



MEMORANDUM
DECEMBER 30, 2018

TO: BOARD OF DIRECTORS

FROM: CHRIS TREESE & ZANE KESSLER

SUBJECT: STATE LEGISLATIVE AFFAIRS

ACTION:

- *Staff requests you establish bi-weekly telephone meetings during the Colorado legislative session.*
- *Adopt positions on legislation of interest (to be provided at the meeting)*
- *Provide direction and input on anticipated legislation*

STRATEGIC INITIATIVE(S):

1.A, 1.B Outreach and Advocacy

Departing from the traditional second Wednesday of the New Year, the Colorado General Assembly will open its 120-day 2019 session on Friday, January 4, adjourning no later than midnight May 3.

It's a new world at the Capitol. Post-election, Colorado Democrats enjoy the majority in the House and Senate and, of course, continue to hold the Governor's office. Democrats also won all statewide offices. Democrats have a strong 41-24 majority in the House and a 19-16 majority in the Senate. There will be more House Democrats (41) than Republican members in the House and Senate combined (40). For the first time in history, women will also be in the majority in the House, 25 in the Democratic caucus and eight in the Republican caucus.

Changing Faces/Changing Places:

The Colorado House will have 23 new members (35%), and the Senate will have ten (28%). The November elections saw five new Senators move over from the House, three Democrats and two Republicans. Post-election, four Senators resigned, leading to more new faces and moves from House to Senate. (See below for more)

The River District and western Colorado have three new faces. First-year Representatives in the River District's territory include Matt Soper (R-HD54), Janice Rich (R-HD55) and Julie McCluskie (D-HD61).

There are four new members of the Joint Budget Committee, including a first-year Senator, Senator Denis Hisey (R-Colo Springs). Though in the minority, Representative Bob Rankin (R-Carbondale) is the senior member of this powerful, six-member committee and the only West Slope member. Senator Dominic Moreno (D-Commerce City) will chair the committee.

The full slate of River District legislators is below:

House District	Name	River District Counties
HD 13	Rep. KC Becker	Grand
HD 26	Rep. Dylan Roberts	Eagle and Routt
HD 54	Rep-elect Matt Soper	Mesa and Delta
HD 55	Rep-elect Janice Rich	Mesa (Clifton, Fruitvale, Grand Junction, Orchard Mesa and Redlands)
HD 57	Rep Bob Rankin	Garfield, Rio Blanco and Moffat
HD 58	Rep. Marc Catlin	Montrose
HD 59	Rep. Barbara McLachlan	Gunnison, Hinsdale and Ouray
HD 61	Rep-elect Julie McCluskie	Summit, Pitkin, Gunnison and Delta
HD 62	Rep Donald Valdez	Saguache

Senate District	Name	River District Counties
SD 5	Kerry Donovan	Delta, Eagle, Gunnison, Hinsdale and Pitkin
SD 6	Don Coram	Montrose and Ouray
SD 7	Ray Scott	Mesa
SD 8	Randy Baumgardner*	Garfield, Rio Blanco, Moffat, Routt, Grand and Summit
SD 35	Larry Crowder	Saguache

*Senator Baumgardner announced his resignation from the Colorado Senate effective January 21, 2019. A Senate District 8 vacancy committee meets January 2 to select a replacement.

West Slope House members will be in positions of leadership and influence in 2019.

Representative KC Becker (D-Boulder) will serve as Speaker of the House, and Senator Kerry Donovan (D-SD5) will chair the Senate Agriculture Committee. Representative Dylan Roberts (D-HD26) will chair the House Rural Affairs Committee (formerly the House Agriculture, Livestock and Natural Resources Committee). We are told this committee will continue to be the default committee of jurisdiction for water bills.

Because of the 41-24 advantage Democrats have in the House, there are just four slots for Republicans on the 11-member Rural Affairs Committee. The Senate Ag Committee will downsize from 11 to a more traditional five members, three Democrats and two Republicans.

Four Colorado Senators – Kagan (D-Cherry Hills), Jones (D-Boulder), Kefalas (D-Ft Collins) and Baumgardner (R-Hot Sulphur) - resigned at the beginning of the year. Two were elected as county commissioners, and two resigned for personal reasons. Replacements for the first three have been made. Senator Baumgardner's Senate District 8 vacancy committee meets January 2.

Membership of the Senate Ag. Committee and House Rural Affairs will be:

Senate Ag. Committee:

Chair: Kerry Donovan (D) – Avon

Vice Chair: Senator-elect Jessie Danielson (D) – Wheat Ridge

Senate-appointee Joann Jinal (D) – Ft. Collins

Jerry Sonnenberg (R) – Sterling, Ranking member
Don Coram (R) - Montrose

House Rural Affairs Committee:

Chair: Rep. Dylan Roberts (D) - Avon
Vice Chair: Rep. Donald Valdez (D) - La Jara
Rep. Jeni Arndt (D) - Fort Collins
Rep.-Elect Bri Buentello (D) - Pueblo
Rep.-Elect Julie McCluskie (D) - Dillon
Rep. Barbara McLachlan (D) - Durango
Rep.-Elect Brianna Titone (D)- Arvada
Rep. Marc Catlin (R) – Montrose, Ranking Member
Rep. Perry Buck (R) - Windsor
Rep. Kimmi Lewis (R) - Kim
Rep.-Elect Rod Pelton (R) – Cheyenne Wells

Governor's office:

Eve Lieberman, Congressman Polis' chief of staff, will serve as the new governor's top adviser on policy and legislative counsel and as the manager of the legislative and policy departments. Joining Lieberman as legislative director is David Oppenheim, who was previously chief of staff for Democratic Speakers of the House Mark Ferrandino and Crisanta Duran.

Former state Treasurer Cary Kennedy will serve as a senior adviser for fiscal policy, “looking at long-term creative fiscal policy solutions.” Kennedy most recently served as CFO for the city of Denver. She was also one of Polis' opponents in the Democratic primary.

Wade Buchanan, who started the Bell Policy Center, joined the Polis team as policy director. He most recently served on Gov. John Hickenlooper's executive team as a senior adviser on aging. Buchanan also served in this position for Governor Roy Romer.

This week the Governor announced ten of his cabinet appointments. Of particular interest to the River District is the appointment of Kate Greenberg as the new Agriculture Commissioner. Greenberg has been the western program director for the National Young Farmers Coalition since 2013. The Young Farmers organization encourages and advises young people on how to enter and remain in the agriculture and agri-business industry. Several of us at the River District know and have worked with Kate.

Department of Natural Resources and Department of Public Health and Environment directors have not been named as of this date.

2019 Water-related Legislation:

Honoring the Board's desire to take positions only on introduced legislation, printed bills available as of the January Board meeting will be emailed to Directors the weekend prior to the meeting and distributed at the meeting. For your convenience, Interim Committee bills for which we have

recommended positions are attached to this memo because these bills must be introduced exactly as adopted by the committee, the only change being the assignment of a bill number.

Interim Committees:

➤ **Water Interim:**

Bill A - Republican River Water Conservation District.

Summary: Bill A expands the boundaries of the RRWCD to include most areas where groundwater pumping depletes the flow of the Republican River as defined by the Republican River Compact Administration groundwater model. The size of the district's board of directors is increased from 15 to 17 to include representatives from Cheyenne County and the East Cheyenne Groundwater Management District. The bill also changes the months in which the district board holds its quarterly meetings.

RECOMMENDED POSITION: No Position

Bill B - Severance Tax Operational Fund Distribution Methodology.

Summary: Bill B renames the Tier I severance tax programs as Core Departmental Programs and the Tier II programs as Natural Resources and Energy Grant Programs and changes the timing and number of payments made to the Natural Resources and Energy Grant Programs. The bill also consolidates three transfers made to Natural Resources and Energy Grant Programs on July 1, January 4, and April 1 of each fiscal year into a single transfer made annually on August 15 in the year following the severance tax collection.

Analysis: This bill should help in reliably securing full funding for Tier II programs of interest to the River District.

RECOMMENDED POSITION: Support

➤ **Alternatives to the Gallagher Amendment Special Interim:**

The special interim committee examining alternatives to and impacts of the Gallagher Amendment passed two bills referring measures to the voters to repeal Gallagher provisions from the constitution and replacing those provisions with an alternative residential assessment mechanism. However, the Executive Committee of the Legislative Council, which must approve all interim committee bills, rejected Bill A repealing Gallagher provisions. We expect Bill A to be introduced as a non-interim bill.

Bill B – Regional Residential Assessment Rates for Property Tax

Summary: If voters in the November 2019 election approve a referred measure to repeal the Gallagher Amendment, the bill will create eight distinct regional assessment rates for residential property. The Department of Property Taxation (DPT) would calculate the residential assessment rate to achieve the target percentages in each of the eight regions. The DPT will publish a report with the regional target percentage and determine if the regional assessment rate (RAR) must increase or decrease. The RAR's adjustment would be limited by several factors. When DPT estimates that the regional assessment rate required to meet the regional target percentage shall increase, an increase in the regional assessment rate is automatically referred to voters in the region. In November following the reassessment, each region must conduct a coordinated election

and ask voters to approve the regional assessment rate estimated by DPT. The River District would be in four of the distinct RAR regions.

RECOMMENDED POSITION: Oppose

➤ **Wildfire Matters Interim:**

Bill B – Wildfire Mitigation WUI Areas

Summary: This bill creates the Forest Management Fuels Reduction Projects Grant Program, to be overseen by the state Forestry Council. Grants are to be issued by January 1, 2020 for projects that reduce forest fuels, promote forest health and reduce risk to people and property in the wildland urban interface. Awarded grants cannot exceed \$200,000 per applicant and applicants must demonstrate the availability of matching funds or in-kind contributions. Grants may be awarded to:

- homeowners associations;
- collective groups of landowners that treat at least 20 acres of contiguous land; or
- new housing developments that are or will be covered by a homeowners association that consists of at least five distinct properties.

RECOMMENDED POSITION: Support

Other Anticipated Legislation:

- **Ditch Easement Rights** – Colorado Association of Conservation Districts has requested Rep. Catlin sponsor a bill to clarify that easement owners can place currently open ditch into pipe or line a ditch without amendment or new easement.
- **Instream Flow Bill:** The Conservation Community is advancing a bill to relax the three in ten year limitation for loans and leases of consumptive use water rights to instream flows to five in ten or less restrictive.
- **Denver Water Toilet Cleanup Legislation:** Denver Water is likely to run a bill to cleanup a conflict between legislative language and existing regulations pertaining to last session's bill that added toilet and urinal flushing in multifamily structures as allowable uses for reclaimed water.
- **Colorado's Water Plan funding:** There are at least two bills we're aware of to address the identified funding shortfall in Colorado's Water Plan. Both would add a fee to monthly water utility bills dedicated to the water projects and programs. One would assign oversight and distribution responsibilities to the CWCB, the other to the Water & Power Development Authority. One would refer the question to voters; the other would capitalize on the revenue source being a fee and pass it through the General Assembly.
- **Water Plan Funding:** The Joint Budget Committee is considering legislation requested by Governor Hickenlooper in his final budget proposal to appropriate \$30 million from General Fund for the implementation of the Colorado Water Plan. The

\$30 million would be split between the Colorado Water Conservation Board's Water Plan Grants Program (\$10 million) and a demand management program under consideration as part of Upper Colorado River Basin Drought Contingency Plan (\$20 million).

- **Mined Land Reclamation.** Representative Dillon Roberts (D-Eagle) pulled his prohibition on self-bonding for mined land reclamation from consideration at the Interim Water Committee. However, Rep. Roberts has indicated he intends to reintroduce his 2018 bill. Recall that the River District supported the provision adding the cost of "water resource protection" to the reclamation warranty amount. The District took no position on the bill's other provisions.
- **Compact Water Shepherding.** There may be legislation amending the definition of beneficial use to include "compact security." This would allow the state engineer to shepherd water dedicated to compact compliance at least to the state line on the subject river. Legislation would likely include conditions defining the "duty of water" for compact security. These conditions would presumably include direction to the water court for quantification and limitations on when such rights can be considered beneficial use. Additionally there will likely be limitations on who can legally own compact security rights, possibly limited to the CWCB only. Unanswered is if such legislation would be limited to the Colorado River basin or statewide.

We're hoping legislation will not be introduced during the 2019 legislative session. If legislation is not introduced in 2019, work on draft legislation will occur during the year, and the River District will be involved.

- **CWCB-Approved Deficit Irrigation Pilot Projects** – This bill failed 6-3 in the Interim Water Committee. However, advocates are seeking sponsors for re-introduction in 2019. The River District supported this bill in 2018.
- **Healthy Soil Task Force** – A proposed bill was withdrawn at the last minute from the Interim Water Committee's consideration. However, we expect this bill to be introduced in 2019. As drafted for the interim committee, it would create a Health Soils Task Force in the state to provide outreach and education on agricultural practices promoting healthy soil. The Task Force would provide a final report to the Interim Water Committee.
- **Water Funding.** Discussions continue regarding alternative, dedicated funding sources for water projects and programs under Colorado's Water Plan. These range from added fee on monthly utility bills to a dedicated increase in the certain taxes or new fees, likely limited to beverage containers. Any mechanism triggering a TABOR vote appears more likely for the 2020 ballot. The River District is active in several of these discussions.

- **TENORMs.** (Technologically Enhanced Naturally Occurring Radioactive Materials) There is a contractor working on a report. The initial report should be out in March, 2019 and then stakeholder meetings will begin. Late bill legislation is possible.
- **Repeal the Gallagher Amendment.** This was ‘Bill A’ approved by the special interim committee on Gallagher impacts but rejected by the Executive Committee of the Legislative Council. The measure submits a question to voters in November 2019 repealing several constitutional provisions regarding property taxes, commonly referred to as the Gallagher Amendment. Specifically, it repeals the 29 percent assessment rate in the constitution for most nonresidential property, the calculation of the target percentage and references to the adjustable residential assessment rate.
- **Colorado Fire Commission.** This bill was also approved by the Wildfire Matters Interim Committee but rejected by the Executive Committee of the Legislative Council. It would have created a Fire Commission within the division of fire prevention and control in the department of public safety. Two non-voting seats for “water provider” representation (one from the West Slope and one from East Slope) were added just before the interim committee’s vote. This is one of at least three commissions advising the state on wildfire matters.

Colorado Budget:

The budget is an annual concern and opportunity for the River District. Several budget-related items are covered above. In addition, the latest good news from that state is Colorado lawmakers could have between \$956.8 million and \$1.22 billion in “surplus” dollars to put toward priorities in the 2019-20 budget, according to the pre-Christmas forecast from the Governor's Office of State Planning and Budgeting (OSPB).

The General Assembly's economists have an even more optimistic take on the General Fund surplus, projecting it to be at \$1.22 billion for 2019-20. The legislature's economists also project a TABOR refund for 2019 of \$380.4 million. The first \$150 million would first go to property tax relief for seniors and veterans, with the balance to income tax filers after that.

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

BILL A

LLS NO. 19-0132.01 Richard Sweetman x4333

HOUSE BILL

HOUSE SPONSORSHIP

Arndt,

SENATE SPONSORSHIP

Crowder,

House Committees

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE REPUBLICAN RIVER WATER CONSERVATION
102 DISTRICT, AND, IN CONNECTION THEREWITH, EXPANDING THE
103 BOUNDARIES OF THE DISTRICT AND ADJUSTING THE MEETING
104 SCHEDULE OF THE DISTRICT'S BOARD OF DIRECTORS.

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/>.)

Water Resources Review Committee. The boundaries of the Republican river water conservation district are currently established by statute as certain counties and portions of counties that are within the

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.

Republican river basin. The bill expands the boundaries by including the district areas where groundwater pumping depletes the flow of the Republican river as contemplated by applicable United States supreme court case law. The composition of the district's board of directors is adjusted accordingly.

Current law requires the Republican river water conservation district board of directors to conduct regular quarterly meetings in January, April, July, and October. The bill changes these months to February, May, August, and November.

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

2 **SECTION 1.** In Colorado Revised Statutes, 37-50-103, **amend**
3 (1) as follows:

4 **37-50-103. Creation and name of district.** (1) There is hereby
5 created a water conservation district to be known and designated as the
6 "Republican river water conservation district". The district is hereby
7 declared to be a body corporate under the laws of Colorado. The district
8 ~~shall comprise~~ CONSISTS OF the following area and territory of the state
9 of Colorado:

10 (a) Phillips and Yuma counties; and

11 (b) Those portions of CHEYENNE, Kit Carson, Lincoln, Logan,
12 Sedgwick, and Washington counties within the ~~Republican river basin~~
13 MODEL DOMAIN OF THE REPUBLICAN RIVER COMPACT ADMINISTRATION
14 GROUNDWATER MODEL WITHIN THE STATE OF COLORADO AS THAT
15 DOMAIN IS DEFINED IN APPENDIX B TO THE FINAL REPORT OF THE SPECIAL
16 MASTER WITH CERTIFICATE OF ADOPTION OF RRCA GROUNDWATER
17 MODEL, *KANSAS V. NEBRASKA AND COLORADO*, UNITED STATES SUPREME
18 COURT, NO. 126, ORIGINAL, DATED SEPTEMBER 17, 2003.

19 **SECTION 2.** In Colorado Revised Statutes, 37-50-104, **amend**
20 (1) and (3)(b); and **add** (3)(a)(IV) as follows:

Republican river basin. The bill expands the boundaries by including the district areas where groundwater pumping depletes the flow of the Republican river as contemplated by applicable United States supreme court case law. The composition of the district's board of directors is adjusted accordingly.

Current law requires the Republican river water conservation district board of directors to conduct regular quarterly meetings in January, April, July, and October. The bill changes these months to February, May, August, and November.

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

2 **SECTION 1.** In Colorado Revised Statutes, 37-50-103, **amend**
3 (1) as follows:

4 **37-50-103. Creation and name of district.** (1) There is hereby
5 created a water conservation district to be known and designated as the
6 "Republican river water conservation district". The district is hereby
7 declared to be a body corporate under the laws of Colorado. The district
8 ~~shall comprise~~ CONSISTS OF the following area and territory of the state
9 of Colorado:

10 (a) Phillips and Yuma counties; and

11 (b) Those portions of CHEYENNE, Kit Carson, Lincoln, Logan,
12 Sedgwick, and Washington counties within the ~~Republican river basin~~
13 MODEL DOMAIN OF THE REPUBLICAN RIVER COMPACT ADMINISTRATION
14 GROUNDWATER MODEL WITHIN THE STATE OF COLORADO AS THAT
15 DOMAIN IS DEFINED IN APPENDIX B TO THE FINAL REPORT OF THE SPECIAL
16 MASTER WITH CERTIFICATE OF ADOPTION OF RRCA GROUNDWATER
17 MODEL, *KANSAS V. NEBRASKA AND COLORADO*, UNITED STATES SUPREME
18 COURT, NO. 126, ORIGINAL, DATED SEPTEMBER 17, 2003.

19 **SECTION 2.** In Colorado Revised Statutes, 37-50-104, **amend**
20 (1) and (3)(b); and **add** (3)(a)(IV) as follows:

1 **37-50-104. Board of directors.** (1) (a) The district shall be
2 managed and controlled by a board of ~~fifteen~~ SEVENTEEN directors. The
3 members of the board shall hold their offices for terms of three years and
4 until their successors are appointed and qualified. A director may serve
5 one or more terms. The boards of county commissioners of the counties
6 of Yuma, Phillips, Kit Carson, Washington, Sedgwick, Lincoln,
7 CHEYENNE, and Logan shall each appoint one director, who ~~shall~~ MUST
8 be a resident of the respective county. One member of the board shall be
9 appointed by each of the boards of the EAST CHEYENNE, Marks Butte,
10 Frenchman, W-Y, Sand Hills, Central Yuma, Arikaree, and Plains ground
11 water management districts. One member of the board shall be appointed
12 by the Colorado ground water commission and ~~shall~~ MUST be a member
13 of the Colorado ground water commission.

14 (b) Each director ~~shall~~ MUST be, at the time of the director's
15 appointment, a resident and owner of real property within the county or
16 ground water management district from which he or she is appointed or,
17 if only a part of the county or ground water management district is
18 included within the boundaries of the district, a resident and owner of real
19 property within ~~such~~ THE included part. The director appointed by the
20 Colorado ground water commission ~~shall~~ MUST, at the time of
21 appointment, reside within the district. Each director shall be appointed
22 by either the board of county commissioners of the county in which the
23 director resides or by the ground water management district in which the
24 director resides. The director may be a member of the board of county
25 commissioners of such county or the board of directors of such ground
26 water management district. ~~Such~~ THE appointments shall be made at the
27 first meeting of the board of county commissioners, ground water

1 **37-50-104. Board of directors.** (1) (a) The district shall be
2 managed and controlled by a board of ~~fifteen~~ SEVENTEEN directors. The
3 members of the board shall hold their offices for terms of three years and
4 until their successors are appointed and qualified. A director may serve
5 one or more terms. The boards of county commissioners of the counties
6 of Yuma, Phillips, Kit Carson, Washington, Sedgwick, Lincoln,
7 CHEYENNE, and Logan shall each appoint one director, who ~~shall~~ MUST
8 be a resident of the respective county. One member of the board shall be
9 appointed by each of the boards of the EAST CHEYENNE, Marks Butte,
10 Frenchman, W-Y, Sand Hills, Central Yuma, Arikaree, and Plains ground
11 water management districts. One member of the board shall be appointed
12 by the Colorado ground water commission and ~~shall~~ MUST be a member
13 of the Colorado ground water commission.

14 (b) Each director ~~shall~~ MUST be, at the time of the director's
15 appointment, a resident and owner of real property within the county or
16 ground water management district from which he or she is appointed or,
17 if only a part of the county or ground water management district is
18 included within the boundaries of the district, a resident and owner of real
19 property within ~~such~~ THE included part. The director appointed by the
20 Colorado ground water commission ~~shall~~ MUST, at the time of
21 appointment, reside within the district. Each director shall be appointed
22 by either the board of county commissioners of the county in which the
23 director resides or by the ground water management district in which the
24 director resides. The director may be a member of the board of county
25 commissioners of such county or the board of directors of such ground
26 water management district. ~~Such~~ THE appointments shall be made at the
27 first meeting of the board of county commissioners, ground water

1 management district, or Colorado ground water commission after the
2 establishment of the district; EXCEPT THAT THE DIRECTORS APPOINTED BY
3 THE CHEYENNE COUNTY BOARD OF COUNTY COMMISSIONERS AND THE
4 EAST CHEYENNE GROUND WATER MANAGEMENT DISTRICT MUST BE
5 APPOINTED AT THE FIRST MEETING OF THE BOARD OF COUNTY
6 COMMISSIONERS OR GROUND WATER MANAGEMENT DISTRICT, AS
7 APPLICABLE, AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(b), AS
8 AMENDED.

9 (c) The members of the board shall annually select one of their
10 number to act as president and one of their number to act as
11 vice-president, each to hold office for one year or until a successor is duly
12 selected.

13 (3) (a) Upon creation of the district, the directors shall be
14 appointed by the respective boards of county commissioners or ground
15 water management districts as provided in this section for the following
16 terms of office:

17 (IV) THE DIRECTOR FROM THE COUNTY OF CHEYENNE HAS AN
18 INITIAL TERM ENDING ON THE DATE OF THE REGULAR QUARTERLY MEETING
19 OF THE BOARD OF COUNTY COMMISSIONERS TO BE HELD IN NOVEMBER
20 2021 OR UPON THE APPOINTMENT OF HIS OR HER SUCCESSOR, WHICHEVER
21 OCCURS LATER. THE DIRECTOR FROM THE EAST CHEYENNE GROUND
22 WATER MANAGEMENT DISTRICT HAS AN INITIAL TERM ENDING ON THE
23 DATE OF THE REGULAR QUARTERLY MEETING OF THE DISTRICT'S BOARD TO
24 BE HELD IN NOVEMBER 2020 OR UPON THE APPOINTMENT OF HIS OR HER
25 SUCCESSOR, WHICHEVER OCCURS LATER.

26 (b) Thereafter, each director ~~shall be~~ IS appointed for a term of
27 three years, and the term ~~shall expire~~ EXPIRES on the date of the regular

1 management district, or Colorado ground water commission after the
2 establishment of the district; EXCEPT THAT THE DIRECTORS APPOINTED BY
3 THE CHEYENNE COUNTY BOARD OF COUNTY COMMISSIONERS AND THE
4 EAST CHEYENNE GROUND WATER MANAGEMENT DISTRICT MUST BE
5 APPOINTED AT THE FIRST MEETING OF THE BOARD OF COUNTY
6 COMMISSIONERS OR GROUND WATER MANAGEMENT DISTRICT, AS
7 APPLICABLE, AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(b), AS
8 AMENDED.

9 (c) The members of the board shall annually select one of their
10 number to act as president and one of their number to act as
11 vice-president, each to hold office for one year or until a successor is duly
12 selected.

13 (3) (a) Upon creation of the district, the directors shall be
14 appointed by the respective boards of county commissioners or ground
15 water management districts as provided in this section for the following
16 terms of office:

17 (IV) THE DIRECTOR FROM THE COUNTY OF CHEYENNE HAS AN
18 INITIAL TERM ENDING ON THE DATE OF THE REGULAR QUARTERLY MEETING
19 OF THE BOARD OF COUNTY COMMISSIONERS TO BE HELD IN NOVEMBER
20 2021 OR UPON THE APPOINTMENT OF HIS OR HER SUCCESSOR, WHICHEVER
21 OCCURS LATER. THE DIRECTOR FROM THE EAST CHEYENNE GROUND
22 WATER MANAGEMENT DISTRICT HAS AN INITIAL TERM ENDING ON THE
23 DATE OF THE REGULAR QUARTERLY MEETING OF THE DISTRICT'S BOARD TO
24 BE HELD IN NOVEMBER 2020 OR UPON THE APPOINTMENT OF HIS OR HER
25 SUCCESSOR, WHICHEVER OCCURS LATER.

26 (b) Thereafter, each director ~~shall be~~ IS appointed for a term of
27 three years, and the term ~~shall expire~~ EXPIRES on the date of the regular

1 quarterly meeting to be held in ~~October~~ NOVEMBER of the year that
2 commences during the third year of the director's term, or as soon
3 thereafter as a successor is duly appointed and qualified. For the purpose
4 of determining ~~such~~ THE expiration date, the term of the director shall be
5 taken as having begun on the date of the first regular ~~October~~ NOVEMBER
6 quarterly meeting at which the term of a predecessor would have expired
7 had the director then been duly appointed and qualified.

8 **SECTION 3.** In Colorado Revised Statutes, **amend** 37-50-108 as
9 follows:

10 **37-50-108. Principal office - meetings.** The board shall
11 designate a place within the district where the principal office is to be
12 maintained and may change ~~such~~ THE place from time to time. Regular
13 quarterly meetings of the board shall be held at the office on the ~~second~~
14 ~~Thursday~~ THIRD TUESDAY in the months of ~~January, April, July, and~~
15 ~~October~~ FEBRUARY, MAY, AUGUST, AND NOVEMBER. The board may hold
16 such special meetings as may be required for the proper transaction of
17 business. All special meetings of the board shall be held at locations that
18 are within the boundaries of the district or that are within the boundaries
19 of any county in which the district is located, in whole or in part, or in any
20 county if the meeting location is within Colorado and does not exceed
21 twenty miles from the district boundaries. The provisions of this section
22 governing the location of meetings may be waived only if the proposed
23 change of location of a meeting of the board appears on the agenda of a
24 regular or special meeting of the board and if a resolution is adopted by
25 the board stating the reason for which a meeting of the board is to be held
26 in a location other than under the provisions of this section and further
27 stating the date, time, and place of such meeting. Special meetings may

1 quarterly meeting to be held in ~~October~~ NOVEMBER of the year that
2 commences during the third year of the director's term, or as soon
3 thereafter as a successor is duly appointed and qualified. For the purpose
4 of determining ~~such~~ THE expiration date, the term of the director shall be
5 taken as having begun on the date of the first regular ~~October~~ NOVEMBER
6 quarterly meeting at which the term of a predecessor would have expired
7 had the director then been duly appointed and qualified.

8 **SECTION 3.** In Colorado Revised Statutes, **amend** 37-50-108 as
9 follows:

10 **37-50-108. Principal office - meetings.** The board shall
11 designate a place within the district where the principal office is to be
12 maintained and may change ~~such~~ THE place from time to time. Regular
13 quarterly meetings of the board shall be held at the office on the ~~second~~
14 ~~Thursday~~ THIRD TUESDAY in the months of ~~January, April, July, and~~
15 ~~October~~ FEBRUARY, MAY, AUGUST, AND NOVEMBER. The board may hold
16 such special meetings as may be required for the proper transaction of
17 business. All special meetings of the board shall be held at locations that
18 are within the boundaries of the district or that are within the boundaries
19 of any county in which the district is located, in whole or in part, or in any
20 county if the meeting location is within Colorado and does not exceed
21 twenty miles from the district boundaries. The provisions of this section
22 governing the location of meetings may be waived only if the proposed
23 change of location of a meeting of the board appears on the agenda of a
24 regular or special meeting of the board and if a resolution is adopted by
25 the board stating the reason for which a meeting of the board is to be held
26 in a location other than under the provisions of this section and further
27 stating the date, time, and place of such meeting. Special meetings may

1 be called by the president of the board or by any four directors. Meetings
2 of the board ~~shall be~~ ARE public, and proper minutes of the proceedings
3 of the board ~~shall~~ MUST be preserved and ~~shall be~~ ARE open to inspection
4 by any elector of the district during business hours.

5 **SECTION 4. Act subject to petition - effective date -**
6 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
7 the expiration of the ninety-day period after final adjournment of the
8 general assembly (August 2, 2019, if adjournment sine die is on May 3,
9 2019); except that, if a referendum petition is filed pursuant to section 1
10 (3) of article V of the state constitution against this act or an item, section,
11 or part of this act within such period, then the act, item, section, or part
12 will not take effect unless approved by the people at the general election
13 to be held in November 2020 and, in such case, will take effect on the
14 date of the official declaration of the vote thereon by the governor.

15 (2) This act applies to conduct occurring on or after the applicable
16 effective date of this act.

1 be called by the president of the board or by any four directors. Meetings
2 of the board ~~shall be~~ ARE public, and proper minutes of the proceedings
3 of the board ~~shall~~ MUST be preserved and ~~shall be~~ ARE open to inspection
4 by any elector of the district during business hours.

5 **SECTION 4. Act subject to petition - effective date -**
6 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
7 the expiration of the ninety-day period after final adjournment of the
8 general assembly (August 2, 2019, if adjournment sine die is on May 3,
9 2019); except that, if a referendum petition is filed pursuant to section 1
10 (3) of article V of the state constitution against this act or an item, section,
11 or part of this act within such period, then the act, item, section, or part
12 will not take effect unless approved by the people at the general election
13 to be held in November 2020 and, in such case, will take effect on the
14 date of the official declaration of the vote thereon by the governor.

15 (2) This act applies to conduct occurring on or after the applicable
16 effective date of this act.

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

BILL B

LLS NO. 19-0138.02 Ed DeCecco x4216

SENATE BILL

SENATE SPONSORSHIP

Donovan and Coram,

HOUSE SPONSORSHIP

Esgar and Saine, Roberts, Arndt, Catlin

Senate Committees

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE METHODOLOGY TO DISTRIBUTE MONEY IN THE**
102 **SEVERANCE TAX OPERATIONAL FUND AFTER CORE**
103 **DEPARTMENTAL PROGRAMS ARE FUNDED WITHOUT CHANGING**
104 **THE TRANSFERS TO THE NATURAL RESOURCES AND ENERGY**
105 **GRANT PROGRAMS.**

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/>.)

Water Resources Review Committee. Money in the severance tax operational fund (operational fund) is primarily used for 2 purposes.

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.

The general assembly annually appropriates money from the operational fund for several core departmental programs, which were previously described as "tier-one programs". If money remains after these appropriations and after a reserve requirement for the core departmental programs is satisfied, then the state treasurer transfers money to an array of funds that support natural resources and energy grant programs, which were previously described as "tier-two programs".

There is also a requirement that the reserve include an amount equal to 15% of the maximum transfers to natural resources and energy grant programs required by law, and this reserve is used for the transfers, if necessary.

The bill changes the distribution of the money in the operational fund as follows:

- Separates the reserve into the core reserve and the grant program reserve, while maintaining the overall purpose of each reserve;
- Increases the maximum grant program reserve to 100% of the maximum transfers to the natural resources and energy grant programs required by law, which currently is equal to \$36,378,072;
- Requires the state treasurer to make the transfers to the natural resources and energy grant programs on August 15 after a fiscal year and to base the transfers on actual revenue as opposed to estimated revenue. Money from the grant program reserve may be used for these transfers; and
- If all of the appropriations and transfers have been made and both reserves are full, then the state treasurer is required to transfer any money remaining in the operational fund to the severance tax perpetual base fund.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-29-109.3, **amend**
3 (2) introductory portion, (3)(a), and (7)(c); **repeal** (4) and (5); and **add**
4 (3.5) and (8) as follows:

5 **39-29-109.3. Severance tax operational fund - core reserve -**
6 **grant program reserve - definitions - repeal.** (2) Subject to the
7 requirements of subsections (3) and ~~(4)~~ (3.5) of this section, if the general
8 assembly chooses not to spend up to one hundred percent of the money

1 in the operational fund ~~as specified in subsection (1) of this section~~ ON
2 CORE DEPARTMENTAL PROGRAMS, the state treasurer shall transfer the
3 following amounts: ~~with the exception of the fiscal year commencing on~~
4 ~~July 1, 2018:~~

5 (3) (a) (I) ~~Except as provided in paragraph (b) of this subsection~~
6 ~~(3)~~; It is the intent of the general assembly that the operational fund
7 maintain a reserve equal to the current state fiscal year's operating
8 appropriations for the CORE DEPARTMENTAL programs, ~~specified in~~
9 ~~subsection (1) of this section plus fifteen percent of the current fiscal~~
10 ~~year's transfers specified in subsection (2) of this section. Moneys may be~~
11 ~~transferred from~~ WHICH RESERVE IS REFERRED TO IN THIS SECTION AS THE
12 "CORE RESERVE". IF SEVERANCE TAX REVENUES ARE LESS THAN
13 ANTICIPATED, THEN MONEY IN THE CORE RESERVE IS AVAILABLE TO
14 SUPPORT THE CORE DEPARTMENTAL PROGRAMS, BUT THE CORE RESERVE
15 IS NOT AVAILABLE FOR THE TRANSFERS TO THE NATURAL RESOURCES AND
16 ENERGY GRANT PROGRAMS.

17 (II) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
18 OPERATIONAL FUND MAINTAIN A SECOND RESERVE THAT IS EQUAL TO THE
19 MAXIMUM AMOUNT OF THE TRANSFERS TO THE NATURAL RESOURCES AND
20 ENERGY GRANT PROGRAMS UNDER THIS SECTION, WHICH RESERVE IS
21 REFERRED TO IN THIS SECTION AS THE "GRANT PROGRAM RESERVE".
22 MONEY IN the GRANT PROGRAM reserve MAY BE USED to offset temporary
23 revenue reductions in the CORE DEPARTMENTAL programs ~~specified in~~
24 ~~subsection (1) of this section and to offset reductions~~ for TRANSFERS TO
25 NATURAL RESOURCES AND ENERGY GRANT programs; ~~specified in~~
26 ~~subsection (2) of this section, up to fifteen percent of the current fiscal~~
27 ~~year's transfers specified in subsection (2) of this section;~~ except that, if

1 the general assembly determines that transfers of moneys from the GRANT
2 PROGRAM reserve are needed during a state revenue crisis, the transfers
3 shall be a loan from the GRANT PROGRAM reserve to be repaid as soon as
4 ~~moneys are~~ MONEY IS available.

5 (III) ~~This provision is~~ THE RESERVES CREATED IN THIS
6 SUBSECTION (3) ARE intended to mitigate the impact of fluctuations in the
7 amount of revenue credited to the fund from year to year so as to maintain
8 current levels of service for the CORE DEPARTMENTAL programs ~~specified~~
9 ~~in subsection (1) of this section~~ AND THE NATURAL RESOURCES AND
10 ENERGY GRANT PROGRAMS.

11 (3.5) (a) IF, AT THE END OF A FISCAL YEAR, THE CORE RESERVE
12 REQUIREMENT IS FULLY SATISFIED, THEN, ON AUGUST 15 FOLLOWING THE
13 END OF THE FISCAL YEAR, THE STATE TREASURER SHALL MAKE THE
14 TRANSFERS TO THE NATURAL RESOURCES AND ENERGY GRANT PROGRAMS
15 IN THE AMOUNTS SPECIFIED IN SUBSECTION (2) OF THIS SECTION. IF
16 NECESSARY, THE STATE TREASURER MAY USE MONEY IN THE GRANT
17 PROGRAM RESERVE TO SUPPLEMENT THE MONEY OTHERWISE AVAILBLE TO
18 MAKE THE TRANSFERS. IF THERE IS INSUFFICIENT MONEY IN THE
19 OPERATIONAL FUND FOR THE FULL TRANSFERS SPECIFIED IN SUBSECTION
20 (2) OF THIS SECTION, THEN THE STATE TREASURER SHALL
21 PROPORTIONALLY REDUCE THE TRANSFERS.

22 (b) IF THE GRANT PROGRAM RESERVE REQUIREMENT IS FULLY
23 SATISFIED AND THERE IS STILL MONEY IN THE OPERATIONAL FUND AS OF
24 THE END OF THE FISCAL YEAR, THEN, ON AUGUST 15 FOLLOWING THE END
25 OF THE FISCAL YEAR, THE STATE TREASURER SHALL TRANSFER THE
26 REMAINDER TO THE SEVERANCE TAX PERPETUAL BASE FUND CREATED IN
27 SECTION 39-29-109 (2)(a).

1 (c) (I) NOTWITHSTANDING SUBSECTION (3.5)(a) OF THIS SECTION,
2 THE STATE TREASURER SHALL NOT MAKE ANY TRANSFERS ON AUGUST 15,
3 2019, UNLESS SEVERANCE TAX RECEIPTS ARE DEPOSITED IN THE
4 SEVERANCE TAX OPERATIONAL FUND DURING THE PRIOR FISCAL YEAR AND
5 THERE WAS SUFFICIENT MONEY IN THE CORE RESERVE SO THAT NO
6 TRANSFER WAS REQUIRED UNDER SUBSECTION (7)(c) OF THIS SECTION.

7 (II) THIS SUBSECTION (3.5)(c) IS REPEALED, EFFECTIVE JULY 1,
8 2020.

9 ~~(4) (a) Except as provided in subsections (4)(b) and (4)(c) of this~~
10 ~~section, all transfers specified in subsection (2) of this section shall be~~
11 ~~made by the state treasurer in three installments, as follows:~~

12 ~~(I) Forty percent on July 1;~~

13 ~~(II) Thirty percent on January 4;~~

14 ~~(III) Thirty percent on April 1.~~

15 ~~(b) (I) If the revenue estimate prepared by the staff of the~~
16 ~~legislative council in June of any fiscal year indicates that the amount of~~
17 ~~severance tax revenues to be credited to the operational fund in the next~~
18 ~~fiscal year as specified in section 39-29-109 (2)(b) is insufficient for the~~
19 ~~state treasurer to make the transfers set forth in subsection (2) of this~~
20 ~~section and to meet the reserve requirement specified in subsection (3) of~~
21 ~~this section, all transfers scheduled to be made on July 1 shall be~~
22 ~~proportionally reduced. The July 1 proportional reduction shall be~~
23 ~~calculated based on the size of the annual transfers as specified in~~
24 ~~subsection (2) of this section and shall be made to the extent necessary to~~
25 ~~cover forty percent of the projected shortfall between total moneys~~
26 ~~available in the operational fund and the sum of the total operating~~
27 ~~appropriations for the programs specified in subsection (1) of this section;~~

1 the total fiscal year's transfers specified in subsection (2) of this section;
2 and the reserve requirement specified in subsection (3) of this section;
3 except that up to one-third of the fifteen percent of the current fiscal
4 year's transfers specified as part of the reserve set forth in subsection (3)
5 of this section shall be used to offset any proportional reduction required
6 by this subparagraph (I) in any fiscal year.

7 (H) If the revenue estimate prepared by the staff of the legislative
8 council in December of any fiscal year indicates that the amount of
9 severance tax revenues credited to the operational fund as specified in
10 section 39-29-109 (2)(b) is insufficient for the state treasurer to make the
11 transfers set forth in subsection (2) of this section and to meet the reserve
12 requirement specified in subsection (3) of this section, all transfers
13 scheduled to be made on January 4 of the fiscal year shall be
14 proportionally reduced. The January 4 proportional reduction shall be
15 calculated based on the size of the annual transfers as specified in
16 subsection (2) of this section and shall be made to the extent necessary to
17 cover seventy percent of the projected shortfall between total moneys
18 available in the operational fund and the sum of the total operating
19 appropriations for the programs specified in subsection (1) of this section;
20 the total fiscal year's transfers specified in subsection (2) of this section;
21 and the reserve requirement specified in subsection (3) of this section;
22 except that up to one-third of the fifteen percent of the current fiscal
23 year's transfers specified as part of the reserve set forth in subsection (3)
24 of this section shall be used to offset any proportional reduction required
25 by this subparagraph (H) in any fiscal year.

26 (HH) If the revenue estimate prepared by the staff of the legislative
27 council in March of any fiscal year indicates that the amount of severance

1 tax revenues credited to the operational fund as specified in section
2 39-29-109 (2)(b) is insufficient for the state treasurer to make the
3 transfers set forth in subsection (2) of this section and to meet the reserve
4 requirement specified in subsection (3) of this section, all transfers
5 scheduled to be made on April 1 of the fiscal year shall be proportionally
6 reduced. The April 1 proportional reduction shall be calculated based on
7 the size of the annual transfers as specified in subsection (2) of this
8 section and shall be made to the extent necessary to cover the projected
9 shortfall between total moneys available in the operational fund and the
10 sum of the total operating appropriations for the programs specified in
11 subsection (1) of this section, the total fiscal year's transfers specified in
12 subsection (2) of this section, and the reserve requirement specified in
13 subsection (3) of this section; except that any moneys remaining of the
14 fifteen percent of the current fiscal year's transfers specified as part of the
15 reserve set forth in subsection (3) of this section shall be used to offset
16 any proportional reduction required by this subparagraph (III) in any
17 fiscal year.

18 (IV) If proportional reductions are made to either the July 1 or
19 January 4 installments, the April 1 installment may be increased to offset
20 proportional reductions made earlier in the current fiscal year to the
21 maximum extent allowable under the revenue estimate prepared by the
22 staff of the legislative council in March of any fiscal year. The April 1
23 installment shall only be increased if the revenue estimate indicates that
24 the amount of severance tax revenues credited to the operational fund as
25 specified in section 39-29-109 (2)(b) is sufficient to fund the increased
26 installments and still meet the reserve requirement specified in subsection
27 (3) of this section.

1 (c) ~~Repealed.~~

2 (d) ~~Due to decreases in state severance tax revenue, the state~~
3 ~~treasurer shall not make any transfers specified in subsection (2) of this~~
4 ~~section for the fiscal year commencing on July 1, 2018, unless severance~~
5 ~~tax receipts are deposited in the severance tax operational fund during the~~
6 ~~fiscal year and there is sufficient money in the operational fund reserve~~
7 ~~so that no transfer is required under subsection (7)(c) of this section.~~

8 (5) ~~In addition to the distributions specified in paragraph (a) of~~
9 ~~subsection (4) of this section, if there were any proportional reductions~~
10 ~~required in a fiscal year as specified in paragraph (b) of said subsection~~
11 ~~(4), after the reserve specified in subsection (3) of this section is made~~
12 ~~whole if any portion of the reserve was used as specified in paragraph (b)~~
13 ~~of subsection (4) of this section to offset any proportional reduction~~
14 ~~required by said paragraph (b) of subsection (4), the state treasurer shall~~
15 ~~make proportional distributions on August 20 of the following fiscal year~~
16 ~~to the programs specified in subsection (2) of this section if the revenues~~
17 ~~actually received in the operational fund for the previous fiscal year were~~
18 ~~sufficient for the state treasurer to more fully make the transfers set forth~~
19 ~~in subsection (2) of this section and to fully meet the reserve requirement~~
20 ~~specified in subsection (3) of this section.~~

21 (7) The state treasurer shall transfer the following amounts from
22 the general fund to the operational fund:

23 (c) On July 1, 2019, an amount equal to the ~~portion of the~~
24 ~~operational fund CORE reserve required by subsection (3)(a) of this~~
25 ~~section for the operating appropriations for the fiscal year commencing~~
26 ~~on July 1, 2019, for the programs specified in subsection (1) of this~~
27 ~~section or fourteen million two hundred fourteen thousand eight hundred~~

1 fifty-four dollars, whichever amount is less.

2 (8) AS USED IN THIS SECTION:

3 (a) "CORE DEPARTMENTAL PROGRAMS" MEANS THE PROGRAMS
4 SPECIFIED IN SUBSECTION (1) OF THIS SECTION.

5 (b) "TRANSFERS TO THE NATURAL RESOURCES AND ENERGY GRANT
6 PROGRAMS" MEANS THE TRANSFERS SPECIFIED IN SUBSECTION (2) OF THIS
7 SECTION.

8 **SECTION 2. Safety clause.** The general assembly hereby finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, and safety.

First Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
8.29.18

BILL 3

LLS NO. 19-0212.01 Ed DeCecco x4216

COMMITTEE BILL

Alternatives to the Gallagher Amendment Interim Study Committee

BILL TOPIC: "Property Tax Residential Assessment Rate"

A BILL FOR AN ACT

101 **CONCERNING THE ESTABLISHMENT OF THE RATIO OF VALUATION FOR**
102 **ASSESSMENT FOR RESIDENTIAL REAL PROPERTY.**

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/>.)

Alternatives to the Gallagher Amendment Interim Study Committee. The bill sets the ratio of valuation for assessment for residential real property for property tax years commencing on or after January 1, 2019, until the next property tax year that the general assembly adjusts the ratio.

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-1-104.2, **amend**
3 (3)(p); and **add** (3)(q) as follows:

4 **39-1-104.2. Legislative declaration - adjustment of residential**
5 **rate - definitions.** (3) (p) Based on the determination by the
6 administrator that the target percentage is 45.76 percent, the ratio of
7 valuation for assessment for residential real property is 7.2 percent of
8 actual value for property tax years commencing on or after January 1,
9 2017, ~~until the next property tax year that the general assembly adjusts the~~
10 ~~ratio of valuation for assessment for residential real property~~ BUT BEFORE
11 JANUARY 1, 2019.

12 (q) BASED ON THE DETERMINATION BY THE ADMINISTRATOR THAT
13 THE TARGET PERCENTAGE IS [REDACTED] PERCENT, THE RATIO OF VALUATION FOR
14 ASSESSMENT FOR RESIDENTIAL REAL PROPERTY IS [REDACTED] PERCENT OF
15 ACTUAL VALUE FOR PROPERTY TAX YEARS COMMENCING ON OR AFTER
16 JANUARY 1, 2019, UNTIL THE NEXT PROPERTY TAX YEAR THAT THE
17 GENERAL ASSEMBLY ADJUSTS THE RATIO OF VALUATION FOR ASSESSMENT
18 FOR RESIDENTIAL REAL PROPERTY.

19 **SECTION 2. Safety clause.** The general assembly hereby finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, and safety.

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

BILL B

LLS NO. 19-0222.02 Bob Lackner x4350

HOUSE BILL

HOUSE SPONSORSHIP

McLachlan and Carver,

SENATE SPONSORSHIP

Fields,

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO MITIGATE THE EFFECTS OF WILDFIRES**
102 **WITHIN WILDLAND-URBAN INTERFACE AREAS, AND, IN**
103 **CONNECTION THEREWITH, CREATING A STATE GRANT PROGRAM**
104 **TO PROMOTE FOREST MANAGEMENT FUELS REDUCTION**
105 **PROJECTS IN SUCH AREAS.**

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 creates a state grant program to be administered by the Colorado state forest service (forest service) to fund proactive forest

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.

management fuels reduction projects to reduce the impacts to life, property, and critical infrastructure caused by wildfires.

To be eligible for a grant award, a grant recipient must be any one of a group of individual landowners as specified in the bill whose real property that is the subject of a grant application is located within a land area that is covered by a community wildfire protection plan.

The bill specifies requirements pertaining to the evaluation of grant proposals. The forest service is to select the proposals that will receive funding, administer the grant program, and develop procedures by which applicants are to apply for grants.

The bill imposes a monetary limit on the amount of a grant to be awarded and also requires a grant applicant to demonstrate an available amount of matching funds to be awarded a grant.

The bill creates the forest management fuels reduction projects grant program cash fund in the state treasury.

The bill requires the forest service to report annually to the general assembly on the number, location, and benefits of all projects for which a grant award is made.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 23-31-310.5 as
3 follows:

4 **23-31-310.5. Forest management fuels reduction projects**
5 **grant program - fund created - eligibility - procedures - legislative**
6 **declaration - definitions.** (1) (a) THE GENERAL ASSEMBLY HEREBY
7 FINDS THAT:

8 (I) OVER SIXTY PERCENT OF COLORADO'S FOREST LANDS ARE AT
9 MODERATE TO HIGH RISK OF WILDFIRE;

10 (II) APPROXIMATELY TWENTY-FIVE PERCENT OF THE
11 WILDLAND-URBAN INTERFACE IN COLORADO IS CURRENTLY DEVELOPED;

12 (III) CONTINUED GROWTH IN THE WILDLAND-URBAN INTERFACE
13 WILL INCREASE THE DEMAND ON STATE AND LOCAL RESOURCES WHEN
14 WILDFIRES OCCUR; AND

15 (IV) REDUCING WILDFIRE AT THE LARGEST SCALE POSSIBLE

1 PROVIDES SAFER ACCESS FOR FIREFIGHTERS TO PROTECT LIFE AND
2 PROPERTY.

3 (b) THE GENERAL ASSEMBLY HEREBY DETERMINES THAT:

4 (I) REDUCING FOREST FUELS IN THE WILDLAND-URBAN INTERFACE
5 IS A COST-EFFECTIVE METHOD TO REDUCE THE IMPACTS TO PEOPLE,
6 PROPERTY, AND CRITICAL INFRASTRUCTURE CAUSED BY WILDFIRE;

7 (II) COLLABORATIVE TREATMENTS TO REDUCE FUELS THAT
8 ADDRESS LARGER AREAS HAVE THE MOST IMPACT ON REDUCING THE
9 IMPACTS CAUSED BY WILDFIRES; AND

10 (III) ASSESSING THE RISK OF WILDFIRE IN THE WILDLAND-URBAN
11 INTERFACE THROUGH PROACTIVE FOREST MANAGEMENT FUELS
12 REDUCTION PROJECTS ASSISTS IN THE PROTECTION OF LIFE, PROPERTY,
13 AND CRITICAL INFRASTRUCTURE AND IMPROVES THE ABILITY OF
14 FIREFIGHTERS TO FIGHT WILDFIRES.

15 (c) THROUGH THE GRANT PROGRAM ESTABLISHED IN THIS
16 SECTION, THE GENERAL ASSEMBLY INTENDS TO GIVE ELIGIBLE RECIPIENTS
17 SUFFICIENT FINANCIAL INCENTIVES AS WILL ENABLE THEM TO UNDERTAKE
18 PROACTIVE FOREST MANAGEMENT FUELS REDUCTION PROJECTS TO
19 REDUCE THE IMPACTS TO LIFE, PROPERTY, AND CRITICAL INFRASTRUCTURE
20 CAUSED BY WILDFIRE.

21 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
22 REQUIRES:

23 (a) "APPLICANT" MEANS A PERSON WHO APPLIES FOR A GRANT
24 AWARDED UNDER THIS SECTION.

25 (b) "COMMUNITY WILDFIRE PROTECTION PLAN" HAS THE SAME
26 MEANING AS IS SPECIFIED IN SECTION 23-31-312 (2)(a).

27 (c) "FOREST SERVICE" MEANS THE COLORADO STATE FOREST

1 SERVICE IDENTIFIED IN SECTION 23-31-302 AND THE DIVISION OF
2 FORESTRY CREATED IN SECTION 24-33-104 (1)(k).

3 (d) "FUEL" MEANS LIVING AND DEAD COMBUSTIBLE VEGETATION
4 THAT CAN FEED A FIRE, INCLUDING GRASS, LEAVES, PINE BOUGHS, SHRUBS,
5 AND TREES.

6 (e) "GRANT PROGRAM" MEANS THE FOREST MANAGEMENT FUELS
7 REDUCTION PROJECTS GRANT PROGRAM CREATED IN THIS SECTION.

8 (f) "PROJECT" MEANS A PROJECT TO BE FUNDED BY A GRANT
9 AWARDED UNDER THIS SECTION FOR THE PURPOSE OF PROMOTING FOREST
10 MANAGEMENT FUELS REDUCTION IN WUI AREAS.

11 (g) "TECHNICAL ADVISORY PANEL" MEANS THE PANEL THAT IS
12 CONVENED UNDER SECTION 23-31-310 (5).

13 (h) "WILDLAND-URBAN INTERFACE" OR "WUI" MEANS AN AREA
14 WHERE:

15 (I) HUMAN DEVELOPMENT IS CLOSE TO WILDLAND VEGETATION;
16 AND

17 (II) THERE EXISTS A HIGH POTENTIAL FOR WILDLAND FIRE.

18 (3) NOT LATER THAN JANUARY 1, 2020, THE FOREST SERVICE
19 SHALL PROVIDE NOTICE ON ITS WEBSITE OF THE EXISTENCE OF THE GRANT
20 PROGRAM TO FUND PROJECTS IN ACCORDANCE WITH THE REQUIREMENTS
21 OF THIS SECTION. THE NOTICE MUST ADVISE INTERESTED PARTIES OF THE
22 MANNER IN WHICH GRANT APPLICATIONS ARE TO BE SUBMITTED.

23 (4) TO BE ELIGIBLE TO RECEIVE FUNDING UNDER THIS SECTION, A
24 PROJECT MUST:

25 (a) REDUCE FOREST FUELS IN WUI AREAS WHERE THE IMPACTS TO
26 LIFE AND PROPERTY ARE MOST SEVERE, PARTICULARLY THROUGH
27 COLLABORATIVE TREATMENT METHODS THAT ADDRESS LARGER LAND

1 AREAS; AND

2 (b) REDUCE THE RISK TO PEOPLE AND PROPERTY IN THE WUI AREA
3 AND PROMOTE FOREST HEALTH.

4 (5) (a) TO BE ELIGIBLE FOR A GRANT AWARDED UNDER THIS
5 SECTION, A GRANT RECIPIENT MUST BE ANY ONE OF THE FOLLOWING
6 GROUPS OF INDIVIDUAL LANDOWNERS WHOSE REAL PROPERTY THAT IS THE
7 SUBJECT OF A GRANT APPLICATION IS LOCATED WITHIN A LAND AREA THAT
8 IS COVERED BY A COMMUNITY WILDFIRE PROTECTION PLAN:

9 (I) AN ASSOCIATION OF HOMEOWNERS, WHETHER ORGANIZED AS
10 A COMMON INTEREST COMMUNITY AS DEFINED IN SECTION 38-33.3-103
11 (8), OR OTHERWISE;

12 (II) ANY COLLECTIVE GROUPS OF LANDOWNERS THAT FULLY
13 TREAT AT LEAST TWENTY ACRES OF CONTIGUOUS LAND; OR

14 (III) NEW PLANNED HOUSING DEVELOPMENTS THAT ARE OR WILL
15 BE COVERED BY A HOMEOWNERS' ASSOCIATION AND THAT CONSIST OF AT
16 LEAST FIVE DISTINCT PROPERTIES THAT WILL BE HELD IN INDIVIDUAL
17 OWNERSHIPS.

18 (b) THE FOREST SERVICE SHALL DEVELOP ADDITIONAL CRITERIA
19 TO ENSURE THE PROJECTS ARE CONDUCTED IN AREAS WHERE THE RISK OF
20 WILDFIRE IS THE GREATEST AND WHERE LOCAL GOVERNMENTS AND
21 HOMEOWNERS ARE PROACTIVELY ENGAGED IN REDUCING THE THREAT OF
22 WILDFIRES AND ENCOURAGING PROACTIVE FUELS REDUCTION
23 TREATMENTS AND COMMUNITY WILDFIRE PROTECTION PLANS.

24 (6) THE TECHNICAL ADVISORY PANEL SHALL EVALUATE
25 PROPOSALS FOR GRANT FUNDING SUBMITTED BY APPLICANTS UNDER THIS
26 SECTION AND PROVIDE RECOMMENDATIONS TO THE FOREST SERVICE
27 REGARDING WHICH PROPOSALS WOULD BEST MEET THE OBJECTIVES OF

1 THIS SECTION. THE PANEL SHALL CONSIDER ELIGIBILITY CRITERIA
2 ESTABLISHED IN SUBSECTIONS (4) AND (5) OF THIS SECTION, A PROJECT'S
3 EFFECT ON LONG-TERM FOREST MANAGEMENT, AND THE NUMBER OF
4 ACRES TREATED FOR STATE DOLLARS SPENT, AND SEEK TO USE A
5 CONSENSUS-BASED DECISION-MAKING PROCESS TO DEVELOP SUCH
6 RECOMMENDATIONS. A PANEL MEMBER SHALL RECUSE HIMSELF OR
7 HERSELF IF HE OR SHE HAS AN ACTUAL OR POTENTIAL CONFLICT OF
8 INTEREST WITH RESPECT TO A GRANT APPLICANT.

9 (7) AFTER CONSULTING WITH THE TECHNICAL ADVISORY PANEL,
10 THE FOREST SERVICE SHALL SELECT THE PROPOSALS THAT WILL RECEIVE
11 FUNDING IN ACCORDANCE WITH THIS SECTION. IN REVIEWING GRANT
12 PROPOSALS, THE FOREST SERVICE SHALL CONSIDER WHETHER THE
13 COMMUNITY IN WHICH A PARTICULAR GRANT APPLICANT IS BASED HAS
14 ADOPTED AN ACTIVE PROGRAM FOR FIRE MITIGATION.

15 (8) THE FOREST SERVICE MAY UTILIZE NO MORE THAN THREE
16 PERCENT OF ANY AMOUNTS APPROPRIATED IN ANY FISCAL YEAR FOR ITS
17 DIRECT AND INDIRECT COSTS IN ADMINISTERING THE PROGRAM.

18 (9)(a) THE FOREST SERVICE SHALL DEVELOP AND ADMINISTER THE
19 GRANT PROGRAM IN CONSULTATION WITH THE TECHNICAL ADVISORY
20 PANEL. IN CONNECTION WITH SUCH POWERS AND DUTIES, THE FOREST
21 SERVICE SHALL DEVELOP PROCEDURES BY WHICH APPLICANTS ARE TO
22 APPLY FOR GRANTS AWARDED UNDER THIS SECTION AND OTHER
23 PROCEDURES NECESSARY FOR THE EFFECTIVE IMPLEMENTATION AND
24 ADMINISTRATION OF THE PROGRAM.

25 (b) ANY GRANT AWARDED UNDER THIS SECTION SHALL NOT
26 EXCEED TWO HUNDRED THOUSAND DOLLARS FOR ANY ONE APPLICATION.

27 (c) IN ORDER FOR AN APPLICANT TO BE AWARDED A GRANT UNDER

1 THIS SECTION, THE APPLICANT MUST BE ABLE TO DEMONSTRATE BEFORE
2 IMPLEMENTATION OF THE PROJECT THAT THE APPLICANT HAS MATCHING
3 FUNDS IN THE FORM OF A DOLLAR-FOR-DOLLAR MATCH OR COMPARABLE
4 VALUE IN THE FORM OF AN IN-KIND CONTRIBUTION FOR THE PROJECT.

5 (d) A NEW PLANNED HOUSING DEVELOPMENT THAT IS DESCRIBED
6 IN SUBSECTION (5)(a)(III) OF THIS SECTION MAY APPLY FOR A GRANT
7 PRIOR TO THE SALE AND CONSTRUCTION OF HOMES ON THE PROPERTY.

8 (10) THERE IS HEREBY CREATED IN THE STATE TREASURY THE
9 FOREST MANAGEMENT FUELS REDUCTION PROJECTS GRANT PROGRAM
10 CASH FUND, REFERRED TO IN THIS SECTION AS THE "FUND". THE FOREST
11 SERVICE SHALL ADMINISTER THE FUND, WHICH CONSISTS OF ALL MONEY
12 APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY AND FROM ANY
13 FEES OR INTEREST EARNED ON SUCH MONEY.

14 (11) THE FOREST SERVICE SHALL REPORT ANNUALLY TO THE
15 GENERAL ASSEMBLY ON THE NUMBER, LOCATION, AND BENEFITS OF ALL
16 PROJECTS FOR WHICH A GRANT AWARD HAS BEEN MADE UNDER THIS
17 SECTION. THE REPORT IS DUE NOT LATER THAN DECEMBER 1 OF EACH
18 CALENDAR YEAR FOLLOWING THE STATE FISCAL YEAR IN WHICH FUNDING
19 FOR ONE OR MORE GRANTS HAS BEEN PROVIDED.

20 **SECTION 2. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly
23 (August 2, 2019, if adjournment sine die is on May 3, 2019); except that,
24 if a referendum petition is filed pursuant to section 1 (3) of article V of
25 the state constitution against this act or an item, section, or part of this act
26 within such period, then the act, item, section, or part will not take effect
27 unless approved by the people at the general election to be held in

1 November 2020 and, in such case, will take effect on the date of the
2 official declaration of the vote thereon by the governor.