



THE SOUTHWESTERN WATER CONSERVATION DISTRICT

Developing and Conserving the Waters in the
SAN JUAN AND DOLORES RIVERS AND THEIR TRIBUTARIES
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BOARD MEMORANDUM

From: Steve Wolff, General Manager
Subject: Colorado Legislative report – 01/20/22

There were three water-related bills that came out of interim discussions that were introduced in the first few days of the session. They include:

SB22-028 Groundwater Compact Compliance Fund
Concerning the creation of the groundwater compact compliance and sustainability fund.

SB22-029 Investment Water Speculation
Concerning water speculation in the state.

SB22-030 Expand Water Resources Review Committee To Include Agriculture
Concerning the expansion of the water resources review committee to the water resources and agriculture review committee.

A couple of other bills of interest that were also introduced include:

SB22-013 Concerning Requirements for Boards and Commissions
The bill makes changes related to the requirements for various boards and commissions (boards).

SJR22-002 Water Projects Eligibility Lists
Concerning approval of water project revolving fund 102 eligibility lists administered by the Colorado water 103 resources and power development authority.

Details on each bill (except SJR22-02) are provided on the attached bill summary. You can also click on the Bill Number (hyperlinked) to access a copy of each bill. Also attached is a “quick-reference” table showing the status of each bill.

In addition to the three listed above, there were four bills introduced relative to wildfire mitigation/ forest health (also shown on the attached). I would like input from the Board if you would like staff to track bills in this category.

In future reports, I plan to have more of an SWCD analysis prepared for each introduced bill.

Finally, there are two other draft bills that have been under discussion during CWC – State Affairs Committee. They include:

- DRAFT Fire Suppression Ponds Water Rights (Hisey)
- DRAFT Loans From irrigation Districts to Landowners (Soper)

Given that it is still early in the session, it may not be necessary to take any official positions on bills this week. However, we can certainly discuss that during the call.

Southwestern Water Conservation District

[HB22-1007](#)

Assistance Landowner Wildfire Mitigation

Position:

Calendar

NOT ON CALENDAR

Notification:

Sponsors:

D. Valdez (D) | M. Lynch (R) / C. Simpson (R) | P. Lee (D)

Summary:

Wildfire Matters Review Committee. Section 1 of the bill establishes the wildfire mitigation resources and best practices grant program (grant program) within the Colorado state forest service (forest service). To be eligible to receive a grant, a recipient must be an agency of local government, a county, municipality, special district, a tribal agency or program, or a nonprofit organization.

The forest service is tasked with reviewing grant applications. Grants must be awarded to applicants proposing to conduct outreach among landowners in high wildfire hazard areas and the forest service must consider the potential impact of the applicants' proposed outreach when awarding grants.

The forest service must report to the wildfire matters review committee on the grant program.

Section 2 repeals the existing income tax deduction created to offset the landowner's costs incurred in performing wildfire mitigation measures for the 2023 and subsequent income tax years. **Section 3** creates a state income tax credit to reimburse a landowner for the costs incurred in performing wildfire mitigation measures on the landowner's property. Specifically, a landowner with a federal taxable income at or below \$120,000 for the income tax year commencing on or after January 1, 2023, as adjusted for inflation and rounded to the nearest hundred dollar amount for each income tax year thereafter, is allowed a state income tax credit in an amount equal to 25% of up to \$2,500 in costs for wildfire mitigation measures. The maximum total credit in a taxable year is \$625.

(Note: This summary applies to this bill as introduced.)

Status:

1/12/2022 Introduced In House - Assigned to Energy & Environment

Fiscal Notes:

HB22-1011

Wildfire Mitigation Incentives For Local Governments

Position:

Calendar

NOT ON CALENDAR

Notification:

Sponsors:

L. Cutter (D) | M. Snyder (D) / T. Story (D) | P. Lee (D)

Summary:

Wildfire Matters Review Committee. The bill establishes the wildfire mitigation incentives for local government grant program (grant program) in the Colorado state forest service (forest service). The grant program is established to provide state funding assistance in the form of grant awards to local governments to match revenue raised by such governments from a dedicated revenue source that is intended to be used for forest management or wildfire mitigation efforts at the local level. Such wildfire mitigation efforts include, without limitation, projects that promote fuel breaks, forest thinning, a reduction in the amount or extent of fuels contributing to wildfires, outreach and education efforts directed at property owners and other members of the public, and any other means of forest management or wildfire mitigation as determined appropriate for funding by the forest service.

The grant program is administered by the forest service.

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

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

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

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

Eligible recipients may apply for funding from the grant program, and the recipient's application for funding may be approved by the forest service, before the local government has created a dedicated revenue source that forms the basis for the match if the electors of the

local government approve a ballot issue creating the revenue source at an election that takes place in the same calendar year in which the funding is awarded.

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

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

The bill requires the forest service to prepare educational materials concerning the grant program and to display such materials on its official website. In addition, the forest service is also required to undertake outreach activities to inform local governments located in priority areas for wildfire mitigation of the grant program.

(Note: This summary applies to this bill as introduced.)

Status: 1/12/2022 Introduced In House - Assigned to Energy & Environment

Fiscal Notes:

[HB22-1012](#)

Wildfire Mitigation And Recovery

Position:

**Calendar
Notification:**

NOT ON CALENDAR

Sponsors:

L. Cutter (D) | D. Valdez (D) / J. Ginal (D) | P. Lee (D)

Summary:

Wildfire Matters Review Committee. Section 1 of the bill creates the wildfire mitigation and recovery grant program (grant program) in the Colorado state forest service (forest service) to provide grants to help counties with forested areas prevent and recover from wildfire incidents and ensure that such efforts are undertaken in a manner that reduces the amount of carbon that enters the atmosphere. In expending grant money, a county, to the extent practicable, shall ensure that biomass that is removed from forests is recycled or disposed of in a manner that reduces the amount of carbon that enters the atmosphere.

The forest service shall administer the grant program and, subject to available appropriations, award grants out of money annually appropriated to the forest service for the grant program. The forest service shall review grant applications in consultation with the division of fire prevention and control in the department of public safety and with the Colorado forest health council in the department of natural resources.

The grant program is repealed, effective September 1, 2028. Before the repeal, the grant program is scheduled for a sunset review by the department of regulatory agencies. **Section 2** schedules this review. *(Note: This summary applies to this bill as introduced.)*

Status: 1/12/2022 Introduced In House - Assigned to Energy & Environment

Fiscal Notes:

[SB22-007](#)

Increase Wildfire Risk Mitigation Outreach Efforts

Position:

Calendar

NOT ON CALENDAR

Notification:

Sponsors:

P. Lee (D) | T. Story (D) / L. Cutter (D) | M. Snyder (D)

Summary:

Wildfire Matters Review Committee. The bill requires the Colorado state forest service (forest service) to convene a working group (working group) that includes the division of fire prevention and control in the department of public safety (DFPC) and the United States forest service (USFS), and that may include other local, state, or federal partners and entities engaged in wildfire risk mitigation in the wildland-urban interface (WUI).

The working group shall consider how best to conduct enhanced wildfire awareness month outreach campaigns in 2023 and 2024, as well as other outreach efforts that inform and motivate residents in the WUI to engage in more wildfire risk mitigation. The working group's considerations also include how best to distribute educational resources and information and which methods of outreach are most effective in reaching the targeted audience.

After considering feedback from the working group, and subject to available appropriations, the forest service shall implement an enhanced wildfire awareness month outreach campaign in conjunction with the DFPC and the USFS in 2023 and 2024, as well as other outreach efforts in the 2022-23 and 2023-24 state fiscal years.

In implementing an enhanced wildfire awareness month outreach campaign and other outreach efforts, the forest service may, subject to available appropriations:

- Develop or contract for the development or placement of marketing and educational materials, including videos, direct mail, social media, print media, television and radio spots, and billboards;
- Conduct or contract for educational events targeted to residents in the WUI;
- Retain consultants, as necessary, to implement all or part of an outreach campaign, as well as other outreach efforts;
- Make enhancements to the forest service's web-based clearinghouse for technical assistance and funding resources and coordinate with working group partners and other entities to provide links to web-based educational resources and information; and
- Secure necessary staff to implement the outreach efforts.

The bill requires the state forester to report to the wildfire matters review committee during the 2023 and 2024 legislative interims concerning the outreach efforts implemented pursuant to the bill, including the amount and use of money appropriated for outreach efforts and the impact of those efforts in increasing awareness of wildfire risk mitigation in the WUI.

(Note: This summary applies to this bill as introduced.)

Status: 1/12/2022 Introduced In Senate - Assigned to Local Government

Fiscal Notes:

[SB22-013](#)

Boards And Commissions

Position:

Calendar

NOT ON CALENDAR

Notification:

Sponsors:

S. Fenberg (D) | C. Holbert (R) / A. Garnett (D)

Summary:

The bill makes changes related to the requirements for various boards and commissions (boards).

Section 1 of the bill includes standard provisions that generally apply to boards for which membership is based in full or in part on representation from the congressional districts of the state. Specifically,

unless a statute or constitutional provision creating a board provides otherwise:

- If a member appointed to represent a district no longer resides in the district due solely to a change in the district's boundaries following redistricting, the member may serve the remainder of their term notwithstanding the nonresidency;
- If a board increases in size due to the addition of a new congressional district in the state, the appointing authority shall appoint a new member to represent the new district as soon as practicable; and
- If a board decreases in size due to the loss of a congressional district in the state, the appointing authority shall determine which current member's term should be terminated, or, if the member will be replaced by an at-large or other member, which member should be replaced at the expiration of the member's term. The appointing authority must attempt to ensure that the remaining membership adequately represents the remaining congressional districts.

Section 2 establishes standard provisions that apply to all boards unless the statute or constitutional provision creating a board provides differently. The standard provisions include: requiring an appointing authority to fill a vacancy for the remainder of the unexpired term, allowing the designee of a state official to fulfill the official's duties on the board, defining the term "minimum majority" to mean the lowest number of members that is more than half, allowing members to participate in meetings of the board remotely, and clarifying how partial terms count towards any applicable term limit. **Sections 33 and 40** update the statutes that establish the membership of the state board of education and the board of regents of the university of Colorado, respectively, both of which are elected boards created in the state constitution. For the state board of education, **section 33** provides for the election of one new member to represent the eighth congressional district and one new member from the state at large at the 2022 general election. For the board of regents, **section 40** requires the election of a member to represent the eighth congressional district in place of the election of a member representing the state at large at the 2022 general election. **Sections 37, 42, 52, 60, 73, 85, 86, 90, 101, and 107** amend statutes governing boards for which membership is based on the number of congressional districts in the state. For each board, the total number of members is no longer specified. Instead, each statute provides for the appointment of members from each congressional district in the state plus, as applicable, additional members as is currently provided for each board. Provisions requiring staggering of terms and limits on the number of board members who may be affiliated with a single political party are

amended to refer to a "minimum majority" of the board to accommodate any future changes in board membership resulting from changes in the number of Colorado congressional districts. **Section 133** repeals a statute that addressed the impact of redistricting on boards following the 2000 federal decennial census, and a statute that adjusted the lengths of terms of members of certain boards in 1987.

The remaining sections of the bill make changes to statutory provisions governing various boards with appointed members, including:

- Repealing deadlines for events or actions that have already occurred;
 - Repealing language setting specific expiration dates or requirements for board members' terms in order to create staggering of the board members' terms, and replacing it with a general requirement that the terms of office are staggered;
 - Repealing requirements for notice and hearing before a board member can be removed for cause by an appointing authority;
 - Repealing, for certain boards, the requirement that a board member serve until the board member's successor is confirmed by the senate;
 - Updating archaic language to conform to current drafting standards;
 - Reorganizing sections to clarify requirements related to appointments, qualifications for appointees, and terms of office;
 - Clarifying requirements related to the number of board members that may be affiliated with one political party; and
 - Making conforming amendments.
- (Note: This summary applies to this bill as introduced.)*

Status: 1/12/2022 Introduced In Senate - Assigned to State, Veterans, & Military Affairs

Fiscal Notes:

[SB22-028](#)

Groundwater Compact Compliance Fund

Position:

Calendar Notification:

NOT ON CALENDAR

Sponsors:

C. Simpson (R) | J. Sonnenberg (R) / D. Roberts (D) | M. Catlin (R)

Summary:

Water Resources Review Committee. The bill creates the groundwater compact compliance and sustainability fund to help finance groundwater use reduction efforts in the Rio Grande river basin and the Republican

river basin, such as efforts to buy and retire irrigation wells and irrigated acreage in the river basins. The Colorado water conservation board administers the fund and can make expenditures from the fund based on recommendations from the board of directors of the Rio Grande water conservation district or the Republican river water conservation district. A conservation district's recommendations must first be approved by the state engineer.

(Note: This summary applies to this bill as introduced.)

Status: 1/12/2022 Introduced In Senate - Assigned to Agriculture & Natural Resources

Fiscal Notes: [Fiscal Note](#)

SB22-029

Investment Water Speculation

Position:

Calendar Notification:

NOT ON CALENDAR

Sponsors:

D. Coram (R) | K. Donovan (D) / K. McCormick (D)

Summary:

Water Resources Review Committee. Section 1 of the bill prohibits a purchaser of agricultural water rights that are represented by shares in a mutual ditch company from engaging in investment water speculation. Investment water speculation is the purchase of agricultural water rights that are represented by shares in a mutual ditch company in the state with the intent, at the time of purchase, to profit from an increase in the water's value in a subsequent transaction or by receiving payment from another person for nonuse of all or a portion of the water subject to the water right.

On or after January 1, 2023, the state engineer or the state engineer's designee (state engineer) may investigate complaints of investment water speculation. If a purchaser holds, or by virtue of a proposed sale or transfer, will hold at least a minimum percent of the shares in a mutual ditch company, about which minimum percent the mutual ditch company must determine and notify the state engineer on or before December 31, 2022, there is a rebuttable presumption that the purchaser is engaged in investment water speculation. The state engineer may fine a purchaser up to \$10,000 for a violation and require, for a period of up to 2 years after a fine has been imposed, that any sale or transfer of shares in a mutual ditch company to the purchaser be subject to approval by the state engineer.

If the state engineer believes that a complaint is frivolous or was filed for the purpose of harassing a seller or purchaser, the state engineer may refer the matter to the attorney general's office for the attorney

general or the attorney general's designee (attorney general) to investigate and, if the attorney general determines that enforcement is warranted, bring a civil action in a court of competent jurisdiction alleging the complaint is frivolous or was filed for the purpose of harassment. If the attorney general prevails in the civil action, the court may fine a complainant up to \$1,000, prohibit the complainant from filing any complaints alleging investment water speculation for up to one year, and grant attorney fees and court costs. **Section 3** authorizes the attorney general to bring a civil action against a complainant if the state engineer refers the matter to the attorney general. **Section 2** requires the board of directors of a mutual ditch company to determine the minimum percent of agricultural water rights held by all of the shareholders in the mutual ditch company that a purchaser holds or, by virtue of the sale or transfer of shares in the mutual ditch company, will hold that creates a rebuttable presumption that the purchaser is engaging in investment water speculation.

(Note: This summary applies to this bill as introduced.)

Status: 1/12/2022 Introduced In Senate - Assigned to Agriculture & Natural Resources

Fiscal Notes:

[SB22-030](#) Expand Water Resources Review Committee To Include Agriculture

Position:

Calendar NOT ON CALENDAR

Notification:

Sponsors: K. Donovan (D) | J. Sonnenberg (R) / B. McLachlan (D) | M. Catlin (R)

Summary: **Water Resources Review Committee.** The bill changes the name of the water resources review committee to the water resources and agriculture review committee (committee) and expands the scope of the committee to include agriculture issues.

(Note: This summary applies to this bill as introduced.)

Status: 1/12/2022 Introduced In Senate - Assigned to Agriculture & Natural Resources

Fiscal Notes: [Fiscal Note](#)

Southwestern Water Conservation District

Bill Matrix
January 18, 2022

Bill #	Position	Calendar Notification	Bill Title	Sponsors	Most Recent Status	Fiscal Note
HB22-1007		NOT ON CALENDAR	Concerning wildfire mitigation assistance for landowners.	D. Valdez (D) M. Lynch (R) / C. Simpson (R) P. Lee (D)	1/12/2022 Introduced In House - Assigned to Energy & Environment	
HB22-1011		NOT ON CALENDAR	Concerning the establishment of a state grant program that provides funding to local governments that dedicate resources for wildfire mitigation purposes.	L. Cutter (D) M. Snyder (D) / T. Story (D) P. Lee (D)	1/12/2022 Introduced In House - Assigned to Energy & Environment	
HB22-1012		NOT ON CALENDAR	Concerning healthy forests, and, in connection therewith, creating the wildfire mitigation and recovery grant program.	L. Cutter (D) D. Valdez (D) / J. Ginal (D) P. Lee (D)	1/12/2022 Introduced In House - Assigned to Energy & Environment	
SB22-007		NOT ON CALENDAR	Concerning outreach to the public relating to wildfire risk mitigation practices.	P. Lee (D) T. Story (D) / L. Cutter (D) M. Snyder (D)	1/12/2022 Introduced In Senate - Assigned to Local Government	
SB22-013		NOT ON CALENDAR	Concerning requirements for boards and commissions.	S. Fenberg (D) C. Holbert (R) / A. Garnett (D)	1/12/2022 Introduced In Senate - Assigned to State, Veterans, & Military Affairs	
SB22-028		NOT ON CALENDAR	Concerning the creation of the groundwater compact compliance and sustainability fund.	C. Simpson (R) J. Sonnenberg (R) / D. Roberts (D) M. Catlin (R)	1/12/2022 Introduced In Senate - Assigned to Agriculture & Natural Resources	Fiscal Note
SB22-029		NOT ON CALENDAR	Concerning water speculation in the state.	D. Coram (R) K. Donovan (D) / K. McCormick (D)	1/12/2022 Introduced In Senate - Assigned to Agriculture & Natural Resources	
SB22-030		NOT ON CALENDAR	Concerning the expansion of the water resources review committee to the water resources and agriculture review committee.	K. Donovan (D) J. Sonnenberg (R) / B. McLachlan (D) M. Catlin (R)	1/12/2022 Introduced In Senate - Assigned to Agriculture & Natural Resources	Fiscal Note