

**FINAL
FISCAL NOTE**

Drafting Number: LLS 13-0742	Date: June 25, 2013
Prime Sponsor(s): Rep. Szabo	Bill Status: Signed into Law
Sen. Baumgardner	Fiscal Analyst: Kori Donaldson (303-866-4976)

TITLE: CONCERNING REQUIREMENTS RELATED TO THE VALUATION OF REAL PROPERTY PRIOR TO A STATE AGENCY ENTERING INTO CONTRACTS RELATED TO SUCH REAL PROPERTY.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	Potential decrease.	Potential decrease.
FTE Position Change		
Effective Date: The bill was signed into law by the Governor and took effect June 5, 2013.		
Appropriation Summary for FY 2013-2014: None.		
Local Government Impact: None.		

Summary of Legislation

Recommended by the Capital Development Committee, this bill requires state agencies to obtain a written appraisal of value from an independent appraiser licensed in Colorado prior to exercising an option to purchase real property or any interest therein for properties with a total purchase price of more than \$100,000. Under current law, any real estate contract entered into by the state that includes an option to purchase for properties with a total purchase price of more than \$100,000 requires an appraisal of value at the time the contract is initiated, even if the state agency entering the contract has no immediate intention of exercising the option to purchase. This bill requires a contract to purchase real property to contain an appraisal clause to allow the state to secure an appraisal to substantiate the purchase price prior to purchase.

State Expenditures

This bill may decrease state expenditures slightly. This fiscal note assumes that under current law, some appraisals are completed only because a rental agreement includes an option to purchase. Therefore, a state agency may be required to seek an appraisal even if it has no interest, or no immediate interest, in exercising an option to purchase a property it is seeking to rent.

Departments Contacted

All Departments