First Regular Session Seventy-third General Assembly STATE OF COLORADO

PREAMENDED

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

LLS NO. 21-0918.01 Esther van Mourik x4215

HOUSE BILL 21-1274

HOUSE SPONSORSHIP

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SENATE SPONSORSHIP

(None),

House Committees Business Affairs & Labor

Senate Committees

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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, RESIDENTIAL MENTAL AND BEHAVIORAL HEALTH
106	CARE, AND RENEWABLE ENERGY 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 http://leg.colorado.gov.)

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, RESIDENTIAL MENTAL 10 AND BEHAVIORAL HEALTH CARE, AND RENEWABLE ENERGY; 11 (II) THE DEPARTMENT OF PERSONNEL IS ALREADY AUTHORIZED IN 12 SECTION 24-82-102 (2)(a) TO RENT OR LEASE REAL PROPERTY NOT 13 PRESENTLY NEEDED FOR STATE USE; 14 THE STATE HAS SET AMBITIOUS GOALS TO INCREASE 15 RENEWABLE ENERGY PRODUCTION ACROSS COLORADO; 16 (IV) FAMILIES THROUGHOUT COLORADO CONTINUE TO

EXPERIENCE A SHORTAGE OF QUALITY AND AFFORDABLE CHILD CARE

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1	OPTIONS;
2	(V) THERE IS A CONTINUED NEED IN COLORADO FOR QUALITY
3	RESIDENTIAL MENTAL AND BEHAVIORAL HEALTH CARE FACILITIES;
4	(VI) MANY SENIOR CITIZENS, VETERANS, AND OTHER
5	HARD-WORKING COLORADANS ARE UNABLE TO AFFORD TO LIVE IN OR
6	NEAR THE COMMUNITIES IN WHICH THEY WORK AND FAR TOO MANY
7	COLORADANS PAY IN EXCESS OF HALF THEIR MONTHLY INCOME ON THEIR
8	BASIC NEEDS;
9	(VII) AS THE AVAILABILITY OF FINDING LAND SUITABLE FOR THE
10	DEVELOPMENT OF AFFORDABLE HOUSING THAT CAN BE OBTAINED ON AN
11	ECONOMIC BASIS IS OFTEN A SIGNIFICANT BARRIER TO THE DEVELOPMENT
12	OF SUCH HOUSING, THE IDENTIFICATION OF UNUSED STATE-OWNED REAL
13	PROPERTY, WITH THE ULTIMATE OBJECTIVE OF ASSESSING SUCH PROPERTY
14	FOR ITS SUSTAINABILITY AND POTENTIAL USE FOR AFFORDABLE HOUSING
15	PROMISES TO BE A CRITICAL TOOL AVAILABLE TO THE STATE AND EVEN
16	LOCAL GOVERNMENTS IN MEETING THE STATE'S HOUSING NEEDS FOR
17	THESE SEGMENTS OF THE POPULATION; AND
18	(VIII) SINCE REAL PROPERTY OWNED BY THE STATE ULTIMATELY
19	BELONGS TO THE PEOPLE OF COLORADO, THE STATE SHOULD MAXIMIZE
20	THE USE AND VALUE OF ITS RESOURCES, INCLUDING UNUSED REAL
21	PROPERTY, TO ADDRESS THE NEEDS OF THE STATE'S POPULATION.
22	(b) By enacting this section, the general assembly intends
23	FOR THE DEPARTMENT TO CONDUCT A REVIEW OF STATE-OWNED REAL
24	PROPERTY THAT IS NOT PRESENTLY USED FOR STATE PURPOSES AND TO
25	TRANSPARENTLY ENTER INTO AGREEMENTS TO CONSTRUCT AFFORDABLE
26	HOUSING, CHILD CARE FACILITIES, RESIDENTIAL MENTAL AND BEHAVIORAL
27	HEALTH CARE FACILITIES, OR RENEWABLE ENERGY PRODUCTION

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1	FACILITIES ON SUITABLE UNUSED STATE-OWNED REAL PROPERTY AND TO				
2	DETERMINE OTHER BENEFICIAL USES OF ANY SUCH UNUSED STATE-OWNER				
3	REAL PROPERTY.				
4	(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE				
5	REQUIRES:				
6	(a) "DEPARTMENT" MEANS THE DEPARTMENT OF PERSONNEL.				
7	(b) "FUND" MEANS THE UNUSED STATE-OWNED REAL PROPERTY				
8	FUND CREATED IN SUBSECTION (5) OF THIS SECTION.				
9	(c) "Unused state-owned real property" means				
10	STATE-OWNED REAL PROPERTY OWNED BY OR UNDER THE CONTROL OF A				
11	STATE AGENCY, NOT INCLUDING THE DIVISION OF PARKS AND WILDLIFE IN				
12	THE DEPARTMENT OF NATURAL RESOURCES AND NOT INCLUDING THE				
13	STATE BOARD OF LAND COMMISSIONERS OR ANY STATE INSTITUTION OF				
14	HIGHER EDUCATION AS DEFINED IN SECTION 24-30-1301 (18), THAT IS NOT				
15	OTHERWISE PROTECTED FOR OR DEDICATED TO ANOTHER USE SUCH AS AN				
16	ACCESS OR A CONSERVATION EASEMENT.				
17	(3) (a) The department shall maintain an inventory of				
18	UNUSED STATE-OWNED REAL PROPERTY AND SHALL POST A LIST OF THE				
19	INVENTORY ON ITS WEBSITE. THE INVENTORY MUST BE UPDATED				
20	ANNUALLY.				
21	(b) THE DEPARTMENT MAY REQUEST THE LIST PROVIDED TO THE				
22	CAPITAL DEVELOPMENT COMMITTEE UNDER SECTION 2-3-1304 (3) AS A				
23	BASIS FOR THE DEPARTMENT'S INVENTORY, BUT THE DEPARTMENT SHALL				
24	INDEPENDENTLY ASCERTAIN THE INVENTORY FOR THE DEPARTMENT'S				
25	PURPOSES UNDER THIS SECTION.				
26	(4) (a) The department shall determine whether the				
27	UNUSED STATE-OWNED REAL PROPERTY IDENTIFIED BY THE DEPARTMENT				

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1	UNDER SUBSECTION (3) OF THIS SECTION IS SUITABLE FOR CONSTRUCTION
2	OF AFFORDABLE HOUSING, CHILD CARE FACILITIES, RESIDENTIAL MENTAL
3	AND BEHAVIORAL HEALTH CARE FACILITIES, OR PLACEMENT OF
4	RENEWABLE ENERGY FACILITIES, OR MAY RECOMMEND THAT SUCH
5	PROPERTY SHOULD BE SOLD OR IS SUITABLE FOR OTHER PURPOSES.
6	(b) In determining the suitability of property under
7	SUBSECTION (4)(a) OF THIS SECTION, THE DEPARTMENT MAY CONSULT
8	WITH AND SEEK INPUT FROM:
9	(I) THE STATE ARCHITECT, OR THEIR DESIGNEE;
10	(II) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL
11	AFFAIRS, OR THEIR DESIGNEE;
12	(III) ANY RELEVANT POLITICAL SUBDIVISIONS OF THE STATE;
13	(IV) ANY ADDITIONAL RENEWABLE ENERGY FACILITY EXPERTS;
14	(V) ANY ADDITIONAL CHILD CARE AND MENTAL AND BEHAVIORAL
15	HEALTH CARE EXPERTS; AND
16	(VI) ANY ADDITIONAL AFFORDABLE HOUSING EXPERTS.
17	(c) Notwithstanding any section to the contrary, the
18	DEPARTMENT MAY SEEK PROPOSALS FROM QUALIFIED DEVELOPERS TO
19	CONSTRUCT AFFORDABLE HOUSING, CHILD CARE FACILITIES, OR
20	RESIDENTIAL MENTAL AND BEHAVIORAL HEALTH CARE FACILITIES, OR TO
21	PLACE RENEWABLE ENERGY FACILITIES ON UNUSED STATE-OWNED REAL
22	PROPERTY THAT THE DEPARTMENT HAS DEEMED SUITABLE UNDER
23	SUBSECTION (4)(a) OF THIS SECTION. PROPOSALS MUST BE SOUGHT IN
24	ACCORDANCE WITH THE "PROCUREMENT CODE", ARTICLES $101\ \text{to}\ 112\ \text{of}$
25	THIS TITLE 24.
26	(d) The department may enter into contracts with
27	QUALIFIED DEVELOPERS FOR PROPOSALS TO CONSTRUCT AFFORDABLE

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1 HOUSING, CHILD CARE FACILITIES, OR RESIDENTIAL MENTAL AND 2 BEHAVIORAL HEALTH CARE FACILITIES, OR TO PLACE RENEWABLE ENERGY 3 FACILITIES ON UNUSED STATE-OWNED REAL PROPERTY THAT THE 4 DEPARTMENT HAS DEEMED SUITABLE UNDER SUBSECTION (4)(a) OF THIS 5 SECTION, SUBJECT TO AVAILABLE APPROPRIATIONS. BUDGET REQUESTS 6 UNDER THIS SECTION MUST BE MADE THROUGH THE PROCESS ESTABLISHED 7 IN SECTION 24-37-304 (1)(c.3); EXCEPT THAT, BUDGET REQUESTS UNDER 8 THIS SECTION MAY NOT BE MADE THROUGH A REQUEST FOR A 9 SUPPLEMENTAL APPROPRIATION. NOTWITHSTANDING SECTION 24-82-102 10 (2)(a), CONTRACTS BETWEEN THE STATE AND QUALIFIED DEVELOPERS MAY 11 NOT REQUIRE IMPROVEMENTS CONSTRUCTED ON STATE PROPERTY FOR THE 12 PURPOSES OF THIS SECTION TO BECOME THE PROPERTY OF THE STATE UPON 13 TERMINATION OF A LEASE FOR SUCH PROPERTY. 14 (e) IN THE EVENT THE DEPARTMENT PLANS TO ENTER INTO A 15 CONTRACT REGARDING ANY UNUSED STATE-OWNED REAL PROPERTY AS 16 AUTHORIZED BY THIS SECTION, OR IN THE EVENT THE DEPARTMENT ENTERS 17 INTO A LEASE OF UNUSED STATE-OWNED REAL PROPERTY AS ALLOWED 18 UNDER SECTION 24-82-102 (2)(a), THE DEPARTMENT SHALL FIRST SUBMIT 19 A REPORT TO THE CAPITAL DEVELOPMENT COMMITTEE THAT OUTLINES THE 20 ANTICIPATED USE OF THE PROPERTY. THE CAPITAL DEVELOPMENT 21 COMMITTEE SHALL REVIEW THE REPORTS SUBMITTED BY THE 22 DEPARTMENT, MAKE RECOMMENDATIONS TO THE DEPARTMENT 23 CONCERNING THE ANTICIPATED USE OF THE UNUSED STATE-OWNED REAL 24 PROPERTY, AND APPROVE OR DISAPPROVE THE ANTICIPATED USE OF THE 25 UNUSED STATE-OWNED REAL PROPERTY. THE DEPARTMENT SHALL NOT 26 ENTER INTO A CONTRACT REGARDING UNUSED STATE-OWNED REAL

PROPERTY OR LEASE UNUSED STATE-OWNED REAL PROPERTY WITHOUT THE

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APPROVAL.	OF THE	CAPITAL	DEVEL	OPMENT	COMMITTEE.

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- (5) (a) THE UNUSED STATE-OWNED REAL PROPERTY FUND IS
 HEREBY CREATED IN THE STATE TREASURY. UNLESS OTHERWISE
 DIRECTED, THE STATE TREASURER SHALL CREDIT ALL PROCEEDS FROM THE
 SALE, RENT, OR LEASE, INCLUDING ANY LEASES ENTERED INTO UNDER
 SECTION 24-82-102 (2)(a), OF UNUSED STATE-OWNED REAL PROPERTY TO
 THE FUND. THE FUND ALSO CONSISTS OF ANY OTHER MONEY THAT THE
 GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.
- 9 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND 10 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE 11 UNUSED STATE-OWNED REAL PROPERTY FUND TO THE FUND. ANY 12 UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND AT THE END OF 13 A FISCAL YEAR REMAINS IN THE FUND. SUBJECT TO ANNUAL 14 APPROPRIATION BY THE GENERAL ASSEMBLY, THE DEPARTMENT MAY 15 EXPEND MONEY FROM THE FUND FOR THE PURPOSES SET FORTH IN THIS 16 SECTION, INCLUDING FOR APPRAISALS, SURVEYS, AND PROPERTY 17 IMPROVEMENT, AND FOR ANY OPERATIONAL COSTS TO ADMINISTER THIS 18 SECTION.
 - **SECTION 2.** In Colorado Revised Statutes, 24-30-1303.8, **amend** (1)(a) as follows:

24-30-1303.8. Governor's mansion maintenance fund - creation - report. (1) (a) The governor's mansion maintenance fund, referred to in this section as the "fund", is hereby created in the state treasury. The fund consists of money earned from the operation of the governor's mansion, such as rental fees, AND ANY PROCEEDS FROM THE LEASE OF THE PARKING LOT ASSOCIATED WITH THE GOVERNOR'S MANSION PROPERTY, which money is credited to the fund by the state treasurer, and

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any other money that the general assembly may appropriate or transfer to the fund. except that the fund balance may not exceed five hundred thousand dollars at the close of any fiscal year. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund. Subject to annual appropriation by the general assembly, the governor's office may expend money from the fund for any operating costs for any governor's mansion activities and the department may expend money from the fund for controlled maintenance of the governor's mansion; except that the capital development committee shall review any appropriation requests for controlled maintenance and shall forward its recommendations to the joint budget committee.

SECTION 3. In Colorado Revised Statutes, 43-1-210, **amend** (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 of use to more than one owner or potential owner, any political subdivision of this state including but not limited to any state agency, city or town, or county located within the boundaries of the property or interest therein shall have first right of refusal to purchase or exchange such property or interest at the fair market value. DURING THE FIRST RIGHT OF REFUSAL PERIOD, THE DEPARTMENT OF PERSONNEL, AS PART OF THE PROCESS DESCRIBED IN SECTION 24-82-102.5 (4)(a), MAY DETERMINE THAT THE PROPERTY BEING OFFERED FOR SALE BY THE DEPARTMENT OF

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1	TRANSPORTATION COULD BE USED FOR AFFORDABLE HOUSING, CHILD
2	CARE, OR PLACEMENT OF RENEWABLE ENERGY FACILITIES, IN WHICH CASE
3	THEIR RIGHT OF FIRST REFUSAL SUPERSEDES THE RIGHT OF ANY OTHER
4	POLITICAL SUBDIVISION OF THE STATE.
5	SECTION 4. Act subject to petition - effective date. This act
6	takes effect at 12:01 a.m. on the day following the expiration of the
7	ninety-day period after final adjournment of the general assembly; except
8	that, if a referendum petition is filed pursuant to section 1 (3) of article V
9	of the state constitution against this act or an item, section, or part of this
10	act within such period, then the act, item, section, or part will not take
11	effect unless approved by the people at the general election to be held in
12	November 2022 and, in such case, will take effect on the date of the
13	official declaration of the vote thereon by the governor.

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