

HOUSE COMMITTEE OF REFERENCE REPORT

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Chair of Committee

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Date

January 27, 2020

Committee on Rural Affairs & Agriculture.

After consideration on the merits, the Committee recommends the following:

HB20-1004 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

- 1 Amend printed bill, page 2, line 2, strike "24-32-128" and substitute
- 2 "23-31-310.5".
  
- 3 Page 2, line 4, strike "**24-32-128.**" and substitute "**23-31-310.5.**".
  
- 4 Page 2, line 5, strike "**report - repeal.**" and substitute "**report -**
- 5 **definitions - repeal.**".
  
- 6 Page 2, after line 11 insert:
  - 7 "(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
  - 8 REQUIRES:
  - 9 (a) "DIRECTOR" MEANS THE DIRECTOR OF THE FOREST SERVICE.
  - 10 (b) "FOREST SERVICE" MEANS THE COLORADO STATE FOREST
  - 11 SERVICE IDENTIFIED IN SECTION 23-31-302 AND THE DIVISION OF
  - 12 FORESTRY CREATED IN SECTION 24-33-104."
  
- 13 Renumber succeeding subsections accordingly.
  
- 14 Page 2, line 22, after "AGENCY OF LOCAL GOVERNMENT," insert "A
- 15 COUNTY, A MUNICIPALITY,".
  
- 16 Page 2, line 23, strike "A FAITH BASED ORGANIZATION,".
  
- 17 Page 3, line 3, strike "DIVISION'S" and substitute "FOREST SERVICE'S".

1 Page 3, lines 13 and 14, strike "EXECUTIVE DIRECTOR OF THE  
2 DEPARTMENT OF LOCAL AFFAIRS" and substitute "DIRECTOR".

3 Page 3, line 15, strike "EXECUTIVE".

4 Page 4, line 5, strike "(4)(n.5)(I)(A.5)" and substitute "(4)(n.5)(I)(A)".

5 Page 4, strike lines 9 through 18 and substitute:

6 "(n.5) (I) (A) For income tax years commencing on or after  
7 January 1, 2014, but prior to January 1, 2017, and for income tax years  
8 commencing on or after January 1, 2020, but prior to ~~January 1, 2025,~~  
9 JANUARY 1, 2021, an amount equal to fifty percent of a landowner's costs  
10 incurred in performing wildfire mitigation measures in that income tax  
11 year on his or her property located within the state; except that the amount  
12 of the deduction claimed in an income tax year shall not exceed two  
13 thousand five hundred dollars or the total amount of the landowner's  
14 federal taxable income for the income tax year for which the deduction  
15 is claimed, whichever is less."

16 Page 4, line 20, strike "DECEMBER 31, 2027." and substitute "JANUARY 1,  
17 2025."

18 Page 4, after line 20 insert:

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 HIS OR HER  
26 PROPERTY LOCATED WITHIN THE STATE.

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

29 (a) "COSTS" MEANS ANY ACTUAL OUT-OF-POCKET EXPENSE  
30 INCURRED AND PAID BY THE LANDOWNER, DOCUMENTED BY RECEIPT, FOR  
31 PERFORMING WILDFIRE MITIGATION MEASURES. "COSTS" DO NOT INCLUDE  
32 ANY INSPECTION OR CERTIFICATION FEES, IN-KIND CONTRIBUTIONS,  
33 DONATIONS, INCENTIVES, OR COST SHARING ASSOCIATED WITH

1 PERFORMING WILDFIRE MITIGATION MEASURES. "COSTS" DO NOT INCLUDE  
2 EXPENSES PAID BY THE LANDOWNER FROM ANY GRANTS AWARDED TO THE  
3 LANDOWNER FOR PERFORMING WILDFIRE MITIGATION MEASURES.

4 (b) "LANDOWNER" MEANS ANY OWNER OF RECORD OF PRIVATE  
5 LAND LOCATED WITHIN THE STATE, INCLUDING ANY EASEMENT,  
6 RIGHT-OF-WAY, OR ESTATE IN THE LAND, AND INCLUDES THE HEIRS,  
7 SUCCESSORS, AND ASSIGNS OF SUCH LAND. "LANDOWNER" SHALL NOT  
8 INCLUDE ANY PARTNERSHIP, S CORPORATION, OR OTHER SIMILAR ENTITY  
9 THAT OWNS PRIVATE LAND AS AN ENTITY, UNLESS THERE IS A DWELLING  
10 ON THAT LAND THAT IS DESIGNED FOR RESIDENTIAL OCCUPANCY.

11 (c) "WILDFIRE MITIGATION MEASURES" MEANS THE CREATION OF  
12 A DEFENSIBLE SPACE AROUND STRUCTURES; THE ESTABLISHMENT OF FUEL  
13 BREAKS; THE THINNING OF WOODY VEGETATION FOR THE PRIMARY  
14 PURPOSE OF REDUCING RISK TO STRUCTURES FROM WILDLAND FIRE; OR  
15 THE SECONDARY TREATMENT OF WOODY FUELS BY LOPPING AND  
16 SCATTERING, PILING, CHIPPING, REMOVING FROM THE SITE, OR PRESCRIBED  
17 BURNING; SO LONG AS SUCH ACTIVITIES MEET OR EXCEED ANY COLORADO  
18 STATE FOREST SERVICE STANDARDS OR ANY OTHER APPLICABLE STATE  
19 RULES.

20 (3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY  
21 1, 2020, BUT PRIOR TO JANUARY 1, 2025, A LANDOWNER IS ALLOWED A  
22 CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN  
23 AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF UP TO TWO THOUSAND FIVE  
24 HUNDRED DOLLARS IN COSTS FOR WILDFIRE MITIGATION MEASURES. THE  
25 MAXIMUM TOTAL CREDIT IN A TAXABLE YEAR IS SIX HUNDRED TWENTY  
26 FIVE DOLLARS.

27 (4) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2028."

28 Renumber succeeding section accordingly.

29 Strike "DIVISION" and substitute "FOREST SERVICE" on: **Page 2**, lines 6,  
30 12, and 14; **Page 3**, lines 5, 6, and 26; and **Page 4**, line 1.

31 Strike "DEPARTMENT OF LOCAL AFFAIRS" and substitute "FOREST SERVICE"  
32 on: **Page 3**, lines 18 and 19 and line 25.

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