

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

Drafting Number: LLS 11-0264
Prime Sponsor(s): Sen. Roberts
 Rep. Gerou

Date: January 31, 2011
Bill Status: Senate Agriculture
Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING A REQUIREMENT THAT A CONDEMNING AUTHORITY PAY FAIR MARKET VALUE FOR LAND SUBJECT TO A CONSERVATION EASEMENT.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue	See the State Revenue and Expenditures Section	
State Expenditures		
FTE Position Change		
Effective Date: August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed. The bill applies to condemnation actions commencing on or after the effective date of the bill.		
Appropriation Summary for FY 2011-2012: None required.		
Local Government Impact: See the Local Government Impact section.		

Summary of Legislation

If land subject to a conservation easement is condemned for a public purpose, the bill requires the condemning authority to pay no less than the fair market value for the real estate interests of the condemned property as though unencumbered by the conservation easement. The condemnation proceeds are to be apportioned between the grantor and the grantee of the conservation easement based on their respective interest in the property.

State Revenue and Expenditures

The bill requires payment of fair market value for the real estate interests of condemned property that contains a conservation easement. Fiscal impact would only occur if fair market value was not otherwise offered and accepted for the particular property. Therefore, the bill is assessed as a conditional fiscal impact.

Department of Natural Resources. Conservation easements are held by three divisions within the Department of Natural Resources (DNR): the Division of Wildlife, Colorado State Parks, and the State Land Board. Should any property held by these divisions for which there is a conservation easement ever be condemned, the bill assures that fair market value for the property will be paid by the entity purchasing the property. At the present time, DNR does not anticipate condemnation of any property within their control upon which a conservation easement exists.

Local Government Impact

The potential for local fiscal impact is conditional on a local government initiating a condemnation proceeding involving property upon which a conservation easement is held. In many instances, a fair market price is already negotiated for the land, thus avoiding the condemnation proceeding entirely.

Departments Contacted

Natural Resources
Revenue

Regulatory Agencies

Local Affairs