

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0915.01 Bob Lackner x4350

HOUSE BILL 15-1380

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House Committees

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A BILL FOR AN ACT

101 CONCERNING STATE FINANCIAL INCENTIVES TO ENCOURAGE
102 WATERSHED HEALTH, AND, IN CONNECTION THEREWITH,
103 CREATING A CREDIT AGAINST THE STATE INCOME TAX TO
104 ENCOURAGE WATERSHED HEALTH PROJECTS AND CREATING A
105 STATE GRANT PROGRAM ADMINISTERED BY THE COLORADO
106 WATER CONSERVATION BOARD TO ENCOURAGE WATERSHED
107 HEALTH 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 <http://www.leg.state.co.us/billsummaries>.)

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

Subject to the bill's requirements, for any income tax year commencing on or after January 1, 2015, but prior to January 1, 2018, **section 1** of the bill allows a taxpayer a state income tax credit in an amount determined by the Colorado water conservation board (board) for qualified expenditures the taxpayer has made for one or more watershed health projects during the income tax year for which the taxpayer claims the credit.

Section 1 also:

- ! Gives the board exclusive authority to determine the amount of the credit allowed and imposes additional requirements on the board with respect to the amount of the credits it allows and the definition of qualified expenditure;
- ! Places an aggregate annual limit on the amount of tax credits the board may issue;
- ! Requires the board to submit a yearly report to specified committees of the general assembly that describes the status of any watershed health projects and any tax credit certificates it has issued;
- ! If a taxpayer receiving a credit is a pass-through entity, allows the taxpayer to allocate the credit among its partners, shareholders, members, or other constituent taxpayers;
- ! Prohibits the taxpayer from carrying forward a credit that exceeds the income tax due on the income of the taxpayer for the taxable year and requires the amount of the excess credit to be refunded to the taxpayer; and
- ! Requires the board to provide to the department of revenue by electronic means on an annual basis a report that identifies each of the taxpayers that received a credit for the particular year and specifies required contents of the report.

The bill also allows a taxpayer to transfer all or any portion of a tax credit granted to another taxpayer for the other taxpayer, as transferee, to apply as a state income tax credit subject to certain requirements specified in the bill.

The tax credit is repealed, effective July 1, 2021.

Section 2 of the bill creates a new grant program under which the board may award grant moneys to specified public entities and nonprofit entities that do not pay state income taxes to enable them to make qualified expenditures for watershed health projects. The board will administer the grant program. The bill specifies procedures governing the awarding of grant moneys by the board.

The grant program is repealed, effective July 1, 2021.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 39-22-538 as
3 follows:

4 **39-22-538. Watershed health project tax credit - rules -**
5 **legislative declaration - definitions - repeal.** (1) THE GENERAL
6 ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT THE PURPOSE OF THIS
7 SECTION IS TO CREATE AND IMPLEMENT INCENTIVES IN THE FORM OF A
8 CREDIT AGAINST THE STATE INCOME TAX THAT WILL ENCOURAGE THE
9 RESTORATION AND LONG-TERM PRESERVATION OF WATERSHEDS, FORESTS,
10 GRASSLANDS, RIPARIAN ZONES, STREAMS, LAKES, AND RESERVOIRS AND
11 ENCOURAGE ECOLOGICAL, ECONOMIC, AND SOCIAL SUSTAINABILITY
12 ACROSS THE STATE.

13 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
14 REQUIRES:

15 (a) "BOARD" MEANS THE COLORADO WATER CONSERVATION
16 BOARD CREATED IN SECTION 37-60-102, C.R.S.

17 (b) "CREDIT CERTIFICATE" MEANS A STATEMENT ISSUED BY THE
18 BOARD CERTIFYING THAT A GIVEN EXPENDITURE FOR A WATERSHED
19 HEALTH PROJECT QUALIFIES FOR THE CREDIT AUTHORIZED IN THIS SECTION
20 AND SPECIFYING THE AMOUNT OF THE CREDIT ALLOWED.

21 (c) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

22 (d) "PERSON" MEANS ANY INDIVIDUAL, FIRM, CORPORATION,
23 PARTNERSHIP, LIMITED LIABILITY COMPANY, JOINT VENTURE, ESTATE,
24 TRUST, OR GROUP OR COMBINATION ACTING AS A UNIT.

25 (e) "TAXPAYER" MEANS A PERSON FILING AN INCOME TAX RETURN
26 UNDER THIS ARTICLE WHO MAKES QUALIFIED EXPENDITURES FOR ONE OR
27 MORE WATERSHED HEALTH PROJECTS DURING THE INCOME TAX YEAR FOR

1 WHICH THE TAXPAYER CLAIMS A CREDIT PURSUANT TO THIS SECTION. FOR
2 THE PURPOSES OF THIS SECTION, "TAXPAYER" INCLUDES A PRIVATE
3 NONPROFIT ENTITY.

4 (f) "WATERSHED HEALTH PROJECT" MEANS COLLABORATIVE,
5 SCIENCE-BASED ECOSYSTEM RESTORATION OF WATERSHEDS, FORESTS,
6 GRASSLANDS, RIPARIAN ZONES, STREAMS, LAKES, OR RESERVOIRS THAT:

7 (I) ENCOURAGES ECOLOGICAL, ECONOMIC, AND SOCIAL
8 SUSTAINABILITY;

9 (II) LEVERAGES LOCAL RESOURCES WITH NATIONAL AND PRIVATE
10 RESOURCES;

11 (III) FACILITATES THE REDUCTION OF WILDFIRE MANAGEMENT
12 COSTS THROUGH REESTABLISHING NATURAL FIRE REGIMES AND REDUCING
13 THE RISK OF UNCHARACTERISTIC WILDFIRE;

14 (IV) DEMONSTRATES THE DEGREE TO WHICH VARIOUS
15 ECOLOGICAL RESTORATION TECHNIQUES ACHIEVE ECOLOGICAL AND
16 WATERSHED HEALTH OBJECTIVES;

17 (V) MAKES USE OF ANY WOODY MATERIAL GENERATED BY THE
18 PROJECT, INCLUDING TRADITIONAL FOREST PRODUCTS AND BIOMASS
19 ENERGY PRODUCTS; OR

20 (VI) IMPROVES WATERSHED, FOREST, GRASSLAND, RIPARIAN ZONE,
21 STREAM, LAKE, OR RESERVOIR HEALTH.

22 (3) (a) SUBJECT TO PARAGRAPH (b) OF THIS SUBSECTION (3), FOR
23 ANY INCOME TAX YEAR COMMENCING ON OR AFTER JANUARY 1, 2015, BUT
24 PRIOR TO JANUARY 1, 2018, A TAXPAYER IS ALLOWED A CREDIT AGAINST
25 THE INCOME TAXES IMPOSED BY THIS ARTICLE IN AN AMOUNT DETERMINED
26 BY THE BOARD PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (3).

27 (b) THE BOARD HAS THE EXCLUSIVE AUTHORITY TO APPROVE THE

1 AMOUNT OF ANY TAX CREDIT A TAXPAYER IS ALLOWED UNDER THIS
2 SECTION.

3 (c) THE BOARD SHALL DETERMINE THE AMOUNT OF A CREDIT
4 AUTHORIZED BY THIS SECTION SUBJECT TO THE FOLLOWING
5 REQUIREMENTS:

6 (I) EACH CREDIT MUST BE IN AN AMOUNT EQUAL TO OR LESS THAN
7 ONE-HALF OF THE AMOUNT OF QUALIFIED EXPENDITURES FOR A
8 WATERSHED HEALTH PROJECT MADE BY THE TAXPAYER DURING THE
9 TAXABLE YEAR; AND

10 (II) IN CONSULTATION WITH THE DEPARTMENT OF NATURAL
11 RESOURCES CREATED IN SECTION 24-33-101 (1), C.R.S., THE DEPARTMENT
12 OF AGRICULTURE CREATED IN SECTION 35-1-103, C.R.S., AND THE WATER
13 QUALITY CONTROL DIVISION IN THE DEPARTMENT OF PUBLIC HEALTH AND
14 ENVIRONMENT AUTHORIZED IN SECTION 25-8-301, C.R.S., THE BOARD
15 SHALL DEFINE BY RULE IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24,
16 C.R.S., QUALIFIED EXPENDITURES FOR A WATERSHED HEALTH PROJECT
17 FOR PURPOSES OF THIS SECTION. IN DEVELOPING A DEFINITION OF
18 QUALIFIED EXPENDITURES, THE BOARD:

19 (A) SHALL INCLUDE ANY INVESTMENT THE TAXPAYER MAKES AS
20 THE OWNER OF REAL PROPERTY ON PRIVATE LANDS FOR DEFENSIBLE FIRE
21 SPACE OR POST-FLOOD RESTORATION;

22 (B) SHALL INCLUDE ANY CONTRIBUTIONS THE TAXPAYER MAKES
23 TO A STATE AGENCY FOR ONE OR MORE WATERSHED HEALTH PROJECTS
24 DURING THE TAXABLE YEAR; AND

25 (C) SHALL NOT INCLUDE ANY INVESTMENT THE TAXPAYER MAKES
26 ON PUBLIC LANDS WHERE THE TAXPAYER IS ALSO A HOLDER OF A SPECIAL
27 USE PERMIT.

1 (d) FOR ANY ONE CALENDAR YEAR, THE BOARD SHALL NOT ISSUE
2 AN AGGREGATE AMOUNT OF CREDIT CERTIFICATES THAT EXCEED ONE
3 MILLION FIVE HUNDRED THOUSAND DOLLARS.

4 (e) NO LATER THAN JANUARY 31, 2016, AND NO LATER THAN
5 JANUARY 31 EACH YEAR THEREAFTER THROUGH AND INCLUDING JANUARY
6 31, 2019, THE BOARD SHALL SUBMIT A REPORT TO THE FINANCE
7 COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES, THE
8 AGRICULTURE AND NATURAL RESOURCES COMMITTEE OF THE SENATE, AND
9 THE AGRICULTURE, LIVESTOCK, AND NATURAL RESOURCES COMMITTEE OF
10 THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, THAT
11 DESCRIBES, WITH RESPECT TO THE PRECEDING CALENDAR YEAR, THE
12 STATUS OF ANY WATERSHED HEALTH PROJECTS AND ANY TAX CREDIT
13 CERTIFICATES IT HAS ISSUED.

14 (4) IF A TAXPAYER RECEIVING A CREDIT AUTHORIZED BY THIS
15 SECTION IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, S CORPORATION,
16 OR SIMILAR PASS-THROUGH ENTITY, THE TAXPAYER MAY ALLOCATE THE
17 CREDIT AMONG ITS PARTNERS, SHAREHOLDERS, MEMBERS, OR OTHER
18 CONSTITUENT TAXPAYERS IN ANY MANNER AGREED TO BY SUCH PERSONS.
19 THE TAXPAYER RECEIVING THE CREDIT SHALL CERTIFY TO THE BOARD AND
20 THE DEPARTMENT THE AMOUNT OF CREDIT ALLOCATED TO EACH
21 CONSTITUENT TAXPAYER, AND THE BOARD SHALL ISSUE CREDIT
22 CERTIFICATES IN THE APPROPRIATE AMOUNTS TO EACH PARTNER,
23 SHAREHOLDER, MEMBER, OR OTHER CONSTITUENT TAXPAYER. EACH
24 CONSTITUENT TAXPAYER IS ALLOWED TO CLAIM SUCH AMOUNT SUBJECT
25 TO ANY RESTRICTIONS SET FORTH IN THIS SECTION.

26 (5) IF A CREDIT AUTHORIZED IN THIS SECTION APPROVED BY THE
27 BOARD EXCEEDS THE INCOME TAX DUE ON THE INCOME OF THE TAXPAYER

1 FOR THE TAXABLE YEAR, THE EXCESS CREDIT SHALL NOT BE CARRIED
2 FORWARD AND MUST BE REFUNDED TO THE TAXPAYER.

3 (6) THE BOARD SHALL, IN A SUFFICIENTLY TIMELY MANNER TO
4 ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE CREDIT
5 ALLOWED BY THIS SECTION, PROVIDE THE DEPARTMENT BY ELECTRONIC
6 MEANS A REPORT THAT IDENTIFIES EACH OF THE TAXPAYERS THAT
7 RECEIVED A CREDIT FOR THE INCOME TAX YEAR THAT CORRELATES WITH
8 THE CALENDAR YEAR. THE REPORT MUST INCLUDE THE FOLLOWING
9 INFORMATION:

10 (a) THE TAXPAYER'S NAME;

11 (b) THE TAXPAYER'S COLORADO ACCOUNT NUMBER OR SOCIAL
12 SECURITY NUMBER;

13 (c) THE AMOUNT OF THE CREDIT ALLOCATED; AND

14 (d) THE ASSOCIATED PASS-THROUGH ENTITY NAME AND
15 COLORADO ACCOUNT NUMBER IF THE CREDIT IS ALLOCATED TO A
16 PASS-THROUGH ENTITY PURSUANT TO SUBSECTION (4) OF THIS SECTION.

17 (7) THE DEPARTMENT MAY PROMULGATE RULES AS MAY BE
18 NECESSARY TO MORE EFFECTIVELY ADMINISTER AND ENFORCE ANY
19 PROVISION OF THIS SECTION. THE RULES MUST BE PROMULGATED IN
20 ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.

21 (8) ANY TAXPAYER WHO OFFSETS A TAX DEFICIENCY WITH A
22 CREDIT THAT IS DISALLOWED PURSUANT TO THIS SECTION IS LIABLE FOR
23 SUCH TAX DEFICIENCY, INTEREST, AND PENALTIES AS MAY BE SPECIFIED IN
24 THIS ARTICLE OR OTHERWISE PROVIDED BY LAW.

25 (9) FOR ANY INCOME TAX YEAR COMMENCING ON OR AFTER
26 JANUARY 1, 2015, A TAXPAYER MAY TRANSFER ALL OR ANY PORTION OF
27 A TAX CREDIT GRANTED PURSUANT TO SUBSECTION (3) OF THIS SECTION TO

1 ANOTHER TAXPAYER FOR SUCH OTHER TAXPAYER, AS TRANSFEREE, TO
2 APPLY AS A CREDIT AGAINST THE TAXES IMPOSED BY THIS ARTICLE
3 SUBJECT TO THE FOLLOWING REQUIREMENTS:

4 (a) THE TAXPAYER MAY ONLY TRANSFER SUCH PORTION OF THE
5 TAX CREDIT AS THE TAXPAYER HAS NEITHER APPLIED AGAINST THE
6 INCOME TAXES IMPOSED BY THIS ARTICLE NOR USED TO OBTAIN A REFUND.

7 (b) THE TAXPAYER MAY TRANSFER A PRORATED PORTION OF THE
8 TAX CREDIT TO MORE THAN ONE TRANSFEREE.

9 (c) FOR ANY TAX YEAR IN WHICH A TAX CREDIT IS TRANSFERRED
10 PURSUANT TO THIS SUBSECTION (9), BOTH THE TAXPAYER AND THE
11 TRANSFEREE SHALL FILE WRITTEN STATEMENTS WITH THEIR INCOME TAX
12 RETURNS SPECIFYING THE AMOUNT OF THE TAX CREDIT THAT HAS BEEN
13 TRANSFERRED. A TRANSFEREE MAY NOT CLAIM A CREDIT TRANSFERRED
14 PURSUANT TO THIS SUBSECTION (9) UNLESS THE TAXPAYER'S WRITTEN
15 STATEMENT VERIFIES THE AMOUNT OF THE TAX CREDIT CLAIMED BY THE
16 TRANSFEREE.

17 (d) TO THE EXTENT THAT A TRANSFEREE PAID VALUE FOR THE
18 TRANSFER OF A WATERSHED HEALTH PROJECT TAX CREDIT TO SUCH
19 TRANSFEREE, THE TRANSFEREE IS DEEMED TO HAVE USED THE CREDIT TO
20 PAY, IN WHOLE OR IN PART, THE INCOME TAX OBLIGATION IMPOSED ON THE
21 TRANSFEREE UNDER THIS ARTICLE, AND TO SUCH EXTENT THE
22 TRANSFEREE'S USE OF A TAX CREDIT FROM A TRANSFEROR UNDER THIS
23 SECTION TO PAY TAXES OWED IS NOT DEEMED A REDUCTION IN THE
24 AMOUNT OF INCOME TAXES IMPOSED BY THIS ARTICLE ON THE
25 TRANSFEREE.

26 (e) THE TRANSFEREE SHALL SUBMIT TO THE DEPARTMENT A FORM
27 APPROVED BY THE DEPARTMENT.

1 (f) A TRANSFEREE OF A TAX CREDIT SHALL PURCHASE THE CREDIT
2 PRIOR TO THE DUE DATE IMPOSED BY THIS ARTICLE, NOT INCLUDING ANY
3 EXTENSIONS, FOR FILING THE TRANSFEREE'S INCOME TAX RETURN.

4 (g) WITH THE EXCEPTION OF A TAX CREDIT HELD BY A TRANSFEREE
5 REQUIRED TO BE USED BY THE TRANSFEREE'S ESTATE FOR TAXES OWED BY
6 THE ESTATE, A TAX CREDIT HELD BY AN INDIVIDUAL EITHER DIRECTLY OR
7 AS A RESULT OF A DONATION BY A PASS-THROUGH ENTITY SURVIVES THE
8 DEATH OF THE INDIVIDUAL AND MAY BE CLAIMED OR TRANSFERRED BY
9 THE DECEDENT'S ESTATE.

10 (h) THE TRANSFEROR OF A TAX CREDIT TRANSFERRED PURSUANT
11 TO THIS SUBSECTION (9) IS THE TAX MATTERS REPRESENTATIVE IN ALL
12 MATTERS WITH RESPECT TO THE CREDIT. THE TAX MATTERS
13 REPRESENTATIVE IS RESPONSIBLE FOR REPRESENTING AND BINDING THE
14 TRANSFEREES WITH RESPECT TO ALL ISSUES AFFECTING THE CREDIT,
15 INCLUDING, BUT NOT LIMITED TO, NOTIFICATIONS AND CORRESPONDENCE
16 FROM AND WITH THE DEPARTMENT, AUDIT EXAMINATIONS, ASSESSMENTS
17 OR REFUNDS, SETTLEMENT AGREEMENTS, AND THE STATUTE OF
18 LIMITATIONS. THE TRANSFEREE IS SUBJECT TO THE SAME STATUTE OF
19 LIMITATIONS WITH RESPECT TO THE CREDIT AS THE TRANSFEROR OF THE
20 CREDIT.

21 (i) THE FINAL RESOLUTION OF ANY DISPUTES REGARDING THE TAX
22 CREDIT BETWEEN THE DEPARTMENT AND THE TAX MATTERS
23 REPRESENTATIVE, INCLUDING FINAL DETERMINATIONS, COMPROMISES,
24 PAYMENT OF ADDITIONAL TAXES OR REFUNDS DUE, AND ADMINISTRATIVE
25 AND JUDICIAL DECISIONS, IS BINDING ON ALL TRANSFEREES.

26 (10) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2021.

27 **SECTION 2.** In Colorado Revised Statutes, **add** 37-60-126.7 as

1 follows:

2 **37-60-126.7. Watershed health project grant program -**
3 **creation - definitions - repeal.** (1) AS USED IN THIS SECTION, UNLESS
4 THE CONTEXT OTHERWISE REQUIRES:

5 (a) "BOARD" MEANS THE COLORADO WATER CONSERVATION
6 BOARD CREATED IN SECTION 37-60-102.

7 (b) "FUND" MEANS THE WATERSHED HEALTH PROJECT GRANT
8 PROGRAM CASH FUND CREATED IN PARAGRAPH (a) OF SUBSECTION (2) OF
9 THIS SECTION.

10 (c) "QUALIFIED ENTITY" MEANS ANY MUNICIPALITY, COUNTY,
11 HOME RULE COUNTY, CITY AND COUNTY, WATER CONSERVATION DISTRICT,
12 WATER CONSERVANCY DISTRICT, IRRIGATION DISTRICT, WATER DISTRICT,
13 WATER AND SANITATION DISTRICT, METROPOLITAN DISTRICT, OR ANY
14 PRIVATE NONPROFIT ENTITY THAT IS EXEMPT FROM PAYING INCOME TAXES
15 UNDER ARTICLE 22 OF TITLE 39, C.R.S.

16 (d) "QUALIFIED EXPENDITURES" MEANS THE TYPE AND EXTENT OF
17 EXPENDITURES A QUALIFIED ENTITY SPENDS ON A WATERSHED HEALTH
18 PROJECT AS FURTHER SPECIFIED BY THE BOARD IN ACCORDANCE WITH
19 SECTION 39-22-538 (3) (c) (II), C.R.S.

20 (e) "WATERSHED HEALTH PROJECT" MEANS COLLABORATIVE,
21 SCIENCE-BASED ECOSYSTEM RESTORATION OF WATERSHEDS, FORESTS,
22 GRASSLANDS, RIPARIAN ZONES, STREAMS, LAKES, OR RESERVOIRS THAT:

23 (I) ENCOURAGES ECOLOGICAL, ECONOMIC, AND SOCIAL
24 SUSTAINABILITY;

25 (II) LEVERAGES LOCAL RESOURCES WITH NATIONAL AND PRIVATE
26 RESOURCES;

27 (III) FACILITATES THE REDUCTION OF WILDFIRE MANAGEMENT

1 COSTS THROUGH REESTABLISHING NATURAL FIRE REGIMES AND REDUCING
2 THE RISK OF UNCHARACTERISTIC WILDFIRE;

3 (IV) DEMONSTRATES THE DEGREE TO WHICH VARIOUS
4 ECOLOGICAL RESTORATION TECHNIQUES ACHIEVE ECOLOGICAL AND
5 WATERSHED HEALTH OBJECTIVES;

6 (V) MAKES USE OF ANY WOODY MATERIAL GENERATED BY THE
7 PROJECT, INCLUDING TRADITIONAL FOREST PRODUCTS AND BIOMASS
8 ENERGY PRODUCTS; OR

9 (VI) IMPROVES WATERSHED, FOREST, GRASSLAND, RIPARIAN ZONE,
10 STREAM, LAKE, OR RESERVOIR HEALTH.

11 (2) (a) THERE IS HEREBY CREATED THE WATERSHED HEALTH
12 PROJECT GRANT PROGRAM FOR PURPOSES OF PROVIDING STATE FUNDING
13 TO ENCOURAGE THE RESTORATION AND LONG-TERM PRESERVATION OF
14 WATERSHEDS, FORESTS, GRASSLANDS, RIPARIAN ZONES, STREAMS, LAKES,
15 AND RESERVOIRS AND TO ENCOURAGE ECOLOGICAL, ECONOMIC, AND
16 SOCIAL SUSTAINABILITY ACROSS THE STATE. THE BOARD IS AUTHORIZED
17 TO DISTRIBUTE GRANTS TO QUALIFIED ENTITIES IN ACCORDANCE WITH THE
18 REQUIREMENTS OF THIS SECTION FROM THE MONEYS TRANSFERRED TO AND
19 APPROPRIATED FROM THE WATERSHED HEALTH PROJECT GRANT PROGRAM
20 CASH FUND, WHICH IS HEREBY CREATED IN THE STATE TREASURY.

21 (b) MONEYS IN THE FUND ARE HEREBY CONTINUOUSLY
22 APPROPRIATED TO THE BOARD FOR THE PURPOSES OF THIS SECTION AND
23 ARE AVAILABLE FOR USE UNTIL THE PROGRAMS AND PROJECTS FINANCED
24 USING THE GRANTS HAVE BEEN COMPLETED.

25 (3) (a) THE BOARD MAY MAKE GRANT AWARDS FROM THE FUND IN
26 ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION ON OR AFTER
27 THE EFFECTIVE DATE OF THIS SECTION BUT PRIOR TO JANUARY 1, 2018.

1 THE BOARD SHALL DEVELOP PROCEDURES FOR THE REVIEW OF GRANT
2 APPLICATIONS AND SHALL DEVELOP GUIDELINES FOR ITS USE IN
3 EVALUATING AND AWARDING GRANTS.

4 (b) ANY QUALIFIED ENTITY THAT INTENDS TO MAKE QUALIFIED
5 EXPENDITURES FOR A WATERSHED HEALTH PROJECT MAY APPLY TO THE
6 BOARD FOR A GRANT OF MONEYS IN THE FUND TO AID IN THE FINANCING OF
7 SAID PROJECT. MONEYS IN THE FUND MAY ALSO BE AWARDED AS GRANTS
8 TO FINANCE OUTREACH OR EDUCATION PROGRAMS AIMED AT
9 DEMONSTRATING THE BENEFITS OF WATERSHED HEALTH PROTECTION.

10 (c) THE BOARD SHALL REVIEW GRANT APPLICATIONS SUBMITTED
11 BY QUALIFIED ENTITIES AND, IN ITS SOLE DISCRETION, MAKE
12 RECOMMENDATIONS REGARDING THE AWARDING AND DISTRIBUTION OF
13 GRANTS TO APPLICANTS WHO SATISFY THE CRITERIA OUTLINED IN THIS
14 SECTION AND ANY GUIDELINES IT HAS DEVELOPED PURSUANT TO
15 PARAGRAPH (a) OF THIS SUBSECTION (3).

16 (4) FOR ANY ONE CALENDAR YEAR, THE BOARD SHALL NOT AWARD
17 GRANTS IN AN AMOUNT THAT EXCEEDS FIVE HUNDRED THOUSAND
18 DOLLARS.

19 (5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2021.

20 **SECTION 3. Safety clause.** The general assembly hereby finds,
21 determines, and declares that this act is necessary for the immediate
22 preservation of the public peace, health, and safety.