

**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. 22-0192.01 Bob Lackner x4350

HOUSE BILL 22-1011

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A BILL FOR AN ACT

101 **CONCERNING THE ESTABLISHMENT OF A STATE GRANT PROGRAM THAT**
102 **PROVIDES FUNDING TO LOCAL GOVERNMENTS THAT DEDICATE**
103 **RESOURCES FOR WILDFIRE MITIGATION PURPOSES.**

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 incentives for local government grant program (grant program) in the Colorado state forest service (forest service). The grant program is established to provide state funding assistance in the form of grant awards to local governments to match revenue raised by such

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
Amended 2nd Reading
May 6, 2022

HOUSE
3rd Reading Unamended
May 3, 2022

HOUSE
Amended 2nd Reading
April 29, 2022

governments from a dedicated revenue source that is intended to be used for forest management or wildfire mitigation efforts at the local level. Such wildfire mitigation efforts include, without limitation, projects that promote fuel breaks, forest thinning, a reduction in the amount or extent of fuels contributing to wildfires, outreach and education efforts directed at property owners and other members of the public, and any other means of forest management or wildfire mitigation as determined appropriate for funding by the forest service.

The grant program is administered by the forest service.

On or before March 1, 2023, the forest service is required to adopt policies, procedures, and guidelines for the grant program that include, without limitation:

- Procedures and timelines by which an eligible recipient may apply for a grant;
- Criteria for determining grant eligibility and grant amounts; and
- Reporting requirements for grant recipients.

Any funding awarded under the grant program must match revenues raised by the local government from a dedicated revenue source that is intended to be used for forest management or wildfire mitigation efforts at the local level in accordance with policies, procedures, and guidelines developed by the forest service.

In allocating funding under the grant program, preference will be given to certain eligible recipients based on prioritization factors enumerated in the bill.

Eligible recipients may apply for funding from the grant program, and the recipient's application for funding may be approved by the forest service, before the local government has created a dedicated revenue source that forms the basis for the match if the electors of the local government approve a ballot issue creating the revenue source at an election that takes place in the same calendar year in which the funding is awarded.

The bill creates the wildfire mitigation incentives local government grant program fund in the state treasury.

On or before November 1, 2024, and on or before November 1 of each year thereafter, the forest service is required to publish a report summarizing the use of all of the money that was awarded under the grant program in the preceding fiscal year. The bill specifies additional required components of the report. The report must be posted on the website of the forest service. The bill requires the Colorado department of higher education to summarize the information contained in the report in its "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" hearings.

The bill requires the forest service to prepare educational materials concerning the grant program and to display such materials on its official

website. In addition, the forest service is also required to undertake outreach activities to inform local governments located in priority areas for wildfire mitigation of the grant program.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 23-31-318 as
3 follows:

4 **23-31-318. Wildfire mitigation incentives for local**
5 **governments - grant awards - fund - reporting - definitions - repeal.**

6 (1) AS USED IN THIS SECTION:

7 (a) "DEDICATED REVENUE SOURCE" MEANS ONE OF THE
8 FOLLOWING REVENUE SOURCES, SINGULARLY OR IN COMBINATION,
9 ADOPTED BY A LOCAL GOVERNMENT THAT IS INTENDED TO BE USED FOR
10 FOREST MANAGEMENT OR WILDFIRE MITIGATION EFFORTS AT THE LOCAL
11 LEVEL:

12 (I) AN EXISTING OR NEW TAX IMPOSED BY THE LOCAL
13 GOVERNMENT;

14 (II) AN EXISTING OR NEW MILL LEVY APPROVED BY THE VOTERS OF
15 THE LOCAL GOVERNMENT; OR

16 (III) APPROVAL BY THE VOTERS OF THE LOCAL GOVERNMENT OF
17 THE RETENTION ON A PERMANENT BASIS OF EXCESS REVENUE OF THE
18 LOCAL GOVERNMENT IN ACCORDANCE WITH SECTION 20 (7) (d) OF ARTICLE
19 X OF THE STATE CONSTITUTION.

20 (b) "ELIGIBLE RECIPIENT" MEANS A LOCAL GOVERNMENT THAT IS
21 ELIGIBLE TO RECEIVE A GRANT THROUGH THE GRANT PROGRAM.

22 (c) "FOREST SERVICE" MEANS THE COLORADO STATE FOREST
23 SERVICE IDENTIFIED IN SECTION 23-31-302.

24 (d) "FUND" MEANS THE WILDFIRE MITIGATION INCENTIVES FOR

1 LOCAL GOVERNMENT GRANT PROGRAM FUND CREATED IN SUBSECTION
2 (7)(a) OF THIS SECTION.

3 (e) "GRANT PROGRAM" MEANS THE WILDFIRE MITIGATION
4 INCENTIVES FOR LOCAL GOVERNMENT GRANT PROGRAM ESTABLISHED IN
5 SUBSECTION (2) OF THIS SECTION.

6 (f) "LOCAL GOVERNMENT" MEANS A MUNICIPALITY, WHETHER
7 HOME RULE OR STATUTORY, COUNTY, CITY AND COUNTY, OR SPECIAL
8 DISTRICT.

9 (2) THE WILDFIRE MITIGATION INCENTIVES FOR LOCAL
10 GOVERNMENT GRANT PROGRAM IS HEREBY ESTABLISHED IN THE FOREST
11 SERVICE. THE GRANT PROGRAM IS ESTABLISHED TO PROVIDE STATE
12 ASSISTANCE IN THE FORM OF GRANT AWARDS TO LOCAL GOVERNMENTS TO
13 EITHER MATCH REVENUE RAISED BY SUCH GOVERNMENTS FROM A
14 DEDICATED REVENUE SOURCE OR TO EXPAND EXISTING PROGRAMS
15 ADMINISTERED BY THE LOCAL GOVERNMENT ON A LONG-TERM BASIS,
16 WHICH EFFORTS AT THE LOCAL LEVEL ARE INTENDED TO BE USED FOR
17 FOREST MANAGEMENT OR WILDFIRE MITIGATION EFFORTS AT THE LOCAL
18 LEVEL. SUCH EFFORTS INCLUDE, WITHOUT LIMITATION, PROJECTS THAT
19 PROMOTE FUEL BREAKS, FOREST THINNING, A REDUCTION IN THE AMOUNT
20 OR EXTENT OF FUELS CONTRIBUTING TO WILDFIRES, OUTREACH AND
21 EDUCATION EFFORTS DIRECTED AT PROPERTY OWNERS AND OTHER
22 MEMBERS OF THE PUBLIC, AND ANY OTHER MEANS OF FOREST
23 MANAGEMENT OR WILDFIRE MITIGATION AS DETERMINED APPROPRIATE
24 FOR FUNDING BY THE FOREST SERVICE.

25 (3) (a) THE FOREST SERVICE SHALL ADMINISTER THE GRANT
26 PROGRAM.

27 (b) IN CONNECTION WITH ITS ADMINISTRATION OF THE GRANT

1 PROGRAM, THE FOREST SERVICE SHALL CREATE A PROCESS THAT ENSURES
2 THAT GRANTS ARE AWARDED AFTER AN OPEN COMPETITION AMONG
3 ELIGIBLE GRANT RECIPIENTS.

4 (4) (a) ON OR BEFORE MARCH 1, 2023, THE FOREST SERVICE SHALL
5 ADOPT POLICIES, PROCEDURES, AND GUIDELINES FOR THE GRANT PROGRAM
6 THAT INCLUDE, WITHOUT LIMITATION:

7 (I) PROCEDURES AND TIMELINES BY WHICH AN ELIGIBLE RECIPIENT
8 MAY APPLY FOR A GRANT;

9 (II) CRITERIA FOR DETERMINING GRANT ELIGIBILITY AND GRANT
10 AMOUNTS; AND

11 (III) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

12 (b) ALL FUNDING UNDER THE GRANT PROGRAM MUST EITHER
13 MATCH REVENUES RAISED BY THE LOCAL GOVERNMENT FROM A
14 DEDICATED REVENUE SOURCE OR TO SUPPLEMENT LONG-TERM PROGRAMS
15 ADMINISTERED BY THE LOCAL GOVERNMENT, WHICH EFFORTS ARE
16 INTENDED TO BE USED FOR FOREST MANAGEMENT OR WILDFIRE
17 MITIGATION EFFORTS AT THE LOCAL LEVEL IN ACCORDANCE WITH
18 POLICIES, PROCEDURES, AND GUIDELINES DEVELOPED BY THE FOREST
19 SERVICE.

20 (c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
21 A LOCAL GOVERNMENT IS ELIGIBLE FOR FUNDING UNDER THE GRANT
22 PROGRAM EVEN IN THE ABSENCE OF A DEDICATED REVENUE SOURCE IF THE
23 LOCAL GOVERNMENT HAS CREATED AND ADMINISTERS AN EXISTING
24 PROGRAM, PROJECT, OR FUNDING MECHANISM THAT CREATES LONG-TERM
25 FUNDING AT THE LOCAL LEVEL FOR WILDFIRE MITIGATION OR FOREST
26 HEALTH OR HAS CREATED AND ADMINISTERS OTHER CREATIVE AND
27 INNOVATIVE APPROACHES FOR PROMOTING WILDFIRE MITIGATION AND

1 FOREST HEALTH.

2 (5) IN AWARDING GRANTS, THE FOREST SERVICE SHALL GIVE
3 PREFERENCE TO THE FOLLOWING:

4 (a) ELIGIBLE RECIPIENTS THAT MAKE AVAILABLE A DEDICATED
5 REVENUE SOURCE FOR WILDFIRE MITIGATION OR FOREST HEALTH;

6 (b) ELIGIBLE RECIPIENTS WITH TERRITORIAL BOUNDARIES LOCATED
7 WITHIN PRIORITY AREAS FOR WILDFIRE MITIGATION AS DETERMINED BY
8 THE FOREST SERVICE;

9 (c) FUNDING THAT IS INTENDED TO BENEFIT PEOPLE RESIDING IN A
10 COMMUNITY THAT RANKS HIGH ON THE SOCIAL VULNERABILITY INDEX
11 DEVELOPED BY THE FOREST SERVICE;

12 (d) ELIGIBLE RECIPIENTS THAT MAKE AVAILABLE DEDICATED AND
13 FULL-TIME EMPLOYEES TO COLLABORATE WITH PRIVATE LANDOWNERS TO
14 IMPLEMENT WILDFIRE MITIGATION MEASURES;

15 (e) INITIATIVES OF A LONGER DURATION THAT ARE INTENDED TO
16 GIVE ELIGIBLE RECIPIENTS A STABLE SOURCE OF REVENUE FOR FOREST
17 MANAGEMENT AND WILDFIRE MITIGATION EFFORTS;

18 (f) INITIATIVES EMPHASIZING A REGIONAL APPROACH TO
19 PROMOTING FOREST MANAGEMENT AND WILDFIRE MITIGATION; AND

20 (g) ELIGIBLE RECIPIENTS THAT HAVE ATTEMPTED
21 UNSUCCESSFULLY TO CREATE A DEDICATED REVENUE SOURCE FOR
22 WILDFIRE MITIGATION OR FOREST HEALTH.

23 (6) (a) AN ELIGIBLE RECIPIENT RECEIVING FUNDING FROM THE
24 GRANT PROGRAM SHALL DEDICATE MONEY RECEIVED FROM THE AWARD
25 TO THE SAME PURPOSE FOR WHICH THE ELIGIBLE RECIPIENT ADOPTED THE
26 REVENUE SOURCE THAT QUALIFIED THE ELIGIBLE RECIPIENT FOR THE
27 AWARD.

1 (b) ELIGIBLE RECIPIENTS MAY APPLY FOR FUNDING FROM THE
2 GRANT PROGRAM, AND THE RECIPIENT'S APPLICATION FOR FUNDING MAY
3 BE APPROVED BY THE FOREST SERVICE, BEFORE THE LOCAL GOVERNMENT
4 HAS CREATED A DEDICATED REVENUE SOURCE THAT FORMS THE BASIS FOR
5 THE MATCH IF THE ELECTORS OF THE LOCAL GOVERNMENT APPROVE A
6 BALLOT ISSUE CREATING THE REVENUE SOURCE AT AN ELECTION THAT
7 TAKES PLACE IN THE SAME CALENDAR YEAR IN WHICH THE FUNDING IS
8 AWARDED.

9 (c) THE TERMS OF ANY AWARD UNDER THE GRANT PROGRAM MUST
10 BE MEMORIALIZED IN A MEMORANDUM OF UNDERSTANDING OR SIMILAR
11 FORM OF AGREEMENT BETWEEN THE FOREST SERVICE AND THE ELIGIBLE
12 RECIPIENT.

13 (d) NOTHING IN THIS SECTION PRECLUDES A LOCAL GOVERNMENT
14 FROM USING ALL OR ANY PORTION OF A GRANT AWARDED UNDER THIS
15 SECTION FROM WORKING WITH A COMMUNITY ORGANIZATION, A HOME
16 OWNERS ASSOCIATION, OR A SIMILAR ORGANIZATION OR ENTITY
17 OPERATING AT THE LOCAL LEVEL IN ADMINISTERING A PROJECT
18 SUPPORTED BY THE GRANT PROGRAM.

19 (7) (a) THE WILDFIRE MITIGATION INCENTIVES FOR LOCAL
20 GOVERNMENT GRANT PROGRAM FUND IS HEREBY CREATED IN THE STATE
21 TREASURY. THE FUND CONSISTS OF MONEY APPROPRIATED TO THE FUND
22 BY THE GENERAL ASSEMBLY AND ANY GIFTS, GRANTS, OR DONATIONS
23 FROM ANY PUBLIC OR PRIVATE SOURCES, INCLUDING GOVERNMENTAL
24 ENTITIES, THAT THE FOREST SERVICE IS HEREBY AUTHORIZED TO SEEK AND
25 ACCEPT.

26 (b) THE FUND MUST ONLY BE USED FOR THE PURPOSE OF FUNDING
27 AWARDS UNDER THE GRANT PROGRAM LESS THE ADMINISTRATIVE COSTS

1 OF THE FOREST SERVICE, NOT TO EXCEED FIVE PERCENT OF THE BALANCE
2 IN THE FUND AT ANY ONE TIME, IN ADMINISTERING THE GRANT PROGRAM.

3 (c) EXCEPT AS OTHERWISE REQUIRED BY THIS SUBSECTION (7), ALL
4 MONEY NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON
5 THE INVESTMENT OR DEPOSIT OF MONEY IN THE FUND, MUST REMAIN IN
6 THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY OTHER
7 FUND AT THE END OF ANY FISCAL YEAR. THE MONEY IN THE FUND IS
8 CONTINUOUSLY APPROPRIATED TO THE FOREST SERVICE FOR THE PURPOSES
9 OF THIS SECTION.

10 (d) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER TEN
11 MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND. THE FOREST
12 SERVICE SHALL USE THE MONEY TRANSFERRED PURSUANT TO THIS
13 SUBSECTION (7)(d) IN ACCORDANCE WITH THE REQUIREMENTS OF
14 SUBSECTION (7)(b) OF THIS SECTION.

15 (8) (a) ON OR BEFORE NOVEMBER 1, 2024, AND ON OR BEFORE
16 NOVEMBER 1 OF EACH YEAR THEREAFTER, THE FOREST SERVICE SHALL
17 PUBLISH A REPORT SUMMARIZING THE USE OF ALL OF THE MONEY THAT
18 WAS AWARDED UNDER THE GRANT PROGRAM IN THE PRECEDING FISCAL
19 YEAR. AT A MINIMUM, THE REPORT SHALL SPECIFY THE NAMES OF THE
20 LOCAL GOVERNMENTS THAT HAVE BEEN AWARDED GRANTS, THE AMOUNT
21 OF FUNDING DISTRIBUTED TO EACH GRANT RECIPIENT, A DESCRIPTION OF
22 EACH GRANT RECIPIENT'S USE OF THE GRANT MONEY, AND ANY OTHER
23 INFORMATION DEEMED BENEFICIAL FOR INCLUSION IN THE REPORT IN THE
24 DISCRETION OF THE FOREST SERVICE. THE REPORT MUST BE POSTED ON
25 THE WEBSITE OF THE FOREST SERVICE.

26 (b) IN ITS PRESENTATION TO THE JOINT COMMITTEES OF REFERENCE
27 PURSUANT TO SECTION 2-7-203, THE DEPARTMENT OF HIGHER EDUCATION

1 SHALL SUMMARIZE THE INFORMATION CONTAINED IN THE REPORT
2 PUBLISHED BY THE DIVISION PURSUANT TO SUBSECTION (8)(a) OF THIS
3 SECTION.

4 (9) THE FOREST SERVICE SHALL PREPARE EDUCATIONAL
5 MATERIALS CONCERNING THE GRANT PROGRAM, INCLUDING EXAMPLES OF
6 AND GUIDELINES FOR LONG-TERM INVESTMENTS IN WILDFIRE MITIGATION
7 OR FOREST HEALTH, AND SHALL DISPLAY SUCH MATERIALS ON ITS OFFICIAL
8 WEBSITE. IN ADDITION, THE FOREST SERVICE SHALL UNDERTAKE
9 OUTREACH ACTIVITIES TO INFORM LOCAL GOVERNMENTS LOCATED IN
10 PRIORITY AREAS FOR WILDFIRE MITIGATION OF THE GRANT PROGRAM.

11 (10) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2027.
12 BEFORE THE REPEAL, THE DEPARTMENT OF REGULATORY AGENCIES SHALL
13 REVIEW THE GRANT PROGRAM PURSUANT TO SECTION 24-34-104.

14 SECTION 2. In Colorado Revised Statutes, 24-34-104, add
15 (28)(a)(VIII) as follows:

16 24-34-104. General assembly review of regulatory agencies
17 and functions for repeal, continuation, or reestablishment - legislative
18 declaration - repeal. (28) (a) The following agencies, functions, or both,
19 are scheduled for repeal on September 1, 2027:

20 (VIII) THE WILDFIRE MITIGATION INCENTIVES FOR LOCAL
21 GOVERNMENT GRANT PROGRAM CREATED IN SECTION 23-31-318 (2).

22 **SECTION 3. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly; except
25 that, if a referendum petition is filed pursuant to section 1 (3) of article V
26 of the state constitution against this act or an item, section, or part of this
27 act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in
2 November 2022 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.