# Second Regular Session Seventy-second General Assembly STATE OF COLORADO

# **PREAMENDED**

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

LLS NO. 20-0275.01 Thomas Morris x4218

**HOUSE BILL 20-1143** 

### **HOUSE SPONSORSHIP**

**Jackson and Gonzales-Gutierrez,** Arndt, Caraveo, Coleman, Cutter, Exum, Herod, Hooton, Jaquez Lewis, Kipp, McLachlan, Melton, Singer, Sirota, Snyder, Titone, Valdez A.

### SENATE SPONSORSHIP

Winter,

#### **House Committees**

#### **Senate Committees**

Energy & Environment Finance Appropriations

	A BILL FOR AN ACT
101	CONCERNING ADDITIONAL PUBLIC HEALTH PROTECTIONS REGARDING
102	ALLEGED ENVIRONMENTAL VIOLATIONS, AND, IN CONNECTION
103	THEREWITH, RAISING THE MAXIMUM FINES FOR AIR QUALITY
104	AND WATER QUALITY VIOLATIONS AND ALLOCATING THE FINES
105	TO ENVIRONMENTAL MITIGATION PROJECTS.

## **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 <a href="http://leg.colorado.gov">http://leg.colorado.gov</a>.)

Current state law sets the maximum civil fine for most air quality violations at \$15,000 per day and most water quality violations at \$10,000

per day, but federal law allows the federal environmental protection agency to assess a maximum daily fine per violation of \$47,357 for these violations. **Sections 2 and 4** of the bill raise the maximum fine to \$47,357 per day and direct the air quality control commission and the water quality control commission in the department of public health and environment (department) to annually adjust the maximum fine based on changes in the consumer price index.

Current law allocates all water quality fines to the water quality improvement fund; **section 4** authorizes the use of money in that fund to pay for projects addressing impacts to environmental justice communities. Section 4 also extends the repeal date for the water quality improvement fund to September 1, 2025.

Current law allocates all air quality fines to the general fund; **section 3** allocates them to the newly created community impact cash fund. Section 3 also:

- ! Specifies that the department is to use money in the community impact cash fund for environmental mitigation projects (EMPs);
- ! Defines an EMP as a project that avoids, minimizes, or mitigates the adverse effects of a violation or alleged violation of the air quality or water quality laws;
- ! Creates the environmental justice advisory board to recommend EMPs in response to violations or alleged violations that affect environmental justice communities; and
- ! Creates an environmental justice ombudsperson position within the department, who serves as chief staff to the advisory board and advocates for environmental justice communities.

Section 3 also requires the department to post proposed EMPs on the department's website in a format that allows the public to submit comments on the proposed EMP, not approve an EMP until at least 45 days after the EMP has been posted on its website, and include a description of all approved EMPs in its departmental SMART Act presentations.

Section 1 sunsets the advisory board on September 1, 2025.

- 1 Be it enacted by the General Assembly of the State of Colorado:
- 2 SECTION 1. In Colorado Revised Statutes, 2-3-1203, add
- $3 \qquad (16)(a)(VI) \text{ as follows:}$
- 4 2-3-1203. Sunset review of advisory committees legislative

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1 **declaration - definition - repeal.** (16) (a) The following statutory 2 authorizations for the designated advisory committees will repeal on 3 September 1, 2025: 4 (VI) THE ENVIRONMENTAL JUSTICE ADVISORY BOARD CREATED IN 5 SECTION 25-7-129 (3). 6 **SECTION 2.** In Colorado Revised Statutes, 25-7-122, amend (1) 7 introductory portion, (1)(b), and (1)(d) as follows: 8 25-7-122. Civil penalties - rules. (1) Upon application of the 9 division, penalties as determined under this article ARTICLE 7 may be 10 collected by the division by action instituted in the district court for the 11 district in which is located the air pollution source affected in accordance 12 with the following provisions: 13 (b) Any person who violates any requirement or prohibition of an 14 applicable emission control regulation of the commission, the state 15 implementation plan, a construction permit, any provision for the 16 prevention of significant deterioration under part 2 of this article ARTICLE 17 7, any provision related to attainment under part 3 of this article ARTICLE 18 7, or any provision of section 25-7-105, 25-7-106, 25-7-106.3, 19 25-7-106.8, <del>25-7-106.9,</del> 25-7-108, 25-7-109, 25-7-111, 25-7-112, 20 25-7-113, 25-7-114.2, 25-7-114.5, 25-7-118, 25-7-206, 25-7-403, 21 25-7-404, 25-7-405, 25-7-407, 42-4-403, 42-4-404, 42-4-405, 42-4-406, 22 42-4-407, 42-4-409, 42-4-410, or 42-4-414, <del>C.R.S., shall be</del> Is subject to 23 a civil penalty of not more than fifteen FORTY-SEVEN thousand THREE 24 HUNDRED FIFTY-SEVEN dollars per day for each day of such violation; 25 except that: 26 BEGINNING IN 2021, THE COMMISSION SHALL, BY RULE,

ANNUALLY ADJUST THE AMOUNT OF THE MAXIMUM CIVIL PENALTY BASED

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1	ON THE PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF
2	LABOR'S BUREAU OF LABOR STATISTICS DENVER-AURORA-LAKEWOOD
3	CONSUMER PRICE INDEX FOR ALL ITEMS AND ALL URBAN CONSUMERS, OR
4	ITS SUCCESSOR INDEX; AND
5	(II) There shall be no Civil penalties SHALL NOT BE assessed or
6	collected against persons who violate emission regulations promulgated
7	by the commission for the control of odor until a compliance order issued
8	pursuant to section 25-7-115 and ordering compliance with the odor
9	regulation has been violated.
10	(d) Any person who violates any requirement, prohibition, or
11	order respecting an operating permit issued pursuant to section
12	25-7-114.3, including but not limited to failure to obtain such a permit
13	or to operate in compliance with any term or condition thereof OF THE
14	PERMIT, or to pay the permit fee required under section 25-7-114.7 (2), or
15	commits a violation of section 25-7-109.6 shall be IS subject to a civil
16	penalty of not more than fifteen FORTY-SEVEN thousand THREE HUNDRED
17	FIFTY-SEVEN dollars per day for each violation; EXCEPT THAT, BEGINNING
18	IN 2021, THE COMMISSION SHALL, BY RULE, ANNUALLY ADJUST THE
19	AMOUNT OF THE MAXIMUM CIVIL PENALTY BASED ON THE PERCENTAGE
20	CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF
21	LABOR STATISTICS CONSUMER PRICE INDEX FOR
22	DENVER-AURORA-LAKEWOOD FOR ALL ITEMS AND ALL URBAN
23	CONSUMERS, OR ITS SUCCESSOR INDEX.
24	SECTION 3. In Colorado Revised Statutes, amend 25-7-129 as
25	follows:
26	25-7-129. Disposition of fines - community impact cash fund
27	- environmental justice ombudsperson - environmental justice

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1	advisory board - environmental mitigation projects - definitions -
2	repeal. (1) Community impact cash fund. (a) All receipts from
3	penalties or fines collected under the provisions of sections 25-7-115,
4	25-7-122, and 25-7-123 shall be credited to the general fund of the state
5	COMMUNITY IMPACT CASH FUND, WHICH IS HEREBY CREATED IN THE STATE
6	TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE FUND
7	PURSUANT TO THIS SUBSECTION (1) AND ANY OTHER MONEY THAT THE
8	GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE
9	STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED
10	FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE
11	FUND. FOR ACCOUNTING PURPOSES, EACH PENALTY AND FINE CREDITED TO
12	THE FUND PURSUANT TO THIS SECTION IS A DAMAGE AWARD.
13	(b) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
14	ASSEMBLY, THE DEPARTMENT MAY EXPEND MONEY FROM THE FUND FOR
15	ITS DIRECT AND INDIRECT COSTS IN IMPLEMENTING ENVIRONMENTAL
16	MITIGATION PROJECTS AS SPECIFIED IN THIS SECTION, INCLUDING COSTS
17	ASSOCIATED WITH THE ENVIRONMENTAL JUSTICE OMBUDSPERSON
18	POSITION CREATED IN SUBSECTION (2) OF THIS SECTION AND THE
19	ENVIRONMENTAL JUSTICE ADVISORY BOARD CREATED IN SUBSECTION (3)
20	OF THIS SECTION.
21	(2) Environmental justice ombudsperson. There is hereby
22	CREATED IN THE DEPARTMENT AN ENVIRONMENTAL JUSTICE
23	OMBUDSPERSON. THE OMBUDSPERSON SHALL ADVOCATE WITHIN THE
24	DEPARTMENT FOR ENVIRONMENTAL JUSTICE COMMUNITIES AND SERVE AS
25	CHIEF STAFF TO THE BOARD AND A CENTRALIZED POINT OF CONTACT FOR
26	ENVIRONMENTAL JUSTICE COMMUNITIES.
2.7	(3) Environmental justice advisory board. (a) THERE IS

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2	ADVISORY BOARD.
3	(b)(I) The board consists of the ombuds person, who serves
4	EX OFFICIO AS A NONVOTING MEMBER OF THE BOARD, FIVE MEMBERS
5	APPOINTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT, OF WHOM
6	AT LEAST THREE MUST BE A RESIDENT OF AN ENVIRONMENTAL JUSTICE
7	COMMUNITY AND ONE MUST BE FROM A NONGOVERNMENTAL
8	ORGANIZATION THAT REPRESENTS STATEWIDE INTERESTS TO ADVANCE
9	ENVIRONMENTAL PROTECTIONS, AND FOUR MEMBERS APPOINTED AS
10	FOLLOWS:
11	(A) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF
12	REPRESENTATIVES;
13	(B) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE
14	HOUSE OF REPRESENTATIVES;
15	(C) ONE MEMBER APPOINTED BY THE PRESIDENT OF THE SENATE;
16	AND
17	(D) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE
18	SENATE.
19	(II) THE APPOINTING AUTHORITIES SHALL MAKE THE INITIAL
20	appointments to the board no later than January 1, 2021. When
21	MAKING APPOINTMENTS, THE APPOINTING AUTHORITIES SHALL CONSIDER
22	GUIDANCE ISSUED BY THE ADMINISTRATOR REGARDING ENVIRONMENTAL
23	JUSTICE.
24	(c) EACH APPOINTED MEMBER OF THE BOARD SERVES AT THE
25	PLEASURE OF THE APPLICABLE APPOINTING AUTHORITY. THE TERM OF
26	APPOINTMENT IS FOUR YEARS; EXCEPT THAT THE INITIAL TERM OF EACH
27	MEMBER APPOINTED PURSUANT TO SUBSECTIONS $(3)(b)(I)(C)$ AND

HEREBY CREATED IN THE DEPARTMENT THE ENVIRONMENTAL JUSTICE

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1	(3)(b)(I)(D) OF THIS SECTION AND ONE MEMBER APPOINTED BY THE
2	EXECUTIVE DIRECTOR IS TWO YEARS.
3	(d) EACH APPOINTED MEMBER OF THE BOARD IS ENTITLED TO
4	RECEIVE PAYMENT OF PER DIEM AND REIMBURSEMENT FOR ACTUAL AND
5	NECESSARY EXPENSES AT THE RATES SPECIFIED PURSUANT TO SECTION
6	2-2-326 (1)(b) AS THOUGH THE MEMBER WERE A LEGISLATOR; EXCEPT
7	THAT THE SOURCE OF THE MONEY IS THE FUND.
8	(e) THE OMBUDSPERSON SHALL CALL THE FIRST MEETING OF THE
9	BOARD BY JANUARY 1, 2021. THE BOARD SHALL ELECT A CHAIRPERSON
10	FROM AMONG ITS MEMBERS AT LEAST EVERY TWO YEARS. THE BOARD
11	SHALL MEET AT LEAST ONCE EVERY QUARTER. THE CHAIRPERSON MAY
12	CALL SUCH ADDITIONAL MEETINGS AS ARE NECESSARY FOR THE BOARD TO
13	COMPLETE ITS DUTIES.
14	
15	
16	(4) <b>Powers and duties of the board.</b> (a) THE BOARD HAS THE
17	FOLLOWING POWERS AND DUTIES:
18	(I) TO ADVISE THE DEPARTMENT ON THE IDENTIFICATION OF
19	ENVIRONMENTAL JUSTICE COMMUNITIES;
20	(II) TO RECOMMEND TO THE DEPARTMENT EMPS IN RESPONSE TO
21	VIOLATIONS THAT OCCUR IN, OR DIRECTLY AFFECT RESIDENTS OR
22	WORKERS IN, ENVIRONMENTAL JUSTICE COMMUNITIES;
23	(III) TO DEVELOP PROCEDURES FOR SOLICITING FOR, EVALUATING,
24	AND RECOMMENDING EMPS THAT ADDRESS ENVIRONMENTAL VIOLATIONS
25	IN ENVIRONMENTAL JUSTICE COMMUNITIES, INCLUDING ELIGIBILITY
26	REQUIREMENTS. THE PROCEDURES MUST:
27	(A) SPECIFY EMP CRITERIA IN ACCORDANCE WITH SUBSECTION

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1	(5)(d) of this section, including for when it may be appropriate to
2	COMBINE PENALTIES FROM MULTIPLE CASE SETTLEMENTS INTO ONE
3	SOLICITATION;
4	(B) INCLUDE PROCESSES FOR: NOTIFYING EACH ENVIRONMENTAL
5	JUSTICE COMMUNITY THAT WAS AFFECTED BY THE VIOLATION OR WILL BE
6	AFFECTED BY THE PROPOSED EMP; SOLICITING FEEDBACK FROM
7	RESIDENTS OF, WORKERS IN, AND REPRESENTATIVES OF THOSE
8	COMMUNITIES; AND HOLDING A PUBLIC HEARING AT WHICH THE PUBLIC
9	HAS AN OPPORTUNITY TO COMMENT ON THE PROPOSED EMP; AND
10	(C) INCLUDE PUBLIC ENGAGEMENT BEST PRACTICES AND
11	CONSIDERATION OF COMMUNITY INPUT RECEIVED AND A PROCESS FOR
12	COLLABORATING WITH IMPACTED COMMUNITIES WHEN SOLICITING FOR
13	EMP PROPOSALS;
14	(IV) TO SUBMIT AN ANNUAL REPORT TO THE COMMISSION WITH A
15	SUMMARY OF THE BOARD'S ACTIONS, INCLUDING A DESCRIPTION OF ALL
16	EMPs recommended during the previous year; and
17	(V) TO MAKE RECOMMENDATIONS, AS REQUESTED BY THE
18	OMBUDSPERSON, TO ADVANCE THE DEPARTMENT'S EFFORTS IN
19	INCORPORATING PRINCIPLES OF ENVIRONMENTAL JUSTICE.
20	(b) (I) THE BOARD SHALL NOT BE INVOLVED IN AN ENFORCEMENT
21	MATTER UNTIL THE DEPARTMENT NOTIFIES THE BOARD THAT THE
22	DEPARTMENT HAS RESOLVED THE MATTER.
23	(II) THE BOARD SHALL USE ITS BEST EFFORTS TO RECOMMEND
24	EMPs WITHIN ONE HUNDRED EIGHTY DAYS AFTER NOTIFICATION BY THE
25	DEPARTMENT THAT AN ENFORCEMENT MATTER HAS BEEN RESOLVED WITH
26	FINES THAT WILL BE PAID INTO THE FUND.
27	(c) This subsection (4) is repealed, effective September 1,

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1	2025. BEFORE THE REPEAL, THE FUNCTIONS OF THE BOARD ARE
2	SCHEDULED FOR REVIEW IN ACCORDANCE WITH SECTION 2-3-1203.
3	(5) Environmental mitigation projects. (a) THE DEPARTMENT
4	SHALL USE MONEY IN THE FUND TO PAY FOR EMPS.
5	(b) FOR VIOLATIONS THAT OCCURRED IN OR DIRECTLY AFFECTED
6	AN ENVIRONMENTAL JUSTICE COMMUNITY, THE DEPARTMENT SHALL
7	CONSIDER EMPS RECOMMENDED BY THE BOARD THAT BENEFIT THE
8	IMPACTED COMMUNITY.
9	(c) FOR VIOLATIONS THAT DID NOT OCCUR IN OR DIRECTLY AFFECT
10	AN ENVIRONMENTAL JUSTICE COMMUNITY, THE DEPARTMENT SHALL
11	AWARD EMPS IN ACCORDANCE WITH SUBSECTION (5)(d) OF THIS SECTION
12	AND SHALL:
13	(I) (A) SEEK PUBLIC COMMENT ON AN EMP THAT THE
14	DEPARTMENT INTENDS TO AWARD BY POSTING A SUMMARY OF THE EMP
15	ON THE DEPARTMENT'S WEBSITE IN A FORMAT THAT ALLOWS THE PUBLIC
16	TO SUBMIT COMMENTS; AND
17	(B) NOT APPROVE AN EMP UNTIL AT LEAST THIRTY DAYS AFTER
18	THE EMP HAS BEEN POSTED ON THE DEPARTMENT'S WEBSITE; AND
19	(II) PREPARE AN ANNUAL REPORT TO THE COMMISSION REGARDING
20	THE DEPARTMENT'S USE OF THE FUND THAT INCLUDES A DESCRIPTION OF
21	ALL DEPARTMENT-APPROVED EMPS.
22	(d) IN CONSULTATION WITH THE BOARD, THE DEPARTMENT SHALL
23	DEVELOP CRITERIA TO GUIDE IT IN MAKING DECISIONS CONCERNING THE
24	AWARDING OF EMPS. THE CRITERIA MAY INCLUDE:
25	(I) THE NEEDS OF THE COMMUNITY WHERE THE VIOLATION
26	OCCURRED;
27	(II) COMMUNITY SUPPORT FOR THE PROPOSED EMP;

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1	(III) THE FEASIBILITY OF SUCCESSFUL IMPLEMENTATION OF THE
2	PROPOSED EMP;
3	(IV) THE NEXUS OF THE EMP TO THE VIOLATION; AND
4	(V) THE ENVIRONMENTAL AND PUBLIC HEALTH BENEFITS
5	RESULTING FROM THE IMPLEMENTATION OF THE EMP.
6	(6) <b>Definitions.</b> As used in this section:
7	(a) "BOARD" MEANS THE ENVIRONMENTAL JUSTICE ADVISORY
8	BOARD CREATED IN SUBSECTION (3) OF THIS SECTION.
9	(b) "DEPARTMENT" MEANS THE DEPARTMENT OF PUBLIC HEALTH
10	AND ENVIRONMENT, CREATED IN SECTION 25-1-102.
11	(c) "Environmental justice community" means a community
12	WHERE RESIDENTS:
13	(I) ARE PREDOMINANTLY MINORITIES OR HAVE LOW INCOME;
14	(II) HAVE BEEN EXCLUDED FROM THE ENVIRONMENTAL
15	POLICY-SETTING OR DECISION-MAKING PROCESSES;
16	(III) ARE SUBJECT TO A DISPROPORTIONATE IMPACT FROM ONE OR
17	MORE ENVIRONMENTAL HAZARDS; OR
18	(IV) EXPERIENCE DISPARATE IMPLEMENTATION OF
19	ENVIRONMENTAL REGULATIONS, REQUIREMENTS, PRACTICES, AND
20	ACTIVITIES.
21	(d) "ENVIRONMENTAL MITIGATION PROJECT" OR "EMP" MEANS A
22	PROJECT THAT AVOIDS, MINIMIZES, OR MITIGATES THE ADVERSE EFFECTS
23	OF A VIOLATION OR OTHER CUMULATIVE ENVIRONMENTAL IMPACTS IN AN
24	ENVIRONMENTAL JUSTICE COMMUNITY.
25	(e) "FUND" MEANS THE COMMUNITY IMPACT CASH FUND CREATED
26	IN SUBSECTION (1) OF THIS SECTION.
2.7	(f) "Ombudsperson" means the environmental justice

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1	OMBUDSPERSON POSITION CREATED IN SUBSECTION (2) OF THIS SECTION.
2	(g) "VIOLATION" MEANS A VIOLATION OR ALLEGED VIOLATION OF
3	THIS ARTICLE 7 OR ARTICLE 8 OF THIS TITLE 25.
4	SECTION 4. In Colorado Revised Statutes, 25-8-608, amend (1)
5	introductory portion, (1.7)(a) introductory portion, (1.7)(a)(III),
6	(1.7)(a)(IV), (1.7)(c), and (1.7)(d)(II); and <b>add</b> (1.7)(a)(V) as follows:
7	25-8-608. Civil penalties - rules - fund created - temporary
8	moratorium on penalties for minor violations - definitions - repeal.
9	(1) Except as otherwise provided in subsection (3) of this section, any A
10	person who violates any provision of this article or of any THIS ARTICLE
11	8, A permit issued under this article, or any ARTICLE 8, A control
12	regulation promulgated pursuant to this article ARTICLE 8, or any A final
13	cease-and-desist order or clean-up order shall be IS subject to a civil
14	penalty of not more than ten FIFTY-FOUR thousand EIGHT HUNDRED
15	THIRTY-THREE dollars per day for each day during which such PER
16	violation; occurs except that, beginning in 2021, the commission
17	SHALL, BY RULE, ANNUALLY ADJUST THE AMOUNT OF THE MAXIMUM CIVIL
18	PENALTY BASED ON THE PERCENTAGE CHANGE IN THE UNITED STATES
19	DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE
20	INDEX FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS AND ALL URBAN
21	CONSUMERS, OR ITS SUCCESSOR INDEX. In determining the amount of a
22	penalty under this part 6, the following factors shall be considered:
23	(1.7) (a) The department OF PUBLIC HEALTH AND ENVIRONMENT
24	shall expend moneys MONEY in the water quality improvement fund for
25	the following purposes:
26	(III) Providing the nonfederal match funding for nonpoint source
27	projects under 33 U.S.C. sec. 1329; or

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1	(IV) Providing grants for storm water management training and
2	best practices training to prevent or reduce the pollution of state waters;
3	OR
4	(V) ENVIRONMENTAL MITIGATION PROJECTS FOR VIOLATIONS OF
5	THIS ARTICLE 8 THAT HAVE BEEN APPROVED BY THE ENVIRONMENTAL
6	JUSTICE ADVISORY BOARD CREATED IN SECTION 25-7-129 (3) AND BY THE
7	DEPARTMENT PURSUANT TO THE CRITERIA SPECIFIED IN SECTION 25-7-129
8	(5).
9	(c) The commission shall promulgate rules as may be necessary
10	to administer this subsection (1.7), including but not limited to, rules
11	defining who is eligible for grants and what criteria shall be used in
12	awarding grants; EXCEPT THAT THE COMMISSION NEED NOT PROMULGATE
13	RULES TO ADMINISTER SUBSECTION (1.7)(a)(V) OF THIS SECTION. Any
14	rules shall be promulgated in accordance with article 4 of title 24. C.R.S.
15	(d) (II) This subsection (1.7)(d) is repealed, effective September
16	1, <del>2021</del> 2025.
17	SECTION 5. Applicability. This act applies to fines assessed on
18	or after the effective date of this act.
19	SECTION 6. Safety clause. The general assembly hereby finds,
20	determines, and declares that this act is necessary for the immediate
21	preservation of the public peace, health, or safety.

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