


 Colorado *Legislative Council Staff Fiscal Note*
LOCAL
REVISED FISCAL IMPACT
(replaces fiscal note dated March 10, 2008)

Drafting Number: LLS 08-0731 **Date:** April 1, 2008
Prime Sponsor(s): Rep. Summers; White **Bill Status:** House Appropriations
Sen. Tochtrop **Fiscal Analyst:** Josh Abram (303-866-3561)

TITLE: CONCERNING THE EXERCISE OF THE POWER OF EMINENT DOMAIN BY THE REGIONAL TRANSPORTATION DISTRICT.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Revenue		
State Expenditures		
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: The bill includes an effective date of July 1, 2008, and applies to condemnation actions commenced on and after that date.		
Appropriation Summary for FY 2008-2009: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

This bill, as amended by the **House Appropriations Committee**, requires that prior to commencement of an eminent domain action, the Regional Transportation District (RTD) must enter into non-binding mediation with the owner of the property being considered for acquisition.

The bill requires that RTD, and any co-petitioner in a condemnation action, be subject to the following limitations:

- eminent domain may only be used as necessary for public transit purposes;
- property acquired may only be used for public transit purposes, or the secondary functions necessary to support such purposes; and
- the RTD shall not transfer ownership of any property or easement it acquired via eminent domain until the completion of the transit project for which the property was originally acquired.

The bill defines "public transit purposes" as the acquisition, construction, or maintenance of facilities to transport the public, including parking-only facilities; however, such purposes shall not include the acquisition or construction of any form of commercial or residential development.

Background

Section 38-1-101, C.R.S., prohibits the taking of private property for transfer to a private entity for the purpose of economic development or enhancement of tax revenue. Private property may otherwise be taken solely for the purpose of furthering a public use.

In 1970, the U.S. Congress passed the Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act), and amended it in 1987. All federal, state, and local government agencies receiving federal financial assistance for public programs and projects must comply with the act.

Local Government Impact

The RTD will incur expenditures as a result of the bill. During the T-Rex project, the RTD engaged in 100 condemnation actions out of a total 200 properties acquired. In FY 2008-09 and FY 2009-10, the RTD will initiate an estimated 200 property acquisitions. Based on historical trends, it is anticipated that one-half of these properties will result in condemnation actions, thus requiring that the RTD enter into mediation with the property owner.

The cost for mediation is estimated at \$250 per hour, and a minimum of 18 hours per mediation. Thus, each condemnation action necessitating mediation will cost \$4,500. Mediation for 100 condemnation actions could cost the RTD as much as \$450,000 annually.

Departments Contacted

Law
Transportation

Judicial
RTD

Local Affairs