A BILL FOR AN ACT

CONCERNING TRANSFERS FROM THE ECONOMIC RECOVERY AND RELIEF CASH FUND TO PROVIDE ADDITIONAL FUNDING FOR THE MANAGEMENT OF CERTAIN NATURAL RESOURCES, AND IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill requires the state treasurer to make the following transfers from the economic recovery and relief cash fund:

- $3 million to the healthy forests and vibrant communities
fund for projects that will help communities address the urgent need to reduce wildfire risks by supporting implementation of risk mitigation treatments that focus on promoting watershed resilience;

- $2 million to the wildfire mitigation capacity development fund for wildfire mitigation and fuel reduction projects;
- $10 million to the Colorado water conservation board construction fund for watershed restoration and flood mitigation grants;
- $2.5 million to the Colorado water conservation board construction fund for the direct and indirect costs of providing assistance to political subdivisions and other entities applying for federal "Infrastructure Investment and Jobs Act" money and other federally available money related to water funding opportunities; and
- $2.5 million to the Colorado water conservation board construction fund for issuing grants to political subdivisions of the state for the hiring of temporary employees, contractors, or both that will assist those political subdivisions and other entities in applying for federal "Infrastructure Investment and Jobs Act" money and other federally available money related to natural resource management.

All of these transfers relate to essential government services and must comply with the relevant compliance, reporting, record-keeping, and program evaluation requirements established by the office of state planning and budgeting and the state controller.

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

SECTION 1. In Colorado Revised Statutes, 24-75-228, add (2.5) as follows:

24-75-228. Economic recovery and relief cash fund - creation - allowable uses - interim task force - report - legislative declaration - definitions - repeal. (2.5) (a) Upon the effective date of this subsection (2.5), or as soon as possible thereafter, the state treasurer shall transfer twenty million dollars from the economic recovery and relief cash fund as follows:

(I) Three million dollars to the healthy forests and
VIBRANT COMMUNITIES FUND CREATED IN SECTION 23-31-313(10), WHICH
MUST BE EXPENDED FOR THE PURPOSES SPECIFIED IN SECTION 23-31-313
(6)(a)(IV);

(II) TWO MILLION DOLLARS TO THE WILDFIRE MITIGATION
CAPACITY DEVELOPMENT FUND CREATED IN SECTION 24-33-117 (1),
WHICH MUST BE EXPENDED FOR THE PURPOSES SPECIFIED IN SECTION
24-33-117 (3);

(III) TEN MILLION DOLLARS TO THE COLORADO WATER
CONSERVATION BOARD CONSTRUCTION FUND CREATED IN SECTION
37-60-121 (1)(a), WHICH MUST BE EXPENDED FOR THE PURPOSES SPECIFIED
IN SECTION 37-60-121 (12);

(IV) TWO MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE
COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND CREATED
IN SECTION 37-60-121 (1)(a), WHICH MUST BE EXPENDED FOR THE
PURPOSES SPECIFIED IN SECTION 37-60-121 (13); AND

(V) TWO MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE
COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND CREATED
IN SECTION 37-60-121 (1)(a), WHICH MUST BE EXPENDED FOR THE
PURPOSES SPECIFIED IN SECTION 37-60-121 (14).

(b) THE WATERSHED RESTORATION PROGRAMS, WILDFIRE
MITIGATION PROGRAMS, AND THE PROVISION OF SERVICES TO ASSIST
POLITICAL SUBDIVISIONS OF THE STATE AND OTHER ENTITIES IN THE DRAW
DOWN OF FEDERAL FUNDS TO WHICH THE STATE TREASURER SHALL
TRANSFER MONEY FROM THE FUND PURSUANT TO SUBSECTION (2.5)(a) OF
THIS SECTION ARE ESSENTIAL GOVERNMENT SERVICES.

(c) ANY DEPARTMENT THAT RECEIVES MONEY FROM THE
TRANSFER MADE BY THE STATE TREASURER PURSUANT TO SUBSECTION
(2.5)(a) OF THIS SECTION SHALL COMPLY WITH THE COMPLIANCE, REPORTING, RECORD-KEEPING, AND PROGRAM EVALUATION REQUIREMENTS ESTABLISHED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND THE STATE CONTROLLER IN ACCORDANCE WITH SECTION 24-75-226 (5).

SECTION 2. In Colorado Revised Statutes, 37-60-121, add (12), (13), and (14) as follows:

37-60-121. Colorado water conservation board construction fund - creation - nature of fund - funds for investigations - contributions - use for augmenting the general fund - funds created - rules - repeal. (12) (a) EXCEPT AS SPECIFIED IN SUBSECTION (12)(b) OF THIS SECTION, THE BOARD SHALL USE THE MONEY TRANSFERRED PURSUANT TO SECTION 24-75-228 (2.5)(a)(III) FOR WATERSHED RESTORATION AND FLOOD MITIGATION GRANTS TO RESTORE, MITIGATE, AND PROTECT STREAM CHANNELS AND RIPARIAN AREAS SUSCEPTIBLE TO FLOOD HAZARDS AND SEDIMENT EROSION AND DEPOSITION AFTER WILDFIRE, INCLUDING EXPENDITURES FOR THE DESIGN AND IMPLEMENTATION OF PROJECTS INTENDED TO MITIGATE INCREASED FLOWS, SEDIMENT, AND DEBRIS, WITH FEDERAL AND LOCAL MATCHING REQUIREMENTS.

(b) THE BOARD MAY USE UP TO FIVE PERCENT OF THE MONEY TO ADMINISTER THE GRANT PROGRAM AS SPECIFIED IN SUBSECTION (12)(a) OF THIS SECTION AND MAY USE UP TO TEN PERCENT FOR THE COSTS ASSOCIATED WITH PROVIDING NECESSARY TECHNICAL ENGINEERING SERVICES TO ASSIST GRANTEES WITH DESIGN REVIEW, ENGINEERING ANALYSIS, FIRE AND FLOOD SUPPORT, CONSTRUCTION OVERSIGHT, FLUVIAL HAZARD ZONE PROGRAM IMPLEMENTATION, PROJECT MONITORING AND
ADAPTIVE MANAGEMENT, AND OVERALL PROGRAM MANAGEMENT.

(c) The Department of Natural Resources shall include updates regarding the board's activities undertaken pursuant to this subsection (12) in its departmental presentation to legislative committees of reference pursuant to section 2-7-203.

(d) This subsection (12) is repealed, effective July 1, 2027.

(13) The board shall use the money transferred pursuant to section 24-75-228 (2.5)(a)(IV) for the direct and indirect costs of providing assistance to political subdivisions of the state and other entities in applying for federal "Infrastructure Investment and Jobs Act", Pub.L. 117-58, money and other federally available money related to water funding opportunities.

(14) (a) The board shall use the money transferred pursuant to section 24-75-228 (2.5)(a)(V) for both:

(I) Issuing grants to political subdivisions of the state or other entities for the hiring of term-limited employees, contractors, or both that will assist those political subdivisions and other entities in applying for federal "Infrastructure Investment and Jobs Act", Pub.L. 117-58, money and other federally available money related to natural resource management; and

(II) Covering the direct and indirect costs associated with issuing the grants described in subsection (14)(a)(I) of this section.

(b) The board may adopt policies and procedures as necessary for implementing a grant program necessary to
AWARD THE GRANTS DESCRIBED IN SUBSECTION (14)(a) OF THIS SECTION.

SECTION 3. Appropriation. For the 2022-23 state fiscal year, $15,000,000 is appropriated to the department of natural resources for use by the Colorado water conservation board. This appropriation is from the Colorado water conservation board construction fund created in section 37-60-121 (1)(a), C.R.S. To implement this act, the board may use this appropriation for watershed restoration and flood mitigation project grants. Any money appropriated in this section not expended prior to July 1, 2023, is further appropriated to the board from July 1, 2023, through December 30, 2024, for the same purpose.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.