



**Colorado
Legislative
Council
Staff**

HB17-1346

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-1201
Prime Sponsor(s): Rep. Lontine
Sen. Hill

Date: April 21, 2017
Bill Status: House Finance
Fiscal Analyst: Kori Donaldson (303-866-4976)

BILL TOPIC: LAND SALE TO FORT LOGAN CEMETERY

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
Capital Construction Fund	at least \$9,952,589	
State Expenditures		
Capital Construction Fund		up to \$9,952,589
Appropriation Required: None.		
Future Year Impacts: An appropriation or appropriations and expenditures of up to \$9,952,589 commencing in FY 2018-19 and continuing until the sale profits are fully expended.		

Summary of Legislation

The bill authorizes the Department of Human Services (DHS) to sell up to 66 acres of vacant land around the Colorado Mental Health Institute at Fort Logan to the United States Department of Veterans Affairs at fair market value for the purpose of expanding the Fort Logan National Cemetery.

House Bill 16-1456 authorized the sale of the first 15 acres. This bill authorizes the sale of an additional 51 acres. The sale proceeds of the first 15 acres will be credited to the Fort Logan National Cemetery Fund to pay one-time costs for the Veterans Community Living Centers, as authorized in HB 16-1456. The sale proceeds of the remaining acres will be deposited in the Fort Logan Land Sale Account (sale account), which is a special account created in the Capital Construction Fund by this bill. The money in the sale account may be used for future capital construction, capital renewal, or controlled maintenance expenses subject to approval by the Governor's Office of State Planning and Budgeting and the Capital Development Committee. Consideration will be given to using the sale account to pay for veterans-related projects.

State Revenue

The bill is anticipated to increase state cash fund revenue by at least \$9.9 million, based on the fair market value of the sale property reported by DHS. The fair market value is based on an appraisal conducted in 2013 for the 90-acre Fort Logan campus. The appraisal estimated the

fair market value at \$4 per square foot and projected that the fair market value would increase at a rate of 3 percent a year, resulting in a 48 cent per square foot increase in value since the appraisal. Based on a fair market value of \$4.48 per square foot x 51 acres (or 2,221,560 square feet), the current estimated value of the land is \$9,952,589. This fiscal note assumes that DHS will sell the property during FY 2017-18 at a price at or above the \$4.48 per square foot fair market value identified by the appraisal. Property sale revenues are exempt from TABOR.

State Expenditures

The bill increases future state expenditures from the sale fund by at least \$9.9 million. The total amount expended is dependent on the final sale price of the property on the Fort Logan campus and potential future interest earnings on the fund. Expenditures from the sale fund are subject to appropriation.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Human Services

Personnel