

**Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO**

**REVISED**

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 10-0780.01 Thomas Morris

**HOUSE BILL 10-1165**

---

**HOUSE SPONSORSHIP**

**Merrifield,**

**SENATE SPONSORSHIP**

**Tapia,**

---

**House Committees**

Local Government

**Senate Committees**

Local Government and Energy

---

**A BILL FOR AN ACT**

101     **CONCERNING THE AUTHORITY OF THE STATE BOARD OF LAND**  
102     **COMMISSIONERS REGARDING STATE LAND.**

---

**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/billsummaries>.)*

**Section 2** of the bill allows the state board of land commissioners (board) to convey land to units of local government if the conveyance would add value to adjoining or nearby state trust property, benefit board operations, or comply with local land use regulations.

**Sections 3 and 4** credit all financial warranties collected by the

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.*

SENATE  
2nd Reading Unamended  
March 29, 2010

HOUSE  
3rd Reading Unamended  
February 22, 2010

HOUSE  
Amended 2nd Reading  
February 19, 2010

board that have been forfeited or are required for remediation activities to the newly created financial warranty account of the state land board trust administration fund and continuously appropriate the warranties for the remediation or other activities on the affected property.

---

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

2             **SECTION 1.** 36-1-124 (1) and (2), Colorado Revised Statutes,  
3     are amended to read:

4             **36-1-124. Sale of state lands.** (1) The state board of land  
5     commissioners may at any time direct the sale of any state lands, except  
6     as provided in this article, in such parcels as the board deems proper.  
7     EXCEPT AS SPECIFIED IN SECTION 36-1-124.3, all sales under this article,  
8     except those to the United States, shall be advertised in four consecutive  
9     issues of a weekly paper of the county in which the land is situated, if  
10    there is a weekly paper in the county, and, if not, then in a paper  
11    published in an adjoining county and in other papers as the board may  
12    direct.

13            (2) EXCEPT AS SPECIFIED IN SECTION 36-1-124.3, the  
14    advertisement shall state the time, place, and terms of sale and the  
15    minimum price fixed by the STATE board OF LAND COMMISSIONERS for  
16    each parcel, lot, block, or tract below which no bid shall be received. All  
17    patents and certificates of purchase issued before March 31, 1919, are  
18    validated. If any land is sold on which authorized improvements have  
19    been made by lessees, the improvements shall be appraised under the  
20    direction of the ~~state board. of land commissioners.~~ When lands on which  
21    such improvements have been made are sold, the purchasers, if other than  
22    the owner of the improvements, shall pay the appraised value of the  
23    improvements to the owner thereof, taking a receipt therefor, and such

1 purchaser shall deposit such receipt with the ~~state board of land~~  
2 ~~commissioners~~ before such purchaser is entitled to a patent or certificate  
3 of purchase. All such receipts shall be filed and preserved in the office  
4 of the state board of land commissioners.

5 **SECTION 2.** Article 1 of title 36, Colorado Revised Statutes, is  
6 amended BY THE ADDITION OF A NEW SECTION to read:

7 **36-1-124.3. Acquisition of state trust lands by governmental**  
8 **entities - repeal.** (1) THE GENERAL ASSEMBLY DECLARES THAT ITS  
9 INTENT IN ENACTING THIS SECTION IS TO AUTHORIZE THE TRANSFER OF  
10 INTERESTS IN LAND TO LOCAL GOVERNMENTS OR SPECIAL DISTRICTS IN  
11 EXCHANGE FOR FAIR AND ADEQUATE CONSIDERATION.

12 (2) IF THE STATE BOARD OF LAND COMMISSIONERS SEEKS TO  
13 DISPOSE OF A PARCEL OF LAND TO A LOCAL GOVERNMENT OR SPECIAL  
14 DISTRICT, THE BOARD SHALL GIVE PUBLIC NOTICE OF ITS INTENT PURSUANT  
15 TO SUBSECTION (3) OF THIS SECTION. NOT LESS THAN SIXTY DAYS AFTER  
16 THE DATE OF NOTICE, THE BOARD SHALL MEET IN PUBLIC SESSION TO HEAR  
17 AND RECEIVE TESTIMONY AND EVIDENCE CONCERNING THE PROPOSED  
18 DISPOSAL. AFTER GIVING FULL CONSIDERATION TO THE TESTIMONY AS  
19 WELL AS ITS LEGAL MANDATES, THE BOARD SHALL VOTE WHETHER TO  
20 APPROVE THE TRANSACTION.

21 (3) FOR PURPOSES OF PROPERTY DISPOSALS UNDER THIS SECTION,  
22 NOTICE SHALL BE PUBLISHED IN FOUR CONSECUTIVE ISSUES OF A WEEKLY  
23 PAPER OF THE COUNTY IN WHICH SUCH LAND IS SITUATED, IN SUCH OTHER  
24 PAPERS AS THE STATE BOARD OF LAND COMMISSIONERS MAY DIRECT, AND  
25 ON THE BOARD'S PUBLIC WEB SITE. THE BOARD SHALL DIRECTLY NOTIFY,  
26 BY EMAIL IF AVAILABLE, ALL LESSEES OF THE PROPERTY AND ALL  
27 GOVERNMENTAL ENTITIES WITHIN WHOSE BOUNDARIES THE PROPOSED

1 TRANSACTION WILL TAKE PLACE. THE NOTICE SHALL IDENTIFY THE  
2 PARCEL, THE LOCAL GOVERNMENT OR SPECIAL DISTRICT TO RECEIVE THE  
3 PROPERTY INTEREST, THE PURPOSE AND BENEFIT OF THE DISPOSAL, AND  
4 THE TIME AND LOCATION OF THE PUBLIC HEARING.

5 (4) THE STATE BOARD OF LAND COMMISSIONERS SHALL NOT  
6 COMPLETE MORE THAN TWO TRANSACTIONS PURSUANT TO THIS SECTION  
7 IN A FISCAL YEAR. ALL DISPOSALS PURSUANT TO THIS SECTION SHALL:

8 (a) BE BASED ON FAIR MARKET VALUE AS DETERMINED BY THE  
9 BOARD THAT IS CONSISTENT WITH AN INDEPENDENT APPRAISAL  
10 CONFORMING TO THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL  
11 PRACTICE STANDARDS; AND

12 (b) IDENTIFY THE PURPOSE OF THE DISPOSAL OF PROPERTY AS:

13 (I) ADDING VALUE TO ADJOINING OR NEARBY STATE TRUST  
14 PROPERTY;

15 (II) COMPLYING WITH VALID LOCAL LAND USE REGULATIONS AS  
16 REQUIRED BY SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION; OR

17 (III) BENEFITTING BOARD OPERATIONS.

18 (5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2015.

19 **SECTION 3.** 36-1-129, Colorado Revised Statutes, is amended  
20 to read:

21 **36-1-129. Bonds.** (1) When, in the judgment of the state board  
22 of land commissioners, a bond, A DAMAGE DEPOSIT, OR EARNEST MONEYS  
23 by the purchaser of state lands is necessary, the board shall require ~~such~~  
24 THE purchaser to give a bond THE FINANCIAL WARRANTY upon such  
25 conditions as the board may determine.

26 (2) (a) In leasing state lands for nonagricultural purposes, the  
27 STATE board OF LAND COMMISSIONERS shall require of the lessee ~~such a~~

1 bond OR DAMAGE DEPOSIT securing the state against loss of rents or other  
2 loss or waste, or occupation of the land for more than thirty days after the  
3 cancellation or expiration of the lease of the lessee, unless the lessee  
4 becomes the purchaser of the land, and in no case shall the lessee be  
5 allowed to cut or use more timber than is necessary for the improvement  
6 of the land or for fuel for the use of the family of the lessee; and the  
7 cutting and hauling of timber to sawmills, to be sawed on shares, is  
8 expressly prohibited.

9 (b) A lessee of state lands shall not be required to post a bond if  
10 such lessee is leasing state lands solely for agricultural purposes; EXCEPT  
11 THAT A BOND OR DAMAGE DEPOSIT MAY BE REQUIRED FOR STATE-OWNED  
12 IMPROVEMENTS EVEN IF LEASED SOLELY FOR AGRICULTURAL PURPOSES.

13 (3) ALL BONDS, DAMAGE DEPOSITS, AND EARNEST MONEYS  
14 COLLECTED PURSUANT TO THIS ARTICLE THAT THE STATE BOARD OF LAND  
15 COMMISSIONERS HAS DEEMED FORFEITED OR REQUIRED FOR REMEDIATION  
16 ACTIVITIES SHALL BE CREDITED TO THE FINANCIAL WARRANTY ACCOUNT  
17 OF THE STATE LAND BOARD TRUST ADMINISTRATION FUND CREATED IN  
18 SECTION 36-1-145 (2) (e). MONEYS IN THE ACCOUNT ARE CONTINUOUSLY  
19 APPROPRIATED FOR THE REMEDIATION OR OTHER ACTIVITIES ON THE  
20 AFFECTED PROPERTY.

21 **SECTION 4.** 36-1-145 (2) (c), Colorado Revised Statutes, is  
22 amended, and the said 36-1-145 (2) is further amended BY THE  
23 ADDITION OF A NEW PARAGRAPH, to read:

24 **36-1-145. Land commissioners' receipts - appropriation.**  
25 (2) (c) Any moneys remaining in the state land board trust administration  
26 fund at the end of the state fiscal year shall be allocated to the trust funds  
27 under the control of the state board of land commissioners in an amount

1 equal to the proportion of such moneys that would have been paid into  
2 such trust funds but for their allocation to the state land board trust  
3 administration fund; EXCEPT THAT MONEYS IN THE FINANCIAL WARRANTY  
4 ACCOUNT OF THE FUND CREATED IN PARAGRAPH (e) OF THIS SUBSECTION  
5 (2) SHALL REMAIN IN THE ACCOUNT UNTIL SPENT.

6 (e) THERE IS HEREBY CREATED IN THE STATE LAND BOARD TRUST  
7 ADMINISTRATION FUND THE FINANCIAL WARRANTY ACCOUNT, CONSISTING  
8 OF FINANCIAL WARRANTIES CREDITED TO THE ACCOUNT PURSUANT TO  
9 SECTION 36-1-129 (3). THE BOARD SHALL EXPEND MONEYS IN THE  
10 ACCOUNT ONLY FOR PURPOSES SPECIFIED IN SECTION 36-1-129 (3).

11 **SECTION 5. Applicability.** This act shall apply to conduct  
12 occurring on or after the effective date of this act.

13 **SECTION 6. Safety clause.** The general assembly hereby finds,  
14 determines, and declares that this act is necessary for the immediate  
15 preservation of the public peace, health, and safety.