



COLORADO
WATER CONGRESS
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HB21-1242

SHORT TITLE: Create Agricultural Drought and Climate Resilience Office

LONG TITLE: Concerning the creation of an agricultural drought and climate resilience office in the department of agriculture

SPONSORS: Rep. Arndt/Sen. Donovan

COMMITTEES: House Agriculture, Livestock & Water Committee

PURPOSE OF THE BILL: To establish an office in the Dept. of Ag that can provide technical assistance, nonregulatory programs, and incentives that increase ag producers' resiliency to respond to drought or climate threats.

PROPONENTS OF THE BILL: Dept. of Agriculture?

POTENTIAL STAKEHOLDERS: Agricultural producers of crops, marketers of ag products

BACKGROUND: There is currently an Agriculture Value-Added Cash Fund in the Dept. of Agriculture. That money will be used to fund the new program by transferring the balance in the cash fund to the new cash fund. The ACRE3 (Advancing Colorado's Renewable energy and Energy Efficiency) Program promotes the development and implementation of renewable energy and energy efficiency projects for Colorado agricultural producers and processors. The JBC has approved a net-zero Long Bill reorganization to move the ACRE3 Program from the Agricultural Markets Division to the Conservation Services Division along with its \$500,000 annual appropriation. The ACRE3 Program will be part of the new office of Agricultural Drought and Climate Resilience Office.

The bill calls for support to "bona fide ag producers" to implement practices that minimize the impacts of climate change. Bona fide ag producers are defined as an ag producer that receives a majority of annual income from ag, an ag producer that spends more than one thousand forty hours per year engaged in ag production, or a Colorado business that processes ag products.

Except for a program or support administered by the office to address immediate needs as a result of disaster or program in existence on Jan 1, 2021, a program administered by the office must be designed to benefit bona fide ag producers actively engaged in ag. Grants awarded by the office must pay for implementation or practices to address and mitigate impacts or climate change or drought or provide direct adaptation support for impacted ag communities. Grant awards may pay no more than 5% of administrative expenses incurred by a bona fide ag producer to implement the practices.

The bill includes various requirements for notice and posting of grant applications and awards.

Is this bill necessary this year? There is no deadline.

How does the bill change current law? It creates a new program by transferring money from an existing cash fund to the new program. It also authorizes money to be appropriated from the Severance Tax Operational Fund grant program until 2029 (for which no money is expected until 2024-25), as well as gifts, grants, and donations.

Does the bill affect the prior appropriations system? No

How is the bill implemented? The bill requires that before promulgating rules the Commissioner shall convene a stakeholder group including representatives of organizations whose membership consists of ag producers engaged in production of top ten agricultural commodities produced in Colorado.

Practical considerations: If no money is expected from severance tax funds until 2024-25, can the new program be maintained?

Fiscal Impact: \$1.3 million transfer from the Value Added cash fund toto the Drought and Climate Change Resilience Office. It may also receive money from the severance tax operational fund. Money from the fund is continuously appropriated..

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