

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 18-1030.02 Jason Gelender x4330

HOUSE BILL 18-1349

HOUSE SPONSORSHIP

Ginal,

SENATE SPONSORSHIP

Cooke,

House Committees

Transportation & Energy
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE USE OF WAIVER VALUATIONS BY THE DEPARTMENT**
102 **OF TRANSPORTATION, AND, IN CONNECTION THEREWITH,**
103 **EXTENDING THE DEPARTMENT'S EXISTING AUTHORITY UNDER**
104 **STATE LAW TO USE WAIVER VALUATIONS WHEN VALUING**
105 **PROPERTY THAT IT OWNS AND SEEKS TO DISPOSE OF TO THE**
106 **MAXIMUM EXTENT PERMITTED BY FEDERAL LAW AND**
107 **REGULATIONS AND CLARIFYING THAT A WAIVER VALUATION IS**
108 **NOT AN APPRAISAL AND THAT AN INDIVIDUAL, INCLUDING A**
109 **LICENSED OR CERTIFIED REAL ESTATE APPRAISER, IS NOT AN**
110 **APPRAISER FOR PURPOSES OF THE STATE LAWS REGULATING**
111 **APPRAISERS WHEN THE INDIVIDUAL PERFORMS A WAIVER**
112 **VALUATION.**

SENATE
3rd Reading Unamended
May 4, 2018

SENATE
2nd Reading Unamended
May 3, 2018

HOUSE
3rd Reading Unamended
April 25, 2018

HOUSE
2nd Reading Unamended
April 24, 2018

*Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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>.)

Subject to certain specified conditions, federal law and regulations authorize a state department of transportation to prepare a waiver valuation, rather than a formal appraisal, to value both real property that it seeks to acquire for a federal aid transportation project and real property that it owns and seeks to dispose of if the anticipated value of the real property is \$25,000 or less. Accordingly, current state law allows the department of transportation (CDOT) to prepare a waiver valuation for real property with an anticipated value of \$25,000 or less when valuing real property that it seeks to acquire. However, current state law is more restrictive than federal law and regulations with respect to property that CDOT owns and seeks to dispose of and allows CDOT to use waiver valuations to value such property only if the anticipated value of the real property is \$5,000 or less.

In order to fully harmonize state law governing waiver valuations with federal law and regulations, the bill authorizes CDOT to use waiver valuations for the valuation of real property that CDOT owns and seeks to dispose of if the real property is anticipated to have a value of \$25,000 or less. The bill also:

- ! Clarifies that a waiver valuation is not an appraisal; and
- ! Amends the definition of "real estate appraiser" to clarify that an individual, including an individual who is a licensed or certified real estate appraiser, is not an appraiser for purposes of the state laws regulating appraisers when the individual performs a waiver valuation.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 12-61-702, **amend**
3 (11)(b)(VI); and **add** (1)(c) as follows:

4 **12-61-702. Definitions.** As used in this part 7, unless the context
5 otherwise requires:

6 (1) (c) "APPRAISAL", "APPRAISAL REPORT", OR "REAL ESTATE
7 APPRAISAL" DOES NOT INCLUDE A FEDERALLY AUTHORIZED "WAIVER

1 VALUATION", AS DEFINED IN 49 CFR 24.2 (a)(33), AS AMENDED.

2 (11) (b) "Real estate appraiser" does not include:

3 (VI) A right-of-way acquisition agent, ~~who~~ AN APPRAISER WHO IS
4 LICENSED AND CERTIFIED PURSUANT TO THIS PART 7, OR ANY OTHER
5 INDIVIDUAL WHO HAS SUFFICIENT UNDERSTANDING OF THE LOCAL REAL
6 ESTATE MARKET TO BE QUALIFIED TO MAKE A WAIVER VALUATION WHEN
7 THE AGENT, APPRAISER, OR OTHER QUALIFIED INDIVIDUAL is employed by
8 OR CONTRACTS WITH a public entity ~~who~~ AND provides an opinion of
9 value that is not represented as an appraisal AND when, FOR ANY PURPOSE,
10 the property OR PORTION OF PROPERTY being valued is VALUED AT
11 twenty-five thousand dollars or less, as permitted by federal law AND 49
12 CFR 24.102 (c)(2), AS AMENDED;

13 **SECTION 2.** In Colorado Revised Statutes, 43-1-210, **amend**
14 (5)(a)(II) and (5)(a)(V) as follows:

15 **43-1-210. Acquisition and disposition of property -**
16 **department of transportation renovation fund.** (5) (a) (II) Prior to the
17 disposal of any property or interest therein that the department determines
18 has an approximate value of ~~five~~ MORE THAN TWENTY-FIVE thousand
19 dollars, ~~or more~~, the department shall obtain an appraisal from an
20 appraiser, who is certified as a general appraiser under section 12-61-706,
21 ~~C.R.S.~~, to determine the fair market value of ~~such~~ THE property or
22 interest.

23 (V) For ANY property or interest therein subject to disposition that
24 the department determines has an approximate value of ~~less than five~~
25 TWENTY-FIVE thousand dollars OR LESS, the department shall dispose of
26 ~~such~~ THE property or interest by means of a sale or exchange at not less
27 than its fair market value in the manner set forth in this subsection (5);

1 except that, AS SPECIFIED IN SECTION 12-61-702 (11)(b)(VI), the
2 department may employ a right-of-way acquisition agent, ~~as specified in~~
3 ~~section 12-61-702 (11), C.R.S.~~, A REAL ESTATE APPRAISER WHO IS
4 LICENSED OR CERTIFIED PURSUANT TO PART 7 OF ARTICLE 61 OF TITLE 12,
5 OR ANY OTHER INDIVIDUAL WHO HAS SUFFICIENT UNDERSTANDING OF THE
6 LOCAL REAL ESTATE MARKET TO BE QUALIFIED TO MAKE A WAIVER
7 VALUATION to provide an estimate of the fair market value of such
8 property or interest and to determine to whom ~~such~~ THE property or
9 interest is of use.

10 **SECTION 3. Safety clause.** The general assembly hereby finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, and safety.