

CHAPTER 332

AGRICULTURE

HOUSE BILL 21-1242

BY REPRESENTATIVE(S) McLachlan, Bernett, Bird, Cutter, Esgar, Exum, Froelich, Gray, Hooton, Jackson, Kipp, McCluskie, McCormick, Michaelson Jenet, Ricks, Roberts, Snyder, Titone, Valdez D., Young, Amabile, Boesenecker, Duran, Gonzales-Gutierrez, Lontine, Mullica, Valdez A., Woodrow;
also SENATOR(S) Donovan, Bridges, Fenberg, Gonzales, Hansen, Jaquez Lewis, Moreno, Priola, Story, Winter, Garcia.

AN ACT

CONCERNING THE CREATION OF AN AGRICULTURAL DROUGHT AND CLIMATE RESILIENCE OFFICE IN THE DEPARTMENT OF AGRICULTURE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, **add** 35-1-114 as follows:

35-1-114. Agricultural drought and climate resilience office - creation - rules - definition - repeal. (1) **Legislative declaration.** THE GENERAL ASSEMBLY HEREBY:

(a) FINDS THAT:

(I) SEVERE DROUGHTS, AS WELL AS UNADDRESSED WATER DEMANDS ASSOCIATED WITH URBAN GROWTH, WILL ADD PRESSURE TO COLORADO'S ALREADY STRAINED WATER SUPPLY IN ALL OF COLORADO'S WATERSHEDS;

(II) MORE FREQUENT AND SEVERE DROUGHTS WILL ADD PRESSURE TO COLORADO'S ALREADY STRAINED WATER SUPPLY; AND

(III) A STRONG, PROSPEROUS, DIVERSE, AND RESILIENT AGRICULTURAL SECTOR IS FUNDAMENTAL TO THE FABRIC OF COLORADO;

(b) DETERMINES THAT:

(I) COLORADO'S AGRICULTURAL PRODUCERS ARE STEWARDS OF OUR LANDS,

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

WATERS, AND ECOSYSTEMS BUT THEY CANNOT SHOULDER THE BURDEN OF WATER SCARCITY WITHOUT ADDRESSING WATER-SAVING MEASURES BEING IMPLEMENTED AND SUSTAINED IN URBAN AREAS; AND

(II) COLORADO'S AGRICULTURAL SECTOR IS A LEADER IN IMPLEMENTING PRACTICES THAT BUILD RESILIENCY, CONSERVE OUR WATER SUPPLIES, PROVIDE AN ECONOMIC BASE FOR RURAL COMMUNITIES, AND ENHANCE OUR ENVIRONMENT; AND

(c) DECLARES THAT:

(I) CREATING THE AGRICULTURAL DROUGHT AND CLIMATE RESILIENCE OFFICE WILL SUPPORT AND ELEVATE PRODUCERS IN THEIR RESILIENCY EFFORTS THROUGH NONREGULATORY, VOLUNTARY, AND INCENTIVE-BASED PROGRAMS WITHOUT NEGATIVELY IMPACTING THE OVERALL RURAL ECONOMIC VIABILITY OF AGRICULTURAL OPERATIONS AND RURAL COMMUNITIES; AND

(II) THE AGRICULTURAL DROUGHT AND CLIMATE RESILIENCE OFFICE CAN BEST ADDRESS AND MITIGATE AGRICULTURAL CLIMATE-RELATED ISSUES ON A WIDE SCALE BY PROVIDING SUPPORT TO AND ASSISTING BONA FIDE AGRICULTURAL PRODUCERS IN IMPLEMENTING PRACTICES THAT MINIMIZE THE IMPACTS OF CLIMATE CHANGE.

(2) **Office created.** THERE IS HEREBY CREATED IN THE DEPARTMENT THE AGRICULTURAL DROUGHT AND CLIMATE RESILIENCE OFFICE, REFERRED TO IN THIS SECTION AS THE "OFFICE". THE OFFICE MAY PROVIDE VOLUNTARY TECHNICAL ASSISTANCE, NONREGULATORY PROGRAMS, AND INCENTIVES THAT INCREASE THE ABILITY TO ANTICIPATE, PREPARE FOR, MITIGATE, ADAPT TO, AND RESPOND TO HAZARDOUS EVENTS, TRENDS, OR DISTURBANCES RELATED TO DROUGHT OR THE CLIMATE. THE OFFICE SHALL ADVISE THE COMMISSIONER, THE COLORADO AGRICULTURAL VALUE-ADDED DEVELOPMENT BOARD CREATED IN SECTION 35-75-203, OTHER STATE AGENCIES, AND THE GOVERNOR ON THE IMPACT TO AGRICULTURE OF DROUGHT AND CLIMATE POLICIES AND PROGRAMS. THE COMMISSIONER SHALL APPOINT THE HEAD OF THE OFFICE.

(3) **Rules.** THE COMMISSIONER MAY PROMULGATE RULES NECESSARY FOR THE ADMINISTRATION OF THE OFFICE'S ASSISTANCE, PROGRAMS, AND INCENTIVES, INCLUDING GRANTS. BEFORE PROMULGATING THE RULES, THE COMMISSIONER SHALL CONVENE A STAKEHOLDER GROUP, INCLUDING REPRESENTATIVES OF ORGANIZATIONS WHOSE MEMBERSHIP CONSISTS OF AGRICULTURAL PRODUCERS ENGAGED IN THE PRODUCTION OF THE TOP TEN AGRICULTURAL COMMODITIES PRODUCED IN COLORADO AND MEMBERS OF THE STATE CONSERVATION BOARD CREATED IN SECTION 35-70-103 (1)(a). THE STAKEHOLDER GROUP SHALL ADVISE THE COMMISSIONER AS TO THE NEEDS OF THE AGRICULTURE INDUSTRY TO RESPOND TO AND MITIGATE THE IMPACTS OF CLIMATE CHANGE ON AGRICULTURAL PRODUCTION. FOR THE PURPOSE OF THIS SECTION, "BONA FIDE AGRICULTURAL PRODUCER" MEANS AN AGRICULTURAL PRODUCER THAT RECEIVES A MAJORITY OF THE PRODUCER'S ANNUAL INCOME FROM AGRICULTURE, AN AGRICULTURAL PRODUCER THAT SPENDS MORE THAN ONE THOUSAND FORTY HOURS PER YEAR ENGAGED IN AGRICULTURAL PRODUCTION, OR A COLORADO BUSINESS THAT PROCESSES AGRICULTURAL PRODUCTS. EXCEPT FOR A PROGRAM OR SUPPORT ADMINISTERED BY THE OFFICE TO ADDRESS IMMEDIATE NEEDS AS A RESULT OF DISASTER, INCLUDING WILDFIRE AND DROUGHT, OR A PROGRAM THAT WAS IN EXISTENCE ON JANUARY 1, 2021:

(a) A PROGRAM ADMINISTERED BY THE OFFICE MUST BE DESIGNED TO BENEFIT BONA FIDE AGRICULTURAL PRODUCERS ACTIVELY ENGAGED IN AGRICULTURE. GRANTS AWARDED BY THE OFFICE MUST PAY FOR IMPLEMENTATION OF PRACTICES TO ADDRESS AND MITIGATE THE IMPACTS OF CLIMATE CHANGE OR DROUGHT OR TO PROVIDE DIRECT ADAPTATION SUPPORT FOR IMPACTED AGRICULTURAL COMMUNITIES, INCLUDING MENTAL HEALTH RESOURCES, CONFLICT RESOLUTION ASSISTANCE, AND RISK-MANAGEMENT GUIDANCE. A GRANT AWARD MAY PAY NO MORE THAN FIVE PERCENT OF ADMINISTRATIVE EXPENSES INCURRED BY A BONA FIDE AGRICULTURAL PRODUCER TO IMPLEMENT THE PRACTICES.

(b) THE DEPARTMENT SHALL, AT LEAST THIRTY DAYS BEFORE OPENING THE GRANT APPLICATION PROCESS, MAKE AVAILABLE ON ITS WEBSITE INFORMATION RELATED TO THE GRANT PROGRAM AVAILABLE TO BONE FIDE AGRICULTURAL PRODUCERS;

(c) A GRANT AUTHORIZED PURSUANT TO THIS SECTION MUST RECEIVE FINAL APPROVAL BY THE COMMISSION BEFORE A FINAL AWARD CAN BE ISSUED; AND

(d) THE DEPARTMENT SHALL POST ON ITS WEBSITE ALL APPLICATIONS FOR GRANT AWARDS. WITHIN FIFTEEN DAYS AFTER AWARDING A GRANT, THE DEPARTMENT SHALL POST ON ITS WEBSITE THE NAME OF THE INDIVIDUAL OR ENTITY RECEIVING A GRANT, THE AMOUNT OF THE GRANT AWARDED, THE PROJECT OR PROJECTS TO BE FUNDED BY THE GRANT, AND THE DURATION OF THE GRANT AWARD.

SECTION 2. In Colorado Revised Statutes, 35-75-204, **amend** (1) as follows:

35-75-204. Duties of board - agriculture value-added grants, loans and loan guarantees, and equity investments. (1) The board has the power to make grants, loans and loan guarantees, and equity investments to any person, including eligible agricultural value-added cooperatives, as defined in section 35-75-202 (4), for new or ongoing agricultural projects and research that add value to Colorado agricultural products and aid the economy of rural Colorado communities AND FOR AGRICULTURAL PROJECTS THAT WILL REDUCE ENERGY COSTS FOR AGRICULTURAL PRODUCERS OR BUSINESSES. The board also has the power to fund market promotion activities of the department pursuant to section 35-75-205 (2)(f).

SECTION 3. In Colorado Revised Statutes, 39-29-109.3, **add** (2)(t) as follows:

39-29-109.3. Severance tax operational fund - core reserve - grant program reserve - definitions - repeal. (2) Subject to the requirements of subsections (3) and (3.5) of this section, if the general assembly chooses not to spend up to one hundred percent of the money in the operational fund on core departmental programs, the state treasurer shall transfer the following amounts:

(t) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2021, THROUGH JULY 1, 2029, FIVE HUNDRED THOUSAND DOLLARS PER YEAR TO THE AGRICULTURE VALUE-ADDED CASH FUND CREATED IN SECTION 35-75-205 (1).

SECTION 4. Appropriation. (1) For the 2021-22 state fiscal year, \$101,333 is appropriated to the department of agriculture for use by the commissioner's office and administrative services. This appropriation is from the general fund. To

implement this act, the office may use this appropriation as follows:

(a) \$93,783 for personal services, which amount is based on an assumption that the office will require an additional 0.9 FTE; and

(b) \$7,550 for operating expenses.

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

Approved: June 24, 2021