

First Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0851.01 Thomas Morris x4218

**HOUSE BILL 21-1242**

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**HOUSE SPONSORSHIP**

**McLachlan,**

**SENATE SPONSORSHIP**

**Donovan,**

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**House Committees**  
Agriculture, Livestock, & Water

**Senate Committees**  
Agriculture & Natural Resources  
Appropriations

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**A BILL FOR AN ACT**

101     **CONCERNING THE CREATION OF AN AGRICULTURAL DROUGHT AND**  
102       **CLIMATE RESILIENCE OFFICE IN THE DEPARTMENT OF**  
103       **AGRICULTURE, AND, IN CONNECTION THEREWITH, MAKING AN**  
104       **APPROPRIATION.**

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**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>.)*

**Section 1** of the bill creates in the department of agriculture the agricultural drought and climate resilience office (office). The office may provide voluntary technical assistance, nonregulatory programs, and

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.*

HOUSE  
3rd Reading Unamended  
April 21, 2021

HOUSE  
Amended 2nd Reading  
April 15, 2021

incentives that increase the ability to anticipate, prepare for, mitigate, adapt to, and respond to hazardous events, trends, or disturbances related to drought or the climate. The office may accept gifts, grants, and donations for these purposes. On July 1, 2021, the state treasurer shall transfer all unobligated money in the agriculture value-added cash fund to the newly created agriculture drought and climate resiliency cash fund. The commissioner of agriculture shall appoint the head of the office and may promulgate rules necessary for the administration of the office's assistance, programs, and incentives.

**Section 2** annually transfers \$500,000 from tier 2 of the severance tax operational fund to the new cash fund until July 1, 2029.

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

2             **SECTION 1.** In Colorado Revised Statutes, **add** 35-1-114 as  
3 follows:

4             **35-1-114. Agricultural drought and climate resilience office -**  
5 **creation - rules - definition - repeal. (1) Legislative declaration.**

6     THE GENERAL ASSEMBLY HEREBY:

7             (a) FINDS THAT:

8                 (I) SEVERE DROUGHTS, AS WELL AS UNADDRESSED WATER  
9 DEMANDS ASSOCIATED WITH URBAN GROWTH, WILL ADD PRESSURE TO  
10 COLORADO'S ALREADY STRAINED WATER SUPPLY IN ALL OF COLORADO'S  
11 WATERSHEDS;

12                 (II) MORE FREQUENT AND SEVERE DROUGHTS WILL ADD PRESSURE  
13 TO COLORADO'S ALREADY STRAINED WATER SUPPLY; AND

14                 (III) A STRONG, PROSPEROUS, DIVERSE, AND RESILIENT  
15 AGRICULTURAL SECTOR IS FUNDAMENTAL TO THE FABRIC OF COLORADO;

16             (b) DETERMINES THAT:

17                 (I) COLORADO'S AGRICULTURAL PRODUCERS ARE STEWARDS OF  
18 OUR LANDS, WATERS, AND ECOSYSTEMS BUT THEY CANNOT SHOULDER THE  
19 BURDEN OF WATER SCARCITY WITHOUT ADDRESSING WATER-SAVING

1        MEASURES BEING IMPLEMENTED AND SUSTAINED IN URBAN AREAS; AND

2            (II) COLORADO'S AGRICULTURAL SECTOR IS A LEADER IN  
3        IMPLEMENTING PRACTICES THAT BUILD RESILIENCY, CONSERVE OUR  
4        WATER SUPPLIES, PROVIDE AN ECONOMIC BASE FOR RURAL COMMUNITIES,  
5        AND ENHANCE OUR ENVIRONMENT; AND

6            (c) DECLARES THAT:

7            (I) CREATING THE AGRICULTURAL DROUGHT AND CLIMATE  
8        RESILIENCE OFFICE WILL SUPPORT AND ELEVATE PRODUCERS IN THEIR  
9        RESILIENCY EFFORTS THROUGH NONREGULATORY, VOLUNTARY, AND  
10      INCENTIVE-BASED PROGRAMS WITHOUT NEGATIVELY IMPACTING THE  
11      OVERALL RURAL ECONOMIC VIABILITY OF AGRICULTURAL OPERATIONS  
12      AND RURAL COMMUNITIES; AND

13            (II) THE AGRICULTURAL DROUGHT AND CLIMATE RESILIENCE  
14      OFFICE CAN BEST ADDRESS AND MITIGATE AGRICULTURAL  
15      CLIMATE-RELATED ISSUES ON A WIDE SCALE BY PROVIDING SUPPORT TO  
16      AND ASSISTING BONA FIDE AGRICULTURAL PRODUCERS IN IMPLEMENTING  
17      PRACTICES THAT MINIMIZE THE IMPACTS OF CLIMATE CHANGE.

18            (2) **Office created.** THERE IS HEREBY CREATED IN THE  
19        DEPARTMENT THE AGRICULTURAL DROUGHT AND CLIMATE RESILIENCE  
20        OFFICE, REFERRED TO IN THIS SECTION AS THE "OFFICE". THE OFFICE MAY  
21        PROVIDE VOLUNTARY TECHNICAL ASSISTANCE, NONREGULATORY  
22        PROGRAMS, AND INCENTIVES THAT INCREASE THE ABILITY TO ANTICIPATE,  
23        PREPARE FOR, MITIGATE, ADAPT TO, AND RESPOND TO HAZARDOUS  
24        EVENTS, TRENDS, OR DISTURBANCES RELATED TO DROUGHT OR THE  
25        CLIMATE. THE OFFICE SHALL ADVISE THE COMMISSIONER, THE COLORADO  
26        AGRICULTURAL VALUE-ADDED DEVELOPMENT BOARD CREATED IN SECTION  
27        35-75-203, OTHER STATE AGENCIES, AND THE GOVERNOR ON THE IMPACT

1       TO AGRICULTURE OF DROUGHT AND CLIMATE POLICIES AND PROGRAMS.

2       THE COMMISSIONER SHALL APPOINT THE HEAD OF THE OFFICE.

3                   (3) **Rules.** THE COMMISSIONER MAY PROMULGATE RULES  
4       NECESSARY FOR THE ADMINISTRATION OF THE OFFICE'S ASSISTANCE,  
5       PROGRAMS, AND INCENTIVES, INCLUDING GRANTS. BEFORE  
6       PROMULGATING THE RULES, THE COMMISSIONER SHALL CONVENE A  
7       STAKEHOLDER GROUP, INCLUDING REPRESENTATIVES OF ORGANIZATIONS  
8       WHOSE MEMBERSHIP CONSISTS OF AGRICULTURAL PRODUCERS ENGAGED  
9       IN THE PRODUCTION OF THE TOP TEN AGRICULTURAL COMMODITIES  
10      PRODUCED IN COLORADO AND MEMBERS OF THE COLORADO WATER  
11      CONSERVATION BOARD CREATED IN SECTION 37-60-102. THE  
12      STAKEHOLDER GROUP SHALL ADVISE THE COMMISSIONER AS TO THE NEEDS  
13      OF THE AGRICULTURE INDUSTRY TO RESPOND TO AND MITIGATE THE  
14      IMPACTS OF CLIMATE CHANGE ON AGRICULTURAL PRODUCTION. FOR THE  
15      PURPOSE OF THIS SECTION, "BONA FIDE AGRICULTURAL PRODUCER" MEANS  
16      AN AGRICULTURAL PRODUCER THAT RECEIVES A MAJORITY OF THE  
17      PRODUCER'S ANNUAL INCOME FROM AGRICULTURE, AN AGRICULTURAL  
18      PRODUCER THAT SPENDS MORE THAN ONE THOUSAND FORTY HOURS PER  
19      YEAR ENGAGED IN AGRICULTURAL PRODUCTION, OR A COLORADO  
20      BUSINESS THAT PROCESSES AGRICULTURAL PRODUCTS. EXCEPT FOR A  
21      PROGRAM OR SUPPORT ADMINISTERED BY THE OFFICE TO ADDRESS  
22      IMMEDIATE NEEDS AS A RESULT OF DISASTER, INCLUDING WILDFIRE AND  
23      DROUGHT, OR A PROGRAM THAT WAS IN EXISTENCE ON JANUARY 1, 2021:

24                   (a) A PROGRAM ADMINISTERED BY THE OFFICE MUST BE DESIGNED  
25      TO BENEFIT BONA FIDE AGRICULTURAL PRODUCERS ACTIVELY ENGAGED  
26      IN AGRICULTURE. GRANTS AWARDED BY THE OFFICE MUST PAY FOR  
27      IMPLEMENTATION OF PRACTICES TO ADDRESS AND MITIGATE THE IMPACTS

1 OF CLIMATE CHANGE OR DROUGHT OR TO PROVIDE DIRECT ADAPTATION  
2 SUPPORT FOR IMPACTED AGRICULTURAL COMMUNITIES, INCLUDING  
3 MENTAL HEALTH RESOURCES, CONFLICT RESOLUTION ASSISTANCE, AND  
4 RISK-MANAGEMENT GUIDANCE. A GRANT AWARD MAY PAY NO MORE THAN  
5 FIVE PERCENT OF ADMINISTRATIVE EXPENSES INCURRED BY A BONA FIDE  
6 AGRICULTURAL PRODUCER TO IMPLEMENT THE PRACTICES.

7 (b) THE DEPARTMENT SHALL, AT LEAST THIRTY DAYS BEFORE  
8 OPENING THE GRANT APPLICATION PROCESS, MAKE AVAILABLE ON ITS  
9 WEBSITE INFORMATION RELATED TO THE GRANT PROGRAM AVAILABLE TO  
10 BONE FIDE AGRICULTURAL PRODUCERS;

11 (c) A GRANT AUTHORIZED PURSUANT TO THIS SECTION MUST  
12 RECEIVE FINAL APPROVAL BY THE COMMISSION BEFORE A FINAL AWARD  
13 CAN BE ISSUED; AND

14 (d) THE DEPARTMENT SHALL POST ON ITS WEBSITE ALL  
15 APPLICATIONS FOR GRANT AWARDS. WITHIN FIFTEEN DAYS AFTER  
16 AWARDING A GRANT, THE DEPARTMENT SHALL POST ON ITS WEBSITE THE  
17 NAME OF THE INDIVIDUAL OR ENTITY RECEIVING A GRANT, THE AMOUNT  
18 OF THE GRANT AWARDED, THE PROJECT OR PROJECTS TO BE FUNDED BY  
19 THE GRANT, AND THE DURATION OF THE GRANT AWARD.

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21 **SECTION 2. In Colorado Revised Statutes, 35-75-204, amend**

22 **(1) as follows:**

23 **35-75-204. Duties of board - agriculture value-added grants,**  
24 **loans and loan guarantees, and equity investments.** (1) The board has  
25 the power to make grants, loans and loan guarantees, and equity  
26 investments to any person, including eligible agricultural value-added  
27 cooperatives, as defined in section 35-75-202 (4), for new or ongoing

1       agricultural projects and research that add value to Colorado agricultural  
2       products and aid the economy of rural Colorado communities AND FOR  
3       AGRICULTURAL PROJECTS THAT WILL REDUCE ENERGY COSTS FOR  
4       AGRICULTURAL PRODUCERS OR BUSINESSES. The board also has the power  
5       to fund market promotion activities of the department pursuant to section  
6       35-75-205 (2)(f).

7           **SECTION 3.** In Colorado Revised Statutes, 39-29-109.3, **add**  
8       (2)(t) as follows:

9           **39-29-109.3. Severance tax operational fund - core reserve -**  
10       **grant program reserve - definitions - repeal.** (2) Subject to the  
11       requirements of subsections (3) and (3.5) of this section, if the general  
12       assembly chooses not to spend up to one hundred percent of the money  
13       in the operational fund on core departmental programs, the state treasurer  
14       shall transfer the following amounts:

15           (t) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY  
16       1, 2021, THROUGH JULY 1, 2029, FIVE HUNDRED THOUSAND DOLLARS PER  
17       YEAR TO THE AGRICULTURE VALUE-ADDED CASH FUND CREATED IN  
18       SECTION 35-75-205 (1).

19           **SECTION 4. Appropriation.** (1) For the 2021-22 state fiscal  
20       year, \$101,333 is appropriated to the department of agriculture for use by  
21       the commissioner's office and administrative services This appropriation  
22       is from the general fund. To implement this act, the office may use this  
23       appropriation as follows:

24           (a) \$93,783 for personal services, which amount is based on an  
25       assumption that the office will require an additional 0.9 FTE; and  
26           (b) \$7,550 for operating expenses.

27           **SECTION 5. Safety clause.** The general assembly hereby finds,

1      determines, and declares that this act is necessary for the immediate  
2      preservation of the public peace, health, or safety.