

**First Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 21-0287.01 Jason Gelender x4330

**HOUSE BILL 21-1008**

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**HOUSE SPONSORSHIP**

**Arndt and Catlin,**

**SENATE SPONSORSHIP**

**Cooke and Hansen,**

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**House Committees**

Agriculture, Livestock, & Water  
Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING INCREASED OPTIONS FOR FINANCING FOREST HEALTH**  
102              **PROJECTS, AND, IN CONNECTION THEREWITH, FINANCING**  
103              **WILDFIRE MITIGATION TREATMENTS.**

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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 provides additional options for financing forest health projects by authorizing:

- A separate legal entity created by a combination of local governments as authorized by current law to establish special improvement districts within the boundaries of the

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

combination and levy special assessments on property specially benefited by improvements, functions, services or facilities, including forest health projects, that the separate legal entity is authorized to provide;

- Counties, municipalities, special districts, water conservancy districts, the Colorado river water conservation district, and the southwestern water conservation district to conduct or participate in and finance forest health projects; and
- Authorizing a forest improvement district to use its sales tax revenue for forest health projects.

The bill also postpones the scheduled repeal of the statute that authorizes the Colorado water resources power and development authority to issue bonds to fund watershed protection projects and forest health projects from July 1, 2023, to July 1, 2033.

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

2 **SECTION 1.** In Colorado Revised Statutes, 29-1-203.5, **amend**  
3 (1)(a); and **add** (3)(c) as follows:

4 **29-1-203.5. Separate legal entity established under section**  
5 **29-1-203 - legal status - authority to exercise special district powers**  
6 **- additional financing powers.** (1) (a) Any combination of counties,  
7 municipalities, special districts, or other political subdivisions of this state  
8 that are each authorized to own, operate, finance, or otherwise provide  
9 public improvements, ~~for any function, service, or facility~~ FUNCTIONS,  
10 SERVICES, OR FACILITIES may enter into a contract under section 29-1-203  
11 to establish a separate legal entity to provide any such public  
12 improvements, FUNCTIONS, SERVICES, OR FACILITIES. Any separate legal  
13 entity established is a political subdivision and public corporation of the  
14 state and is separate from the parties to the contract if the contract or an  
15 amendment to the contract states that the entity is formed in conformity  
16 with the provisions of this section and that the provisions of this section  
17 apply to the entity.

1 (3) In addition to any other powers set forth in a contract entered  
2 into pursuant to section 29-1-203 that establishes a separate legal entity  
3 and specifies that the provisions of this section apply to the entity, such  
4 an entity has the following powers:

5 (c) (I) TO ESTABLISH SPECIAL OR LOCAL IMPROVEMENT DISTRICTS  
6 WITHIN THE BOUNDARIES OF AND WITH THE CONSENT OF ANY OF THE  
7 COUNTIES, MUNICIPALITIES, SPECIAL DISTRICTS, OR OTHER POLITICAL  
8 SUBDIVISIONS THAT CONTRACT TO ESTABLISH THE SEPARATE LEGAL  
9 ENTITY AND LEVY SPECIAL ASSESSMENTS ON PROPERTY SPECIALLY  
10 BENEFITED BY IMPROVEMENTS, FUNCTIONS, SERVICES OR FACILITIES,  
11 INCLUDING FOREST HEALTH PROJECTS, AS DEFINED IN SECTION 37-95-103  
12 (4.9), THAT THE SEPARATE LEGAL ENTITY IS AUTHORIZED TO PROVIDE.

13 (II) THE NAME OF A SPECIAL OR LOCAL IMPROVEMENT DISTRICT  
14 MUST INCLUDE THE NAME OF THE SEPARATE LEGAL ENTITY THAT  
15 ESTABLISHED IT.

16 (III) ASSESSMENTS MUST BE LEVIED ON A FRONTAGE, AREA, ZONE,  
17 OR OTHER EQUITABLE BASIS AND ONLY:

18 (A) WITH THE WRITTEN CONSENT OF ALL OF THE OWNERS OF THE  
19 PROPERTY TO BE ASSESSED; OR

20 (B) UPON APPROVAL OF A MAJORITY OF THE ELIGIBLE ELECTORS  
21 OF THE DISTRICT WITHIN THE SPECIAL OR LOCAL IMPROVEMENT DISTRICT  
22 VOTING THEREON.

23 (IV) THE METHOD OF CREATING A SPECIAL OR LOCAL  
24 IMPROVEMENT DISTRICT, UNDERTAKING THE IMPROVEMENTS, FUNCTIONS,  
25 SERVICES, OR FACILITIES SPECIFIED FOR THE IMPROVEMENT DISTRICT,  
26 AND LEVYING AND COLLECTING ASSESSMENTS FOR THE COSTS OF SUCH  
27 UNDERTAKING SPECIFIED FOR THE IMPROVEMENT DISTRICT SHALL BE,

1 AS PROVIDED IN PART 5 OF ARTICLE 25 OF TITLE 31 FOR A SPECIAL  
2 IMPROVEMENT DISTRICT AND AS PROVIDED IN PART 6 OF ARTICLE 20 OF  
3 TITLE 30 FOR A LOCAL IMPROVEMENT DISTRICT, SUBJECT TO THE  
4 FOLLOWING:

5 (A) THE SEPARATE LEGAL ENTITY SHALL HAVE ALL THE RIGHTS,  
6 POWERS, AND DUTIES OF A MUNICIPALITY AND ITS GOVERNING BODY AS  
7 SET FORTH IN PARTS 5 AND 11 OF ARTICLE 25 OF TITLE 31 OR OF A COUNTY  
8 AND ITS BOARD OF COUNTY COMMISSIONERS AS SET FORTH IN PART 6 OF  
9 ARTICLE 20 OF TITLE 30;

10 (B) THE BOARD OF DIRECTORS OF THE SEPARATE LEGAL ENTITY  
11 CONSTITUTES THE GOVERNING BODY AND BOARD OF THE IMPROVEMENT  
12 DISTRICT;

13 (C) THE BOARD OF DIRECTORS SHALL APPOINT OFFICERS WHO  
14 SHALL PERFORM THE DUTIES OF THE OFFICERS AS SET FORTH IN PART 5 OF  
15 ARTICLE 25 OF TITLE 31 OR PART 6 OF ARTICLE 20 OF TITLE 30, AS  
16 APPLICABLE; AND

17 (D) ALL ACTIONS TAKEN BY THE BOARD OF DIRECTORS PURSUANT  
18 TO THE PROVISIONS OF PART 5 OF ARTICLE 25 OF TITLE 31 SHALL BE BY  
19 RESOLUTION, NOTWITHSTANDING ANY REFERENCE IN SAID PART 5 TO  
20 ACTION BY ORDINANCE.

21 **SECTION 2.** In Colorado Revised Statutes, 30-11-101, **amend** (1)  
22 introductory portion; and **add** (1)(l) as follows:

23 **30-11-101. Powers of counties.** (1) Each organized county  
24 within the state ~~shall be~~ IS a body corporate and politic and as such ~~shall~~  
25 ~~be~~ IS empowered for the following purposes:

26 (l) TO CONDUCT OR PARTICIPATE IN FOREST HEALTH PROJECTS AS  
27 DEFINED IN SECTION 37-95-103 (4.9) WITHIN AND OUTSIDE THE

1 BOUNDARIES OF THE COUNTY.

2 **SECTION 3.** In Colorado Revised Statutes, 30-11-104.1, **amend**  
3 (1) as follows:

4 **30-11-104.1. Lease-purchase agreements.** (1) In order to  
5 provide for financing of a public park, a public trail, a public golf course,  
6 or public open space, or a courthouse, jail, or other county building or  
7 equipment used, or to be used, for governmental purposes, OR FOR  
8 FINANCING OF A FOREST HEALTH PROJECT AS DEFINED IN SECTION  
9 37-95-103 (4.9), any county is authorized to enter into lease-purchase  
10 agreements.

11 **SECTION 4.** In Colorado Revised Statutes, **amend** 31-15-801 as  
12 follows:

13 **31-15-801. Agreements - ordinance - financing.** In order to  
14 provide necessary land, buildings, equipment, and other property for  
15 governmental or proprietary purposes OR FOR FINANCING OF FOREST  
16 HEALTH PROJECTS, AS DEFINED IN SECTION 37-95-103 (4.9), any  
17 municipality is authorized to enter into long-term rental or leasehold  
18 agreements, but in no event shall this be construed as authorizing the use  
19 by any municipality of leasehold agreements to finance residential  
20 housing. Such agreements may include an option to purchase and acquire  
21 title to such leased or rented property within a period not exceeding the  
22 useful life of such property and in no case exceeding thirty years. Each  
23 such agreement and the terms thereof shall be concluded by an ordinance  
24 duly enacted by the municipality. No such ordinance shall take effect  
25 before thirty days after its passage and publication. The governing body  
26 of any municipality is authorized to provide for the payment of said  
27 rentals from a general levy imposed upon both personal and real property

1 included within the boundaries of the municipality; by imposing rates,  
2 tolls, and service charges for the use of such property or any part thereof  
3 by others; from any other available municipal income; or from any one or  
4 more of the said sources. The obligation to pay such rentals shall not  
5 constitute an indebtedness of said municipality within the meaning of the  
6 constitutional limitations on contracting of indebtedness by  
7 municipalities.

8 **SECTION 5.** In Colorado Revised Statutes, 31-15-901, **recreate**  
9 **and reenact, with amendments,** (1)(d) as follows:

10 **31-15-901. Miscellaneous powers.** (1) The governing body of  
11 each municipality has the power:

12 (d) TO CONDUCT OR PARTICIPATE IN FOREST HEALTH PROJECTS, AS  
13 DEFINED IN SECTION 37-95-103 (4.9), WITHIN AND OUTSIDE THE  
14 MUNICIPAL BOUNDARIES THAT BENEFIT MUNICIPAL PROPERTY OR  
15 IMPROVEMENTS, INCLUDING WATER COLLECTION AND SUPPLY FACILITIES,  
16 OR REDUCE THE RISK OF WILDFIRE WITHIN THE MUNICIPALITY AND  
17 WATERSHEDS WITHIN WHICH THE MUNICIPALITY COLLECTS, TRANSPORTS,  
18 OR STORES ITS WATER SUPPLY.

19 **SECTION 6.** In Colorado Revised Statutes, 32-1-1001, **add** (3)  
20 as follows:

21 **32-1-1001. Common powers - definitions.** (3) THE GOVERNING  
22 BODY OF A SPECIAL DISTRICT MAY CONDUCT OR PARTICIPATE IN FOREST  
23 HEALTH PROJECTS, AS DEFINED IN SECTION 37-95-103 (4.9), WITHIN AND  
24 OUTSIDE THE DISTRICT BOUNDARIES THAT BENEFIT DISTRICT PROPERTY OR  
25 IMPROVEMENTS. THE GOVERNING BODY OF ANY SPECIAL DISTRICT THAT  
26 PROVIDES FIRE PROTECTION SERVICES MAY ALSO CONDUCT OR  
27 PARTICIPATE IN SUCH FOREST HEALTH PROJECTS WITHIN AND OUTSIDE THE

1 DISTRICT BOUNDARIES THAT REDUCE THE RISK OF WILDFIRE WITHIN THE  
2 DISTRICT. TO SECURE AND PROTECT AN ADEQUATE SUPPLY OF WATER, THE  
3 GOVERNING BODY OF ANY SPECIAL DISTRICT THAT PROVIDES WATER  
4 SERVICES MAY ALSO CONDUCT OR PARTICIPATE IN SUCH FOREST HEALTH  
5 PROJECTS WITHIN AND OUTSIDE THE DISTRICT BOUNDARIES THAT REDUCE  
6 THE RISK OF WILDFIRE WITHIN THE WATERSHEDS WITHIN WHICH THE  
7 DISTRICT COLLECTS, TRANSPORTS, OR STORES ITS WATER SUPPLY.

8 **SECTION 7.** In Colorado Revised Statutes, 32-1-1101.7, **amend**  
9 (1) as follows:

10 **32-1-1101.7. Establishment of special improvement districts**  
11 **within the boundaries of a special district.** (1) A special district may  
12 establish a special improvement district within the boundaries of the  
13 special district to finance all or part of the costs of any improvements,  
14 INCLUDING FOREST HEALTH PROJECTS, AS DEFINED IN SECTION 37-95-103  
15 (4.9), that the special district is authorized to finance if the power to levy  
16 assessments is authorized in the special district's service plan or statement  
17 of purposes or approved in writing by the county or municipality that  
18 approved the special district's service plan or accepted the special  
19 district's statement of purposes. The name of a special improvement  
20 district established on or after August 5, 2015, must include the name of  
21 the special district that established the special improvement district.

22 **SECTION 8.** In Colorado Revised Statutes, 32-18-108, **amend**  
23 (1)(d) and (1)(e); and **add** (1)(f) as follows:

24 **32-18-108. Use of revenue.** (1) The board may use the revenue  
25 received pursuant to section 32-18-106 to:

26 (d) Match state and federal grants for bioheating conversion and  
27 infrastructure support for biomass collection and delivery; **and**

1 (e) Assist the state forest service in ensuring that all communities  
2 at risk of wildfire within the district have adopted a community wildfire  
3 protection plan and are using appropriate planning, education, and  
4 outreach tools; AND

5 (f) CONDUCT OR PARTICIPATE IN FOREST HEALTH PROJECTS, AS  
6 DEFINED IN SECTION 37-95-103 (4.9).

7 **SECTION 9.** In Colorado Revised Statutes, 37-45-118, **add** (3)  
8 as follows:

9 **37-45-118. General powers.** (3) WITHOUT LIMITING ANY OTHER  
10 EXPRESS OR IMPLIED AUTHORITY PROVIDED TO A DISTRICT OR TO A  
11 SUBDISTRICT OF A DISTRICT BY THIS ARTICLE 45, TO SECURE AND PROTECT  
12 AN ADEQUATE SUPPLY OF WATER, A DISTRICT MAY CONDUCT OR  
13 PARTICIPATE IN FOREST HEALTH PROJECTS, AS DEFINED IN SECTION  
14 37-95-103 (4.9), WITHIN AND OUTSIDE THE DISTRICT BOUNDARIES THAT  
15 REDUCE THE RISK OF WILDFIRE WITHIN THE WATERSHEDS WITHIN WHICH  
16 THE DISTRICT COLLECTS, TRANSPORTS, OR STORES ITS WATER SUPPLY. IN  
17 ADDITION TO ANY OTHER DISTRICT FINANCIAL POWERS, A DISTRICT MAY  
18 ACQUIRE, SELL, OR LEASE REAL OR PERSONAL PROPERTY AND ENTER INTO  
19 LEASE-PURCHASE AGREEMENTS AS SET FORTH IN SECTION 29-1-103.

20 **SECTION 10.** In Colorado Revised Statutes, 37-46-148, **add** (2)  
21 as follows:

22 **37-46-148. Miscellaneous powers.** (2) WITHOUT LIMITING ANY  
23 OTHER EXPRESS OR IMPLIED AUTHORITY PROVIDED TO THE DISTRICT OR TO  
24 A SUBDISTRICT OF THE DISTRICT BY THIS ARTICLE 46, TO SECURE AND  
25 PROTECT AN ADEQUATE SUPPLY OF WATER, THE DISTRICT MAY CONDUCT  
26 OR PARTICIPATE IN FOREST HEALTH PROJECTS, AS DEFINED IN SECTION  
27 37-95-103 (4.9), WITHIN AND OUTSIDE THE DISTRICT BOUNDARIES THAT



1 REDUCE THE RISK OF WILDFIRE WITHIN THE WATERSHEDS WITHIN WHICH  
2 THE DISTRICT COLLECTS, TRANSPORTS, OR STORES ITS WATER SUPPLY. IN  
3 ADDITION TO ANY OTHER DISTRICT FINANCIAL POWERS, THE DISTRICT MAY  
4 ACQUIRE, SELL, OR LEASE REAL OR PERSONAL PROPERTY AND ENTER INTO  
5 LEASE-PURCHASE AGREEMENTS AS SET FORTH IN SECTION 29-1-103.

6 **SECTION 11.** In Colorado Revised Statutes, 37-47-148, **add** (2)  
7 as follows:

8 **37-47-148. Miscellaneous powers. (2)** WITHOUT LIMITING ANY  
9 OTHER EXPRESS OR IMPLIED AUTHORITY PROVIDED TO THE DISTRICT OR TO  
10 A SUBDISTRICT OF THE DISTRICT BY THIS ARTICLE 47, TO SECURE AND  
11 PROTECT AN ADEQUATE SUPPLY OF WATER, THE DISTRICT MAY CONDUCT  
12 OR PARTICIPATE IN FOREST HEALTH PROJECTS, AS DEFINED IN SECTION  
13 37-95-103 (4.9), WITHIN AND OUTSIDE THE DISTRICT BOUNDARIES THAT  
14 REDUCE THE RISK OF WILDFIRE WITHIN THE WATERSHEDS WITHIN WHICH  
15 THE DISTRICT COLLECTS, TRANSPORTS, OR STORES ITS WATER SUPPLY. IN  
16 ADDITION TO ANY OTHER DISTRICT FINANCIAL POWERS, THE DISTRICT MAY  
17 ACQUIRE, SELL, OR LEASE REAL OR PERSONAL PROPERTY AND ENTER INTO  
18 LEASE-PURCHASE AGREEMENTS AS SET FORTH IN SECTION 29-1-103.

19 **SECTION 12.** In Colorado Revised Statutes, 37-95-112.5, **amend**  
20 (5) as follows:

21 **37-95-112.5. Watershed protection and forest health projects**  
22 **- repeal.** (5) This section is repealed, effective ~~July 1, 2023~~ JULY 1, 2033.  
23 Such repeal shall not nullify, abrogate, alter, or otherwise affect any  
24 extant obligations under this ~~article~~ ARTICLE 95 at the time of the repeal.

25 **SECTION 13. Safety clause.** The general assembly hereby finds,  
26 determines, and declares that this act is necessary for the immediate  
27 preservation of the public peace, health, or safety.