

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

BILL B

LLS NO. 15-0124.01 Thomas Morris x4218

SENATE BILL

SENATE SPONSORSHIP

Nicholson and Jones,

HOUSE SPONSORSHIP

Exum,

Senate Committees

House Committees

A BILL FOR AN ACT

101 **CONCERNING A GRANT PROGRAM TO PROMOTE THE USE OF WOODY**
102 **BIOMASS AS A FUEL SOURCE FOR PUBLIC BUILDINGS.**

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://www.leg.state.co.us/billsummaries>.)

Wildfire Matters Review Committee. The bill promotes the use of woody biomass as a fuel source for public buildings by creating the woody biomass grant program. The program is funded by an annual \$1 million transfer from the general fund for 5 fiscal years. The executive director of the department of natural resources will award grants to a

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

public entity that will use woody biomass as a fuel source for a public building's biomass energy system when either the use of the grant allows the public building to be cost-effective when compared with other fuels or the executive director reasonably believes that making the grant provides other substantial benefits as specified in rules.

The rules must include:

- A preference for making grants to projects that use a woody biomass energy system for 2 or more public buildings that are located near one another; and
- Criteria to evaluate grant applications and prioritize the award of grants, including at least an analysis of whether the public building is or will be located within a reasonable distance of a substantial forested area of the state as determined by the state forester.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-82-603 as
3 follows:

4 **24-82-603. Woody biomass grant program - fund - rules -**
5 **repeal.** (1) (a) FOR FIVE STATE FISCAL YEARS BEGINNING ON OR AFTER
6 JULY 1, 2015, THE STATE TREASURER SHALL TRANSFER ONE MILLION
7 DOLLARS FROM THE GENERAL FUND CREATED IN SECTION 24-75-201 TO
8 THE WOODY BIOMASS GRANT CASH FUND, WHICH IS HEREBY CREATED IN
9 THE STATE TREASURY AND REFERRED TO IN THIS SECTION AS THE "FUND".

10 (b) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF NATURAL
11 RESOURCES SHALL USE REVENUES IN THE FUND ONLY TO MAKE GRANTS
12 PURSUANT TO THIS SECTION; EXCEPT THAT THE DEPARTMENT OF NATURAL
13 RESOURCES MAY SPEND UP TO THREE PERCENT OF THE REVENUES IN THE
14 FUND FOR ITS DIRECT AND INDIRECT COSTS IN ADMINISTERING THE FUND.
15 A GRANT MAY BE AWARDED ONLY:

16 (I) TO A PUBLIC ENTITY THAT WILL USE WOODY BIOMASS AS A FUEL
17 SOURCE FOR A PUBLIC BUILDING'S BIOMASS ENERGY SYSTEM; AND

1 (II) WHEN EITHER:

2 (A) THE USE OF THE GRANT ALLOWS THE PUBLIC BUILDING TO BE
3 COST-EFFECTIVE WHEN COMPARED WITH OTHER FUELS; OR

4 (B) THE EXECUTIVE DIRECTOR REASONABLY BELIEVES THAT
5 MAKING THE GRANT PROVIDES OTHER SUBSTANTIAL BENEFITS AS
6 SPECIFIED IN RULES PROMULGATED PURSUANT TO THIS SECTION.

7 (2) THE EXECUTIVE DIRECTOR SHALL PROMULGATE RULES AS
8 NECESSARY TO IMPLEMENT THIS SECTION, INCLUDING:

9 (a) CRITERIA THAT PROVIDE GUIDANCE REGARDING SITUATIONS IN
10 WHICH THE USE OF A BIOMASS ENERGY SYSTEM IN A PUBLIC BUILDING IS
11 NOT COST-EFFECTIVE WHEN COMPARED WITH OTHER FUELS BUT MAKING
12 A GRANT WOULD NEVERTHELESS PROVIDE OTHER SUBSTANTIAL BENEFITS,
13 TAKING INTO CONSIDERATION:

14 (I) POTENTIAL AIR QUALITY BENEFITS OF REDUCING THE RISK OF
15 WILDFIRES;

16 (II) THE PROMOTION OF FOREST HEALTH; AND

17 (III) THE PROMOTION OF THE FOREST PRODUCTS INDUSTRY;

18 (b) A DEFINITION OF "PUBLIC BUILDING" THAT INCLUDES
19 BUILDINGS OWNED OR SUBSTANTIALLY FINANCED BY THE STATE OR ANY
20 LOCAL GOVERNMENT, INCLUDING SCHOOL DISTRICTS AND SPECIAL
21 DISTRICTS;

22 (c) A PREFERENCE FOR MAKING GRANTS TO PROJECTS THAT USE A
23 WOODY BIOMASS ENERGY SYSTEM FOR TWO OR MORE PUBLIC BUILDINGS
24 THAT ARE LOCATED NEAR ONE ANOTHER; AND

25 (d) CRITERIA TO EVALUATE GRANT APPLICATIONS AND PRIORITIZE
26 THE AWARD OF GRANTS, INCLUDING AT LEAST AN ANALYSIS OF WHETHER
27 THE PUBLIC BUILDING IS OR WILL BE LOCATED WITHIN AN ECONOMICALLY

1 REASONABLE DISTANCE OF A SUBSTANTIAL FORESTED AREA OF THE STATE
2 AS DETERMINED BY THE STATE FORESTER PURSUANT TO SECTION
3 30-15-401 (1) (n.5) (V) (B), C.R.S. THE PROJECTED SUPPLY OF WOODY
4 BIOMASS NECESSARY FOR THE PUBLIC BUILDING MUST NOT EXCEED FIVE
5 PERCENT OF THE STANDING TIMBER WITHIN EACH COUNTY THAT IS OR WILL
6 BE THE SOURCE OF THE WOODY BIOMASS.

7 (3) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2021.

8 **SECTION 2. Act subject to petition - effective date -**
9 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
10 the expiration of the ninety-day period after final adjournment of the
11 general assembly (August 5, 2015, if adjournment sine die is on May 6,
12 2015); except that, if a referendum petition is filed pursuant to section 1
13 (3) of article V of the state constitution against this act or an item, section,
14 or part of this act within such period, then the act, item, section, or part
15 will not take effect unless approved by the people at the general election
16 to be held in November 2016 and, in such case, will take effect on the
17 date of the official declaration of the vote thereon by the governor.

18 (2) This act applies to conduct occurring on or after the applicable
19 effective date of this act.