CHAPTER 34

NATURAL RESOURCES

SENATE BILL 17-050

BY SENATOR(S) Cooke, Donovan, Fenberg, Garcia, Guzman, Holbert, Jones, Kefalas, Kerr, Martinez Humenik, Merrifield, Priola. Scott. Grantham:

also REPRESENTATIVE(S) Becker K. and Arndt, Carver, Esgar, Exum, Ginal, Hamner, Hansen, Herod, Leonard, McLachlan, Melton, Mitsch Bush, Pettersen, Salazar, Singer, Valdez, Winter, Duran.

AN ACT

CONCERNING THE CONSOLIDATION OF GRANT PROGRAMS RELATING TO FOREST MANAGEMENT.

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

SECTION 1. In Colorado Revised Statutes, **amend** 36-7-406 as follows:

36-7-406. Repeal of part. This part 4 is repealed, effective July 1, 2018 December 31, 2017.

- **SECTION 2.** In Colorado Revised Statutes, 23-31-313, **amend** (6)(a) introductory portion, (6)(b), (10)(c) introductory portion, and (10)(c)(VII); and **repeal** (6)(a)(I) as follows:
- 23-31-313. Healthy forests vibrant communities funds created repeal. (6) Community watershed restoration. (a) In order to support communities and land managers in moving from risk reduction to EFFORTS TO REDUCERISK TO PEOPLE AND PROPERTY AND INCREASE FIREFIGHTER SAFETY, AND IN SUPPORT OF long-term ecological restoration so that the underlying condition of Colorado's forests supports a variety of values, particularly INCLUDING public water supply and high-quality wildlife habitat, the forest service shall:
- (I) (A) Hire additional temporary field capacity to support the implementation and monitoring of forest restoration program grants awarded pursuant to section 23-31-310.
- (B) In awarding grants pursuant to section 23-31-310, the forest service shall give additional emphasis to projects that substantially leverage additional financial

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

resources, that provide an opportunity to implement Colorado's good neighbor authority, or that have been identified through a community-based collaborative process.

- (b) (I) The forest service may use up to one million dollars annually until July 1, 2017, from OF THE UNENCUMBERED BALANCE OF the forest restoration AND WILDFIRE RISK MITIGATION GRANT program cash fund created in section 23-31-310 (8.5) THAT RESULT FROM APPROPRIATIONS FOR FISCAL YEARS THAT END ON OR BEFORE JUNE 30, 2017, for the purpose of complying with this subsection (6), of which at least two hundred thousand dollars shall be used to implement subparagraph (IV) of paragraph (a) of this subsection (6) SUBSECTION (6)(a)(IV) OF THIS SECTION.
- (II) This paragraph (b) SUBSECTION (6)(b) is repealed, effective July 1, 2018 SEPTEMBER 1, 2023.
- (10) **Healthy forests and vibrant communities fund.** (c) Of the moneys money transferred to the fund pursuant to section 39-29-109.3 (2)(n): C.R.S.:
- (VII) Up to fifty thousand dollars may be expended for the purposes specified in section 25-7-111 (5), C.R.S. THE UNENCUMBERED BALANCE MAY BE USED FOR ANY PURPOSE SPECIFIED IN THIS SUBSECTION (10)(c).
- **SECTION 3.** In Colorado Revised Statutes, 39-29-109.3, **amend** (2) introductory portion, (2)(k), and (2)(n) as follows:
- **39-29-109.3.** Severance tax operational fund repeal. (2) Subject to the requirements of subsections (3) and (4) of this section, if the general assembly chooses not to spend up to one hundred percent of the moneys MONEY in the operational fund as specified in subsection (1) of this section, the state treasurer shall transfer the following:
- (k) (I) For nine seven state fiscal years, beginning with the state fiscal year commencing on July 1, 2008 2017, one million FIFTY THOUSAND dollars per year to the forest restoration AND WILDFIRE RISK MITIGATION GRANT program cash fund created in section 23-31-310 (8.5). C.R.S.
- (II) This paragraph (k) SUBSECTION (2)(k) is repealed, effective July 1, 2018 SEPTEMBER 1, 2023.
- (n) (I) For three SEVEN fiscal years commencing on or after July 1, 2014 2017, the state treasurer shall transfer:
- (A) One million three hundred fifty-five FIVE thousand dollars of the moneys in the account to the healthy forests and vibrant communities fund created in section 23-31-313 (10); C.R.S.;
- (B) Fifty thousand dollars of the moneys in the account to the wildland-urban interface training fund created in section 24-33.5-1212 (5); C.R.S.;
 - (C) Ninety-five thousand dollars to the wildfire preparedness fund created in

section 24-33.5-1227 (1). C.R.S.

- (II) This paragraph (n) Subsection (2)(n) is repealed, effective July 1, 2018 September 1, 2023.
- **SECTION 4.** In Colorado Revised Statutes, 23-31-310, **amend** (1), (2), (3), (4) introductory portion, (4)(a), (4)(f)(II), (5), (6), (8.5), and (9); and **add** (1.5), (4.5), (8.2), and (8.3) as follows:
- 23-31-310. Forest restoration and wildfire risk mitigation grant program legislative declaration definitions technical advisory panel repeal.

 (1) Short title. The short title of this section shall be known and may be cited as is the "Colorado Forest Restoration" "Forest Restoration and Wildfire Risk Mitigation Act".
 - (1.5) **Legislative declaration.** The General assembly hereby:
 - (a) FINDS THAT:
- (I) COLORADO'S FORESTS ARE FUNDAMENTALLY IMPORTANT TO ITS CITIZENS IN PROVIDING CLEAN AIR AND WATER, RECREATION AND TOURISM OPPORTUNITIES, WILDLIFE HABITAT, AND WOOD PRODUCTS;
- (II) Damaging wildfires occur regularly in Colorado due in Part to fire suppression efforts and drought, the result of which are unhealthy, fire-prone forests; and
- (III) COLORADO HAS EXPERIENCED A SIGNIFICANT INCREASE IN DAMAGING WILDFIRES THAT HAVE DESTROYED HOMES, PROPERTY, AND OTHER ESSENTIAL COMMUNITY INFRASTRUCTURE;
 - (b) DETERMINES THAT:
- (I) It is critical that we invest in measures that reduce the probability of catastrophic fires spreading uncontrollably into our communities in areas of the wildland-urban interface and reduce the financial costs of wildfire in Colorado:
- (II) Increasing our efforts to thin or otherwise manage to improve the forests in Colorado would keep our forests healthy and help mitigate risks associated with catastrophic wildfires that endanger lives, property, watersheds, and critical infrastructure;
- (III) CONSOLIDATING EXISTING STATE GRANT PROGRAMS WILL PROVIDE THE NECESSARY RESOURCES TO THE COLORADO STATE FOREST SERVICE TO ALLOW THE AGENCY TO CONTINUE TO ADDRESS WATERSHED WILDFIRE RISKS AND FOREST HEALTH CONDITIONS IN COLORADO; AUGMENT ITS TECHNICAL CAPACITY TO ASSESS AND REDUCE WILDFIRE RISK TO PEOPLE, PROPERTY, AND INFRASTRUCTURE; SUPPORT IMPLEMENTATION OF COMMUNITY WILDFIRE PROTECTION PLANS; ENHANCE ITS TECHNICAL OUTREACH CAPABILITIES; AND PROVIDE LOANS AND GRANTS FOR MARKET-BASED FOREST TREATMENT SOLUTIONS TO REDUCE WILDFIRE RISK, PROTECT

WATERSHEDS, AND IMPROVE FOREST HEALTH; AND

- (IV) Maintaining proper funding for a combined grant program will ensure that necessary resources are available to both reduce wildfire risk and improve forest health; and
- (c) Declares that it intends to provide aid and guidance for catastrophic wildfirerisk mitigation and forest health improvements by authorizing a competitive grant program to assist with funding community-level actions across the entire state that are implemented to protect populations and property in the wildland-urban interface and to promote forest health and the utilization of woody material, including traditional forest products and biomass energy.
 - (2) **Definitions.** As used in this section, unless the context otherwise requires:
- (a) "Accredited Colorado youth corps" means a youth corps organization that is accredited by the Colorado youth corps association.
- (b) "Director" means the executive director of the department of natural resources created in section 24-1-124, C.R.S FOREST SERVICE.
- (c) "Forest service" means the Colorado state forest service identified in section 23-31-302 and the division of forestry created in section 24-33-104. C.R.S.
- (d) "Stakeholder" means county and municipal governments, educational institutions, landowners, and other interested public and private entities "Fuel" MEANS LIVING AND DEAD COMBUSTIBLE VEGETATION THAT CAN FEED A FIRE, INCLUDING GRASS, LEAVES, PINE BOUGHS, SHRUBS, AND TREES.
- (e) "HAZARDOUS FUEL REDUCTION TREATMENT" MEANS A TREATMENT THAT REMOVES OR REDUCES VEGETATIVE FUEL, INCLUDING MECHANICAL, MANUAL, BROADCAST BURNING, AND PILE BURNING FIRE TREATMENTS, OR REDUCES STRUCTURAL IGNITABILITY IN ORDER TO:
 - (I) DIMINISH THE POTENTIAL DAMAGE ARISING FROM A CATASTROPHIC WILDFIRE;
- (II) Enhance the ability of emergency personnel to safely influence the spread of wildfire; or
 - (III) IMPROVE LANDSCAPE-SCALE FOREST HEALTH CONDITIONS.
 - (f) "WILDLAND-URBAN INTERFACE" OR "WUI" MEANS AN AREA WHERE:
 - (I) HUMAN DEVELOPMENT IS CLOSE TO WILDLAND VEGETATION; AND
 - (II) THERE EXISTS A HIGH POTENTIAL FOR A WILDLAND FIRE.
- (3) **Grant program.** The forest service shall issue a statewide request for proposals for cost-share grants to stakeholders for experimental forest restoration projects that are designed through a collaborative community process. The projects

may be entirely on, or on any combination of, private, federal, state, county, or municipal forest lands. The state GRANT share of an individual project cost shall MUST not exceed sixty FIFTY 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.

- (4) **Eligibility requirements.** To be eligible to receive funding under this section, a project shall MUST:
- (a) Be located in an area with an approved community wildfire protection plan as defined by the federal "Healthy Forests Restoration Act of 2003", Pub.L. 108-148 REDUCE THE RISK TO PEOPLE AND PROPERTY IN THE WILDLAND-URBAN INTERFACE AND PROMOTE FOREST HEALTH:
 - (f) Include an assessment to:
- (II) Report, upon project completion, to the forest service on the positive or negative impact and including cost effectiveness of the project THE NUMBER OF ACRES TREATED, COST PER ACRE TO TREAT, TONNAGE OF MATERIAL GENERATED, NUMBER OF JOBS CREATED, AND USE OF ANY FOREST PRODUCTS GENERATED; and
 - (4.5) Eligible recipients. Eligible grant recipients include:
- (a) Local community groups, including homeowners' associations or neighborhood associations, that are within close proximity to the WUI;
 - (b) Local government entities within or adjacent to the WUI;
- (c) Public or private utilities, including water providers, with infrastructure or land ownership in areas of high risk for catastrophic wildfires;
- (d) State agencies, such as the state land board or the division of parks and wildlife, that own lands or property in areas of high risk for catastrophic wildfires; and
- (e) Nonprofit groups that promote hazardous fuel reduction treatment projects in partnership with local, state, or private entities.
- (5) **Technical advisory panel.** The director shall convene a technical advisory panel to evaluate the proposals for forest restoration demonstration 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 subsection 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 applicant. The panel shall be is composed of seven ten to eleven members, to be appointed by the director. as follows: The composition of the panel includes:

- (a) An official to represent the department of natural resources;
- (b) At least one representative from federal land management agencies;
- (c) At least two ONE independent scientists SCIENTIST with experience in forest ecosystem restoration; and
 - (d) Equal representation from:
- (I) Conservation interests An official to represent the department of public safety;
- (II) (e) Local communities; and At least one member who represents a county or municipal government with jurisdiction over an area of the WUI:
- (III) (f) Commodity interests At least one member who represents the traditional forest products industry;
- (g) At least one member who represents the biomass energy products industry;
- (h) At least one member who represents a nonprofit collaborative group involved with the mitigation of catastrophic wildfires in Colorado and the maintenance and improvement of ecological health; and
- (i) At least two members with expertise in water and watershed management.
- (6) **Proposal selection.** After consulting with the technical advisory panel established in subsection (5) of this section, the forest service shall select the proposals that will receive funding through this section. In carrying out the program and approved projects, to provide forest restoration activities, the forest service and stakeholders PROJECT PROPONENTS shall, whenever feasible, contract with the Colorado youth corps association or an accredited Colorado youth corps to provide labor.
- (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;
- (II) IN AWARDING GRANTS PURSUANT TO THIS SECTION, GIVE ADDITIONAL EMPHASIS TO PROJECTS THAT SUBSTANTIALLY LEVERAGE ADDITIONAL FINANCIAL RESOURCES OR THAT HAVE BEEN IDENTIFIED THROUGH A COMMUNITY-BASED

- (b) (I) The forest service may use the unencumbered balance of the forest restoration and wildfire risk mitigation grant program cash fund created in subsection (8.5) of this section for the purpose of complying with this subsection (8.2).
 - (II) This subsection (8.2)(b) is repealed, effective September 1, 2023.
- (8.3) (a) **Technical advisory panel.** 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 necessary to provide site-based hazardous fuel reduction treatments, including neighborhood slash piles and community equipment for use by landowners;
- (II) Dedicate up to five percent of the money available in the fund to be used by the forest service to:
 - (A) MONITOR GRANT RECIPIENTS' COMPLIANCE WITH THE GRANT PROGRAM; AND
 - (B) MEASURE THE GRANT PROGRAM'S EFFECTIVENESS;
 - (III) REQUIRE A GRANT APPLICANT TO DEMONSTRATE THAT:
- (A) The grant applicant has available, or will have available before implementation of the project, matching funds in the form of a dollar-for-dollar match or the value of in-kind contributions for the project. A project's matching funds may come from federal sources or state sources, but no more than fifty percent of the matching funds may come from state sources; except that, if the grant applicant is a state agency, more than fifty percent of the matching funds may come from other state sources.
- (B) The proposed project includes a plan for utilizing any woody material generated by the project, including traditional forest products and biomass energy products. Pursuant to its authority under section 23-31-315, the forest service shall offer technical support to grant applicants to assist with the development of the applicant's plan for utilizing forest products. The forest service shall inform applicants of the availability of its technical support.
- (IV) Encourage a grant applicant, where feasible, to utilize the labor of:

- (A) Youth and young adults participating in a Colorado youth corps organization accredited by the Colorado youth corps association; or
- (B) VETERANS PARTICIPATING IN AN ACCREDITED COLORADO CORPS PROGRAM SERVING VETERANS;
- (V) IN CONSULTATION WITH THE TECHNICAL ADVISORY PANEL CREATED IN SUBSECTION (5) OF THIS SECTION, ESTABLISH THE INFORMATION TO BE INCLUDED IN THE GRANT APPLICATION, INCLUDING A DESCRIPTION OF THE PROPOSED PROJECT; AND
- (VI) ESTABLISH A PLAN FOR ADMINISTERING THE GRANT PROGRAM, INCLUDING THE DEVELOPMENT OF:
 - (A) PERIODIC REPORTING REQUIREMENTS;
 - (B) TOOLS FOR MONITORING AND TRACKING GRANT PROJECTS; AND
 - (C) Measures for assessing the progress of grant projects.
- (b) Annually and in a final report to be presented before the end of the regular session in 2018, the forest service shall report to the agriculture, livestock, and natural resources committee in the Colorado house of representatives and the agriculture, natural resources, and energy committee in the Colorado senate, or their successor committees, regarding the progress of the grant program, including information concerning the:
 - (I) Number of Acres Treated;
 - (II) COST PER ACRE TO TREAT;
 - (III) TONNAGE OF MATERIAL GENERATED;
 - (IV) Number of Jobs Created;
 - (V) Use of any forest products generated; and
 - (VI) THE GRANT PROGRAM'S ABILITY TO ACHIEVE ITS STATED GOALS.
- (c) On and after the repeal of part 4 of article 7 of title 36, the forest service shall administer pursuant to this section all grants made pursuant to that part 4 before its repeal.
- (8.5) Forest restoration and wildfire risk mitigation grant program cash fund. (a) There is hereby created in the state treasury the forest restoration AND WILDFIRE RISK MITIGATION GRANT program cash fund. The department of higher education shall administer the fund, which consists of:
- (I) All moneys MONEY transferred by the treasurer as specified in section 39-29-109.3 (2)(k); C.R.S. AND

- (II) All money that was in the wildfire risk reduction fund created in section 36-7-405 prior to the repeal of that fund. As soon as possible after December 31,2017, the state treasurer shall transfer the unencumbered fund balance of the wildfire risk reduction fund as of month-end close on December 31, 2017, to the forest restoration and wildfire risk mitigation grant program cash fund.
- (b) All moneys Money in the fund are is continuously appropriated to the department of higher education for allocation to the board of governors of the Colorado state university system for the forest restoration and Wildfire Risk mitigation grant program specified in this section. All moneys money in the fund at the end of each fiscal year remain remains in the fund and do does not revert to the general fund or any other fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund.
- (9) **Repeal.** This section is repealed, effective September 1, 2017 2022. Prior to such repeal, the department of regulatory agencies shall review the technical advisory panel as provided in section 2-3-1203, C.R.S.
- **SECTION 5.** Effective date applicability. This act takes effect July 1, 2017, and applies to conduct occurring on or after said date.
- **SECTION 6. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 16, 2017