First Regular Session Seventy-third General Assembly STATE OF COLORADO

REREVISED

This Version Includes All Amendments Adopted in the Second House HOUSE BILL 21-1274

LLS NO. 21-0918.01 Esther van Mourik x4215

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A BILL FOR AN ACT

101	CONCERNING THE BENEFICIAL USE OF UNUSED STATE-OWNED REAL
102	PROPERTY, AND, IN CONNECTION THEREWITH, DIRECTING THE
103	DEPARTMENT OF PERSONNEL TO INVENTORY SUCH PROPERTY
104	AND USE SUCH PROPERTY TO PROMOTE AFFORDABLE HOUSING,
105	CHILD CARE, <u>PUBLIC SCHOOLS,</u> RESIDENTIAL MENTAL AND
106	BEHAVIORAL HEALTH CARE, AND RENEWABLE ENERGY
107	DEVELOPMENT.

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 <u>http://leg.colorado.gov.</u>) SENATE 3rd Reading Unamended May 21, 2021

HOUSE SENATE Reading Unamended Amended 2nd Reading May 10, 2021 May 20, 2021

3rd

Amended 2nd Reading May 7, 2021

HOUSE

The bill requires the department of personnel (department) to create and maintain an inventory of unused state-owned real property and to determine whether the unused state-owned real property identified is suitable for construction of affordable housing or placement of renewable energy facilities, or if such property is suitable for other purposes.

The department is authorized to seek proposals from qualified developers to construct affordable housing or to place renewable energy facilities on unused state-owned real property that the department has deemed suitable.

The department is authorized to enter into contracts with qualified developers for proposals to construct affordable housing or to place renewable energy facilities on unused state-owned real property that the department has deemed suitable, subject to available appropriations.

The bill creates the unused state-owned real property cash fund to which the state treasurer is required to credit all proceeds from the sale, rent, or lease of unused state-owned real property.

1	Be it enacted by the General Assembly of the State of Colorado:
2	SECTION 1. In Colorado Revised Statutes, add 24-82-102.5 as
3	follows:
4	24-82-102.5. Unused state-owned real property - cash fund -
5	legislative declaration - definitions. (1) (a) THE GENERAL ASSEMBLY
6	HEREBY FINDS AND DECLARES THAT:
7	(I) The state owns a surplus of real property that is not
8	NEEDED FOR STATE USE THAT COULD PROVIDE BENEFITS TO COLORADO,
9	INCLUDING FOR AFFORDABLE HOUSING, CHILD CARE, <u>PUBLIC SCHOOLS,</u>
10	RESIDENTIAL MENTAL AND BEHAVIORAL HEALTH CARE, AND RENEWABLE
11	ENERGY;
12	(II) The department of personnel is already authorized in
13	SECTION 24-82-102 (2)(a) TO RENT OR LEASE REAL PROPERTY NOT
14	PRESENTLY NEEDED FOR STATE USE;
15	(III) THE STATE HAS SET AMBITIOUS GOALS TO INCREASE
16	RENEWABLE ENERGY PRODUCTION ACROSS COLORADO;

(IV) FAMILIES THROUGHOUT COLORADO CONTINUE TO
 EXPERIENCE A SHORTAGE OF QUALITY AND AFFORDABLE CHILD CARE
 OPTIONS;

4 <u>(V) THERE IS A CONTINUED NEED IN COLORADO FOR QUALITY</u>
5 PUBLIC SCHOOL FACILITIES;

6 (VI) THERE IS A CONTINUED NEED IN COLORADO FOR QUALITY
7 RESIDENTIAL MENTAL AND BEHAVIORAL HEALTH CARE FACILITIES;

8 <u>(VII)</u> MANY SENIOR CITIZENS, VETERANS, AND OTHER 9 HARD-WORKING COLORADANS ARE UNABLE TO AFFORD TO LIVE IN OR 10 NEAR THE COMMUNITIES IN WHICH THEY WORK AND FAR TOO MANY 11 COLORADANS PAY IN EXCESS OF HALF THEIR MONTHLY INCOME ON THEIR 12 BASIC NEEDS;

13 (VIII) AS THE AVAILABILITY OF FINDING LAND SUITABLE FOR THE 14 DEVELOPMENT OF AFFORDABLE HOUSING THAT CAN BE OBTAINED ON AN 15 ECONOMIC BASIS IS OFTEN A SIGNIFICANT BARRIER TO THE DEVELOPMENT 16 OF SUCH HOUSING, THE IDENTIFICATION OF UNUSED STATE-OWNED REAL 17 PROPERTY, WITH THE ULTIMATE OBJECTIVE OF ASSESSING SUCH PROPERTY 18 FOR ITS SUSTAINABILITY AND POTENTIAL USE FOR AFFORDABLE HOUSING, 19 PROMISES TO BE A CRITICAL TOOL AVAILABLE TO THE STATE AND EVEN 20 LOCAL GOVERNMENTS IN MEETING THE STATE'S HOUSING NEEDS FOR 21 THESE SEGMENTS OF THE POPULATION: AND

(IX) SINCE REAL PROPERTY OWNED BY THE STATE ULTIMATELY
BELONGS TO THE PEOPLE OF COLORADO, THE STATE SHOULD MAXIMIZE
THE USE AND VALUE OF ITS RESOURCES, INCLUDING UNUSED REAL
PROPERTY, TO ADDRESS THE NEEDS OF THE STATE'S POPULATION.

26 (b) BY ENACTING THIS SECTION, THE GENERAL ASSEMBLY INTENDS
27 FOR THE DEPARTMENT TO CONDUCT A REVIEW OF STATE-OWNED REAL

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PROPERTY THAT IS NOT PRESENTLY USED FOR STATE PURPOSES AND TO
 TRANSPARENTLY ENTER INTO AGREEMENTS TO CONSTRUCT AFFORDABLE
 HOUSING, CHILD CARE FACILITIES, <u>PUBLIC SCHOOL FACILITIES</u>,
 RESIDENTIAL MENTAL AND BEHAVIORAL HEALTH CARE FACILITIES, OR
 RENEWABLE ENERGY PRODUCTION FACILITIES ON SUITABLE UNUSED
 STATE-OWNED REAL PROPERTY AND TO DETERMINE OTHER BENEFICIAL
 USES OF ANY SUCH UNUSED STATE-OWNED REAL PROPERTY.

8 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
9 REQUIRES:

10 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF PERSONNEL.

(b) "FUND" MEANS THE UNUSED STATE-OWNED REAL PROPERTY
FUND CREATED IN SUBSECTION (5) OF THIS SECTION.

13 "UNUSED STATE-OWNED REAL PROPERTY" MEANS (c)14 STATE-OWNED REAL PROPERTY OWNED BY OR UNDER THE CONTROL OF A 15 STATE AGENCY, NOT INCLUDING THE DIVISION OF PARKS AND WILDLIFE IN 16 THE DEPARTMENT OF NATURAL RESOURCES AND NOT INCLUDING THE 17 STATE BOARD OF LAND COMMISSIONERS OR ANY STATE INSTITUTION OF 18 HIGHER EDUCATION AS DEFINED IN SECTION 24-30-1301 (18), THAT IS NOT 19 OTHERWISE PROTECTED FOR OR DEDICATED TO ANOTHER USE SUCH AS AN 20 ACCESS OR A CONSERVATION EASEMENT.

(3) (a) THE DEPARTMENT SHALL MAINTAIN AN INVENTORY OF
UNUSED STATE-OWNED REAL PROPERTY AND SHALL POST A LIST OF THE
INVENTORY ON ITS WEBSITE. THE INVENTORY MUST BE UPDATED
ANNUALLY.

(b) THE DEPARTMENT MAY REQUEST THE LIST PROVIDED TO THE
CAPITAL DEVELOPMENT COMMITTEE UNDER SECTION 2-3-1304 (3) AS A
BASIS FOR THE DEPARTMENT'S INVENTORY, BUT THE DEPARTMENT SHALL

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INDEPENDENTLY ASCERTAIN THE INVENTORY FOR THE DEPARTMENT'S
 PURPOSES UNDER THIS SECTION.

3 (4) (a) THE DEPARTMENT SHALL DETERMINE WHETHER THE 4 UNUSED STATE-OWNED REAL PROPERTY IDENTIFIED BY THE DEPARTMENT 5 UNDER SUBSECTION (3) OF THIS SECTION IS SUITABLE FOR CONSTRUCTION 6 OF AFFORDABLE HOUSING, CHILD CARE FACILITIES, PUBLIC SCHOOL 7 FACILITIES, RESIDENTIAL MENTAL AND BEHAVIORAL HEALTH CARE 8 FACILITIES, OR PLACEMENT OF RENEWABLE ENERGY FACILITIES, OR MAY 9 RECOMMEND THAT SUCH PROPERTY SHOULD BE SOLD OR IS SUITABLE FOR 10 OTHER PURPOSES. 11 (b) IN DETERMINING THE SUITABILITY OF PROPERTY UNDER 12 SUBSECTION (4)(a) OF THIS SECTION, THE DEPARTMENT MAY CONSULT 13 WITH AND SEEK INPUT FROM: 14 (I) THE STATE ARCHITECT, OR THEIR DESIGNEE; 15 (II) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL 16 AFFAIRS, OR THEIR DESIGNEE; 17 (III) THE COLORADO HOUSING AND FINANCE AUTHORITY CREATED 18 IN SECTION 29-4-704 (1); 19 (IV) ANY RELEVANT POLITICAL SUBDIVISIONS OF THE STATE; 20 (V) ANY ADDITIONAL RENEWABLE ENERGY FACILITY EXPERTS; 21 (VI) ANY ADDITIONAL CHILD CARE, PUBLIC SCHOOL, AND MENTAL 22 AND BEHAVIORAL HEALTH CARE EXPERTS; AND 23 (VII) ANY ADDITIONAL AFFORDABLE HOUSING EXPERTS. 24 (c) NOTWITHSTANDING ANY SECTION TO THE CONTRARY, THE 25 DEPARTMENT MAY SEEK PROPOSALS FROM QUALIFIED DEVELOPERS TO 26 CONSTRUCT AFFORDABLE HOUSING, CHILD CARE FACILITIES, PUBLIC 27 SCHOOL FACILITIES, OR RESIDENTIAL MENTAL AND BEHAVIORAL HEALTH

CARE FACILITIES, OR TO PLACE RENEWABLE ENERGY FACILITIES ON
 UNUSED STATE-OWNED REAL PROPERTY THAT THE DEPARTMENT HAS
 DEEMED SUITABLE UNDER SUBSECTION (4)(a) OF THIS SECTION.
 PROPOSALS MUST BE SOUGHT IN ACCORDANCE WITH THE "PROCUREMENT
 CODE", ARTICLES 101 TO 112 OF THIS TITLE 24.

6 (d)THE DEPARTMENT MAY ENTER INTO CONTRACTS WITH 7 QUALIFIED DEVELOPERS FOR PROPOSALS TO CONSTRUCT AFFORDABLE 8 HOUSING, CHILD CARE FACILITIES, PUBLIC SCHOOL FACILITIES, OR 9 RESIDENTIAL MENTAL AND BEHAVIORAL HEALTH CARE FACILITIES, OR TO 10 PLACE RENEWABLE ENERGY FACILITIES ON UNUSED STATE-OWNED REAL 11 PROPERTY THAT THE DEPARTMENT HAS DEEMED SUITABLE UNDER 12 SUBSECTION (4)(a) OF THIS SECTION, SUBJECT TO AVAILABLE 13 APPROPRIATIONS. BUDGET REOUESTS UNDER THIS SECTION MUST BE MADE 14 THROUGH THE PROCESS ESTABLISHED IN SECTION 24-37-304 (1)(c.3); 15 EXCEPT THAT, BUDGET REQUESTS UNDER THIS SECTION MAY NOT BE MADE 16 THROUGH A REQUEST FOR A SUPPLEMENTAL APPROPRIATION. 17 Notwithstanding section 24-82-102(2)(a), contracts between the 18 STATE AND QUALIFIED DEVELOPERS MAY NOT REQUIRE IMPROVEMENTS 19 CONSTRUCTED ON STATE PROPERTY FOR THE PURPOSES OF THIS SECTION 20 TO BECOME THE PROPERTY OF THE STATE UPON TERMINATION OF A LEASE 21 FOR SUCH PROPERTY.

(e) IN THE EVENT THE DEPARTMENT PLANS TO ENTER INTO A
CONTRACT REGARDING ANY UNUSED STATE-OWNED REAL PROPERTY AS
AUTHORIZED BY THIS SECTION, OR IN THE EVENT THE DEPARTMENT ENTERS
INTO A LEASE OF UNUSED STATE-OWNED REAL PROPERTY AS ALLOWED
UNDER SECTION 24-82-102 (2)(a), THE DEPARTMENT SHALL FIRST SUBMIT
A REPORT TO THE CAPITAL DEVELOPMENT COMMITTEE THAT OUTLINES THE

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1 ANTICIPATED USE OF THE PROPERTY. THE CAPITAL DEVELOPMENT 2 COMMITTEE SHALL REVIEW THE REPORTS SUBMITTED BY THE 3 DEPARTMENT, MAKE RECOMMENDATIONS TO THE DEPARTMENT 4 CONCERNING THE ANTICIPATED USE OF THE UNUSED STATE-OWNED REAL 5 PROPERTY, AND APPROVE OR DISAPPROVE THE ANTICIPATED USE OF THE 6 UNUSED STATE-OWNED REAL PROPERTY. THE DEPARTMENT SHALL NOT 7 ENTER INTO A CONTRACT REGARDING UNUSED STATE-OWNED REAL 8 PROPERTY OR LEASE UNUSED STATE-OWNED REAL PROPERTY WITHOUT THE 9 APPROVAL OF THE CAPITAL DEVELOPMENT COMMITTEE.

10 (5) (a) THE UNUSED STATE-OWNED REAL PROPERTY FUND IS
11 HEREBY CREATED IN THE STATE TREASURY. UNLESS OTHERWISE
12 DIRECTED, THE STATE TREASURER SHALL CREDIT ALL PROCEEDS FROM THE
13 SALE, RENT, OR LEASE, INCLUDING ANY LEASES ENTERED INTO UNDER
14 SECTION 24-82-102 (2)(a), OF UNUSED STATE-OWNED REAL PROPERTY TO
15 THE FUND. THE FUND ALSO CONSISTS OF ANY OTHER MONEY THAT THE
16 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

17 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND 18 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE 19 UNUSED STATE-OWNED REAL PROPERTY FUND TO THE FUND. ANY 20 UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND AT THE END OF 21 A FISCAL YEAR REMAINS IN THE FUND. SUBJECT TO ANNUAL 22 APPROPRIATION BY THE GENERAL ASSEMBLY, THE DEPARTMENT MAY 23 EXPEND MONEY FROM THE FUND FOR THE PURPOSES SET FORTH IN THIS 24 SECTION, INCLUDING FOR APPRAISALS, SURVEYS, AND PROPERTY 25 IMPROVEMENT, AND FOR ANY OPERATIONAL COSTS TO ADMINISTER THIS 26 SECTION.

27

SECTION 2. In Colorado Revised Statutes, 24-30-1303.8,

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1 **amend** (1)(a) as follows:

2 24-30-1303.8. Governor's mansion maintenance fund -3 **creation - report.** (1) (a) The governor's mansion maintenance fund, 4 referred to in this section as the "fund", is hereby created in the state 5 treasury. The fund consists of money earned from the operation of the 6 governor's mansion, such as rental fees, AND ANY PROCEEDS FROM THE 7 LEASE OF THE PARKING LOT ASSOCIATED WITH THE GOVERNOR'S MANSION 8 PROPERTY, which money is credited to the fund by the state treasurer, and 9 any other money that the general assembly may appropriate or transfer to 10 the fund. except that the fund balance may not exceed five hundred 11 thousand dollars at the close of any fiscal year. The state treasurer shall 12 credit all interest and income derived from the deposit and investment of 13 money in the fund to the fund. Subject to annual appropriation by the 14 general assembly, the governor's office may expend money from the fund 15 for any operating costs for any governor's mansion activities and the 16 department may expend money from the fund for controlled maintenance 17 of the governor's mansion; except that the capital development committee 18 shall review any appropriation requests for controlled maintenance and 19 shall forward its recommendations to the joint budget committee.

20 SECTION 3. In Colorado Revised Statutes, 43-1-210, amend
21 (5)(a)(IV)(A) as follows:

43-1-210. Acquisition and disposition of property department of transportation renovation fund. (5) (a) (IV) (A) If the
abutting owner or underlying fee owner refuses to exercise the first right
of refusal to purchase or exchange the property or interest therein under
subparagraph (III) of this paragraph (a) SUBSECTION (5)(a)(III) OF THIS
SECTION or if the department determines that such property or interest is

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1 of use to more than one owner or potential owner, any political 2 subdivision of this state including but not limited to any state agency, city 3 or town, or county located within the boundaries of the property or 4 interest therein shall have first right of refusal to purchase or exchange 5 such property or interest at the fair market value. DURING THE FIRST 6 RIGHT OF REFUSAL PERIOD, THE DEPARTMENT OF PERSONNEL, AS PART OF 7 THE PROCESS DESCRIBED IN SECTION 24-82-102.5 (4)(a), MAY DETERMINE 8 THAT THE PROPERTY BEING OFFERED FOR SALE BY THE DEPARTMENT OF 9 TRANSPORTATION COULD BE USED FOR AFFORDABLE HOUSING, CHILD 10 CARE, OR PLACEMENT OF RENEWABLE ENERGY FACILITIES, IN WHICH CASE 11 THEIR RIGHT OF FIRST REFUSAL SUPERSEDES THE RIGHT OF ANY OTHER 12 POLITICAL SUBDIVISION OF THE STATE.

13 **SECTION 4.** Act subject to petition - effective date. This act 14 takes effect at 12:01 a.m. on the day following the expiration of the 15 ninety-day period after final adjournment of the general assembly; except 16 that, if a referendum petition is filed pursuant to section 1 (3) of article V 17 of the state constitution against this act or an item, section, or part of this 18 act within such period, then the act, item, section, or part will not take 19 effect unless approved by the people at the general election to be held in 20 November 2022 and, in such case, will take effect on the date of the 21 official declaration of the vote thereon by the governor.