECTION EXCEEDS A  
27 TAXPAYER'S ACTUAL TAX LIABILITY FOR AN INCOME TAX YEAR, THE

1 AMOUNT OF THE CREDIT NOT USED TO OFFSET THE TAXPAYER'S INCOME  
2 TAX LIABILITY IS NOT REFUNDED TO THE TAXPAYER AND SHALL NOT BE  
3 CARRIED FORWARD AS A TAX CREDIT AGAINST THE TAXPAYER'S INCOME  
4 TAX LIABILITY IN ANY SUBSEQUENT TAX YEAR.

5 (6) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2030.

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