



Legislative Council Staff Research Note

Version: Final
Date: 4/1/2016

Bill Number

House Bill 16-1255

Sponsors

***Representatives Coram & Vigil
Senator Baumgardner***

Short Title

***Manage Forests To Improve
Water Supply Conditions***

Research Analyst

David Beaujon (x4781)

Status

This research note reflects the final version of the bill and becomes effective upon signature of the Governor.

Summary

This bill directs the Colorado state forest service (CSFS) to conduct demonstration projects that utilize Colorado's good neighbor authority with the United States Forest Service (USFS) to implement forest management treatments that improve forest health and resilience; supply forest products to Colorado businesses; and target a Colorado watershed.

The bill requires at least \$200,000 of the \$1 million annually allocated to the CSFS for community watershed restoration be used to implement these projects. The CSFS, in conjunction with the Colorado Water Conservation Board (CWCB), is also required to compile and summarize findings from existing studies that quantify and document the relationship between the state water plan and the importance of forest management in protecting and managing Colorado's water resources. The results of the compilation must be submitted in a report to the House and Senate natural resource committees by July 1, 2017.

The bill also creates within the CSFS the Forest Health Advisory Council to advise the state forester on a broad range of issues with and threats to Colorado's forests. Council membership will be appointed by the Governor and legislative leadership and is subject to sunset review in 2021.

This research note was prepared by Legislative Council Staff, the nonpartisan research staff for the Colorado General Assembly. The research note is provided for informational purposes only and should not be relied upon as an official record of action by the General Assembly. Legislative Council Staff are not attorneys, and the research note is not a legal opinion. If you have legal questions about the bill, including questions about the meaning of the bill language or amendments, please contact the drafter.

Background

Forest Restoration Cash Fund. Under current law, the Forest Restoration Cash Fund is allocated \$1 million annually from the Tier 2 Fund of the Severance Tax Operational Fund. The Operational Fund receives 25 percent of severance tax receipts. Current law provides a mechanism for balancing spending from the operational fund by making proportional reductions to the fund's Tier 2 programs when insufficient funds exist to fully fund those programs and still meet the account's statutory reserve requirement. Tier 2 programs include water-related programs, agriculture-related programs, clean and renewable energy development, soil conservation, the control of invasive species, low-income energy assistance, and the Species Conservation Trust Fund. Based on the December 2015 Legislative Council Economic Forecast, the DNR will be required to make a 41 percent proportional reduction across all existing Tier 2 programs funded from the operational fund under current law. This reduction is primarily due to recent declines in the price of oil and gas and related severance tax reductions.

Colorado State Forest Service. The CSFS is a service and outreach agency of the Warner College of Natural Resources at Colorado State University. The agency provides staffing for the Division of Forestry within the Colorado Department of Natural Resources. It is led by the Colorado State Forester. Each year, the CSFS treats approximately 20,000 acres of forestland, and assists approximately 6,400 landowners to improve health of their forested land and protect against wildfires.

Colorado Water Conservation Board. The CWCB in the Department of Natural Resources is the state's primary water policy and planning agency. Its major programs include water supply protection, flood protection, conservation and drought planning, stream and lake protection (instream flow program), and water supply planning and finance. The CWCB is governed by a 15-member board that is charged with conserving the state's waters to promote utilization and to prevent floods. The CWCB administers several cash funds for water project loans and grants including the CWCB Construction Fund and the Severance Tax Perpetual Base Fund.

Good Neighbor Authority. The Good Neighbor Authority (GNA) allows the USFS to enter into cooperative agreements or contracts with Colorado and other states to allow the state agencies to perform watershed restoration and forest management services on National Forest System (NFS) lands. In 2014, Congress passed two laws expanding GNA: the FY 2014 Appropriations Act and the 2014 Farm Bill. The Farm Bill permanently authorizes the GNA for both the Forest Service and the Bureau of Land Management (BLM) extending it to all 50 States and Puerto Rico. It excludes construction, reconstruction, repair, or restoration of paved or permanent roads or parking areas and construction, alteration, repair, or replacement of public buildings or works; as well as projects in wilderness areas, wilderness study areas, and lands where removal of vegetation is prohibited or restricted. The Fiscal Year 2014 Appropriations Act included a five-year authorization for the use of GNA in all states with NFS lands to perform watershed restoration and protection services on NFS and BLM lands when similar and complementary services are performed by the state on adjacent state or private lands. Other than the adjacency requirement, there were no exclusions as to type or location of work. To date, the CSFS has completed 39 GNA projects on NFS lands, treating 3778 acres and completed 9 GNA projects on BLM lands, treating 100 acres. For example, in 2007, the CSFS completed the Swayback/Jenny Gulch project, a 400-acre, 1.2 million board foot timber sale. This project also involved the creation restoration openings in a strategic pattern to hamper the spread of wildfires.

House Action

House Agriculture, Livestock, and Natural Resources Committee (February 29, 2016).

At the hearing, representatives of the Society of American Foresters and a County Commissioner from Rio Grande County testified in support of the bill. The Director of the Colorado State Forest Service also discussed the health of Colorado's forests and identified state programs to improve forest health and protect properties from wildland fire risks. The committee approved Amendment L.001 that changed when the Colorado Water Conservation Board must submit its study on the relationship of forest management to the protection of Colorado's water resources. The date was changed from January 1, 2017, to July 1, 2017. The bill was referred to the Committee of the Whole, as amended.

House second reading (March 2, 2016). The House adopted the House Agriculture, Livestock, and Natural Resources Committee report. The House passed the bill on second reading, as amended.

House third reading (March 8, 2016). The House passed the bill on third reading with no amendments.

House concurrence (April 1, 2016). The House concurred with the Senate amendments to the bill.

Senate Action

Senate Agriculture, Natural Resources, and Energy Committee (March 24, 2016). At the hearing, representatives of the Society of American Foresters, Colorado Counties, Inc., and the Colorado River Water Conservation District testified in support of the bill. The Director of the Colorado State Forest Service also discussed the health of Colorado's forests and identified state programs to improve forest health and protect properties from wildland fire risks. The committee approved Amendment L.002 that changed the requirement to conduct a study on the relationship of forest management to the protection of Colorado's water resources to a compilation and summary of existing studies. It also requires that one of the two county commissioners on the Forest Health Advisory Council represent a county west of the continental divide and that both commissioners be selected from a list provided by a statewide association of counties. The committee also approved Amendment L.003 that struck "pilot" from the demonstration projects concerning Colorado's Good Neighbor Authority. The bill was referred to the Committee of the Whole with a recommendation that it be placed on the consent calendar.

Senate second reading (March 29, 2016). The Senate adopted the Senate Agriculture, Natural Resources, and Energy Committee report. The Senate passed the bill on second reading, as amended.

Senate third reading (March 30, 2016). The Senate passed the bill on third reading with no amendments.

Relevant Research

Colorado State Forest Service, *2015 Report on the Health of Colorado's Forests*, January 2016.