First Regular Session Seventy-third General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction

LLS NO. 21-0883.01 Pierce Lively x2059

SENATE BILL 21-258

SENATE SPONSORSHIP

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HOUSE SPONSORSHIP

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Local Government Appropriations

A BILL FOR AN ACT CONCERNING THE ADMINISTRATION OF STATE ASSISTANCE PROGRAMS TO MITIGATE THE RISK OF WILDFIRE, AND, IN CONNECTION THEREWITH, CREATING THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND AND THE HAZARD MITIGATION FUND; TRANSFERRING MONEY INTO SPECIALLY DESIGNED WILDFIRE FUNDS; AND MAKING AN APPROPRIATION.

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 allows the forest service to issue forest restoration and

SENATE d Reading Unamended May 25, 2021

SENATE 2nd Reading Unamended May 24, 2021 wildfire risk mitigation grants for projects on federal lands, so long as the project maintains continuity across a landscape including federal lands and the area of federal lands does not exceed the combined area of the nonfederal lands involved in the project.

The bill increases the amount that the forest service may use for the direct and indirect costs in administering the forest restoration and wildfire risk mitigation grant program from 3% to 7% of any amounts appropriated in any fiscal year.

The bill allows for the technical advisory panel that evaluates the proposals for forest restoration and wildfire risk mitigation grants to scale up and down in size.

The bill expands the allowable uses of the forest restoration and wildfire risk mitigation grant program by allowing the grant program to fund capacity-building efforts to provide local governments, community groups, and collaborative forestry groups with the resources and staffing necessary to plan and implement forest restoration and wildfire risk mitigation projects, including community and partner outreach and engagement, identifying priority project areas, prescription planning, and acquiring community equipment for use by landowners.

The bill allows for the forest service to hire nontemporary additional field capacity to support the implementation and monitoring of fuels mitigation grant awards and wildfire risk mitigation program grant awards and to hire full-time, nontemporary staff for developing, revising, and implementing community wildfire protection plans and collaborative landscape level prioritization plans; developing and implementing risk mitigation and watershed restoration plans; strengthening the responsible use of prescribed fire; and supporting economically beneficial uses of woody biomass.

The bill also creates 2 funds. First, the bill creates the wildfire mitigation capacity development fund. Money from the wildfire mitigation capacity development fund is continuously appropriated to the department of natural resources to support a number of wildfire related areas administered by the department. Second, the bill creates the hazard mitigation fund to assist local jurisdictions in obtaining the matching funds required for certain federal hazard mitigation grants.

Finally, the bill requires the following transfers:

- \$5 million from the general fund to the healthy forests and vibrant communities fund;
- \$2.5 million from the general fund to the wildfire risk mitigation revolving fund for loans issued by the wildfire risk mitigation loan program;
- \$17.5 million from the general fund to the wildfire mitigation capacity development fund;
- \$3 million from the wildfire preparedness fund to the hazard mitigation fund; and

-2- 258

• \$600,000 from the wildfire preparedness fund and \$1.2 million from the Colorado firefighting air corps fund to the wildfire emergency response fund.

1 Be it enacted by the General Assembly of the State of Colorado: 2 **SECTION 1. Legislative declaration.** (1) The general assembly 3 hereby finds and declares that: 4 (a) Colorado's wildfire crisis is at a pivotal point and immediate 5 decisive action is necessary to protect lives, homes, businesses, and 6 critical infrastructure; 7 (b) In 2020, Colorado experienced the three largest wildfires in its 8 history; 9 (c) These three wildfires burned over six hundred thousand acres, 10 caused significant displacement, devastated communities, and ultimately 11 resulted in hundreds of millions of dollars in property loss and damage; 12 (d) Although Colorado has been and remains committed to taking 13 meaningful action to mitigate wildfires, past efforts have lacked the coordination and landscape-scale focus required to properly address the 14 15 size and behavior of catastrophic wildfires; 16 (e) A comprehensive, statewide analysis of wildfire risk will help 17 the state identify, prioritize, and take strategic actions to address 18 Colorado's critical forest health and wildfire mitigation preparedness 19 needs: (f) Increasing funding for wildfire mitigation will prevent the 20 21 future devastation of Colorado communities, critical watershed and water 22 supply assets, and key ecological and wildlife resources; 23 (g) Increasing Colorado's capacity and workforce to conduct 24 critical forest restoration and wildfire mitigation work will help prepare

-3-

the state to prevent and respond to wildfires;

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- (h) Forest products businesses are key partners in maintaining healthy forests and supporting local communities;
- (i) Local communities and governments play a vital role in identifying, preparing for, and implementing wildfire mitigation actions; and
- (i) Therefore, it is in the public interest to create the wildfire mitigation capacity development fund, increase funding for the wildfire risk mitigation loan program for forest-based businesses, and increase funding for the healthy forest and vibrant communities fund.

SECTION 2. In Colorado Revised Statutes, 23-31-310, amend 12 (3), (5) introductory portion, (8), (8.2)(a)(I), (8.2)(b)(II), and (8.3)(a)(I) 13 as follows:

23-31-310. Forest restoration and wildfire risk mitigation grant program - technical advisory panel - legislative declaration **definitions - repeal.** (3) **Grant projects.** The forest service shall issue a statewide request for proposals for cost-share grants for projects that are designed through a collaborative community process. The projects may be entirely on, or on any combination of, private, state, county, or municipal forest lands. PROJECTS MAY ALSO BE ON FEDERAL LANDS, SO LONG AS THE PROJECT MAINTAINS CONTINUITY ACROSS A LANDSCAPE INCLUDING FEDERAL LANDS AND THE AREA OF THE FEDERAL LANDS DOES NOT EXCEED THE COMBINED AREA OF THE NONFEDERAL LANDS INVOLVED IN THE PROJECT. The grant share of an individual project cost must not exceed fifty percent of the total cost of the project or exceed one million dollars per project. In the case of a project that is located in an area with fewer economic resources, the grant share of an individual project cost

> -4-258

must not exceed seventy-five percent of the total cost of the project or exceed one million dollars per project. The remaining portion of the project's funding may be in the form of cash, stumpage, or in-kind contribution. In meeting the match requirements under this subsection (3), a project may be funded, in whole or in part, from gifts, grants, or donations received from any organization, entity, or individual. In measuring an in-kind contribution for purposes of meeting the fifty percent and twenty-five percent matches required by this subsection (3), "in-kind contribution" may include volunteer hours provided by the staff of an entity or organization applying for grant funding and the time for which staff receives monetary compensation in the form of salary or other financial benefits. Such compensated time that counts toward the in-kind contribution is limited to the estimated time of paid staff in planning and implementing the mitigation project. The forest service shall establish a policy that specifies the criteria by which a particular project will satisfy the requirement of this subsection (3) that it is located in an area with fewer economic resources, as applicable.

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(5) **Technical advisory panel.** The director shall convene a technical advisory panel to evaluate the proposals for forest restoration and wildfire risk mitigation grants and provide recommendations regarding which proposals would best meet the objectives of this section. The panel shall consider eligibility criteria established in subsections (4) and (4.5) of this section, a project's effect on long-term forest management, and the number of acres treated for state dollars spent and seek to use a consensus-based decision-making process to develop such recommendations. A panel member shall recuse himself or herself if he or she has an actual or potential conflict of interest with respect to a grant

-5- 258

applicant. The panel is composed of ten to eleven members to be appointed by the director. The composition of the panel includes AT LEAST:

- (8) **Administrative costs.** The forest service may utilize no more than three SEVEN percent of any amounts appropriated in any fiscal year for its direct and indirect costs in administering the program.
- (8.2) Community watershed restoration and wildfire risk mitigation. (a) In order to support communities and land managers in efforts to reduce risk to people and property and in support of long-term ecological restoration so that the underlying condition of Colorado's forests supports a variety of values, particularly public water supply and high-quality wildlife habitat, the forest service shall:
- (I) Hire additional temporary field capacity to support the implementation of forest restoration and wildfire risk mitigation program grants awarded pursuant to this section;
- (b) (II) This subsection (8.2)(b) is repealed, effective September 1, 2023 SEPTEMBER 1, 2028.
- (8.3) **Grant program.** (a) The forest service shall develop and administer the program in consultation with the technical advisory panel created in subsection (5) of this section. In developing the program, the forest service shall:
- (I) Dedicate up to twenty-five percent of the money available in the forest restoration and wildfire risk mitigation grant program cash fund, created in subsection (8.5) of this section, to fund capacity-building efforts to provide local governments, community groups, and collaborative forestry groups with the resources AND STAFFING necessary to provide site-based hazardous fuel reduction treatments, PLAN AND

-6- 258

1	IMPLEMENT FOREST RESTORATION AND WILDFIRE RISK MITIGATION
2	PROJECTS, including neighborhood slash piles, COMMUNITY AND PARTNER
3	OUTREACH AND ENGAGEMENT, IDENTIFYING PRIORITY PROJECT AREAS,
4	PRESCRIPTION PLANNING, and ACQUIRING community equipment for use
5	by landowners;
6	SECTION 3. In Colorado Revised Statutes, 23-31-313, amend
7	(5)(b) and (9)(a); and add (8)(e) and (10)(a)(III) as follows:
8	23-31-313. Healthy forests - vibrant communities - funds
9	created - repeal. (5) Community wildfire risk mitigation. To help
10	communities address the urgent need to reduce wildfire risks by
11	supporting implementation of risk mitigation treatments that focus on
12	protecting lives, homes, and essential community infrastructure, and by
13	improving inventory and monitoring of forest conditions, the forest
14	service shall:
15	(b) Hire additional temporary field capacity to support the
16	implementation and monitoring of fuels mitigation grant awards;
17	(8) Wildfire risk mitigation loan program. (e) ON THE
18	EFFECTIVE DATE OF THIS SUBSECTION (8)(e), OR AS SOON AS POSSIBLE
19	THEREAFTER, THE STATE TREASURER SHALL TRANSFER TWO MILLION FIVE
20	HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE
21	WILDFIRE RISK MITIGATION REVOLVING FUND.
22	(9) Improved outreach and technical assistance. In order to
23	ensure that the forest service has the capacity to deliver key funding and
24	technical assistance that will be needed to guide and support
25	implementation of wildfire preparedness, risk mitigation, watershed
26	restoration, and economic development initiatives in a way that adds

value to these efforts at the state level and across community boundaries,

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-7- 258

1	the forest service shall:
2	(a) Secure full-time temporary staff for developing, revising, and
3	implementing CWPPs AND COLLABORATIVE LANDSCAPE LEVEL
4	PRIORITIZATION PLANS; developing and implementing risk mitigation and
5	watershed restoration plans; strengthening the responsible use of
6	prescribed fire; and supporting economically beneficial uses of woody
7	biomass;
8	(10) Healthy forests and vibrant communities fund.
9	(a) (III) On the effective date of this subsection (10)(a)(III), or as
10	SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER
11	FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE HEALTHY
12	FORESTS AND VIBRANT COMMUNITIES FUND.
13	SECTION 4. In Colorado Revised Statutes, add 24-33.5-706.5
14	as follows:
15	24-33.5-706.5. Hazard mitigation fund - established - financing
16	- legislative intent. (1) The Hazard mitigation fund is hereby
17	CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY
18	TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (4) OF THIS
19	SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
20	APPROPRIATE OR TRANSFER TO THE FUND.
21	(2) The state treasurer shall credit all interest and
22	INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
23	
	HAZARD MITIGATION FUND TO THE FUND.
24	HAZARD MITIGATION FUND TO THE FUND. (3) MONEY IN THE HAZARD MITIGATION FUND IS CONTINUOUSLY
24	(3) Money in the hazard mitigation fund is continuously

-8- 258

1	(4) ON THE EFFECTIVE DATE OF THIS SUBSECTION (4), IF POSSIBLE,
2	OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL
3	TRANSFER THREE MILLION DOLLARS FROM THE WILDFIRE PREPAREDNESS
4	FUND ESTABLISHED IN SECTION 24-33.5-1227 TO THE HAZARD MITIGATION
5	FUND.
6	SECTION 5. In Colorado Revised Statutes, add 24-33-117 as
7	follows:
8	24-33-117. Wildfire mitigation capacity development fund -
9	established - financing - legislative intent - repeal. (1) THE WILDFIRE
10	MITIGATION CAPACITY DEVELOPMENT FUND IS HEREBY CREATED IN THE
11	STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE
12	FUND PURSUANT TO SUBSECTION (5) OF THIS SECTION AND ANY OTHER
13	MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER
14	TO THE FUND.
15	(2) The state treasurer shall credit all interest and
16	INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
17	WILDFIRE MITIGATION CAPACITY DEVELOPMENT FUND TO THE FUND.
18	(3) MONEY IN THE WILDFIRE MITIGATION CAPACITY DEVELOPMENT
19	FUND IS CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT OF NATURAL
20	RESOURCES AND MAY BE USED BY THE DEPARTMENT FOR THE FOLLOWING
21	PURPOSES:
22	(a) INITIATING A FEDERAL NATIONAL INCIDENT MANAGEMENT
23	ORGANIZATION COMPREHENSIVE RISK ANALYSIS BY JUNE 15, 2021, TO
24	IDENTIFY THE MOST STRATEGIC LANDSCAPES IN THE STATE FOR WILDFIRE
25	MITIGATION AND FUEL REDUCTION PROJECTS;
26	(b) SUPPORTING WILDFIRE MITIGATION WORKFORCE DEVELOPMENT
27	INCLUDING THE ENGAGEMENT OF CONSERVATION CORDS AND THE

-9- 258

1	DEPARTMENT OF CORRECTIONS STATE WILDLAND INMATE FIRE TEAMS IN
2	PRIORITY WILDFIRE MITIGATION PROJECTS INCLUDING THOSE PROJECTS
3	IDENTIFIED BY THE FEDERAL NATIONAL INCIDENT MANAGEMENT
4	ORGANIZATION COMPREHENSIVE RISK ANALYSIS CONDUCTED PURSUANT
5	TO SUBSECTION (3)(a) OF THIS SECTION;
6	(c) HIRING STAFF RESOURCES TO COORDINATE CROSS-BOUNDARY
7	WILDFIRE MITIGATION EFFORTS, FACILITATE ENGAGEMENT, AND CONNECT
8	PRIORITY WILDFIRE MITIGATION PROJECTS WITH AVAILABLE RESOURCES.
9	THESE STAFF SHALL CONSULT WITH STAKEHOLDERS INCLUDING FEDERAL
10	AND STATE AGENCIES, LOCAL GOVERNMENTS, TRIBES, COMMUNITIES,
11	FOREST COLLABORATIVE GROUPS, AND OTHER ENTITIES TO IDENTIFY AND
12	IMPLEMENT PRIORITY WILDFIRE MITIGATION PROJECTS ON MUNICIPAL,
13	COUNTY, TRIBAL, STATE, STATE-OPERATED, FEDERAL, AND PRIVATE
14	LANDS, AS APPROPRIATE.
15	(d) CONDUCTING AN ASSESSMENT OF WILDFIRE MITIGATION
16	EFFORTS UNDERTAKEN OR SUPPORTED BY THE STATE TO DETERMINE THE
17	MOST EFFICIENT AND EFFECTIVE ORGANIZATIONAL STRUCTURE FOR THOSE
18	EFFORTS;
19	(e) FUNDING PROJECTS OR GRANTS TO SUPPORT THE PLANNING AND
20	IMPLEMENTATION OF FUEL REDUCTION AND WILDFIRE MITIGATION
21	PROJECTS AT LANDSCAPE-SCALE TO REDUCE THE RISK OF CATASTROPHIC
22	WILDFIRE IN PRIORITY AREAS, INCLUDING THOSE IDENTIFIED BY THE
23	ANALYSIS IN SUBSECTION (3)(a) OF THIS SECTION; AND
24	(f) FUNDING THE DIRECT AND INDIRECT COSTS OF ADMINISTERING
25	THE ACTIVITIES DESCRIBED IN THIS SUBSECTION (3).
26	(4) TO THE EXTENT PRACTICABLE, WHEN SUPPORTING OR FUNDING
27	PROJECTS OR GRANTS FOR THE PLANNING AND IMPLEMENTATION OF FUEL

-10- 258

2	SUBSECTIONS (3)(b) AND (3)(e) OF THIS SECTION, THE DEPARTMENT OF
3	NATURAL RESOURCES SHALL PRIORITIZE THOSE PROJECTS WITH THE
4	GREATEST POTENTIAL TO PROTECT LIFE, PROPERTY, AND INFRASTRUCTURE.
5	(5) ON THE EFFECTIVE DATE OF THIS SUBSECTION (5), IF POSSIBLE,
6	OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL
7	TRANSFER SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS FROM
8	THE GENERAL FUND TO THE WILDFIRE MITIGATION CAPACITY
9	DEVELOPMENT FUND. THE MONEY TRANSFERRED PURSUANT TO THIS
10	SUBSECTION (5) MUST BE ALLOCATED TO SUPPORTED AREAS
11	ADMINISTERED BY THE DEPARTMENT OF NATURAL RESOURCES AS
12	FOLLOWS:
13	(a) UP TO TWO HUNDRED THOUSAND DOLLARS FOR THE FEDERAL
14	NATIONAL INCIDENT MANAGEMENT ORGANIZATION STATEWIDE RISK
15	ASSESSMENT DESCRIBED IN SUBSECTION (3)(a) OF THIS SECTION;
16	(b) FOR THE WILDFIRE MITIGATION WORKFORCE DEVELOPMENT
17	DESCRIBED IN SUBSECTION (3)(b) OF THIS SECTION;
18	(c) Up to five hundred fifty thousand dollars for the
19	WILDFIRE MITIGATION PROJECT COORDINATION DESCRIBED IN SUBSECTION
20	(3)(c) OF THIS SECTION;
21	(d) UP TO FIVE HUNDRED THOUSAND DOLLARS FOR THE WILDFIRE
22	MITIGATION ORGANIZATIONAL PLANNING DESCRIBED IN SUBSECTION (3)(d)
23	OF THIS SECTION;
24	(e) FOR THE LANDSCAPE WILDFIRE MITIGATION PROJECTS
25	DESCRIBED IN SUBSECTION (3)(e) OF THIS SECTION;
26	(f) UP TO FIVE PERCENT OF THE FUNDS TRANSFERRED PURSUANT
27	TO SUBSECTION (5)(b) OF THIS SECTION MAY BE USED FOR BOTH THE

REDUCTION AND WILDFIRE MITIGATION PROJECTS IN ACCORDANCE WITH

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-11- 258

1	DIRECT AND INDIRECT ADMINISTRATIVE COSTS ASSOCIATED WITH THE
2	WILDFIRE MITIGATION WORKFORCE DEVELOPMENT FUNDED BY
3	SUBSECTION (5)(b) OF THIS SECTION; AND
4	(g) UP TO FIVE PERCENT OF THE FUNDS TRANSFERRED PURSUANT
5	TO SUBSECTION (5)(e) OF THIS SECTION MAY BE USED FOR BOTH THE
6	DIRECT AND INDIRECT ADMINISTRATIVE COSTS ASSOCIATED WITH THE
7	LANDSCAPE WILDFIRE MITIGATION PROJECTS FUNDED BY SUBSECTION
8	(5)(e) OF THIS SECTION.
9	(6) On June 30, 2023, the state treasurer shall transfer
10	ANY UNEXPENDED AND UNENCUMBERED MONEY IN THE WILDFIRE
11	MITIGATION CAPACITY DEVELOPMENT FUND THAT WAS TRANSFERRED BY
12	THE STATE TREASURER TO THE WILDFIRE MITIGATION CAPACITY
13	DEVELOPMENT FUND PURSUANT TO SUBSECTION (5) OF THIS SECTION TO
14	THE GENERAL FUND, EXCEPT FOR THE MONEY ALLOCATED BY THE
15	DEPARTMENT OF NATURAL RESOURCES PURSUANT TO SUBSECTIONS (5)(c),
16	(5)(f), AND $(5)(g)$ OF THIS SECTION.
17	(7) TO IMPLEMENT THIS SECTION, THE DEPARTMENT OF NATURAL
18	RESOURCES SHALL COORDINATE WITH THE DIVISION OF FIRE PREVENTION
19	AND CONTROL IN THE DEPARTMENT OF PUBLIC SAFETY AND WITH THE
20	COLORADO STATE FOREST SERVICE AT THE DEPARTMENT OF HIGHER
21	EDUCATION AND ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH
22	SUCH AGENCIES TO DIRECT THE IMPLEMENTATION OF THIS SECTION.
23	SECTION 6. In Colorado Revised Statutes, 24-33.5-1226, add
24	(6) as follows:
25	24-33.5-1226. Wildfire emergency response fund - creation -
26	gifts, grants, and donations authorized. (6) (a) ON THE EFFECTIVE
27	DATE OF THIS SUBSECTION (6), IF POSSIBLE, OR AS SOON AS POSSIBLE

-12- 258

1	THEREAFTER, THE STATE TREASURER SHALL TRANSFER SIX HUNDRED
2	THOUSAND DOLLARS FROM THE WILDFIRE PREPAREDNESS FUND CREATED
3	IN SECTION 24-33.5-1227 AND ONE MILLION TWO HUNDRED THOUSAND
4	DOLLARS FROM THE COLORADO FIREFIGHTING AIR CORPS FUND CREATED
5	IN SECTION 24-33.5-1228 TO THE WILDFIRE EMERGENCY RESPONSE FUND.
6	(b) On July $1,2021$, the state treasurer shall transfer six
7	HUNDRED THOUSAND DOLLARS FROM THE WILDFIRE PREPAREDNESS FUND
8	CREATED IN SECTION 24-33.5-1227 AND ONE MILLION TWO HUNDRED
9	THOUSAND DOLLARS FROM THE COLORADO FIREFIGHTING AIR CORPS FUND
10	CREATED IN SECTION 24-33.5-1228 TO THE WILDFIRE EMERGENCY
11	RESPONSE FUND.
12	SECTION 7. Safety clause. The general assembly hereby finds,
13	determines, and declares that this act is necessary for the immediate
14	preservation of the public peace, health, or safety.

-13- 258