



Colorado Legislative Council Staff Fiscal Note
**STATE and LOCAL
 FISCAL IMPACT**

Drafting Number: LLS 10-0780
Prime Sponsor(s): Rep. Merrifield
 Sen. Tapia

Date: February 4, 2010
Bill Status: House Local Government
Fiscal Analyst: David Porter (303-866-4375)

TITLE: CONCERNING THE AUTHORITY OF THE STATE BOARD OF LAND COMMISSIONERS REGARDING STATE LAND.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue Cash Funds State Land Board Trust Administration Fund	Potential Increase	
State Expenditures Cash Funds State Land Board Trust Administration Fund	Potential Increase	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Under current law, the State Board of Land Commissioners (SLB) may only transact directly with school districts (including charter schools) and the federal government; all other transactions require a public bid. HB10-1165 permits the SLB to conduct up to 2 direct sale land transactions with local governments each year until July 1, 2020. The bill places criteria under which such a sale can be transacted, including:

- ▶ giving public notice and conducting public hearings;
- ▶ determining fair market value consistent with an independent appraisal; and
- ▶ executing the transaction only if it will add value to a nearby trust property, comply with local land use regulations, or benefit SLB operations.

Currently, the SLB collects damage deposits and other financial warranties, but it does not have explicit authority to spend these moneys to repair damage to property that arises. The bill creates the financial warranty account in the State Land Board Trust Administration Fund and provides the SLB continuous spending authority over this account. The account will be used to hold damage deposits and can be used for remediation activities on damaged property.

State Revenue

The bill may increase state revenue through the sale of state lands to local governments. Any revenue increase depends on SLB decisions. The types of land that are most suitable for sale to local governments are those that earn a low annual rate of return and are associated with local government land use (i.e., land that is managed as open space). Proceeds will likely be reinvested in other, more profitable, real property.

State Expenditures

Any revenue earned from the sale of state lands will be spent on real property or another investment.

The SLB currently collects damage deposits but does not have authority to spend these moneys. For instances of damaged property that the SLB must remediate, this bill gives the SLB the authority to use these funds for repair rather than refunding moneys to the lessee. Since this account is continuously appropriated, any costs to repair damage will not require a separate appropriation.

Local Government Impact

Local governments may purchase state lands from the SLB. Only 2 such transactions are allowed per year.

Departments Contacted

Natural Resources

Education

Local Affairs