

First Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 21-0888.01 Duane Gall x4335

SENATE BILL 21-235

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SENATE SPONSORSHIP

**Jaquez Lewis,**

HOUSE SPONSORSHIP

**Bernett and McCormick,**

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**Senate Committees**

Agriculture & Natural Resources

**House Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING ADDITIONAL FUNDING FOR PROGRAMS OF THE**  
102            **DEPARTMENT OF AGRICULTURE TO SUPPORT INCREASED**  
103            **EFFICIENCY IN AGRICULTURAL OPERATIONS, AND, IN**  
104            **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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**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>.)*

The bill directs the state treasurer to make an immediate, one-time transfer of \$3 million from the general fund to the agriculture value-added cash fund to augment the department of agriculture's ongoing advancing

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.

Colorado's renewable energy and energy efficiency (ACRE<sup>3</sup>) program. The bill also appropriates \$2 million from the general fund to the conservation services division within the department of agriculture for the purpose of administering voluntary soil health programs.

The bill requires the department of agriculture to periodically report on its expenditures to the office of state planning and budgeting and the general assembly.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 finds, determines, and declares that:

4 (a) The Colorado department of agriculture's advancing  
5 Colorado's renewable energy and energy efficiency program, also known  
6 as "ACRE<sup>3</sup>", promotes the development and implementation of renewable  
7 energy and energy efficiency projects for Colorado's agricultural  
8 producers and processors;

9 (b) ACRE<sup>3</sup> is Colorado's principal source of state-level support for  
10 agricultural energy management, providing financial and technical  
11 assistance and education to help agricultural producers and processors cut  
12 energy costs, develop their own energy resources, and create markets for  
13 agriculturally derived energy and fuels;

14 (c) Energy efficiency measures and renewable energy  
15 technologies are effective strategies to make Colorado's agricultural  
16 businesses more economically competitive and sustainable;

17 (d) Healthy soils support rural communities by increasing the  
18 prosperity of farming and ranching families and supporting the local food  
19 and agricultural businesses upon which they rely;

20 (e) Healthy soils have important environmental benefits, including  
21 improved air and water quality, soil structural integrity, erosion  
22 prevention, and nutrient cycling; increased biological and microbiological

1 diversity; and carbon sequestration;

2 (f) Healthy soils can increase the profitability of agricultural  
3 producers by reducing labor and supply costs and increasing yields and  
4 resilience to extreme weather events, including drought and heat;

5 (g) Supporting voluntary soil health, renewable energy, and  
6 energy efficiency projects is vital to a strong and prosperous future for  
7 Colorado's food and agricultural industry, generating an estimated  
8 forty-seven billion dollars of economic activity annually and supporting  
9 nearly one hundred ninety-five thousand jobs; and

10 (h) Therefore, it is in the public interest to enhance the level of  
11 financial support provided to both the ACRE<sup>3</sup> program and the  
12 department's soil health programs.

13 **SECTION 2.** In Colorado Revised Statutes, 35-1-104, **add** (1)(ff)  
14 as follows:

15 **35-1-104. Functions, powers, and duties - rules.** (1) The  
16 department has and shall exercise the following functions, powers, and  
17 duties:

18 (ff) (I) TO IMPLEMENT VOLUNTARY SOIL HEALTH PROGRAMS,  
19 INCLUDING A PROGRAM TO AWARD GRANTS TO IMPLEMENT SOIL HEALTH  
20 ACTIVITIES, A SYSTEM FOR MONITORING THE ENVIRONMENTAL OR  
21 ECONOMIC BENEFITS OF SOIL HEALTH PRACTICES, A STATE SOIL HEALTH  
22 INVENTORY AND PLATFORM, AND ONE OR MORE SOIL HEALTH TESTING  
23 PROGRAMS. THE DEPARTMENT MAY RETAIN UP TO TWO PERCENT OF THE  
24 MONEY APPROPRIATED FOR THESE PURPOSES TO DEFRAY THE  
25 DEPARTMENT'S COSTS OF ADMINISTERING THE PROGRAMS.

26 (II) NO LATER THAN JANUARY 31 OF EACH YEAR, THE  
27 DEPARTMENT SHALL PREPARE AND MAKE AVAILABLE TO THE PUBLIC A

1 REPORT ON ITS OFFICIAL WEBSITE THAT MUST CONTAIN THE FOLLOWING  
2 INFORMATION FOR THE PREVIOUS YEAR:

3 (A) AN ACCOUNTING OF ALL MONEY RECEIVED AND SPENT FOR THE  
4 PURPOSES ENUMERATED IN SUBSECTION (1)(ff)(I) OF THIS SECTION; AND

5 (B) A DESCRIPTION OF ACTIVITIES UNDERTAKEN, INCLUDING THE  
6 NUMBER AND TYPE OF GRANT-FUNDED PROJECTS AND THE EDUCATIONAL  
7 AND STAKEHOLDER ENGAGEMENT ACTIVITIES.

8 (III) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I):

9 (A) NO LATER THAN JANUARY 31 OF EACH YEAR, THE  
10 DEPARTMENT SHALL SUBMIT THE REPORT PREPARED IN ACCORDANCE WITH  
11 SUBSECTION (1)(ff)(II) OF THIS SECTION TO THE AGRICULTURE AND  
12 NATURAL RESOURCES COMMITTEE OF THE SENATE AND THE AGRICULTURE,  
13 LIVESTOCK, AND WATER COMMITTEE OF THE HOUSE OF REPRESENTATIVES,  
14 OR ANY SUCCESSOR COMMITTEES; AND

15 (B) THE DEPARTMENT SHALL ANNUALLY REPORT ON ITS  
16 ACTIVITIES UNDER THIS SUBSECTION (1)(ff) AT THE HEARING REQUIRED BY  
17 THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND  
18 TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF  
19 TITLE 2.

20 **SECTION 3.** In Colorado Revised Statutes, 35-75-205, **add** (4)  
21 as follows:

22 **35-75-205. Grants, loans and loan guarantees, and equity**  
23 **investments - agriculture value-added cash fund - created - repeal.**

24 (4) (a) WITHIN THREE DAYS AFTER THE EFFECTIVE DATE OF THIS  
25 SUBSECTION (4), THE STATE TREASURER SHALL TRANSFER THREE MILLION  
26 DOLLARS FROM THE GENERAL FUND TO THE AGRICULTURE VALUE-ADDED  
27 CASH FUND. THE BOARD SHALL USE THE MONEY TRANSFERRED UNDER THIS

1 SUBSECTION (4)(a) IN A MANNER CONSISTENT WITH SUBSECTIONS (2) AND  
2 (3) OF THIS SECTION; EXCEPT THAT THE BOARD MAY RETAIN UP TO TWO  
3 PERCENT OF THE MONEY TO DEFRAY THE DEPARTMENT'S COSTS OF  
4 ADMINISTRATION.

5 (b) (I) ON JANUARY 15, 2022, AND SEMIANNUALLY FOR TWO  
6 YEARS AFTER THE DATE OF THE FIRST GRANT AWARDED OR LOAN ISSUED  
7 USING MONEY TRANSFERRED UNDER SUBSECTION (4)(a) OF THIS SECTION,  
8 THE DEPARTMENT SHALL REPORT THE AMOUNTS OF ALL SUCH GRANTS AND  
9 LOANS AND THE PURPOSES TO WHICH THE PROCEEDS WERE DEDICATED:

10 (A) TO THE OFFICE OF STATE PLANNING AND BUDGETING, THE  
11 AGRICULTURE AND NATURAL RESOURCES COMMITTEE OF THE SENATE, AND  
12 THE AGRICULTURE, LIVESTOCK, AND WATER COMMITTEE OF THE HOUSE OF  
13 REPRESENTATIVES, OR THE SUCCESSORS TO THOSE ENTITIES; AND

14 (B) TO THE GENERAL ASSEMBLY IN ACCORDANCE WITH SECTION  
15 24-1-136 (9).

16 (II) IN ADDITION TO MAKING THE REPORTS SPECIFIED IN  
17 SUBSECTION (4)(b)(I) OF THIS SECTION, THE DEPARTMENT SHALL  
18 INCORPORATE THE INFORMATION CONTAINED IN THOSE REPORTS INTO ITS  
19 ANNUAL PRESENTATION UNDER THE "STATE MEASUREMENT FOR  
20 ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART)  
21 GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

22 (c) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2023.

23 **SECTION 4. Appropriations.** (1) For the 2020-21 state fiscal  
24 year, \$3,000,000 is appropriated to the department of agriculture for use  
25 by the commissioner's office. This appropriation is from the agriculture  
26 value-added cash fund created in section 35-75-205 (1), C.R.S. To  
27 implement this act, the commissioner may use this appropriation to make

1 grants to implement renewable energy and energy efficiency projects,  
2 conduct energy audits, and provide technical assistance. Any money  
3 appropriated in this subsection (1) not expended prior to July 1, 2021, is  
4 further appropriated to the department for the 2021-22 state fiscal year for  
5 the same purpose.

6 (2) For the 2020-21 state fiscal year, \$2,000,000 is appropriated  
7 to the department of agriculture for use by the conservation services  
8 division. This appropriation is from the general fund. The division may  
9 use this appropriation in accordance with section 35-1-104 (1)(ff), C.R.S.  
10 Any money appropriated in this subsection (2) not expended prior to July  
11 1, 2021, is further appropriated to the department for the 2021-22 and  
12 2022-23 state fiscal years for the same purposes; except that the  
13 department of agriculture shall expend all of the money thus appropriated  
14 on or before December 31, 2022.

15 **SECTION 5. Safety clause.** The general assembly hereby finds,  
16 determines, and declares that this act is necessary for the immediate  
17 preservation of the public peace, health, or safety.