



*Colorado Legislative Council Staff Fiscal Note*  
**STATE CONDITIONAL  
 FISCAL IMPACT**

**Drafting Number:** LLS 10-0111  
**Prime Sponsor(s):** Rep. Vaad  
 Sen. Penry

**Date:** February 9, 2010  
**Bill Status:** House Judiciary  
**Fiscal Analyst:** Sara McPhee (303-866-4782)

**TITLE:** CONCERNING AUTHORIZATION FOR THE SALE OF CORRECTIONAL FACILITIES OWNED BY THE DEPARTMENT OF CORRECTIONS.

<b>Fiscal Impact Summary</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>
<b>State Revenue</b> General Fund	See State Revenue Section	
<b>State Expenditures</b> General Fund	See State Expenditures Section	
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2010-2011:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

The bill authorizes the Department of Corrections (DOC) to sell a correctional facility that totals 956 beds. The DOC must comply with certain requirements when executing the sale, such as having two independent appraisals conducted on the property. The bill also removes the requirement that the DOC may only place inmates who are classified as medium custody and below in a private contract prison.

**State Revenue**

If the DOC sells any of its facilities, General Fund revenue will increase by the amount of any sale proceeds. At this time, it is not known if the DOC will decide to sell any of the facilities or which facilities might be sold. Examples of DOC facilities and their approximate replacement value are provided in Table 1. It should be noted that the current replacement value does not include land value and, generally, is lower than the actual market value of a facility.

<b>Facility</b>	<b>Number of Beds</b>	<b>Value</b>
Arrowhead Correctional Center	494	\$31 million
Buena Vista Correctional Complex	1,318	\$80 million
Fort Lyon Correctional Facility	500	\$120 million
Rifle Correctional Center	192	\$12 million
<b>TOTAL</b>	<b>2,504</b>	<b>\$243 million</b>

**State Expenditures**

The bill also authorizes the DOC to place any inmate in a private contract prison. Current law limits the inmates in private prisons to medium custody and below. The DOC is authorized, but not required, to place high security offenders in a private prison; therefore, any costs associated with this are conditional. The fiscal note assumes that the DOC will continue to place inmates in the appropriate facility to ensure safety for the inmates, staff, and the public. If, in the future, the DOC is required to place more high security offenders in private prisons, it could increase costs for private prison monitoring to ensure the safety of inmates and staff. As it is not known when this might occur, these costs cannot be quantified.

**Departments Contacted**

Corrections                  Treasury                  Law