



Legislative
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**FINAL
FISCAL NOTE**

Drafting Number: LLS 18-1030
Prime Sponsors: Rep. Ginal
Sen. Cooke

Date: June 25, 2018
Bill Status: Signed into Law
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Bill Topic: DEPARTMENT OF TRANSPORTATION WAIVER VALUATIONS

**Summary of
Fiscal Impact:**

- State Revenue
- State Expenditure (*reduction*)
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill allows the Colorado Department of Transportation to substitute a waiver valuation for a real estate appraisal when disposing of property with a value less than \$25,000. The bill reduces expenditures and workload on an ongoing basis.

**Appropriation
Summary:** No appropriation is required.

**Fiscal Note
Status:** This final fiscal note reflects the enacted bill.

**Table 1
State Fiscal Impacts Under HB 18-1349**

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	State Highway Fund	up to (\$75,000)	up to (\$75,000)
Transfers		-	-

Summary of Legislation

Subject to certain conditions, federal law allows the Colorado Department of Transportation (CDOT) to prepare a waiver valuation, rather than a formal real estate appraisal, to value property that the department seeks to acquire for a federal aid transportation project, and property that the department wishes to sell that is valued at no more than \$25,000. Under current Colorado law, CDOT may only use a waiver valuation for land it wishes to dispose of if the anticipated value of the property is \$5,000 or less.

This bill harmonizes state law with federal law by allowing CDOT to use waiver valuations for property that CDOT owns and seeks to dispose of if the property is anticipated to have a value of \$25,000 or less. The bill also clarifies that a waiver valuation is not a real estate appraisal, and amends the definition of "real estate appraiser" to clarify that any individual, including a licensed or certified real estate appraiser, is not an appraiser for purposes of performing a waiver valuation.

State Expenditures

The bill reduces CDOT expense and workload by enabling more federal waiver valuations, in lieu of requiring more time-consuming and expensive real estate appraisals. CDOT can develop a waiver valuations in 2 to 3 business days on average, at a cost range of between \$800 to \$2,000 per valuation. Real estate appraisals for similar properties may cost between \$3,000 to \$5,000 per appraisal, and take between 15 and 60 days to complete.

In 2017, CDOT prepared appraisals on about 30 properties that fell below the \$25,000 federal waiver threshold at a per appraisal cost of about \$4,000, costing the department about \$120,000. Had the same properties been prepared as waiver valuations at a per valuation cost of \$1,500, the total cost would have been about \$45,000, or a \$75,000 cost savings.

Effective Date

The bill was signed into law by the Governor and took effect on May 24, 2018.

State and Local Government Contacts

Counties	Law	Local Affairs
Municipalities	Regulatory Agencies	Transportation