

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 13-0742.01 Esther van Mourik x4215

HOUSE BILL 13-1235

HOUSE SPONSORSHIP

Szabo, Fischer, Vigil

SENATE SPONSORSHIP

Baumgardner, Giron, Schwartz

House Committees
State, Veterans, & Military Affairs

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REQUIREMENTS RELATED TO THE VALUATION OF REAL**
102 **PROPERTY PRIOR TO A STATE AGENCY ENTERING INTO**
103 **CONTRACTS RELATED TO SUCH REAL PROPERTY.**

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>.)

Capital Development Committee. The bill makes clarifications to existing law regarding appraisal requirements for contracts to purchase and options to purchase real property.

Specifically, the bill requires a contract to purchase real property

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.*

to contain an appraisal clause that allows the state to secure an appraisal of the subject real property or interest therein by an appraiser licensed in the state to substantiate the purchase price and that makes the purchase contingent on the approval of the contract by the state controller.

The bill then specifies that when the state department, institution, or agency entering into the contract receives the appraisal and the contract is finalized, the state department, institution, or agency is required to provide a copy of the final purchase contract to the controller for approval.

If a state department, institution, or agency enters into an option to purchase real property, the same appraisal contingency must occur when the state department, institution, or agency chooses to exercise its option to purchase and enters into a contract to purchase such real property or interest therein.

The bill also requires a state department, institution, or agency to obtain a written broker opinion of value on the subject property in order to complete a thorough analysis of the property or interests therein being considered. The bill requires the broker opinion of value to be completed by a broker licensed in the state of Colorado and be forwarded to the controller prior to the controller approving the option to purchase contract.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-30-202, **amend**
3 (5) (b); and **add** (5) (c) as follows:

4 **24-30-202. Procedures - vouchers and warrants - rules -**
5 **penalties.** (5) (b) ~~Before any state department, institution, or agency~~
6 ~~enters into any option or agreement to purchase any real property or any~~
7 ~~interest therein that has a total purchase price of more than one hundred~~
8 ~~thousand dollars, such department, institution, or agency shall contract~~
9 ~~with at least one but not more than three independent appraisers for an~~
10 ~~estimate of the value of such property. Such appraiser shall be qualified~~
11 ~~with respect to the subject matter of the appraisal and shall be instructed~~
12 ~~to determine the fair market value of the real property by using sound,~~
13 ~~fair, and recognized appraisal practices which are consistent with the laws~~

1 of Colorado. One copy of each such appraisal shall be attached to the
2 option or contract for said purchase prior to the controller's approving the
3 option or contract. IF A STATE DEPARTMENT, INSTITUTION, OR AGENCY
4 ENTERS INTO A CONTRACT TO PURCHASE REAL PROPERTY OR ANY
5 INTEREST THEREIN THAT HAS A TOTAL PURCHASE PRICE OF MORE THAN
6 ONE HUNDRED THOUSAND DOLLARS, THE CONTRACT MUST CONTAIN A
7 CONTINGENCY CLAUSE THAT REQUIRES THE STATE TO SECURE AN
8 APPRAISAL OF THE SUBJECT REAL PROPERTY OR INTEREST THEREIN PRIOR
9 TO CLOSING BY AN APPRAISER LICENSED IN THE STATE OF COLORADO TO
10 SUBSTANTIATE THE PURCHASE PRICE AND THAT MAKES THE CLOSING OF
11 THE PURCHASE CONTINGENT ON THE APPROVAL OF THE CONTRACT BY THE
12 STATE CONTROLLER. WHEN THE STATE DEPARTMENT, INSTITUTION, OR
13 AGENCY ENTERING INTO THE CONTRACT RECEIVES THE APPRAISAL, THE
14 STATE DEPARTMENT, INSTITUTION, OR AGENCY SHALL PROVIDE A COPY OF
15 THE APPRAISAL TO THE STATE CONTROLLER. This paragraph (b) shall not
16 apply to the acquisition of property by the department of transportation
17 for the construction, maintenance, or supervision of the public highways
18 of this state, nor shall it apply to any additional lease-purchase agreement
19 entered into pursuant to the master lease program authorized by part 7 of
20 article 82 of this title.

21 (c) (I) IF A STATE DEPARTMENT, INSTITUTION, OR AGENCY ENTERS
22 INTO AN OPTION TO PURCHASE REAL PROPERTY OR ANY INTEREST THEREIN
23 THAT HAS A TOTAL PURCHASE PRICE OF MORE THAN ONE HUNDRED
24 THOUSAND DOLLARS, THE APPRAISAL REQUIREMENT DESCRIBED IN
25 PARAGRAPH (b) OF THIS SUBSECTION (5) MUST OCCUR PRIOR TO CLOSING
26 ON THE PURCHASE OF THE REAL PROPERTY OR INTEREST THEREIN.

27 (II) PRIOR TO A STATE DEPARTMENT, INSTITUTION, OR AGENCY

1 ENTERING INTO AN OPTION TO PURCHASE REAL PROPERTY OR ANY
2 INTEREST THEREIN THAT HAS A TOTAL PURCHASE PRICE OF MORE THAN
3 ONE HUNDRED THOUSAND DOLLARS, THE STATE DEPARTMENT,
4 INSTITUTION, OR AGENCY SHALL OBTAIN A WRITTEN BROKER OPINION OF
5 VALUE COMPLETED BY A BROKER LICENSED IN THE STATE OF COLORADO
6 OR AN APPRAISAL BY AN APPRAISER LICENSED IN THE STATE OF COLORADO
7 OF THE SUBJECT PROPERTY IN ORDER TO COMPLETE A THOROUGH
8 ANALYSIS OF THE PROPERTY OR INTERESTS THEREIN BEING CONSIDERED.
9 THE OPINION OF VALUE OR THE APPRAISAL MUST BE FORWARDED TO THE
10 STATE CONTROLLER PRIOR TO THE STATE CONTROLLER APPROVING THE
11 OPTION TO PURCHASE CONTRACT.

12 **SECTION 2. Applicability.** This act applies to all contracts to
13 purchase real property or any interest therein and all options to purchase
14 real property or any interest therein, entered into by a state department,
15 institution, or agency on or after the effective date of this act.

16 **SECTION 3. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.