

An Act

SENATE BILL 22-193

BY SENATOR(S) Fenberg and Gonzales, Buckner, Danielson, Donovan, Fields, Ginal, Hansen, Jaquez Lewis, Kolker, Lee, Pettersen, Story, Winter, Zenzinger;

also REPRESENTATIVE(S) Valdez A. and Froelich, Amabile, Bernett, Bird, Boesenecker, Cutter, Duran, Exum, Herod, Hooton, Jodeh, Kipp, Lindsay, Lontine, McCluskie, Ricks, Sirota, Sullivan, Titone, Woodrow.

CONCERNING MEASURES TO IMPROVE AIR QUALITY IN THE STATE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, **add** 24-38.5-116 and 24-38.5-117 as follows:

24-38.5-116. Industrial and manufacturing operations clean air grant program - creation - eligibility - fund created - gifts, grants, or donations - transfer - legislative declaration - definitions - reporting - repeal. (1) **Legislative declaration.** THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) THE INDUSTRIAL AND MANUFACTURING SECTOR IS ONE OF THE

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

FIVE LARGEST SOURCES OF GREENHOUSE GAS POLLUTION IN THE STATE;

(b) INDUSTRIAL EMISSIONS OFTEN:

(I) DISPROPORTIONATELY IMPACT LOW-INCOME, MINORITY, OR HOUSING COST-BURDENED COMMUNITIES IN THE STATE; AND

(II) CONTAIN HAZARDOUS AIR POLLUTANTS THAT CAUSE OR EXACERBATE EXISTING HEALTH CONDITIONS, WHICH, IN TURN, CONTRIBUTE FURTHER TO THE EXISTING ECONOMIC DISPARITY BETWEEN THE DISPROPORTIONATELY IMPACTED COMMUNITIES AND OTHER COMMUNITIES OF THE STATE; AND

(c) WHILE STATE AND FEDERAL REGULATION OF INDUSTRIAL AIR POLLUTION, INCLUDING POLLUTION FROM GREENHOUSE GASES, IS ESSENTIAL FOR PUBLIC HEALTH AND FOR ACHIEVING STATE CLIMATE GOALS AND ADDRESSING OZONE NONATTAINMENT, VOLUNTARY ACTIONS ARE NEEDED TO ACHIEVE FURTHER REDUCTIONS IN INDUSTRIAL POLLUTION.

(2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "AIR POLLUTANT":

(I) HAS THE MEANING SET FORTH IN SECTION 25-7-103 (1.5); AND

(II) INCLUDES AIR TOXICS, PARTICULATES, OZONE PRECURSORS, AND GREENHOUSE GASES.

(b) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

(c) "FUND" MEANS THE INDUSTRIAL AND MANUFACTURING OPERATIONS CLEAN AIR GRANT PROGRAM CASH FUND CREATED IN SUBSECTION (6) OF THIS SECTION.

(d) "GRANT PROGRAM" MEANS THE INDUSTRIAL AND MANUFACTURING OPERATIONS CLEAN AIR GRANT PROGRAM CREATED IN SUBSECTION (3)(a) OF THIS SECTION.

(e) "GREENHOUSE GAS" HAS THE MEANING SET FORTH IN SECTION 2-2-322.3 (1)(a).

(f) (I) "INDUSTRIAL AND MANUFACTURING OPERATIONS" MEANS COMMERCIAL ACTIVITIES IN WHICH AIR POLLUTANTS ARE EMITTED DURING OR AS A RESULT OF THE ACTIVITIES.

(II) "INDUSTRIAL AND MANUFACTURING OPERATIONS" INCLUDES, BUT IS NOT LIMITED TO, OPERATIONS:

(A) BY ENERGY PRODUCERS, REFINERIES, MEAT PACKING PLANTS, DAIRIES, STEEL MILLS, CEMENT PLANTS, MANUFACTURING OPERATIONS, MINING OPERATIONS, AND AIRLINE OPERATIONS; AND

(B) AT AIRPORTS, WASTEWATER TREATMENT PLANTS, LANDFILLS, AND ABANDONED COAL MINES.

(g) "LOCAL GOVERNMENT" MEANS A STATUTORY OR HOME RULE MUNICIPALITY, COUNTY, CITY AND COUNTY, OR SPECIAL DISTRICT.

(h) "NONATTAINMENT AREA" MEANS AN AREA OF THE STATE THAT THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY HAS DESIGNATED AS BEING IN NONATTAINMENT WITH A NATIONAL AMBIENT AIR QUALITY STANDARD.

(i) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101.

(j) "PUBLIC-PRIVATE PARTNERSHIP" MEANS A PARTNERSHIP BETWEEN A LOCAL GOVERNMENT AND A PRIVATE ENTITY THAT ENGAGES IN INDUSTRIAL AND MANUFACTURING OPERATIONS.

(k) "SPECIAL DISTRICT" MEANS ANY QUASI-MUNICIPAL CORPORATION AND POLITICAL SUBDIVISION ORGANIZED OR ACTING PURSUANT TO TITLE 32, INCLUDING A METROPOLITAN DISTRICT AND A WATER AND SANITATION DISTRICT.

(l) "VOLUNTARY PROJECT" MEANS A PROJECT THAT A PRIVATE ENTITY, LOCAL GOVERNMENT, OR PUBLIC-PRIVATE PARTNERSHIP IMPLEMENTS OR PLANS TO IMPLEMENT ON A VOLUNTARY BASIS TO REDUCE

EMISSIONS OF HARMFUL AIR POLLUTANTS RESULTING FROM INDUSTRIAL AND MANUFACTURING OPERATIONS.

(3) **Grant program.** (a) THE INDUSTRIAL AND MANUFACTURING OPERATIONS CLEAN AIR GRANT PROGRAM IS CREATED TO ALLOW PRIVATE ENTITIES, LOCAL GOVERNMENTS, AND PUBLIC-PRIVATE PARTNERSHIPS TO APPLY TO THE OFFICE FOR GRANT MONEY TO HELP FINANCE VOLUNTARY PROJECTS TO REDUCE EMISSIONS OF AIR POLLUTANTS FROM INDUSTRIAL AND MANUFACTURING OPERATIONS. THE OFFICE SHALL ADMINISTER THE GRANT PROGRAM.

(b) IN ADMINISTERING THE GRANT PROGRAM, THE OFFICE SHALL:

(I) ESTABLISH AN APPLICATION PROCESS FOR PRIVATE ENTITIES, LOCAL GOVERNMENTS, TRIBAL GOVERNMENTS, AND PUBLIC-PRIVATE PARTNERSHIPS TO APPLY FOR MONEY TO HELP FINANCE VOLUNTARY PROJECTS AND POST INFORMATION ABOUT THE APPLICATION PROCESS ON THE OFFICE'S WEBSITE;

(II) DETERMINE TYPES OF VOLUNTARY PROJECTS THAT ARE ELIGIBLE FOR MONEY UNDER THE GRANT PROGRAM, WHICH TYPES OF VOLUNTARY PROJECTS MAY INCLUDE:

(A) ENERGY EFFICIENCY PROJECTS;

(B) RENEWABLE ENERGY PROJECTS;

(C) BENEFICIAL ELECTRIFICATION PROJECTS;

(D) TRANSPORTATION ELECTRIFICATION PROJECTS;

(E) PROJECTS PRODUCING OR UTILIZING CLEAN HYDROGEN. IF CLEAN HYDROGEN PROJECTS ARE PROPOSED TO RECEIVE GRANT MONEY, THE OFFICE SHALL PRIORITIZE GRANT APPLICATIONS FOR CLEAN HYDROGEN PROJECTS THAT UTILIZE GREEN HYDROGEN THROUGH ELECTROLYSIS POWERED ENTIRELY BY RENEWABLE ELECTRIC RESOURCES OVER GRANT APPLICATIONS FOR CLEAN HYDROGEN PROJECTS THAT UTILIZE ANY OTHER CLEAN HYDROGEN PRODUCTION TECHNOLOGY, WHICH OTHER CLEAN HYDROGEN PROJECTS, IF AWARDED GRANT MONEY, MUST COMPLY WITH SECTION 42 U.S.C. SEC. 16152 (1).

(F) PROJECTS INVOLVING CARBON CAPTURE AT INDUSTRIAL FACILITIES AND DIRECT AIR CAPTURE PROJECTS;

(G) METHANE CAPTURE FROM LANDFILLS, SEWAGE TREATMENT PLANTS, ACTIVE OR INACTIVE COAL MINES, OR AGRICULTURAL OPERATIONS;

(H) PROJECTS PRODUCING OR UTILIZING SUSTAINABLE AVIATION FUEL; AND

(I) INDUSTRIAL PROCESS CHANGES THAT REDUCE EMISSIONS;

(III) DEVELOP CRITERIA FOR AWARDING MONEY UNDER THE GRANT PROGRAM, WHICH CRITERIA MUST INCLUDE GIVING PRIORITY FOR VOLUNTARY PROJECTS LOCATED IN:

(A) DISPROPORTIONATELY IMPACTED COMMUNITIES; OR

(B) NONATTAINMENT AREAS;

(IV) ESTABLISH THE MINIMUM AMOUNT OF MATCHING MONEY THAT AN APPLICANT NEEDS TO PROVIDE TO BE ELIGIBLE UNDER THE GRANT PROGRAM;

(V) DETERMINE HOW A GRANTEE MUST DEMONSTRATE THAT A VOLUNTARY PROJECT REDUCES EMISSIONS OF AIR POLLUTANTS AND OZONE PRECURSORS, INCLUDING ANY MODELING REQUIREMENTS FOR PROJECT EVALUATION AND MONITORING AND TESTING REQUIREMENTS DURING PROJECT IMPLEMENTATION AND AFTER PROJECT COMPLETION;

(VI) REQUIRE PERIODIC REPORTING REQUIREMENTS FOR A GRANTEE TO DEMONSTRATE THAT THE MONEY AWARDED IS BEING USED IN COMPLIANCE WITH THE PURPOSES OF THIS SECTION; AND

(VII) ESTABLISH PROCEDURES FOR ADDRESSING A GRANTEE'S NONCOMPLIANCE WITH THIS SECTION, INCLUDING PROCEDURES FOR REIMBURSEMENT OF MONEY AWARDED.

(4) THE OFFICE MAY USE UP TO NINE PERCENT OF THE MONEY IN THE FUND TO COVER:

(a) THE DIRECT AND INDIRECT COSTS THE OFFICE INCURS IN ADMINISTERING THE GRANT PROGRAM; AND

(b) INTERAGENCY MONEY TRANSFERS FOR TECHNICAL SUPPORT THAT THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT OR THE DEPARTMENT OF NATURAL RESOURCES MAY PROVIDE THE OFFICE IN ADMINISTERING THE GRANT PROGRAM.

(5) **Reporting.** (a) ON OR BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1 OF EACH YEAR THEREAFTER, THE OFFICE SHALL PREPARE A REPORT SUMMARIZING THE PROGRESS OF THE GRANT PROGRAM AND SUBMIT THE REPORT TO THE HOUSE OF REPRESENTATIVES ENERGY AND ENVIRONMENT COMMITTEE AND THE SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. THE OFFICE SHALL POST A COPY OF EACH REPORT ON ITS WEBSITE.

(b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE REPORTING REQUIREMENTS SET FORTH IN SUBSECTION (5)(a) OF THIS SECTION CONTINUE UNTIL THE GRANT PROGRAM REPEALS PURSUANT TO SUBSECTION (7) OF THIS SECTION.

(6) **Fund.** (a) (I) THE INDUSTRIAL AND MANUFACTURING OPERATIONS CLEAN AIR GRANT PROGRAM CASH FUND IS CREATED IN THE STATE TREASURY, AND THE OFFICE SHALL ADMINISTER THE FUND FOR THE PURPOSES OF THIS SECTION. THE FUND CONSISTS OF ANY MONEY THAT THE GENERAL ASSEMBLY MAY TRANSFER OR APPROPRIATE TO THE FUND FOR IMPLEMENTATION OF THE GRANT PROGRAM AND ANY FEDERAL MONEY OR GIFTS, GRANTS, OR DONATIONS RECEIVED PURSUANT TO SUBSECTION (6)(a)(II) OF THIS SECTION.

(II) FOR THE PURPOSES OF THIS SECTION, THE OFFICE MAY SEEK, ACCEPT, AND EXPEND:

(A) MONEY FROM FEDERAL SOURCES; AND

(B) GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES.

(III) THE OFFICE SHALL TRANSMIT ANY MONEY RECEIVED PURSUANT TO SUBSECTION (6)(a)(II) OF THIS SECTION TO THE STATE TREASURER, WHO

SHALL CREDIT THE MONEY TO THE FUND.

(b) THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE PURPOSES SET FORTH IN THIS SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE FUND AT THE END OF A STATE FISCAL YEAR REMAINS IN THE FUND; EXCEPT THAT THE STATE TREASURER SHALL TRANSFER ANY MONEY REMAINING IN THE FUND AT THE END OF THE 2027-28 STATE FISCAL YEAR TO THE GENERAL FUND.

(c) (I) ON JUNE 30, 2022, THE STATE TREASURER SHALL TRANSFER TWENTY-FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

(II) THIS SUBSECTION (6)(c) IS REPEALED, EFFECTIVE JULY 1, 2023.

(7) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2029.

24-38.5-117. Cannabis resource optimization cash fund - creation - gifts, grants, or donations - repeal. (1) THE CANNABIS RESOURCE OPTIMIZATION CASH FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS CREATED IN THE STATE TREASURY. THE COLORADO ENERGY OFFICE SHALL ADMINISTER THE FUND FOR THE PURPOSES OF PROVIDING ASSESSMENTS FINANCING, GRANTS, CREDIT ENHANCEMENT OFFERINGS, AND DIRECT INCENTIVES TO PRODUCERS TO REDUCE ENERGY AND WATER USE, PROMOTE RENEWABLE ENERGY, AND ENCOURAGE SUSTAINABLE PRACTICES IN CANNABIS OPERATIONS. THE FUND CONSISTS OF ANY MONEY THAT THE GENERAL ASSEMBLY MAY TRANSFER OR APPROPRIATE TO THE FUND AND ANY GIFTS, GRANTS, OR DONATIONS RECEIVED PURSUANT TO SUBSECTION (3) OF THIS SECTION.

(2) THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE COLORADO ENERGY OFFICE FOR THE PURPOSES SET FORTH IN SUBSECTION (1) OF THIS SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(3) THE COLORADO ENERGY OFFICE MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES.

(4) (a) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER ONE MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE FUND.

(b) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2023.

SECTION 2. In Colorado Revised Statutes, **add** part 5 to article 38.5 of title 24 as follows:

PART 5
COMMUNITY ACCESS TO
ELECTRIC BICYCLES

24-38.5-501. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) TRANSPORTATION IS THE LARGEST SINGLE SOURCE OF GREENHOUSE GAS POLLUTION IN THE STATE AND IS A MAJOR CONTRIBUTING SOURCE OF OTHER FORMS OF POLLUTION, INCLUDING OZONE PRECURSORS, HAZARDOUS AIR POLLUTANTS, NITROGEN OXIDES, AND PARTICULATE POLLUTION;

(b) IN 2017, NEARLY SIXTY PERCENT OF HOUSEHOLD MOTOR VEHICLE TRIPS WERE SIX MILES OR LESS AND SEVENTY-FIVE PERCENT WERE TEN MILES OR LESS;

(c) FOR MANY PERSONS, SHORTER TRIPS MAY BE COMPLETED BY BICYCLE, ESPECIALLY IF A PERSON USES AN ELECTRIC BICYCLE;

(d) ELECTRIC BICYCLES, WHEN COMPARED TO NONELECTRIC BICYCLES, ALLOW A RIDER TO TRAVEL GREATER DISTANCES, THROUGH MORE CHALLENGING TERRAIN, AND CARRY MORE CARGO;

(e) A WIDE VARIETY OF ELECTRIC BICYCLES ARE AVAILABLE AND, ALONG WITH NEW MODELS BECOMING AVAILABLE, ARE INCREASINGLY AFFORDABLE;

(f) ELECTRIC BICYCLES PRODUCE ZERO EMISSIONS AND ARE AN IMPORTANT COMPONENT IN A STRATEGY FOR REDUCING EMISSIONS IN THE TRANSPORTATION SECTOR; AND

(g) IT IS IN THE INTEREST OF THE STATE TO INCREASE THE NUMBER OF ELECTRIC BICYCLES USED FOR TRANSPORTATION AND TO INCREASE THE ACCESSIBILITY OF ELECTRIC BICYCLES TO INDIVIDUALS IN LOW- AND MODERATE-INCOME HOUSEHOLDS.

24-38.5-502. Definitions. AS USED IN THIS PART 5, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "BIKE SHARE PROGRAM" MEANS A SERVICE IN WHICH BICYCLES:

(a) ARE MADE PUBLICLY AVAILABLE TO MULTIPLE USERS FOR RENT ON A SHORT-TERM BASIS; AND

(b) MAY EITHER BE PICKED UP IN ONE PUBLIC LOCATION AND DROPPED OFF AT ANOTHER PUBLIC LOCATION OR BE CHECKED OUT AND RETURNED AT A SINGLE LOCATION.

(2) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

(3) "ELECTRIC BICYCLE" HAS THE SAME MEANING AS "ELECTRICAL ASSISTED BICYCLE" AS SET FORTH IN SECTION 42-1-102 (28.5). "ELECTRIC BICYCLE" INCLUDES AN ELECTRIC ADAPTIVE BICYCLE.

(4) "FUND" MEANS THE COMMUNITY ACCESS TO ELECTRIC BICYCLES CASH FUND CREATED IN SECTION 24-38.5-506 (1)(a).

(5) "GRANT PROGRAM" MEANS THE COMMUNITY ACCESS TO ELECTRIC BICYCLES GRANT PROGRAM CREATED IN SECTION 24-38.5-503.

(6) "LOCAL GOVERNMENT" MEANS A STATUTORY OR HOME RULE MUNICIPALITY, COUNTY, OR CITY AND COUNTY.

(7) "NONATTAINMENT AREA" MEANS AN AREA OF THE STATE THAT THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY HAS DESIGNATED AS BEING IN NONATTAINMENT WITH A NATIONAL AMBIENT AIR QUALITY STANDARD.

(8) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101.

(9) "OWNERSHIP PROGRAM" MEANS A PROGRAM THAT PROVIDES ELECTRIC BICYCLES, EQUIPMENT, AND RELATED SERVICES TO INDIVIDUALS IN LOW- AND MODERATE-INCOME HOUSEHOLDS, AS DETERMINED BY THE OFFICE.

(10) "PROGRAM" MEANS A BIKE SHARE PROGRAM OR AN OWNERSHIP PROGRAM.

(11) "REBATE PROGRAM" MEANS THE COMMUNITY ACCESS TO ELECTRIC BICYCLES REBATE PROGRAM CREATED IN SECTION 24-38.5-504.

24-38.5-503. Community access to electric bicycles grant program - creation - eligibility. (1) (a) (I) THE COMMUNITY ACCESS TO ELECTRIC BICYCLES GRANT PROGRAM IS CREATED TO HELP FINANCE BIKE SHARE PROGRAMS AND OWNERSHIP PROGRAMS THAT LOCAL GOVERNMENTS, TRIBAL GOVERNMENTS, OR NONPROFIT ORGANIZATIONS ADMINISTER OR PLAN TO ADMINISTER IN THE STATE. THE OFFICE SHALL ADMINISTER THE GRANT PROGRAM. TO BE ELIGIBLE TO APPLY FOR MONEY UNDER THE GRANT PROGRAM, A LOCAL GOVERNMENT, TRIBAL GOVERNMENT, OR NONPROFIT ORGANIZATION MUST ADMINISTER OR PLAN TO ADMINISTER, OR CONTRACT WITH A THIRD PARTY TO ADMINISTER:

(A) A BIKE SHARE PROGRAM USING A FLEET OF ELECTRIC BICYCLES;
OR

(B) AN OWNERSHIP PROGRAM OFFERING AN ELECTRIC BICYCLE TO A SPECIFIC INDIVIDUAL OR HOUSEHOLD;

(II) A LOCAL GOVERNMENT, TRIBAL GOVERNMENT, OR NONPROFIT ORGANIZATION AWARDED MONEY UNDER THE GRANT PROGRAM MAY USE THE MONEY TO PURCHASE AND MAINTAIN ELECTRIC BICYCLES, EQUIPMENT, AND INFRASTRUCTURE FOR ITS BIKE SHARE PROGRAM OR OWNERSHIP PROGRAM, PAY LABOR COSTS RELATED TO IMPLEMENTATION OF THE PROGRAM, AND COVER THE DIRECT AND INDIRECT ADMINISTRATIVE COSTS THAT THE LOCAL GOVERNMENT, THE TRIBAL GOVERNMENT, THE NONPROFIT ORGANIZATION, OR A THIRD-PARTY CONTRACTOR INCURS IN IMPLEMENTING THE PROGRAM.

(b) IN ADMINISTERING THE GRANT PROGRAM, THE OFFICE SHALL ESTABLISH AN APPLICATION PROCESS FOR LOCAL GOVERNMENTS, TRIBAL

GOVERNMENTS, AND NONPROFIT ORGANIZATIONS TO USE TO APPLY FOR MONEY UNDER THE GRANT PROGRAM. THE OFFICE SHALL POST INFORMATION ABOUT THE APPLICATION PROCESS ON ITS WEBSITE.

(2) THE OFFICE SHALL DEVELOP:

(a) CRITERIA FOR AWARDING GRANT MONEY, WHICH CRITERIA MUST INCLUDE:

(I) GIVING PRIORITY TO LOCAL GOVERNMENTS, TRIBAL GOVERNMENTS, AND NONPROFIT ORGANIZATIONS OFFERING A PROGRAM IN:

(A) ONE OR MORE DISPROPORTIONATELY IMPACTED COMMUNITIES;
OR

(B) ONE OR MORE NONATTAINMENT AREAS;

(II) A REQUIREMENT THAT THE LOCAL GOVERNMENT OR NONPROFIT ORGANIZATION PROVIDE AT LEAST A CERTAIN PERCENTAGE OF MATCHING MONEY FOR THE PROGRAM; AND

(III) A REQUIREMENT THAT A LOCAL GOVERNMENT, TRIBAL GOVERNMENT, OR NONPROFIT ORGANIZATION THAT APPLIES FOR GRANT MONEY FOR A PLANNED, BUT NOT YET IMPLEMENTED, PROGRAM DEMONSTRATE TO THE SATISFACTION OF THE OFFICE THAT THE LOCAL GOVERNMENT, TRIBAL GOVERNMENT, OR NONPROFIT ORGANIZATION, AFTER RECEIVING MONEY UNDER THE GRANT PROGRAM, WILL BE ABLE TO START IMPLEMENTING THE PROGRAM WITHIN A CERTAIN NUMBER OF MONTHS AFTER RECEIVING THE MONEY, AS DETERMINED BY THE OFFICE;

(b) PERIODIC REPORTING REQUIREMENTS FOR A GRANTEE TO DEMONSTRATE THAT THE MONEY AWARDED IS BEING USED IN COMPLIANCE WITH THE PURPOSES OF THIS SECTION; AND

(c) PROCEDURES FOR ADDRESSING A GRANTEE'S NONCOMPLIANCE WITH THIS SECTION, INCLUDING PROCEDURES FOR REIMBURSEMENT OF MONEY AWARDED.

(3) THE OFFICE MAY USE UP TO NINE PERCENT OF THE MONEY IN THE FUND TO COVER THE DIRECT AND INDIRECT COSTS THE OFFICE INCURS IN

ADMINISTERING THE GRANT PROGRAM.

24-38.5-504. Community access to electric bicycles rebate program - eligibility - reimbursement. (1) THE OFFICE SHALL ESTABLISH THE COMMUNITY ACCESS TO ELECTRIC BICYCLES REBATE PROGRAM TO PROVIDE REBATES FOR PURCHASES OF ELECTRIC BICYCLES AND EQUIPMENT MADE BY ELIGIBLE INDIVIDUALS, BUSINESSES, AND NONPROFIT ORGANIZATIONS. IN ESTABLISHING THE REBATE PROGRAM, THE OFFICE SHALL DETERMINE:

(a) ELIGIBILITY FOR PARTICIPATION IN THE REBATE PROGRAM, WHICH ELIGIBILITY MUST INCLUDE A REQUIREMENT THAT:

(I) AN ELIGIBLE INDIVIDUAL RESIDES IN A LOW- OR MODERATE-INCOME HOUSEHOLD, WHICH INCOME THRESHOLDS THE OFFICE SHALL DETERMINE;

(II) AN ELIGIBLE BUSINESS OR NONPROFIT ORGANIZATION USES ELECTRIC BICYCLES TO CONDUCT ITS BUSINESS ACTIVITIES;

(III) TO QUALIFY FOR A REBATE, THE PURCHASE MUST BE OF AN ELECTRIC BICYCLE AND EQUIPMENT THAT:

(A) ARE USED PRIMARILY FOR COMMUTING OR OTHER NONRECREATIONAL PURPOSE; AND

(B) COST LESS THAN A MAXIMUM THRESHOLD PRICE SET BY THE OFFICE; AND

(IV) TO QUALIFY FOR A REBATE, A BUSINESS OR NONPROFIT ORGANIZATION THAT PURCHASES AN ELECTRIC BICYCLE MUST USE THE ELECTRIC BICYCLE PRIMARILY TO CONDUCT ITS BUSINESS ACTIVITIES, INCLUDING MAKING LAST-MILE DELIVERIES, AND FOR OTHER NONRECREATIONAL PURPOSES.

(b) REBATE AMOUNTS AND ANY CRITERIA USED IN DETERMINING REBATE AMOUNTS; AND

(c) THE MECHANISM FOR ISSUING A REBATE, WHICH MECHANISM MAY INCLUDE:

(I) A REQUIREMENT THAT REBATE PROGRAM PARTICIPANTS ATTEST TO THEIR ELIGIBILITY FOR A REBATE; AND

(II) VENDOR PAYMENTS MADE TO BICYCLE SHOPS THAT SELL A QUALIFYING ELECTRIC BICYCLE AND EQUIPMENT AT A DISCOUNT TO AN INDIVIDUAL, BUSINESS, OR NONPROFIT ORGANIZATION THAT IS ELIGIBLE TO PARTICIPATE UNDER THE REBATE PROGRAM.

(2) THE OFFICE MAY USE UP TO NINE PERCENT OF THE MONEY IN THE FUND TO COVER ITS DIRECT AND INDIRECT COSTS INCURRED IN ADMINISTERING THE REBATE PROGRAM.

24-38.5-505. Reporting. (1) ON OR BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1 OF EACH YEAR THEREAFTER, THE OFFICE SHALL PREPARE A REPORT SUMMARIZING THE PROGRESS OF THE GRANT PROGRAM AND THE REBATE PROGRAM AND SUBMIT THE REPORT TO THE HOUSE OF REPRESENTATIVES TRANSPORTATION AND LOCAL GOVERNMENT COMMITTEE AND THE SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. THE OFFICE SHALL POST A COPY OF EACH REPORT ON ITS WEBSITE.

(2) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE REPORTING REQUIREMENTS SET FORTH IN SUBSECTION (1) OF THIS SECTION CONTINUE UNTIL THE GRANT PROGRAM AND REBATE PROGRAM REPEAL PURSUANT TO SECTION 24-38.5-507.

24-38.5-506. Community access to electric bicycles cash fund - creation - gifts, grants, or donations - transfer - repeal. (1) (a) THE COMMUNITY ACCESS TO ELECTRIC BICYCLES CASH FUND IS CREATED IN THE STATE TREASURY, AND THE OFFICE SHALL ADMINISTER THE FUND FOR THE PURPOSES OF THIS PART 5. THE FUND CONSISTS OF ANY MONEY THAT THE GENERAL ASSEMBLY MAY TRANSFER OR APPROPRIATE TO THE FUND FOR IMPLEMENTATION OF THE GRANT PROGRAM AND THE REBATE PROGRAM AND ANY FEDERAL MONEY OR GIFTS, GRANTS, OR DONATIONS RECEIVED PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION.

(b) (I) FOR THE PURPOSES OF THIS PART 5, THE OFFICE MAY SEEK, ACCEPT, AND EXPEND:

(A) MONEY FROM FEDERAL SOURCES; AND

(B) GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES.

(II) THE OFFICE SHALL TRANSMIT ANY MONEY RECEIVED PURSUANT TO SUBSECTION (1)(b)(I) OF THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

(2) THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE PURPOSES SET FORTH IN THIS PART 5. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE FUND AT THE END OF A STATE FISCAL YEAR REMAINS IN THE FUND; EXCEPT THAT THE STATE TREASURER SHALL TRANSFER ANY MONEY REMAINING IN THE FUND AT THE END OF THE 2026-27 STATE FISCAL YEAR TO THE GENERAL FUND.

(3) (a) ON JUNE 30, 2022, THE STATE TREASURER SHALL TRANSFER TWELVE MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

(b) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE JULY 1, 2023.

24-38.5-507. Repeal of part. THIS PART 5 IS REPEALED, EFFECTIVE SEPTEMBER 1, 2028.

SECTION 3. In Colorado Revised Statutes, **add** part 14 to article 7 of title 25 as follows:

PART 14
ELECTRIFYING SCHOOL BUSES
GRANT PROGRAM

25-7-1401. Legislative declaration. (1) THE GENERAL ASSEMBLY FINDS THAT:

(a) DISPROPORTIONATELY IMPACTED COMMUNITIES ARE DISPROPORTIONATELY AFFECTED BY PARTICULATE MATTER AND NITROGEN OXIDES ARISING FROM FOSSIL-FUEL-POWERED SCHOOL BUSES, ESPECIALLY BECAUSE THE FLEET YARDS, WAREHOUSES, FUEL DEPOTS, AND INTERSTATES USED IN CONJUNCTION WITH SCHOOL BUSES ARE OFTEN LOCATED IN DISPROPORTIONATELY IMPACTED COMMUNITIES;

(b) IN ADDITION TO EXPOSURE TO PARTICULATE MATTER AND NITROGEN OXIDES IN THEIR COMMUNITIES, SCHOOL CHILDREN ARE ALSO EXPOSED TO FINE PARTICULATES AND OTHER POLLUTANTS AS A RESULT OF RIDING ON FOSSIL-FUEL-POWERED SCHOOL BUSES;

(c) A TRANSITION FROM FOSSIL-FUEL-POWERED SCHOOL BUSES TO ELECTRIC-POWERED SCHOOL BUSES WILL POSITIVELY AFFECT SCHOOL CHILDREN'S HEALTH, WHILE HELPING TO ADDRESS LONG-STANDING POLLUTION INEQUITIES FACED BY DISPROPORTIONATELY IMPACTED COMMUNITIES;

(d) THE FEDERAL "INFRASTRUCTURE INVESTMENT AND JOBS ACT", PUB.L. 117-58, HAS CREATED A COMPETITIVE FUNDING PROGRAM TO SUPPORT THE ADOPTION OF AN ELECTRIC SCHOOL BUS FLEET, AND A STATE PROGRAM INVESTING IN ELECTRIC SCHOOL BUSES WILL HELP LEVERAGE THE FEDERAL FUNDS MADE AVAILABLE THROUGH THE FEDERAL ACT TO ALLOW SCHOOLS IN THE STATE TO ACCESS THE FEDERAL FUNDS; AND

(e) A TRANSITION TO ELECTRIC SCHOOL BUSES CAN PROVIDE BENEFITS TO THE OPERATION OF THE ELECTRIC GRID IN THE STATE:

(I) IF THE TIMING OF CHARGING ELECTRIC SCHOOL BUSES IS MANAGED TO SUPPORT GRID OPERATIONS; AND

(II) THROUGH THE POTENTIAL FOR USING BATTERIES ON ELECTRIC SCHOOL BUSES:

(A) AS A SOURCE OF RENEWABLE ENERGY THROUGH VEHICLE-TO-GRID OPERATIONS; AND

(B) AS A COMMUNITY RESILIENCE RESOURCE TO HELP COMMUNITIES AFFECTED BY POWER OUTAGES OR DISASTERS CAUSING ELECTRIC GRID INTERRUPTIONS.

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) THE STATE SHOULD HELP SCHOOL DISTRICTS PROCURE AND MAINTAIN ELECTRIC-POWERED SCHOOL BUSES AND RELATED INFRASTRUCTURE, CONVERT FOSSIL-FUEL-POWERED SCHOOL BUSES TO ELECTRIC-POWERED SCHOOL BUSES, AND FACILITATE THE ASSOCIATED

RETIREMENT OF FOSSIL-FUEL-POWERED SCHOOL BUSES; AND

(b) SCHOOL DISTRICTS CAN LEVERAGE STATE GRANT MONEY TO OBTAIN MONEY FROM FEDERAL AND PRIVATE SOURCES TO FURTHER FINANCE THE TRANSITION TO AN ELECTRIC-POWERED SCHOOL BUS FLEET.

25-7-1402. Definitions. AS USED IN THIS PART 14, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "CHARTER SCHOOL" MEANS A CHARTER SCHOOL AUTHORIZED PURSUANT TO PART 1 OF ARTICLE 30.5 OF TITLE 22, THE STATE CHARTER SCHOOL INSTITUTE ESTABLISHED PURSUANT TO SECTION 22-30.5-503, OR AN INSTITUTE CHARTER SCHOOL AUTHORIZED PURSUANT TO PART 5 OF ARTICLE 30.5 OF TITLE 22.

(2) "DEPARTMENT" MEANS THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.

(3) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

(4) "ELECTRIC-POWERED SCHOOL BUS" MEANS A SCHOOL BUS THAT IS POWERED SOLELY BY ELECTRICITY.

(5) "FOSSIL-FUEL-POWERED SCHOOL BUS" MEANS A SCHOOL BUS POWERED BY DIESEL FUEL OR GASOLINE.

(6) "FUND" MEANS THE ELECTRIFYING SCHOOL BUSES GRANT PROGRAM CASH FUND CREATED IN SECTION 25-7-1405 (1)(a).

(7) "GRANT PROGRAM" MEANS THE ELECTRIFYING SCHOOL BUSES GRANT PROGRAM CREATED IN SECTION 25-7-1403.

(8) "NONATTAINMENT AREA" MEANS AN AREA OF THE STATE THAT THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY HAS DESIGNATED AS BEING IN NONATTAINMENT WITH A NATIONAL AMBIENT AIR STANDARD.

(9) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101.

(10) "SCHOOL BUS":

(a) HAS THE MEANING SET FORTH IN SECTION 42-4-707 (5)(b); AND

(b) INCLUDES ANY PUBLICLY OR PRIVATELY FINANCED BUS, VAN, OR SIMILAR VEHICLE THAT A SCHOOL DISTRICT OR CHARTER SCHOOL USES AS PART OF ITS FLEET FOR THE ROUTINE PICK UP AND DROP OFF OF STUDENTS FOR PUBLIC OR CHARTER SCHOOL OR SCHOOL-RELATED PROGRAMMING OR ACTIVITIES.

(11) "SCHOOL DISTRICT" MEANS A SCHOOL DISTRICT ORGANIZED PURSUANT TO ARTICLE 30 OF TITLE 22. "SCHOOL DISTRICT" INCLUDES SCHOOLS OPERATED BY TRIBAL GOVERNMENTS.

25-7-1403. Electrifying school buses grant program - creation - eligibility. (1) (a) (I) THE ELECTRIFYING SCHOOL BUSES GRANT PROGRAM IS CREATED TO ALLOW A SCHOOL DISTRICT, CHARTER SCHOOL, OR NONPROFIT PARTNER ACTING ON BEHALF OF A SCHOOL DISTRICT OR CHARTER SCHOOL TO APPLY TO THE DEPARTMENT FOR GRANT MONEY TO HELP FINANCE:

(A) THE PROCUREMENT AND MAINTENANCE OF ELECTRIC-POWERED SCHOOL BUSES, THE CONVERSION OF FOSSIL-FUEL-POWERED SCHOOL BUSES TO ELECTRIC-POWERED SCHOOL BUSES, CHARGING INFRASTRUCTURE, AND ELECTRICAL UPGRADES NECESSARY TO SUPPORT CHARGING INFRASTRUCTURE;

(B) THE RETIREMENT OF FOSSIL-FUEL-POWERED SCHOOL BUSES; AND

(C) THE SCHOOL DISTRICT'S OR CHARTER SCHOOL'S ADMINISTRATIVE COSTS ASSOCIATED WITH SUCH PROCUREMENTS, CONVERSIONS, MAINTENANCE, OR RETIREMENTS, INCLUDING ANY UP-FRONT ADMINISTRATIVE COSTS ASSOCIATED WITH DEVELOPING AND IMPLEMENTING A PROPOSAL FOR THE PROCUREMENTS, CONVERSIONS, MAINTENANCE, OR RETIREMENTS.

(II) THE DEPARTMENT SHALL ADMINISTER THE GRANT PROGRAM, AND THE OFFICE SHALL PROVIDE TECHNICAL ASSISTANCE FOR THE GRANT PROGRAM AS NEEDED. THE DEPARTMENT OF EDUCATION MAY PROVIDE UP TO ONE-HALF OF ONE FULL-TIME EQUIVALENT EMPLOYEE TO ASSIST WITH THE GRANT PROGRAM BY PROVIDING TECHNICAL ASSISTANCE TO SCHOOL

DISTRICTS AND CHARTER SCHOOLS WITH RESPECT TO APPLYING FOR GRANT MONEY AND IMPLEMENTING PROJECTS AWARDED GRANT MONEY.

(b) THE DEPARTMENT SHALL ESTABLISH AN APPLICATION PROCESS FOR SCHOOL DISTRICTS, CHARTER SCHOOLS, AND NONPROFIT PARTNERS ACTING ON BEHALF OF SCHOOL DISTRICTS OR CHARTER SCHOOLS TO APPLY FOR MONEY UNDER THE GRANT PROGRAM AND:

(I) POST INFORMATION ABOUT THE GRANT PROGRAM APPLICATION PROCESS, INCLUDING ANY APPLICATION FORMS THAT THE DEPARTMENT DEVELOPS FOR THE GRANT PROGRAM, ON ITS WEBSITE; AND

(II) SHARE THE GRANT PROGRAM APPLICATION PROCESS INFORMATION WITH THE DEPARTMENT OF EDUCATION, WHICH DEPARTMENT SHALL POST THE INFORMATION ON ITS WEBSITE.

(2) THE DEPARTMENT SHALL DEVELOP:

(a) CRITERIA FOR AWARDED GRANT MONEY, WHICH CRITERIA MUST INCLUDE:

(I) GIVING PRIORITY TO SCHOOL DISTRICTS AND CHARTER SCHOOLS:

(A) LOCATED IN OR ATTENDED BY STUDENTS LIVING IN DISPROPORTIONATELY IMPACTED COMMUNITIES;

(B) LOCATED IN NONATTAINMENT AREAS; OR

(C) AT WHICH AT LEAST A CERTAIN PERCENTAGE OF STUDENTS, AS DETERMINED BY THE DEPARTMENT, RECEIVE FREE OR REDUCED-PRICE LUNCHES UNDER A SCHOOL LUNCH PROGRAM; AND

(II) A REQUIREMENT THAT, AS A CONDITION OF RECEIVING A GRANT AWARD, GRANTEE RETIRE OR CONVERT AT LEAST A CERTAIN PERCENTAGE OF THEIR FOSSIL-FUEL-POWERED SCHOOL BUSES, RETIRE OR CONVERT THEIR FOSSIL-FUEL-POWERED SCHOOL BUSES IN A CERTAIN MANNER, OR BOTH;

(b) PERIODIC REPORTING REQUIREMENTS FOR A GRANTEE TO DEMONSTRATE THAT THE MONEY AWARDED IS BEING USED IN COMPLIANCE WITH THIS PART 14; AND

(c) PROCEDURES FOR ADDRESSING A GRANTEE'S NONCOMPLIANCE WITH THIS PART 14, INCLUDING PROCEDURES FOR REIMBURSEMENT OF MONEY AWARDED.

(3) THE DEPARTMENT MAY USE UP TO EIGHT PERCENT OF THE MONEY IN THE FUND TO COVER THE DIRECT AND INDIRECT COSTS THE DEPARTMENT INCURS IN ADMINISTERING THE GRANT PROGRAM.

25-7-1404. Reporting. (1) ON OR BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1 OF EACH ODD-NUMBERED YEAR THEREAFTER, THE DEPARTMENT SHALL PREPARE A REPORT SUMMARIZING THE PROGRESS OF THE GRANT PROGRAM AND SUBMIT THE REPORT TO THE HOUSE OF REPRESENTATIVES EDUCATION COMMITTEE AND ENERGY AND ENVIRONMENT COMMITTEE AND THE SENATE EDUCATION COMMITTEE AND TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. THE DEPARTMENT SHALL POST A COPY OF EACH REPORT ON ITS WEBSITE.

(2) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE REPORTING REQUIREMENTS SET FORTH IN SUBSECTION (1) OF THIS SECTION CONTINUE UNTIL THE GRANT PROGRAM REPEALS PURSUANT TO SECTION 25-7-1406.

25-7-1405. Electrifying school buses grant program cash fund - creation - gifts, grants, and donations - transfer - repeal. (1) (a) THE ELECTRIFYING SCHOOL BUSES GRANT PROGRAM CASH FUND IS CREATED IN THE STATE TREASURY, AND THE DEPARTMENT SHALL ADMINISTER THE FUND FOR THE PURPOSES OF THIS PART 14. THE FUND CONSISTS OF ANY MONEY THAT THE GENERAL ASSEMBLY MAY TRANSFER OR APPROPRIATE TO THE FUND FOR IMPLEMENTATION OF THE GRANT PROGRAM AND ANY FEDERAL MONEY OR GIFTS, GRANTS, OR DONATIONS RECEIVED PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION.

(b) (I) FOR THE PURPOSES OF THIS PART 14, THE DEPARTMENT MAY SEEK, ACCEPT, AND EXPEND:

(A) MONEY FROM FEDERAL SOURCES; AND

(B) GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES.

(II) THE DEPARTMENT SHALL TRANSMIT ANY MONEY RECEIVED PURSUANT TO SUBSECTION (1)(b)(I) OF THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

(2) THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT, AND THE DEPARTMENT MAY EXPEND MONEY IN THE FUND FOR THE PURPOSES SET FORTH IN THIS PART 14. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE FUND AT THE END OF A STATE FISCAL YEAR REMAINS IN THE FUND; EXCEPT THAT THE STATE TREASURER SHALL TRANSFER ANY MONEY REMAINING IN THE FUND AT THE END OF THE 2032-33 STATE FISCAL YEAR TO THE GENERAL FUND.

(3) (a) ON JUNE 30, 2022, THE STATE TREASURER SHALL TRANSFER SIXTY-FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

(b) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE JULY 1, 2023.

25-7-1406. Repeal of part. THIS PART 14 IS REPEALED, EFFECTIVE SEPTEMBER 1, 2034.

SECTION 4. In Colorado Revised Statutes, 25-7-103, **amend** (12), (15), and (22) as follows:

25-7-103. Definitions. As used in this article 7, unless the context otherwise requires:

(12) "Federal act" means the federal "Clean Air Act", 42 U.S.C. sec. 7401 et seq., ~~(1970), as the same is in effect on November 15, 1990, AS AMENDED.~~

(15) "Issue" or "issuance" means the mailing, INCLUDING BY ELECTRONIC MAIL, of any order, permit, determination, or notice, other than notice by publication, ~~by certified mail to the last address furnished to the agency by the person subject thereto~~ or personal service on ~~such~~ THE person. ~~and~~ The date of issuance of ~~such~~ THE order, permit, determination, or notice ~~shall~~ MUST be the date of ~~such~~ THE mailing or service or such later date as is stated in the order, permit, determination, or notice.

(22) "State implementation plan" OR "SIP" means ~~the~~ A plan required by and described in ~~section 110(a)~~ SECTION 110 (a) OR 169A of the federal act.

SECTION 5. In Colorado Revised Statutes, 25-7-103.5, **amend** (1)(m), (4)(a), and (4)(e) introductory portion; and **add** (3)(c)(VIII) as follows:

25-7-103.5. Air quality enterprise - legislative declaration - fund - definitions - gifts, grants, or donations - rules - report - repeal.

(1) **Legislative declaration.** The general assembly hereby finds and declares that:

(m) So long as the enterprise qualifies as an enterprise for purposes of section 20 of article X of the state constitution, the revenue ~~from the fees~~ collected by the enterprise UNDER SUBSECTION (4) OF THIS SECTION is not state fiscal year spending, as defined in section 24-77-102 (17), or state revenues, as defined in section 24-77-103.6 (6)(c), and does not count against either the state fiscal year spending limit imposed by section 20 of article X of the state constitution or the excess state revenues cap, as defined in ~~section 24-77-103.6 (6)(b)(i)(D)~~ SECTION 24-77-103.6 (6)(b).

(3) **Enterprise.** (c) In addition to any other powers and duties specified in this section, the enterprise's powers and duties are to:

(VIII) RECEIVE PAYMENTS TO FINANCE SPECIFIC PROJECTS, INCLUDING COMMUNITY-BASED MONITORING OR EMISSION MITIGATION PROJECTS IN THE STATE OR IN A SPECIFIED AREA OF THE STATE, AS DIRECTED BY THIS ARTICLE 7 OR ANY PROGRAM THAT THE COMMISSION ESTABLISHES BY RULE PURSUANT TO THIS ARTICLE 7.

(4) **Fund - enterprise fees and other revenue.** (a) There is hereby created in the state treasury the air quality enterprise cash fund. The fund consists of money credited to the fund pursuant to this subsection (4), PAYMENTS FOR OTHER PURPOSES AS AUTHORIZED UNDER SUBSECTION (3)(c)(VIII) OF THIS SECTION, and any other money that the general assembly may appropriate or transfer to the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund.

(e) Before establishing fees, the board shall conduct a stakeholder process to solicit input from potential fee payers and other stakeholders on the appropriate fee structure. The enterprise shall not collect any fees before July 1, 2021. The amount of enterprise fees collected UNDER SUBSECTION (4)(b)(I) OF THIS SECTION is limited as follows:

SECTION 6. In Colorado Revised Statutes, 25-7-114.1, **amend** (4) as follows:

25-7-114.1. Air pollutant emission notices - rules. (4) Each ~~such~~ notice ~~shall~~ REQUIRED BY THIS SECTION MUST specify the location at which the proposed emission will occur; the name and address of the person operating or owning ~~such~~ THE facility, process, or activity; the nature of ~~such~~ THE facility, process, or activity; and an estimate of the quantity and composition of the expected emission. The division shall ~~make available at all air pollution control authority offices~~ PROVIDE appropriate forms on which the information required by this section ~~shall~~ MUST be furnished.

SECTION 7. In Colorado Revised Statutes, 25-7-114.5, **amend** (7)(b) and (16) as follows:

25-7-114.5. Application review - public participation. (7) (b) Failure of the division or commission, as the case may be, to grant or deny the permit application or permit renewal application within the time prescribed shall be treated as a final permit action for purposes of obtaining judicial review in the district court in which the source is located, to require that action be taken on such application by the commission or division, as appropriate, without additional delay. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY, JUDICIAL REVIEW OF THE DIVISION'S FAILURE TO GRANT OR DENY A RENEWABLE OPERATING PERMIT REQUIRED BY TITLE V OF THE FEDERAL ACT IS AVAILABLE UNTIL THE DIVISION GRANTS OR DENIES THE PERMIT.

(16) (a) If the division experiences a backlog in processing air quality permit applications ~~caused by an occasional need that is seasonal, irregular, or fluctuating in nature~~, and the department determines or reasonably expects that, as a result, permits would not be issued within statutory time frames, the division shall make available to sources that are not subject to permitting under part C of the federal act the option to have the PERMIT APPLICATION, THE air quality modeling, OR BOTH that is

submitted with the applicant's air permit application reviewed for acceptance as demonstrating compliance by a contract consultant selected by the division in lieu of the review being conducted by division staff. THE DIVISION MAY ALSO ENTER INTO CONTRACTS TO SUPPORT THE DIVISION'S AIR QUALITY PERMIT PROGRAMS, INCLUDING THE DIVISION'S GENERAL PERMIT PROGRAM, AND MODELING TO SUPPORT THE AIR QUALITY PERMIT PROGRAMS.

(b) The division shall select and contract with QUALIFIED nongovernmental air quality CONSULTANTS, modeling ~~engineers~~ EXPERTS, OR BOTH to perform PERMIT APPLICATION REVIEWS, air quality modeling reviews, ~~of applicants who choose contract consultant review of their air quality permit modeling~~ OR OTHER WORK TO SUPPORT THE DIVISION'S AIR QUALITY PERMIT PROGRAMS. The division is not subject to the requirements of the "Procurement Code", articles 101 to 112 of title 24, ~~C.R.S.~~, in selecting and contracting with the consultants, MODELING EXPERTS, OR BOTH. The division shall review and exclude from consideration as a contract air quality modeling consultant any contractors with a conflict of interest regarding air quality permit applications OR MODELING. Applicants that choose consultant review of their air quality PERMIT APPLICATIONS OR modeling are responsible for both the consultant's costs associated with the ~~air modeling~~ review as well as the division's costs associated with the review and determination of the air permit application, to be paid to the division. The division shall transfer the money to the state treasurer, who shall credit it to the stationary sources control fund created in section 25-7-114.7 (2)(b)(I).

(c) The division shall use the results of the modeling conducted pursuant to ~~paragraph (b) of this subsection (16)~~ SUBSECTION (16)(a) OR (16)(b) OF THIS SECTION for purposes of the division's permit PROGRAM AND application analysis.

SECTION 8. In Colorado Revised Statutes, 25-7-119, **amend** (1) as follows:

25-7-119. Hearings. (1) Not ~~less~~ MORE than ~~fifteen~~ THIRTY calendar days after a hearing has been requested as provided in this ~~article~~ ARTICLE 7, the commission ~~shall grant~~ MUST ACT UPON such request. ~~and IF GRANTED, THE COMMISSION SHALL set a time and place therefor FOR THE HEARING not more than ninety calendar days following THE FIRST REGULARLY SCHEDULED COMMISSION MEETING AFTER receipt of such THE~~

HEARING request, unless a shorter period is otherwise specifically provided for in this ~~article~~ ARTICLE 7. Notice of ~~such~~ THE hearing ~~shall~~ MUST be printed in a newspaper of general circulation in the area in which the proposed project or activity is located at least thirty days prior to the date of ~~said~~ THE hearing.

SECTION 9. In Colorado Revised Statutes, 25-7-133, **amend** (1); **repeal** (2); and **add** (2.5) as follows:

25-7-133. Legislative review and approval of state implementation plans and rules - legislative declaration - definition.

(1) (a) Notwithstanding any other provision of law but subject to subsection (7) of this section, by January 15 of each year, the commission shall certify in a report to the chairperson of the legislative council in summary form any additions or changes to elements of the state implementation plan THAT INCLUDE ANY NEW REGULATORY REQUIREMENTS OR MODIFICATIONS TO EXISTING REGULATORY REQUIREMENTS adopted during the prior year that are to be submitted to the administrator for purposes of federal enforceability. ~~Such~~

(b) THE report ~~shall~~ MUST be written in plain, nontechnical language using words with common and everyday meaning that are understandable to the average reader. Copies of such report ~~shall~~ MUST be available to the public and ~~shall be made available~~ SUBMITTED to each member of the general assembly. ~~The provisions of~~

(c) This section ~~shall~~ DOES not apply to control measures and strategies that have been adopted and implemented by the enacting jurisdiction of a local unit of government if ~~such~~ THE measures and strategies do not result in mandatory direct costs upon any entity other than the enacting jurisdiction.

~~(2) (a) By the February 15 following submission of the certified report under subsection (1) of this section, any member of the general assembly may make a request in writing to the chairperson of the legislative council that the legislative council hold a hearing or hearings to review any addition or change to elements of the SIP contained in the report submitted pursuant to subsection (1) of this section. Upon receipt of such request, the chairperson of the legislative council shall forthwith schedule a hearing to conduct such review. Any review by the legislative council shall determine~~

~~whether the addition or change to the SIP element accomplishes the results intended by enactment of the statutory provisions under which the addition or change to the SIP element was adopted. The legislative council, after allowing a public hearing preceded by adequate notice to the public and the commission, may recommend the introduction of a bill or bills based on the results of such review. If the legislative council does not recommend introduction of a bill under this subsection (2), the addition or change to the SIP element may be submitted under paragraph (b) of this subsection (2). Any bill recommended for consideration under this subsection (2) shall not be counted against the number of bills to which members of the general assembly are limited by law or joint rule of the senate and the house of representatives. If the legislative council does not recommend the introduction of a bill under this paragraph (a), and the member or members of the general assembly that requested such review will be introducing a bill under the provisions of paragraph (c) of this subsection (2), any such member shall provide written notice to the chairperson of the legislative council within three days after the action by the legislative council not to recommend introduction of a bill. If such member or members provide such written notice, the addition or change to the SIP or any element thereof that is the subject of any such bill may not be submitted to the administrator of the federal environmental protection agency until the expiration of the addition or change to the SIP has been postponed by the general assembly acting by bill or the member or members provide written notice to the chairperson of the executive committee of the legislative council that no bill will be introduced.~~

~~(b) Unless a written request for legislative council review of an addition or change to a SIP element is submitted by the February 15 following submission of the report under subsection (1) of this section, or a notice is provided by a member or members that they are introducing a bill under paragraph (c) of this subsection (2) within three days after legislative council action not to introduce a bill under paragraph (a) of this subsection (2), all other additions or changes to a SIP element described in such report shall be submitted to the administrator for final approval and incorporation into the SIP.~~

~~(c) Until such February 15 as provided in paragraph (b) of this subsection (2), the commission may only submit an addition or change to the SIP or any element thereof, as defined in section 110 of the federal act, any rule which is a part thereof, or any revision thereto as specified in~~

~~subsection (1) of this section to the administrator for conditional approval or temporary approval. If legislative council review is requested as to any addition or change to a SIP element under paragraph (a) of this subsection (2), then no such SIP, revision, rule required by the SIP or revision, or rule related to the implementation of the SIP or revision so submitted to the administrator may take effect for purposes of federal enforceability, or enforcement of any kind at the state level against any person or entity based only on the commission's general authority to adopt a SIP under section 25-7-105 (1), unless expiration of the SIP, rule required for the SIP, or addition or change to a SIP element has been postponed by the general assembly acting by bill in the same manner as provided in section 24-4-103 (8)(c) and (8)(d), C.R.S. Any member of the general assembly may introduce a bill to modify or delete all or a portion of the SIP or any rule or additions or changes to SIP elements which are a component thereof. Any bill introduced under this paragraph (c) shall not be counted against the number of bills to which members of the general assembly are limited by law or joint rule of the senate and the house of representatives. Any committee of reference of the senate or the house of representatives to which a bill introduced under this paragraph (c) is referred shall conduct as part of consideration of any such bill on the merits the review provided for under paragraph (a) of this subsection (2). If any bill is introduced under paragraph (a) of this subsection (2) or under this paragraph (c) to postpone the expiration of any addition or change to a SIP element described in a report submitted under subsection (1) of this section, and any such bill does not become law, the addition or change to a SIP element addressed in such bill may be submitted to the administrator of the federal environmental protection agency for final approval and incorporation into the SIP under paragraph (b) of this subsection (2):~~

~~(d) Repealed:~~

(2.5) (a) UNTIL FEBRUARY 15 FOLLOWING SUBMISSION OF THE CERTIFIED REPORT UNDER SUBSECTION (1) OF THIS SECTION, ANY ADDITION OR CHANGE TO THE SIP MUST NOT BE SUBMITTED TO THE ADMINISTRATOR FOR FINAL APPROVAL AND INCORPORATION INTO THE SIP, UNLESS THE ADDITION OR CHANGE IS DESIGNATED BY THE GOVERNOR OR THE GOVERNOR'S DESIGNEE AS A PROVISIONAL SUBMISSION.

(b) BY FEBRUARY 15, ANY MEMBER OF THE GENERAL ASSEMBLY MAY INTRODUCE A BILL TO MODIFY OR DELETE ALL OR A PORTION OF THE

ADDITIONS OR CHANGES TO THE SIP IN THE CERTIFIED REPORT SUBMITTED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION. ANY BILL INTRODUCED UNDER THIS SUBSECTION (2.5)(b) DOES NOT COUNT AGAINST THE NUMBER OF BILLS TO WHICH MEMBERS OF THE GENERAL ASSEMBLY ARE LIMITED BY LAW OR JOINT RULE OF THE SENATE AND THE HOUSE OF REPRESENTATIVES. DURING THE PERIOD THAT ANY SUCH BILL INTRODUCED UNDER THIS SUBSECTION (2.5)(b) IS BEING CONSIDERED, THE ADDITIONS OR CHANGES TO THE SIP MAY NOT BE SUBMITTED TO THE ADMINISTRATOR FOR FINAL APPROVAL AND INCORPORATION INTO THE SIP, UNLESS DESIGNATED BY THE GOVERNOR OR THE GOVERNOR'S DESIGNEE AS A PROVISIONAL SUBMISSION.

(c) IF A BILL INTRODUCED UNDER SUBSECTION (2.5)(b) OF THIS SECTION THAT SEEKS TO MODIFY OR DELETE THE ADDITIONS OR CHANGES TO THE SIP DOES NOT BECOME LAW, THE ADDITIONS OR CHANGES TO THE SIP MUST BE SUBMITTED TO THE ADMINISTRATOR FOR FINAL APPROVAL AND INCORPORATION INTO THE SIP. IF THE BILL BECOMES LAW, THE COMMISSION SHALL MODIFY OR DELETE THE ADDITIONS OR CHANGES TO THE SIP AS DIRECTED BY THE BILL, AND ANY MODIFIED ADDITIONS OR CHANGES TO THE SIP SHALL THEN BE SUBMITTED TO THE ADMINISTRATOR FOR FINAL APPROVAL AND INCORPORATION INTO THE SIP.

(d) AS USED IN THIS SUBSECTION (2.5), "ADDITIONS OR CHANGES" MEANS ADDITIONS OR CHANGES TO REGULATORY REQUIREMENTS.

SECTION 10. In Colorado Revised Statutes, 25-7-133.5, **amend** (3) as follows:

25-7-133.5. Approval or rescission of specific revisions to state implementation plan (SIP) after 1996. (3) Revisions to the SIP that are adopted solely to conform the SIP to prior actions of the general assembly under section 25-7-133 and this section may be submitted to the federal environmental protection agency for final approval under ~~section 25-7-133~~ **(2)** SECTION 25-7-133 (2.5) without further approval by the general assembly under section 25-7-133 or this section.

SECTION 11. Appropriation. (1) For the 2022-23 state fiscal year, \$750,000 is appropriated to the department of personnel for use by the division of human resources. This appropriation is from the general fund. To implement this act, the division may use this appropriation for operating expenses related to employee benefits services.

(2) For the 2022-23 state fiscal year, \$7,000,000 is appropriated to the department of public health and environment for use by the air pollution control division. This appropriation is from the general fund. Any money appropriated in this subsection (2) that is not expended before July 1, 2023, is further appropriated to the department for the 2023-24 and 2024-25 state fiscal years for the same purpose. To implement this act, the division may use this appropriation as follows:

(a) \$6,909,275 for personal services related to administration, which amount is based on an assumption that the division will require an additional 1.5 FTE; and

(b) \$90,725 for the purchase of information technology services.


(3) For the 2022-23 state fiscal year, \$90,725 is appropriated to the office of the governor for use by the office of information technology. This appropriation is from reappropriated funds received from the department of public health and environment under subsection (2)(b) of this section. To implement this act, the office may use this appropriation to provide information technology services for the department of public health and environment.

(4) For the 2022-23 state fiscal year, \$44,365 is appropriated to the department of education for use by assistance to public schools. This appropriation is from reappropriated funds received from the department of public health and environment from the electrifying school buses grant program cash fund created in section 25-7-1405 (1)(a), C.R.S. To implement this act, the department may use this appropriation for public school transportation.


SECTION 12. Appropriation - adjustments to 2022 long bill. To implement this act, the general fund appropriation made in the annual general appropriation act for the 2022-23 state fiscal year to the office of the governor for use by the Colorado energy office for the cannabis resource optimization program is decreased by \$1,500,000.

SECTION 13. Safety clause. The general assembly hereby finds,


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




Steve Fenberg
PRESIDENT OF
THE SENATE



Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Cindi L. Markwell
SECRETARY OF
THE SENATE



Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED June 2, 2022 at 8:48am
(Date and Time)



Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO