



## **HB21-1008**

**SHORT TITLE:** Forest Health Project Financing

**LONG TITLE:** Concerning increased options for financing forest health projects, and, in connection therewith, financing wildfire mitigation treatments

**COMMITTEES:** House Agriculture, Livestock, & Water Committee, Finance Committee, Senate Agriculture & Natural Resources Committee

**SPONSORS:** Reps. Arndt and Catlin/Sens. Cooke and Hansen

**PURPOSE OF THE BILL:** To add options for funding forest health projects for wildfire mitigation. The bill also extends the ability of the Water and Power Authority to fund forest health projects until 2033.

**PROPOSERS OF THE BILL:** Organizations that wish to sponsor or assist in mitigation projects.

**POTENTIAL STAKEHOLDERS:** Communities and local governments impacted or at risk from wildfires.

**BACKGROUND:** Local government statutes currently authorize intergovernmental agreement among the various entities for carry out certain purposes. This bill allows for them to join to form special improvement districts within or outside municipal, county, or district boundaries, levy assessments on the covered property with written consent of property owners or approval of majority of electors in the district in order to conduct or participate in forest health projects. Powers of the special improvement district include, part, the power to acquire, sell or lease personal or real property, and to enter into lease-purchase agreements. The ability of the Colorado Water Resources and Power Development Authority (authority) to issue bonds to fund watershed protection projects and forest health projects of partner governmental agencies is currently scheduled to repeal on July 1, 2023; the bill extends the repeal date to July 1, 2033.

**Is this bill necessary this year?** The past year has seen devastating wildfires that extend over county, municipal and district boundaries, providing challenges for developing mitigation responses. The situation will likely get worse if drought conditions persist or worsen.

**How does the bill change current law?** The bill authorizes local governments to enter contractual relationship to form special improvement districts and levy property taxes for fund forest health projects. It also extends the ability of the Water and Power Authority to provide financing to forest health projects for an additional ten years (from 2023 to 2033). BILL WAS AMENDED TO INCLUDE LOCAL IMPROVEMENT DISTRICTS AND TO CLARIFY THAT THE BILL DOES NOT LIMIT ANY EXPRESS OR IMPLIED AUTHORITY PROVIDED TO THE DISTRICT OR SUB-DISTRICT. ACTIONS TO IMPROVE ECOLOGICAL HEALTH OF FOREST ARE INCLUDED AND INCLUDES IMPROVING USE OR ADDED VALUE TO SMALL DIAMETER TREES AND HARVESTING.

**Does the bill affect the prior appropriations system?** No.

**How is the bill implemented?** Local governments, special districts, or other political subdivisions of the state that elect to participate in forest health projects through Special Improvement Districts will have revenue and expenditures according to the agreed upon terms of the district. Such costs include the work of the district, as well as costs to collect assessments for the district and facilitate elections required for the formulation or financing of the district.

**Practical considerations:** How many adjacent communities will elect to participate? How many landowners will consent to the formation of the special improvement district and pay additional taxes?

**Fiscal Impact:** No fiscal note.

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