

First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0124.01 Thomas Morris

SENATE BILL 15-009

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SENATE SPONSORSHIP

Jones,

HOUSE SPONSORSHIP

Hamner,

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Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

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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.

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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://www.leg.state.co.us/bills summaries>.)*

**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 public entity that will use woody biomass as a fuel source for a public

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.*

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.

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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** 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 AND 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

18 (II) WHEN EITHER:

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

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

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

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

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

15 (II) THE PROMOTION OF FOREST HEALTH; AND

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

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

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

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

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

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

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

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