

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 22-0335.01 Jennifer Berman x3286

SENATE BILL 22-138

SENATE SPONSORSHIP

Hansen and Priola, Buckner, Fenberg, Fields, Gonzales, Jaquez Lewis, Lee, Moreno,
Story

HOUSE SPONSORSHIP

Valdez A. and McCormick,

Senate Committees

Transportation & Energy
Finance
Appropriations

House Committees

Energy & Environment
Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO PROMOTE REDUCTIONS IN GREENHOUSE**
102 **GAS EMISSIONS IN COLORADO, AND, IN CONNECTION**
103 **THEREWITH, MAKING AN APPROPRIATION.**

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 requires each insurance company issued a certificate of authority to transact insurance business to prepare and file an annual report with the insurance commissioner providing a climate-risk assessment for the insurance company's investment portfolio

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
3rd Reading Unamended
April 22, 2022

SENATE
Amended 2nd Reading
April 21, 2022

from the previous 12 months. The commissioner of insurance is required to post the reports on the division of insurance's website. **Section 1** defines "climate-risk assessment" as a determination of the economic and business risks that climate change poses to an investment.

Section 2 requires the board of trustees of the public employees' retirement association (PERA board) to prepare a similar annual report and post it on the PERA board's website.

Section 3 updates the statewide greenhouse gas (GHG) emission reduction goals to add a 40% reduction goal for 2028 compared to 2005 GHG pollution levels and a 75% reduction goal for 2040 compared to 2005 GHG pollution levels.

Section 4 defines a small off-road engine as a gasoline-powered engine of 50 horsepower or less used to fuel small off-road equipment like lawn mowers and leaf blowers. **Section 4** phases out the use of small off-road engines by prohibiting their sale in nonattainment areas of the state on or after January 1, 2030, and by providing financial incentives to promote the replacement of small off-road engines with electric-powered, small off-road equipment before 2030.

Section 11 establishes a state income tax credit in an amount equal to 30% of the purchase price for new, electric-powered, small off-road equipment for purchases made in income tax years 2023 through 2029.

Section 6 gives the oil and gas conservation commission authority over class VI injection wells used for sequestration of GHG, including through the issuance and enforcement of permits.

Section 7 requires the commissioner of agriculture or the commissioner's designee, in consultation with the Colorado energy office and the air quality control commission, to conduct a study examining carbon reduction and sequestration opportunities in the agricultural sector in the state, including the potential development of certified carbon offset programs or credit instruments. On or before December 15, 2022, the commissioner of agriculture or the commissioner's designee is required to submit a report summarizing the study, including any legislative recommendations, to the general assembly.

In support of the use of agrivoltaics, which is the colocation of solar energy generation facilities on a parcel of land with agricultural activities, **section 8** authorizes the Colorado agriculture value-added development board (board) to provide financing, including grants or loans, for agricultural research on the use of agrivoltaics. For a research project for which the board awards money to study the use of agrivoltaics, **sections 5 and 8** require the director of the division of parks and wildlife to consult on the research project regarding the wildlife impacts of agrivoltaic use.

Section 9 authorizes the board to seek, accept, and expend gifts, grants, and donations, including donations of in-kind resources such as solar panels, for use in agricultural research projects. **Section 9** also

updates the statutory definition of "agrivoltaics" to list additional agricultural activities on the parcel of land on which solar panel generation facilities may be colocated, including animal husbandry, cover cropping for soil health, and carbon sequestration.

Section 10 amends the statutory definition of "solar energy facility" used in determining the valuation of public utilities for property tax purposes to include agrivoltaics.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 10-3-244 as
3 follows:

4 **10-3-244. Investment climate-risk assessment - reporting -**
5 **rules - definition.** (1) THE COMMISSIONER SHALL ADOPT RULES
6 REQUIRING THAT, BEGINNING IN 2023, INSURERS ISSUED A CERTIFICATE OF
7 AUTHORITY TO TRANSACT BUSINESS PURSUANT TO PART 1 OF THIS ARTICLE
8 3 THAT REPORT MORE THAN ONE HUNDRED MILLION DOLLARS ON THEIR
9 ANNUAL NAIC SCHEDULE T FILING, OR SUCH OTHER THRESHOLD DOLLAR
10 AMOUNT THAT THE NAIC ESTABLISHES IN SUBSEQUENT YEARS,
11 PARTICIPATE IN AND COMPLETE THE NAIC'S ANNUAL "INSURER CLIMATE
12 RISK DISCLOSURE SURVEY", OR SUCH OTHER SURVEY OR REPORTING
13 MECHANISM THAT THE NAIC REQUIRES IN SUBSEQUENT YEARS. IF AN
14 INSURER REPORTS LESS THAN ONE HUNDRED MILLION DOLLARS ON ITS
15 ANNUAL NAIC SCHEDULE T FILING, OR SUCH OTHER THRESHOLD DOLLAR
16 AMOUNT THAT THE NAIC ESTABLISHES IN SUBSEQUENT YEARS, THE
17 INSURER MAY PARTICIPATE IN AND COMPLETE THE SURVEY VOLUNTARILY.

18 (2) AS USED IN THIS SECTION, "NAIC" MEANS THE NATIONAL
19 ASSOCIATION OF INSURANCE COMMISSIONERS, AN ORGANIZATION OF
20 INSURANCE REGULATORS FROM THE FIFTY STATES, THE DISTRICT OF
21 COLUMBIA, AND THE FOUR UNITED STATES TERRITORIES.

22 **SECTION 2.** In Colorado Revised Statutes, **amend** 24-51-220 as

1 follows:

2 **24-51-220. Reports - periodic reports to general assembly -**
3 **inclusion of climate risk assessment in annual stewardship report.**

4 (1) The association shall provide SUBMIT a report to the general assembly
5 on January 1, 2016, and every five years thereafter, regarding the
6 economic impact of the 2010 legislative changes to the annual increase
7 provisions on the retirees and benefit recipients as compared to the actual
8 rate of inflation and the progress made toward eliminating the unfunded
9 liabilities of each division of the association.

10 (2) ON AND AFTER JANUARY 1, 2024, THE ASSOCIATION SHALL
11 INCLUDE, AS PART OF ITS ANNUAL INVESTMENT STEWARDSHIP REPORT
12 THAT IT POSTS ON ITS WEBSITE, A DESCRIPTION OF:

13 (a) THE ASSOCIATION'S PROCESS FOR IDENTIFYING CLIMATE
14 CHANGE-RELATED RISKS AND ASSESSING THE FINANCIAL IMPACT THAT THE
15 CLIMATE CHANGE-RELATED RISKS HAVE ON THE ASSOCIATION'S
16 OPERATIONS;

17 (b) THE CURRENT OR ANTICIPATED FUTURE RISKS THAT CLIMATE
18 CHANGE POSES TO THE ASSOCIATION'S INVESTMENT PORTFOLIO, THE
19 IMPACT THAT CLIMATE CHANGE HAS ON THE ASSOCIATION'S INVESTMENT
20 STRATEGIES, AND ANY STRATEGY CHANGES THAT THE ASSOCIATION HAS
21 IMPLEMENTED IN RESPONSE TO SUCH IMPACT;

22 (c) ACTIONS THAT THE ASSOCIATION IS TAKING TO MANAGE THE
23 RISKS THAT CLIMATE CHANGE POSES TO THE ASSOCIATION'S OPERATIONS;

24 AND

25 (d) THE ASSOCIATION'S USE AND CONSIDERATION OF ANY
26 CLIMATE-RELATED REPORTING THAT THE FEDERAL SECURITIES AND
27 EXCHANGE COMMISSION REQUIRES.

1 **SECTION 3.** In Colorado Revised Statutes, 25-6.5-201, **amend**
2 **(2); and add (3) as follows:**

3 **25-6.5-201. Definitions.** As used in this part 2, unless the context
4 **otherwise requires:**

5 **(2) (a) "Pollution control equipment" means any personal**
6 **property, including, but not limited to, equipment, machinery, devices,**
7 **systems, buildings, or structures, that is installed, constructed, or used in**
8 **or as a part of a facility that creates a product in a manner that generates**
9 **less pollution by the utilization of an alternative manufacturing or**
10 **generating technology.**

11 **(b) "Pollution control equipment" includes, but is not limited to:**

12 **(I) Gas or wind turbines and associated compressors or**
13 **equipment; or**

14 **(II) Solar, thermal, or photovoltaic equipment; OR**

15 **(III) WASTEWATER THERMAL ENERGY EQUIPMENT.**

16 **(3) "WASTEWATER THERMAL ENERGY EQUIPMENT" MEANS**
17 **EQUIPMENT USED AS PART OF A SYSTEM THAT USES THERMAL ENERGY IN**
18 **WASTEWATER TO GENERATE ELECTRICITY, TO HEAT OR COOL A SPACE, OR**
19 **FOR ANY OTHER USEFUL THERMAL PURPOSE.**

20 **SECTION 4.** In Colorado Revised Statutes, 25-7-102, **amend**
21 **(2)(g) as follows:**

22 **25-7-102. Legislative declaration.** (2) It is further declared that:

23 **(g) (I)** Accordingly, Colorado shall strive to increase renewable
24 energy generation and eliminate statewide greenhouse gas pollution by
25 the middle of the twenty-first century and have goals of achieving, at a
26 minimum:

27 **(A)** A twenty-six percent reduction in statewide greenhouse gas

1 pollution by 2025;

2 ==

3 (B) A fifty percent reduction in statewide greenhouse gas
4 pollution by 2030;

5 (C) A SIXTY-FIVE PERCENT REDUCTION IN STATEWIDE
6 GREENHOUSE GAS POLLUTION BY 2035;

7 (D) A SEVENTY-FIVE PERCENT REDUCTION IN STATEWIDE
8 GREENHOUSE GAS POLLUTION BY 2040; and

9 (E) A ninety percent reduction in statewide greenhouse gas
10 pollution by 2050.

11 (II) The reductions identified in this subsection (2)(g) are
12 measured relative to 2005 statewide greenhouse gas pollution levels.

13 **SECTION 5.** In Colorado Revised Statutes, 25-7-105, **amend**
14 **(1)(e)(XIII)** introductory portion; and **add** (1)(e)(XIV) and (1)(e)(XV) as
15 follows:

16 **25-7-105. Duties of commission - rules - legislative declaration**
17 **- definitions - repeal.** (1) Except as provided in sections 25-7-130 and
18 25-7-131, the commission shall promulgate rules that are consistent with
19 the legislative declaration set forth in section 25-7-102 and necessary for
20 the proper implementation and administration of this article 7, including:

21 (e) (XIII) In implementing this subsection (1)(e), the commission
22 shall adopt rules to reduce statewide greenhouse gas emissions from the
23 industrial and manufacturing sector in the state by at least twenty percent
24 by 2030 below the 2015 baseline established pursuant to section 25-7-140
25 (2)(a)(II), taking into account the factors set out in subsections (1)(e)(II)
26 to (1)(e)(VI) of this section. The rules must include protections for
27 disproportionately impacted communities and prioritize emission

1 reductions that will reduce emissions of co-pollutants that adversely
2 affect disproportionately impacted communities, be designed to accelerate
3 near-term reductions, and secure meaningful emission reductions from
4 this sector to be realized beginning no later than September 30, 2024. ON
5 OR BEFORE AUGUST 1, 2023, THE COMMISSION SHALL ADOPT RULES TO
6 REDUCE GREENHOUSE GAS EMISSIONS FROM, AT A MINIMUM, SOURCES
7 WITHIN THE INDUSTRIAL AND MANUFACTURING SECTOR THAT REPORTED
8 DIRECT FACILITY GREENHOUSE GAS EMISSIONS GREATER THAN
9 TWENTY-FIVE THOUSAND METRIC TONS FROM CALENDAR YEAR 2020,
10 PURSUANT TO PART A OF 5 CCR 1001-26, KNOWN AS "REGULATION
11 NUMBER 22", OR ANY ANALOGOUS SUCCESSOR RULE. The rules must:

12 (XIV) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

13 (A) PURSUANT TO SUBSECTION (1)(e)(XIII) OF THIS SECTION, THE
14 COMMISSION IS REQUIRED TO ADOPT RULES ON OR BEFORE AUGUST 1,
15 2023, TO REDUCE GREENHOUSE GAS EMISSIONS FROM SOURCES WITHIN THE
16 INDUSTRIAL AND MANUFACTURING SECTOR THAT REPORTED, PURSUANT
17 TO PART A OF 5 CCR 1001-26, REFERRED TO IN THIS SUBSECTION
18 (1)(e)(XIV) AS "REGULATION NUMBER 22", DIRECT FACILITY GREENHOUSE
19 GAS EMISSIONS OF GREATER THAN TWENTY-FIVE THOUSAND METRIC TONS
20 FROM CALENDAR YEAR 2020;

21 (B) THE LIMITATION SET FORTH IN SUBSECTION (1)(e)(XIII) OF
22 THIS SECTION TO REPORT "DIRECT FACILITY" GREENHOUSE GAS EMISSIONS
23 IS INTENDED TO EXCLUDE FROM THE TWENTY-FIVE THOUSAND METRIC TON
24 TRIGGER THE INDIRECT GREENHOUSE GAS EMISSIONS REPORTED UNDER
25 REGULATION NUMBER 22, SUCH AS INDIRECT EMISSIONS REPORTED BY
26 MIDSTREAM NATURAL GAS LIQUID FRACTIONATORS PURSUANT TO SUBPART
27 NN, SUPPLIERS OF NATURAL GAS LIQUIDS, OF 40 CFR PART 98 REGARDING

1 MANDATORY GREENHOUSE GAS REPORTING, INCLUDING EMISSIONS
2 RESULTING FROM THE COMBUSTION OR RELEASE OF PRODUCTS BEING
3 SUPPLIED BY NATURAL GAS LIQUID FRACTIONATOR SUPPLIERS;

4 (C) THROUGH REGULATION NUMBER 22, THE COMMISSION
5 ADOPTED A SEPARATE RULE IN DECEMBER 2021 REGARDING, AMONG
6 OTHER THINGS, THE CONTROL OF INDUSTRIAL AND MANUFACTURING
7 DIRECT EMISSIONS FROM FUEL COMBUSTION EQUIPMENT UTILIZED BY
8 MIDSTREAM NATURAL GAS FRACTIONATORS;

9 (D) THE LIMITATION DESCRIBED IN SUBSECTION (1)(e)(XIV)(B) OF
10 THIS SECTION IS NOT INTENDED TO ALTER THE EXISTING STATUTORY
11 DEFINITION OF "INDUSTRIAL AND MANUFACTURING SECTOR" SET FORTH IN
12 SUBSECTION (1)(e)(XI)(B.5) OF THIS SECTION, WHICH DEFINITION
13 INCLUDES EMISSIONS FROM BOTH ENERGY COMBUSTION AND ENERGY USE
14 AND INDUSTRIAL PROCESSES BY SOURCES IN THE INDUSTRIAL AND
15 MANUFACTURING SECTOR; AND

16 (E) THE PHRASE "AT A MINIMUM" IN SUBSECTION (1)(e)(XIII) OF
17 THIS SECTION IS INTENDED TO CLARIFY THAT THE COMMISSION HAS A
18 MANDATORY DUTY TO REGULATE CERTAIN INDUSTRIAL AND
19 MANUFACTURING SOURCES IN THE 2023 RULE-MAKING REQUIRED UNDER
20 SUBSECTION (1)(e)(XIII) OF THIS SECTION AND THAT THE COMMISSION
21 RETAINS THE DISCRETION TO INCLUDE OTHER INDUSTRIAL AND
22 MANUFACTURING SOURCES IN THAT RULE-MAKING.

23 (XV) THIS SUBSECTION (1)(e)(XV) AND SUBSECTION (1)(e)(XIV)
24 OF THIS SECTION ARE REPEALED, EFFECTIVE JULY 1, 2025.

25 **SECTION 6.** In Colorado Revised Statutes, 33-1-110, **add** (9) as
26 follows:

27 **33-1-110. Duties of the director of the division.** (9) FOR

1 RESEARCH PROJECTS FOR WHICH THE COLORADO AGRICULTURAL
2 VALUE-ADDED DEVELOPMENT BOARD AWARDS MONEY PURSUANT TO
3 SECTION 35-75-204 (1)(a)(II) TO STUDY THE USE OF AGRIVOLTAICS, AS
4 DEFINED IN SECTION 35-75-205 (1)(c), THE DIRECTOR OR THE DIRECTOR'S
5 DESIGNEE SHALL CONSULT ON THE RESEARCH PROJECT REGARDING THE
6 WILDLIFE IMPACTS OF AGRIVOLTAIC USE.

7 **SECTION 7.** In Colorado Revised Statutes, 34-60-106, **amend**
8 **(9)(a); and add (9)(c) as follows:**

9 **34-60-106. Additional powers of commission - rules -**
10 **definitions.** (9) (a) Notwithstanding section 34-60-120 or any other
11 provision of law, SUBJECT TO SUBSECTION (9)(c) OF THIS SECTION AND
12 ONLY AFTER THE GOVERNOR AND COMMISSION HAVE MADE AN
13 AFFIRMATIVE DETERMINATION THAT THE STATE HAS SUFFICIENT
14 RESOURCES NECESSARY TO ENSURE THE SAFE AND EFFECTIVE REGULATION
15 OF THE SEQUESTRATION OF GREENHOUSE GASES IN ACCORDANCE WITH
16 FINDINGS FROM THE COMMISSION'S STUDY CONDUCTED PURSUANT TO
17 SUBSECTION (9)(b) OF THIS SECTION, the commission, as to class II AND
18 CLASS VI injection wells classified in 40 CFR 144.6, may perform all acts
19 for the ~~purpose~~ PURPOSES of protecting underground sources of drinking
20 water in accordance with state programs authorized by 42 U.S.C. sec.
21 300f et seq., and regulations under those sections, as amended, AND
22 ENSURING THE SAFE AND EFFECTIVE SEQUESTRATION OF GREENHOUSE
23 GASES, AS THAT TERM IS DEFINED IN SECTION 25-7-140 (6).

24 (c) (I) THE COMMISSION MAY SEEK CLASS VI INJECTION WELL
25 PRIMACY UNDER THE FEDERAL "SAFE DRINKING WATER ACT", 42 U.S.C.
26 SEC. 300f ET SEQ., AS AMENDED, AFTER OBTAINING AND PUBLICLY
27 DETERMINING THAT THE COMMISSION HAS THE NECESSARY RESOURCES

1 FOR THE APPLICATION OUTLINED IN THE COMMISSION'S STUDY PERFORMED
2 PURSUANT TO SUBSECTION (9)(b) OF THIS SECTION.

3 (II) THE COMMISSION MAY ISSUE AND ENFORCE PERMITS AS
4 NECESSARY FOR THE PURPOSE SET FORTH IN THIS SUBSECTION (9)(c) AFTER
5 THE DETERMINATION SET FORTH IN SUBSECTION (9)(c)(I) OF THIS SECTION
6 HAS BEEN MADE AND THE REQUIREMENTS SET FORTH IN SUBSECTION (9)(a)
7 OF THIS SECTION HAVE BEEN SATISFIED. IN ISSUING AND ENFORCING
8 PERMITS PURSUANT TO THIS SUBSECTION (9)(c), THE COMMISSION SHALL
9 ENSURE THAT THE PERMITTING OF CLASS VI INJECTION WELLS DOES NOT
10 ADVERSELY AND DISPROPORTIONATELY AFFECT THE HEALTH AND
11 WELL-BEING OF DISPROPORTIONATELY IMPACTED COMMUNITIES.

12 (III) (A) THE COMMISSION SHALL REQUIRE EACH OPERATOR OF A
13 CLASS VI INJECTION WELL TO PROVIDE ADEQUATE FINANCIAL ASSURANCE
14 DEMONSTRATING THAT THE OPERATOR IS FINANCIALLY CAPABLE OF
15 FULFILLING EVERY OBLIGATION IMPOSED ON THE OPERATOR UNDER THIS
16 ARTICLE 60 AND UNDER RULES THAT THE COMMISSION ADOPTS PURSUANT
17 TO THIS ARTICLE 60.

18 (B) THE FINANCIAL ASSURANCE REQUIRED UNDER THIS
19 SUBSECTION (9)(c)(III) MUST COVER THE COST OF CORRECTIVE ACTION,
20 INJECTION WELL PLUGGING, POST-INJECTION SITE CARE, AND SITE
21 CLOSURE, AS THOSE TERMS ARE DEFINED IN 40 CFR 146.81, AND THE COST
22 OF ANY EMERGENCY AND REMEDIAL RESPONSE.

23 (C) THE COMMISSION SHALL ADOPT RULES REQUIRING THAT
24 FINANCIAL ASSURANCE COVER THE COST OF OBLIGATIONS THAT ARE IN
25 ADDITION TO THE OBLIGATIONS LISTED IN SUBSECTION (9)(c)(III)(B) OF
26 THIS SECTION IF THE ADDITIONAL OBLIGATIONS ARE REASONABLY
27 ASSOCIATED WITH CLASS VI INJECTION WELLS AND LOCATIONS.

1 (D) AN OPERATOR SHALL MAINTAIN THE FINANCIAL ASSURANCE
2 REQUIRED UNDER THIS SUBSECTION (9)(c)(III) OR UNDER ANY RULES
3 ADOPTED PURSUANT TO THIS SUBSECTION (9)(c)(III) UNTIL THE
4 COMMISSION APPROVES SITE CLOSURE, AS SPECIFIED IN RULES ADOPTED BY
5 THE COMMISSION. COMMISSION APPROVAL OF A SITE CLOSURE DOES NOT
6 OTHERWISE MODIFY AN OPERATOR'S RESPONSIBILITY TO COMPLY WITH
7 APPLICABLE LAWS.

8 (E) FINANCIAL ASSURANCE PROVIDED UNDER THIS SUBSECTION
9 (9)(c)(III) MAY BE IN THE FORM OF A SURETY BOND, INSURANCE, OR ANY
10 OTHER INSTRUMENT THAT THE COMMISSION, BY RULE, DEEMS
11 SATISFACTORY.

12 (IV) AS USED IN THIS SUBSECTION (9), "DISPROPORTIONATELY
13 IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION
14 24-4-109 (2)(b)(II).

15 **SECTION 8.** In Colorado Revised Statutes, **add** 35-1-116 as
16 follows:

17 **35-1-116. Study of carbon reduction and sequestration**
18 **opportunities in agriculture and land management - definition -**
19 **reporting - rules.** (1) (a) IN CONSULTATION WITH THE COLORADO
20 ENERGY OFFICE CREATED IN SECTION 24-38.5-101 AND THE AIR QUALITY
21 CONTROL COMMISSION CREATED IN SECTION 25-7-104 (1), THE
22 COMMISSIONER OR THE COMMISSIONER'S DESIGNEE, IN CONSULTATION
23 WITH AN INSTITUTION OF HIGHER EDUCATION WITH EXPERTISE IN CLIMATE
24 CHANGE MITIGATION, ADAPTATION BENEFITS, AND OTHER
25 ENVIRONMENTAL BENEFITS RELATED TO AGRICULTURAL RESEARCH, SHALL
26 CONDUCT A STUDY TO EXAMINE CARBON REDUCTION AND SEQUESTRATION
27 OPPORTUNITIES IN THE AGRICULTURAL SECTOR AND IN LAND

1 MANAGEMENT IN THE STATE, INCLUDING AN INVESTIGATION INTO THE
2 POTENTIAL FOR CREATING AND OFFERING A CERTIFIED CARBON OFFSET
3 PROGRAM AND CREDIT INSTRUMENTS TO PROVIDE FUNGIBLE CARBON
4 OFFSETS FOR AGRICULTURAL PRODUCERS AND IN LAND MANAGEMENT. A
5 CERTIFIED CARBON OFFSET PROGRAM AND CREDIT INSTRUMENTS OFFERED
6 MUST REFLECT REAL, ADDITIONAL, QUANTIFIABLE, PERMANENT,
7 VERIFIABLE, AND ENFORCEABLE REDUCTIONS IN GREENHOUSE GAS
8 EMISSIONS THAT ARE EQUIVALENT TO THE OFFSETS PROVIDED.

9 (b) CARBON OFFSETS DEVELOPED FOR AGRICULTURAL PRODUCERS
10 IN ACCORDANCE WITH THIS SECTION MAY BE:

11 (I) INCORPORATED INTO THE AIR QUALITY CONTROL COMMISSION'S
12 RULES, INCLUDING RULES ADOPTED UNDER SECTION 25-7-105 (1)(e), SUCH
13 AS RULES CONCERNING COORDINATION WITH OTHER JURISDICTIONS
14 PURSUANT TO THE AUTHORITY GRANTED IN, AND THE CONSIDERATIONS
15 REQUIRED UNDER, SECTION 25-7-105 (1)(e)(V); AND

16 (II) USED AS COMPLIANCE INSTRUMENTS BY A SOURCE REGULATED
17 UNDER ARTICLE 7 OF TITLE 25 WITH EMISSION REDUCTION OBLIGATIONS
18 THAT ENSURE THAT THE SOURCE'S OVERALL, ABSOLUTE EMISSIONS
19 DECLINE CONSISTENT WITH THE STATEWIDE GREENHOUSE GAS EMISSION
20 REDUCTION GOALS SET FORTH IN SECTION 25-7-102 (2)(g).

21 (c) (I) THE STUDY SHALL IDENTIFY POLICY MECHANISMS TO
22 MITIGATE THE IMPACTS THAT REGULATED SOURCES' USE OF CARBON
23 OFFSETS HAVE ON DISPROPORTIONATELY IMPACTED COMMUNITIES.

24 (II) AS USED IN THIS SUBSECTION (1)(c), "DISPROPORTIONATELY
25 IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION
26 24-4-109 (2)(b)(II).

27 (2) ON OR BEFORE OCTOBER 1, 2024, THE COMMISSIONER OR

1 COMMISSIONER'S DESIGNEE SHALL SUBMIT TO THE GENERAL ASSEMBLY A
2 REPORT SUMMARIZING THE STUDY, INCLUDING ANY LEGISLATIVE,
3 REGULATORY, OR OTHER RECOMMENDATIONS FOR DESIGNING AND
4 IMPLEMENTING CARBON REDUCTION AND SEQUESTRATION OPPORTUNITIES
5 FOR THE AGRICULTURAL SECTOR AND IN LAND MANAGEMENT IN THE
6 STATE. THE COMMISSIONER OR COMMISSIONER'S DESIGNEE SHALL SUBMIT
7 TO THE GENERAL ASSEMBLY AN UPDATE ON THE PROGRESS OF THE STUDY
8 ON OR BEFORE OCTOBER 1, 2023.

9 (3) (a) UPON CONCLUSION OF THE STUDY, WITH REGARD TO ANY
10 RECOMMENDATIONS OF THE STUDY THAT DO NOT REQUIRE LEGISLATIVE
11 CHANGES, THE COMMISSIONER, IN CONSULTATION WITH THE COLORADO
12 ENERGY OFFICE AND THE AIR QUALITY CONTROL COMMISSION, MAY ADOPT
13 RULES TO IMPLEMENT THE RECOMMENDATIONS.

14 (b) IF THE COMMISSIONER ADOPTS RULES PURSUANT TO
15 SUBSECTION (3)(a) OF THIS SECTION, THE DEPARTMENT SHALL INCLUDE A
16 SUMMARY OF THE RULES AS PART OF THE DEPARTMENT'S REGULATORY
17 AGENDA THAT IS FILED WITH THE STAFF OF LEGISLATIVE COUNCIL AND THE
18 SECRETARY OF STATE PURSUANT TO SECTION 2-7-203 (4) AND THAT IS
19 INCLUDED IN THE DEPARTMENT'S "STATE MEASUREMENT FOR
20 ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART)
21 GOVERNMENT ACT" PRESENTATION REQUIRED UNDER SECTION 2-7-203
22 THAT IMMEDIATELY PRECEDES THE ADOPTION OF THE RULES.

23 **SECTION 9.** In Colorado Revised Statutes, 35-75-204, **amend**
24 (1) as follows:

25 **35-75-204. Duties of board - agriculture value-added grants,**
26 **loans and loan guarantees, and equity investments - agrivoltaics -**
27 **repeal.** (1) (a) The board ~~has the power to~~ MAY make grants, loans and

1 loan guarantees, and equity investments to any person, including eligible
2 agricultural value-added cooperatives as defined in section 35-75-202(4);
3 for:

4 (I) New or ongoing agricultural projects and research that add
5 value to Colorado agricultural products and aid the economy of rural
6 Colorado communities; and for

7 (II) AGRICULTURAL PROJECTS AND RESEARCH, INCLUDING RESEARCH
8 ON THE USE, COSTS, AND BENEFITS OF AGRIVOLTAICS, AS DEFINED IN
9 SECTION 35-75-205 (1)(c), that will reduce energy costs for agricultural
10 producers or businesses OR PROVIDE OTHER ENVIRONMENTAL, SOCIAL, OR
11 ECONOMIC BENEFITS TO THE STATE. IN ALLOCATING MONEY FOR
12 RESEARCH ON THE USE OF AGRIVOLTAICS, THE BOARD SHALL REQUIRE
13 THAT A RECIPIENT CONSULT WITH THE DIRECTOR OF THE DIVISION OF
14 PARKS AND WILDLIFE OR THE DIRECTOR'S DESIGNEE REGARDING WILDLIFE
15 IMPACTS OF AGRIVOLTAICS USE.

16 (III) TO IMPLEMENT SUBSECTION (1)(a)(II) OF THIS SECTION, THE
17 STATE TREASURER SHALL TRANSFER ONE MILLION EIGHT HUNDRED
18 THOUSAND DOLLARS FROM THE GENERAL FUND TO THE AGRICULTURE
19 VALUE-ADDED CASH FUND CREATED IN SECTION 35-75-205:

20 (A) ON THE EFFECTIVE DATE OF THIS SUBSECTION (1)(a)(III); AND

21 (B) ON JULY 1, 2023, AND ON EACH JULY 1 THEREAFTER THROUGH
22 JULY 1, 2027.

23 (IV) SUBSECTION (1)(a)(III) OF THIS SECTION AND THIS
24 SUBSECTION (1)(a)(IV) ARE REPEALED, EFFECTIVE JULY 1, 2028.

25 (b) The board also ~~has the power to~~ MAY fund market promotion
26 activities of the department pursuant to section 35-75-205 (2)(f).

27 **SECTION 10.** In Colorado Revised Statutes, 35-75-205, **amend**

1 (1)(b); and **add** (1)(c) as follows:

2 **35-75-205. Grants, loans and loan guarantees, and equity**
3 **investments - agriculture value-added cash fund - created - gifts,**
4 **grants, and donations - report - definition - repeal.** (1) (b) ~~As used in~~
5 ~~this section, "agrivoltaics" means one or more solar energy generation~~
6 ~~facilities colocated on the same parcel of land as agricultural production,~~
7 ~~including crop production, grazing, apiaries, or other production of~~
8 ~~agricultural commodities for sale in the retail or wholesale market~~ THE
9 BOARD MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS
10 FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS PART 2,
11 WHICH MONEY SHALL BE CREDITED TO THE AGRICULTURE VALUE-ADDED
12 CASH FUND PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION. THE BOARD
13 MAY ALSO SEEK, ACCEPT, AND UTILIZE DONATIONS OF IN-KIND RESOURCES
14 SUCH AS SOLAR PANELS FOR USE IN AGRIVOLTAIC RESEARCH PROJECTS.

15 (c) AS USED IN THIS SECTION, "AGRIVOLTAICS" MEANS ONE OR
16 MORE SOLAR ENERGY GENERATION FACILITIES DIRECTLY INTEGRATED
17 WITH AGRICULTURAL ACTIVITIES, INCLUDING CROP PRODUCTION, GRAZING,
18 ANIMAL HUSBANDRY, APIARIES, COVER CROPPING FOR SOIL HEALTH
19 BENEFITS OR CARBON SEQUESTRATION, OR PRODUCTION OF AGRICULTURAL
20 COMMODITIES FOR SALE IN THE RETAIL OR WHOLESALE MARKET.

21 **SECTION 11.** In Colorado Revised Statutes, 39-4-101, **amend**
22 (3.5) as follows:

23 **39-4-101. Definitions.** As used in this article 4, unless the context
24 otherwise requires:

25 (3.5) (a) "Solar energy facility" means a new facility first placed
26 in production on or after January 1, 2009, that uses real and personal
27 property, including but not limited to one or more solar energy devices as

1 defined in section 38-32.5-100.3 (2), leaseholds, and easements, to
2 generate and deliver to the interconnection meter any source of electrical,
3 thermal, or mechanical energy in excess of two megawatts by harnessing
4 the radiant energy of the sun, including any connected device for which
5 the primary purpose is to store energy, and that is not primarily designed
6 to supply electricity for consumption on site.

7 (b) "SOLAR ENERGY FACILITY" INCLUDES AGRIVOLTAICS AS
8 DEFINED IN SECTION 35-75-205 (1)(c).

9 **SECTION 12.** In Colorado Revised Statutes, **add** 39-22-543 as
10 follows:

11 **39-22-543. Tax credit for reducing emissions from small**
12 **off-road engines - reports - definitions - legislative declaration - rules**

13 **= repeal.** (1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

14 (I) SMALL OFF-ROAD ENGINES USED PRIMARILY IN LAWN AND
15 GARDEN EQUIPMENT, SUCH AS LAWN MOWERS, LEAF BLOWERS, HEDGE
16 TRIMMERS, AND CHAINSAWS, EMIT HIGH LEVELS OF AIR POLLUTANTS,
17 INCLUDING OXIDES OF NITROGEN AND REACTIVE ORGANIC GASES THAT,
18 TOGETHER, FORM OZONE, AND PARTICULATE MATTER;

19 (II) ELECTRIFYING SMALL OFF-ROAD EQUIPMENT CAN REDUCE
20 OZONE POLLUTION BY AS MUCH AS FOUR PARTS PER BILLION; AND

21 (III) THE PURPOSE OF THE TAX CREDIT IN SUBSECTION (2) OF THIS
22 SECTION IS TO PROVIDE AN INCENTIVE FOR THE VOLUNTARY TRANSITION
23 FROM GAS-POWERED TO ELECTRIC-POWERED SMALL OFF-ROAD
24 EQUIPMENT.

25 (b) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
26 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
27 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY

1 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FURTHER FINDS AND
2 DECLARES THAT:

3 (I) THE GENERAL LEGISLATIVE PURPOSE OF THE TAX CREDIT
4 ALLOWED BY SUBSECTION (2) OF THIS SECTION IS TO INDUCE CERTAIN
5 DESIGNATED BEHAVIORS BY TAXPAYERS, SPECIFICALLY THE PURCHASE OF
6 ELECTRIC, SMALL OFF-ROAD EQUIPMENT; AND

7 (II) IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE
8 AUDITOR TO MEASURE THE EFFECTIVENESS OF THE CREDIT, THE
9 DEPARTMENT OF REVENUE SHALL SUBMIT TO THE GENERAL ASSEMBLY
10 AND THE STATE AUDITOR AN ANNUAL REPORT IN ACCORDANCE WITH
11 SUBSECTION (4) OF THIS SECTION DETAILING THE SALES OF NEW,
12 ELECTRIC-POWERED, SMALL OFF-ROAD EQUIPMENT, AS REPORTED BY
13 TAXPAYERS CLAIMING THE CREDIT AUTHORIZED UNDER SUBSECTION (2)
14 OF THIS SECTION.

15 (2) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
16 JANUARY 1, 2023, BUT BEFORE JANUARY 1, 2027, A TAXPAYER IS
17 ALLOWED A CREDIT AGAINST THE TAX IMPOSED PURSUANT TO THIS
18 ARTICLE 22 IN AN AMOUNT EQUAL TO THIRTY PERCENT OF THE AGGREGATE
19 PURCHASE PRICE FOR ALL RETAIL SALES, AS THOSE TERMS ARE DEFINED IN
20 SECTION 39-26-102, OF NEW, ELECTRIC-POWERED, SMALL OFF-ROAD
21 EQUIPMENT THAT THE TAXPAYER SOLD IN THE STATE DURING THE TAX
22 YEAR.

23 (b) IN ORDER TO QUALIFY FOR THE CREDIT ALLOWED UNDER THIS
24 SUBSECTION (2), THE TAXPAYER SHALL PROVIDE A PURCHASER OF A PIECE
25 OF NEW, ELECTRIC-POWERED, SMALL OFF-ROAD EQUIPMENT, A THIRTY
26 PERCENT DISCOUNT FROM THE PURCHASE PRICE OF THE PIECE OF NEW,
27 ELECTRIC-POWERED, SMALL OFF-ROAD EQUIPMENT AND SHALL SHOW THE

1 DISCOUNT AS A SEPARATE ITEM ON THE RECEIPT OR INVOICE PROVIDED TO
2 THE PURCHASER.

3 (c) TO DETERMINE WHETHER A TAXPAYER SOLD NEW,
4 ELECTRIC-POWERED, SMALL OFF-ROAD EQUIPMENT IN THIS STATE, THE
5 RULES OF SECTION 39-26-104 (3)(a) APPLY.

6 (3) IF THE AMOUNT OF A CREDIT UNDER SUBSECTION (2) OF THIS
7 SECTION EXCEEDS A TAXPAYER'S ACTUAL TAX LIABILITY FOR AN INCOME
8 TAX YEAR, THE AMOUNT OF THE CREDIT NOT USED TO OFFSET INCOME TAX
9 LIABILITY FOR THE INCOME TAX YEAR IS NOT REFUNDED TO THE
10 TAXPAYER. THE TAXPAYER MAY CARRY FORWARD AND APPLY THE
11 UNUSED CREDIT AGAINST THE INCOME TAX DUE IN EACH OF THE FIVE
12 SUCCEEDING INCOME TAX YEARS, BUT THE TAXPAYER SHALL APPLY THE
13 CREDIT AGAINST THE INCOME TAX DUE FOR THE EARLIEST OF THE INCOME
14 TAX YEARS POSSIBLE. ANY AMOUNT OF THE TAX CREDIT THAT IS NOT USED
15 AFTER THIS PERIOD IS NOT REFUNDABLE.

16 (4) FOR THE PURPOSE OF PROVIDING DATA THAT ALLOWS THE
17 GENERAL ASSEMBLY AND THE STATE AUDITOR TO MEASURE THE
18 EFFECTIVENESS OF THE TAX CREDIT CREATED IN SUBSECTION (2) OF THIS
19 SECTION PURSUANT TO SECTION 39-21-304 (3), AND NOTWITHSTANDING
20 SECTION 24-1-136 (11)(a)(I), THE DEPARTMENT OF REVENUE, ON OR
21 BEFORE JANUARY 1, 2024, AND ON OR BEFORE JANUARY 1 OF EACH YEAR
22 THEREAFTER, SHALL SUBMIT TO THE GENERAL ASSEMBLY AND THE STATE
23 AUDITOR A REPORT DETAILING THE SALES OF NEW, ELECTRIC-POWERED,
24 SMALL OFF-ROAD EQUIPMENT, AS REPORTED BY TAXPAYERS CLAIMING THE
25 CREDIT AUTHORIZED UNDER SUBSECTION (2) OF THIS SECTION. THE TAX
26 CREDIT ESTABLISHED IN THIS SECTION WILL MEET ITS PURPOSE IF SALES OF
27 ELECTRIC-POWERED, SMALL OFF-ROAD EQUIPMENT INCREASE

1 SIGNIFICANTLY WITHIN FIVE YEARS AFTER THE TAX CREDIT BECOMES
2 EFFECTIVE.

3 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
4 REQUIRES:

5 (a) "SMALL OFF-ROAD ENGINE" MEANS A GASOLINE-POWERED
6 ENGINE OF TEN HORSEPOWER OR LESS THAT IS USED TO FUEL SMALL
7 OFF-ROAD EQUIPMENT.

8 (b) "SMALL OFF-ROAD EQUIPMENT" MEANS A LAWN MOWER, LEAF
9 BLOWER, OR TRIMMER.

10 (c) "TAXPAYER" HAS THE MEANING SET FORTH IN SECTION
11 39-21-101 (4).

12 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2036.

13 **SECTION 13.** In Colorado Revised Statutes, 40-2-127, **amend**
14 (5)(b)(II) as follows:

15 **40-2-127. Community energy funds - community solar**
16 **gardens - definitions - rules - legislative declaration - repeal.**

17 (5) **Purchases of the output from community solar gardens.**

18 (b) (II) (A) The purchase of the output of a community solar garden by
19 a qualifying retail utility ~~shall~~ **MUST** take the form of a net metering credit
20 against the qualifying retail utility's electric bill to each community solar
21 garden subscriber at the premises set forth in the subscriber's subscription.

22 (B) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE
23 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER
24 ORGANIZATION'S SUBSCRIBERS WITH A BILL CREDIT THAT CHANGES
25 ANNUALLY, the net metering credit shall be calculated by multiplying the
26 subscriber's share of the electricity production from the community solar
27 garden by the qualifying retail utility's total aggregate retail rate as

1 charged to the subscriber, minus a reasonable charge as determined by the
2 commission to cover the utility's costs of delivering to the subscriber's
3 premises the electricity generated by the community solar garden,
4 integrating the solar generation with the utility's system, and
5 administering the community solar garden's contracts and net metering
6 credits. The commission shall ensure that this charge does not reflect
7 costs that are already recovered by the utility from the subscriber through
8 other charges. If, and to the extent that, a subscriber's net metering credit
9 exceeds the subscriber's electric bill in any billing period, the net metering
10 credit shall be carried forward and applied against future bills. The
11 qualifying retail utility and the owner of the community solar garden shall
12 agree on whether the purchase of the renewable energy credits from
13 subscribers will be accomplished through a credit on each subscriber's
14 electricity bill or by a payment to the owner of the community solar
15 garden.

16 (C) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE
17 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER
18 ORGANIZATION'S SUBSCRIBERS WITH A FIXED BILL CREDIT, THE NET
19 METERING CREDIT SHALL BE CALCULATED BY MULTIPLYING THE
20 SUBSCRIBER'S SHARE OF THE ELECTRICITY PRODUCTION FROM THE
21 COMMUNITY SOLAR GARDEN BY THE QUALIFYING RETAIL UTILITY'S TOTAL
22 AGGREGATE RETAIL RATE AS CHARGED TO THE SUBSCRIBER AT THE TIME
23 THE SUBSCRIBER ORGANIZATION APPLIES FOR, OR BIDS CAPACITY INTO, A
24 UTILITY COMMUNITY SOLAR GARDEN PROGRAM, MINUS A REASONABLE
25 CHARGE, AS DETERMINED BY THE COMMISSION, AT THE TIME THE
26 SUBSCRIBER ORGANIZATION APPLIES FOR, OR BIDS CAPACITY INTO, A
27 UTILITY COMMUNITY SOLAR PROGRAM, TO COVER THE UTILITY'S COSTS OF

1 DELIVERING TO THE SUBSCRIBER'S PREMISES THE ELECTRICITY GENERATED
2 BY THE COMMUNITY SOLAR GARDEN, INTEGRATING THE SOLAR
3 GENERATION WITH THE UTILITY'S SYSTEM, AND ADMINISTERING THE
4 COMMUNITY SOLAR GARDEN'S CONTRACTS AND NET METERING CREDITS.
5 THE COMMISSION SHALL ENSURE THAT THIS CHARGE DOES NOT REFLECT
6 COSTS THAT ARE ALREADY RECOVERED BY THE UTILITY FROM THE
7 SUBSCRIBER THROUGH OTHER CHARGES. FOR COMMUNITY SOLAR
8 GARDENS ELIGIBLE FOR A FIXED BILL CREDIT, AND SOLELY FOR THE
9 PURPOSE OF APPLYING THE BILL CREDIT TO A SUBSCRIBER'S BILL, THE BILL
10 CREDIT SHALL NOT BE APPLIED TOWARD RATE RIDER CHARGES THAT
11 PROMOTE CLEAN ENERGY TECHNOLOGIES INCLUDING BENEFICIAL
12 ELECTRIFICATION, PROVIDE LOW-INCOME BILL ASSISTANCE, OR PROVIDE
13 OTHER PUBLIC BENEFITS AS DETERMINED BY THE COMMISSION UNLESS
14 SUCH RIDERS ARE INCLUDED IN THE REASONABLE CHARGE. IF, AND TO THE
15 EXTENT THAT, A SUBSCRIBER'S NET METERING CREDIT EXCEEDS THE
16 SUBSCRIBER'S ELECTRIC BILL IN ANY BILLING PERIOD, THE NET METERING
17 CREDIT SHALL BE CARRIED FORWARD AND APPLIED AGAINST FUTURE BILLS.
18 THE QUALIFYING RETAIL UTILITY AND THE OWNER OF THE COMMUNITY
19 SOLAR GARDEN SHALL AGREE ON WHETHER THE PURCHASE OF THE
20 RENEWABLE ENERGY CREDITS FROM SUBSCRIBERS WILL BE ACCOMPLISHED
21 THROUGH A CREDIT ON EACH SUBSCRIBER'S ELECTRICITY BILL OR BY A
22 PAYMENT TO THE OWNER OF THE COMMUNITY SOLAR GARDEN. BY MARCH
23 1, 2023, THE COMMISSION SHALL ADOPT RULES TO IMPLEMENT THE FIXED
24 BILL CREDIT, WHICH RULES MUST CONSIDER THE CHANGE OF VALUE TO
25 COMMUNITY SOLAR GARDEN CUSTOMERS OF THE FIXED BILL CREDIT OVER
26 TIME THROUGH RATE ADJUSTMENTS OR OTHER MECHANISMS.

27 **SECTION 14. In Colorado Revised Statutes, 40-3.2-108, amend**

1 (2)(c)(V); and add (2)(c)(V.5) and (2)(r) as follows:

2 **40-3.2-108. Clean heat targets - legislative declaration -**
3 **definitions - plans - rules - reports. (2) Definitions.** As used in this
4 section, unless the context otherwise requires:

5 (c) "Clean heat resource" means any one or a combination of:

6 (V) Pyrolysis of tires if the pyrolysis meets a recovered methane
7 protocol; and

8 (V.5) WASTEWATER THERMAL ENERGY; AND

9 (r) "WASTEWATER THERMAL ENERGY" MEANS A SYSTEM THAT
10 USES THERMAL ENERGY IN WASTEWATER TO GENERATE ELECTRICITY, TO
11 HEAT OR COOL A SPACE, OR FOR ANY OTHER USEFUL THERMAL PURPOSE.

12 **SECTION 15. Appropriation.** (1) For the 2022-23 state fiscal
13 year, \$81,429 is appropriated to the department of natural resources for
14 use by the oil and gas conservation commission. This appropriation is
15 from the oil and gas conservation and environmental response fund
16 created in section 34-60-122 (5)(a), C.R.S., and is based on an assumption
17 that the commission will require an additional 0.8 FTE. To implement this
18 act, the commission may use this appropriation for the underground
19 injection program.

20 (2) For the 2022-23 state fiscal year, \$145,789 is appropriated to
21 the department of public health and environment for use by the air
22 pollution control division. This appropriation is from the general fund. To
23 implement this act, the subdivision may use this appropriation as follows:

24 (a) \$131,094 for personal services related to stationary sources,
25 which amount is based on an assumption that the division will require an
26 additional 1.5 FTE; and

27 (b) \$14,695 for operating expenses related to stationary sources.

1 (3) For the 2022-23 state fiscal year, \$2,098,784 is appropriated
2 to the department of agriculture for use by the agricultural services
3 division. This appropriation is from the general fund and is based on an
4 assumption that the division will require an additional 0.8 FTE. To
5 implement this act, the division may use this appropriation for
6 conservation services. Any money appropriated in this section not
7 expended prior to July 1, 2023, is further appropriated to the division for
8 the 2023-24 state fiscal year for the same purpose.

9 **SECTION 16. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly; except
12 that, if a referendum petition is filed pursuant to section 1 (3) of article V
13 of the state constitution against this act or an item, section, or part of this
14 act within such period, then the act, item, section, or part will not take
15 effect unless approved by the people at the general election to be held in
16 November 2022 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.