

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

PREAMENDED

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

LLS NO. 22-0192.01 Bob Lackner x4350

HOUSE BILL 22-1011

HOUSE SPONSORSHIP

Cutter and Snyder,

SENATE SPONSORSHIP

Story and Lee, Ginal

House Committees

Energy & Environment
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ESTABLISHMENT OF A STATE GRANT PROGRAM THAT**
102 **PROVIDES FUNDING TO LOCAL GOVERNMENTS THAT DEDICATE**
103 **RESOURCES FOR WILDFIRE MITIGATION PURPOSES.**

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/>.)

Wildfire Matters Review Committee. The bill establishes the wildfire mitigation incentives for local government grant program (grant program) in the Colorado state forest service (forest service). The grant program is established to provide state funding assistance in the form of grant awards to local governments to match revenue raised by such

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.

governments from a dedicated revenue source that is intended to be used for forest management or wildfire mitigation efforts at the local level. Such wildfire mitigation efforts include, without limitation, projects that promote fuel breaks, forest thinning, a reduction in the amount or extent of fuels contributing to wildfires, outreach and education efforts directed at property owners and other members of the public, and any other means of forest management or wildfire mitigation as determined appropriate for funding by the forest service.

The grant program is administered by the forest service.

On or before March 1, 2023, the forest service is required to adopt policies, procedures, and guidelines for the grant program that include, without limitation:

- Procedures and timelines by which an eligible recipient may apply for a grant;
- Criteria for determining grant eligibility and grant amounts; and
- Reporting requirements for grant recipients.

Any funding awarded under the grant program must match revenues raised by the local government from a dedicated revenue source that is intended to be used for forest management or wildfire mitigation efforts at the local level in accordance with policies, procedures, and guidelines developed by the forest service.

In allocating funding under the grant program, preference will be given to certain eligible recipients based on prioritization factors enumerated in the bill.

Eligible recipients may apply for funding from the grant program, and the recipient's application for funding may be approved by the forest service, before the local government has created a dedicated revenue source that forms the basis for the match if the electors of the local government approve a ballot issue creating the revenue source at an election that takes place in the same calendar year in which the funding is awarded.

The bill creates the wildfire mitigation incentives local government grant program fund in the state treasury.

On or before November 1, 2024, and on or before November 1 of each year thereafter, the forest service is required to publish a report summarizing the use of all of the money that was awarded under the grant program in the preceding fiscal year. The bill specifies additional required components of the report. The report must be posted on the website of the forest service. The bill requires the Colorado department of higher education to summarize the information contained in the report in its "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act" hearings.

The bill requires the forest service to prepare educational materials concerning the grant program and to display such materials on its official

website. In addition, the forest service is also required to undertake outreach activities to inform local governments located in priority areas for wildfire mitigation of the grant program.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 23-31-318 as
3 follows:

4 **23-31-318. Wildfire mitigation incentives for local**
5 **governments - grant awards - fund - reporting - definitions - repeal.**

6 (1) AS USED IN THIS SECTION:

7 (a) "DEDICATED REVENUE SOURCE" MEANS ONE OF THE
8 FOLLOWING REVENUE SOURCES, SINGULARLY OR IN COMBINATION,
9 ADOPTED BY A LOCAL GOVERNMENT THAT IS INTENDED TO BE USED FOR
10 FOREST MANAGEMENT OR WILDFIRE MITIGATION EFFORTS AT THE LOCAL
11 LEVEL:

12 (I) AN EXISTING OR NEW TAX IMPOSED BY THE LOCAL
13 GOVERNMENT;

14 (II) AN EXISTING OR NEW MILL LEVY APPROVED BY THE VOTERS OF
15 THE LOCAL GOVERNMENT; OR

16 (III) APPROVAL BY THE VOTERS OF THE LOCAL GOVERNMENT OF
17 THE RETENTION ON A PERMANENT BASIS OF EXCESS REVENUE OF THE
18 LOCAL GOVERNMENT IN ACCORDANCE WITH SECTION 20 (7) (d) OF ARTICLE
19 X OF THE STATE CONSTITUTION.

20 (b) "ELIGIBLE RECIPIENT" MEANS A LOCAL GOVERNMENT THAT IS
21 ELIGIBLE TO RECEIVE A GRANT THROUGH THE GRANT PROGRAM.

22 (c) "FOREST SERVICE" MEANS THE COLORADO STATE FOREST
23 SERVICE IDENTIFIED IN SECTION 23-31-302.

24 (d) "FUND" MEANS THE WILDFIRE MITIGATION INCENTIVES FOR

1 LOCAL GOVERNMENT GRANT PROGRAM FUND CREATED IN SUBSECTION
2 (7)(a) OF THIS SECTION.

3 (e) "GRANT PROGRAM" MEANS THE WILDFIRE MITIGATION
4 INCENTIVES FOR LOCAL GOVERNMENT GRANT PROGRAM ESTABLISHED IN
5 SUBSECTION (2) OF THIS SECTION.

6 (f) "LOCAL GOVERNMENT" MEANS A MUNICIPALITY, WHETHER
7 HOME RULE OR STATUTORY, COUNTY, CITY AND COUNTY, SPECIAL
8 DISTRICT, SCHOOL DISTRICT, DISTRICT, AUTHORITY, PUBLIC OR
9 QUASI-PUBLIC CORPORATION, OR ANY OTHER FORM OF POLITICAL
10 SUBDIVISION OF THE STATE ORGANIZED PURSUANT TO LAW.

11 (2) THE WILDFIRE MITIGATION INCENTIVES FOR LOCAL
12 GOVERNMENT GRANT PROGRAM IS HEREBY ESTABLISHED IN THE FOREST
13 SERVICE. THE GRANT PROGRAM IS ESTABLISHED TO PROVIDE STATE
14 ASSISTANCE IN THE FORM OF GRANT AWARDS TO LOCAL GOVERNMENTS TO
15 EITHER MATCH REVENUE RAISED BY SUCH GOVERNMENTS FROM A
16 DEDICATED REVENUE SOURCE OR TO EXPAND EXISTING PROGRAMS
17 ADMINISTERED BY THE LOCAL GOVERNMENT ON A LONG-TERM BASIS,
18 WHICH EFFORTS AT THE LOCAL LEVEL ARE INTENDED TO BE USED FOR
19 FOREST MANAGEMENT OR WILDFIRE MITIGATION EFFORTS AT THE LOCAL
20 LEVEL. SUCH EFFORTS INCLUDE, WITHOUT LIMITATION, PROJECTS THAT
21 PROMOTE FUEL BREAKS, FOREST THINNING, A REDUCTION IN THE AMOUNT
22 OR EXTENT OF FUELS CONTRIBUTING TO WILDFIRES, OUTREACH AND
23 EDUCATION EFFORTS DIRECTED AT PROPERTY OWNERS AND OTHER
24 MEMBERS OF THE PUBLIC, AND ANY OTHER MEANS OF FOREST
25 MANAGEMENT OR WILDFIRE MITIGATION AS DETERMINED APPROPRIATE
26 FOR FUNDING BY THE FOREST SERVICE.

27 (3) (a) THE FOREST SERVICE SHALL ADMINISTER THE GRANT

1 PROGRAM.

2 (b) IN CONNECTION WITH ITS ADMINISTRATION OF THE GRANT
3 PROGRAM, THE FOREST SERVICE SHALL CREATE A PROCESS THAT ENSURES
4 THAT GRANTS ARE AWARDED AFTER AN OPEN COMPETITION AMONG
5 ELIGIBLE GRANT RECIPIENTS.

6 (4) (a) ON OR BEFORE MARCH 1, 2023, THE FOREST SERVICE SHALL
7 ADOPT POLICIES, PROCEDURES, AND GUIDELINES FOR THE GRANT PROGRAM
8 THAT INCLUDE, WITHOUT LIMITATION:

9 (I) PROCEDURES AND TIMELINES BY WHICH AN ELIGIBLE RECIPIENT
10 MAY APPLY FOR A GRANT;

11 (II) CRITERIA FOR DETERMINING GRANT ELIGIBILITY AND GRANT
12 AMOUNTS; AND

13 (III) REPORTING REQUIREMENTS FOR GRANT RECIPIENTS.

14 (b) ALL FUNDING UNDER THE GRANT PROGRAM MUST EITHER
15 MATCH REVENUES RAISED BY THE LOCAL GOVERNMENT FROM A
16 DEDICATED REVENUE SOURCE OR TO SUPPLEMENT LONG-TERM PROGRAMS
17 ADMINISTERED BY THE LOCAL GOVERNMENT, WHICH EFFORTS ARE
18 INTENDED TO BE USED FOR FOREST MANAGEMENT OR WILDFIRE
19 MITIGATION EFFORTS AT THE LOCAL LEVEL IN ACCORDANCE WITH
20 POLICIES, PROCEDURES, AND GUIDELINES DEVELOPED BY THE FOREST
21 SERVICE.

22 (c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
23 A LOCAL GOVERNMENT IS ELIGIBLE FOR FUNDING UNDER THE GRANT
24 PROGRAM EVEN IN THE ABSENCE OF A DEDICATED REVENUE SOURCE IF THE
25 LOCAL GOVERNMENT HAS CREATED AND ADMINISTERS AN EXISTING
26 PROGRAM, PROJECT, OR FUNDING MECHANISM THAT CREATES LONG-TERM
27 FUNDING AT THE LOCAL LEVEL FOR WILDFIRE MITIGATION OR FOREST

1 HEALTH OR HAS CREATED AND ADMINISTERS OTHER CREATIVE AND
2 INNOVATIVE APPROACHES FOR PROMOTING WILDFIRE MITIGATION AND
3 FOREST HEALTH THAT ARE DEEMED SUFFICIENT BY THE FOREST SERVICE
4 IN ITS SOLE DISCRETION.

5 (5) IN AWARDING GRANTS, THE FOREST SERVICE SHALL GIVE
6 PREFERENCE TO THE FOLLOWING:

7 (a) ELIGIBLE RECIPIENTS THAT MAKE AVAILABLE A DEDICATED
8 REVENUE SOURCE FOR WILDFIRE MITIGATION OR FOREST HEALTH;

9 (b) ELIGIBLE RECIPIENTS WITH TERRITORIAL BOUNDARIES LOCATED
10 WITHIN PRIORITY AREAS FOR WILDFIRE MITIGATION AS DETERMINED BY
11 THE FOREST SERVICE;

12 (c) FUNDING THAT IS INTENDED TO BENEFIT PEOPLE RESIDING IN A
13 COMMUNITY THAT RANKS HIGH ON THE SOCIAL VULNERABILITY INDEX
14 DEVELOPED BY THE FOREST SERVICE;

15 (d) ELIGIBLE RECIPIENTS THAT MAKE AVAILABLE DEDICATED AND
16 FULL-TIME EMPLOYEES TO COLLABORATE WITH PRIVATE LANDOWNERS TO
17 IMPLEMENT WILDFIRE MITIGATION MEASURES;

18 (e) INITIATIVES OF A LONGER DURATION THAT ARE INTENDED TO
19 GIVE ELIGIBLE RECIPIENTS A STABLE SOURCE OF REVENUE FOR FOREST
20 MANAGEMENT AND WILDFIRE MITIGATION EFFORTS;

21 (f) INITIATIVES EMPHASIZING A REGIONAL APPROACH TO
22 PROMOTING FOREST MANAGEMENT AND WILDFIRE MITIGATION; AND

23 (g) ELIGIBLE RECIPIENTS THAT HAVE ATTEMPTED
24 UNSUCCESSFULLY TO CREATE A DEDICATED REVENUE SOURCE FOR
25 WILDFIRE MITIGATION OR FOREST HEALTH.

26 (6) (a) AN ELIGIBLE RECIPIENT RECEIVING FUNDING FROM THE
27 GRANT PROGRAM SHALL DEDICATE MONEY RECEIVED FROM THE AWARD

1 TO THE SAME PURPOSE FOR WHICH THE ELIGIBLE RECIPIENT ADOPTED THE
2 REVENUE SOURCE THAT QUALIFIED THE ELIGIBLE RECIPIENT FOR THE
3 AWARD.

4 (b) ELIGIBLE RECIPIENTS MAY APPLY FOR FUNDING FROM THE
5 GRANT PROGRAM, AND THE RECIPIENT'S APPLICATION FOR FUNDING MAY
6 BE APPROVED BY THE FOREST SERVICE, BEFORE THE LOCAL GOVERNMENT
7 HAS CREATED A DEDICATED REVENUE SOURCE THAT FORMS THE BASIS FOR
8 THE MATCH IF THE ELECTORS OF THE LOCAL GOVERNMENT APPROVE A
9 BALLOT ISSUE CREATING THE REVENUE SOURCE AT AN ELECTION THAT
10 TAKES PLACE IN THE SAME CALENDAR YEAR IN WHICH THE FUNDING IS
11 AWARDED.

12 (c) THE TERMS OF ANY AWARD UNDER THE GRANT PROGRAM MUST
13 BE MEMORIALIZED IN A MEMORANDUM OF UNDERSTANDING OR SIMILAR
14 FORM OF AGREEMENT BETWEEN THE FOREST SERVICE AND THE ELIGIBLE
15 RECIPIENT.

16 (d) NOTHING IN THIS SECTION PRECLUDES A LOCAL GOVERNMENT
17 FROM USING ALL OR ANY PORTION OF A GRANT AWARDED UNDER THIS
18 SECTION FROM WORKING WITH A COMMUNITY ORGANIZATION, A HOME
19 OWNERS ASSOCIATION, OR A SIMILAR ORGANIZATION OR ENTITY
20 OPERATING AT THE LOCAL LEVEL IN ADMINISTERING A PROJECT
21 SUPPORTED BY THE GRANT PROGRAM.

22 (7) (a) THE WILDFIRE MITIGATION INCENTIVES FOR LOCAL
23 GOVERNMENT GRANT PROGRAM FUND IS HEREBY CREATED IN THE STATE
24 TREASURY. THE FUND CONSISTS OF MONEY APPROPRIATED TO THE FUND
25 BY THE GENERAL ASSEMBLY AND ANY GIFTS, GRANTS, OR DONATIONS
26 FROM ANY PUBLIC OR PRIVATE SOURCES, INCLUDING GOVERNMENTAL
27 ENTITIES, THAT THE FOREST SERVICE IS HEREBY AUTHORIZED TO SEEK AND

1 ACCEPT.

2 (b) THE FUND MUST ONLY BE USED FOR THE PURPOSE OF FUNDING
3 AWARDS UNDER THE GRANT PROGRAM LESS THE ADMINISTRATIVE COSTS
4 OF THE FOREST SERVICE, NOT TO EXCEED FIVE PERCENT OF THE BALANCE
5 IN THE FUND AT ANY ONE TIME, IN ADMINISTERING THE GRANT PROGRAM.

6 (c) EXCEPT AS OTHERWISE REQUIRED BY THIS SUBSECTION (7), ALL
7 MONEY NOT EXPENDED OR ENCUMBERED, AND ALL INTEREST EARNED ON
8 THE INVESTMENT OR DEPOSIT OF MONEY IN THE FUND, MUST REMAIN IN
9 THE FUND AND SHALL NOT REVERT TO THE GENERAL FUND OR ANY OTHER
10 FUND AT THE END OF ANY FISCAL YEAR. THE MONEY IN THE FUND IS
11 CONTINUOUSLY APPROPRIATED TO THE FOREST SERVICE FOR THE PURPOSES
12 OF THIS SECTION.

13 (d) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER TEN
14 MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND. THE FOREST
15 SERVICE SHALL USE THE MONEY TRANSFERRED PURSUANT TO THIS
16 SUBSECTION (7)(d) IN ACCORDANCE WITH THE REQUIREMENTS OF
17 SUBSECTION (7)(b) OF THIS SECTION.

18 (8) (a) ON OR BEFORE NOVEMBER 1, 2024, AND ON OR BEFORE
19 NOVEMBER 1 OF EACH YEAR THEREAFTER, THE FOREST SERVICE SHALL
20 PUBLISH A REPORT SUMMARIZING THE USE OF ALL OF THE MONEY THAT
21 WAS AWARDED UNDER THE GRANT PROGRAM IN THE PRECEDING FISCAL
22 YEAR. AT A MINIMUM, THE REPORT SHALL SPECIFY THE NAMES OF THE
23 LOCAL GOVERNMENTS THAT HAVE BEEN AWARDED GRANTS, THE AMOUNT
24 OF FUNDING DISTRIBUTED TO EACH GRANT RECIPIENT, A DESCRIPTION OF
25 EACH GRANT RECIPIENT'S USE OF THE GRANT MONEY, AND ANY OTHER
26 INFORMATION DEEMED BENEFICIAL FOR INCLUSION IN THE REPORT IN THE
27 DISCRETION OF THE FOREST SERVICE. THE REPORT MUST BE POSTED ON

1 THE WEBSITE OF THE FOREST SERVICE.

2 (b) IN ITS PRESENTATION TO THE JOINT COMMITTEES OF REFERENCE
3 PURSUANT TO SECTION 2-7-203, THE DEPARTMENT OF HIGHER EDUCATION
4 SHALL SUMMARIZE THE INFORMATION CONTAINED IN THE REPORT
5 PUBLISHED BY THE DIVISION PURSUANT TO SUBSECTION (8)(a) OF THIS
6 SECTION.

7 (9) THE FOREST SERVICE SHALL PREPARE EDUCATIONAL
8 MATERIALS CONCERNING THE GRANT PROGRAM, INCLUDING EXAMPLES OF
9 AND GUIDELINES FOR LONG-TERM INVESTMENTS IN WILDFIRE MITIGATION
10 OR FOREST HEALTH, AND SHALL DISPLAY SUCH MATERIALS ON ITS OFFICIAL
11 WEBSITE. IN ADDITION, THE FOREST SERVICE SHALL UNDERTAKE
12 OUTREACH ACTIVITIES TO INFORM LOCAL GOVERNMENTS LOCATED IN
13 PRIORITY AREAS FOR WILDFIRE MITIGATION OF THE GRANT PROGRAM.

14 (10) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2025.
15 BEFORE ITS REPEAL, THE DEPARTMENT OF REGULATORY AGENCIES SHALL
16 REVIEW THE GRANT PROGRAM PURSUANT TO SECTION 24-34-104.

17 **SECTION 2.** In Colorado Revised Statutes, 24-34-104, add
18 (26)(a)(XIV) as follows:

19 **24-34-104. General assembly review of regulatory agencies**
20 **and functions for repeal, continuation, or reestablishment - legislative**
21 **declaration - repeal.** (26) (a) The following agencies, functions, or both,
22 are scheduled for repeal on September 1, 2025:

23 (XIV) THE WILDFIRE MITIGATION INCENTIVES FOR LOCAL
24 GOVERNMENT GRANT PROGRAM CREATED IN SECTION 23-31-318 (2).

25 **SECTION 3. Act subject to petition - effective date.** This act
26 takes effect at 12:01 a.m. on the day following the expiration of the
27 ninety-day period after final adjournment of the general assembly; except

1 that, if a referendum petition is filed pursuant to section 1 (3) of article V
2 of the state constitution against this act or an item, section, or part of this
3 act within such period, then the act, item, section, or part will not take
4 effect unless approved by the people at the general election to be held in
5 November 2022 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.