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FISCAL NOTE

Drafting Number: LLS 20-0086
Prime Sponsors: Rep. Coleman; Larson
Sen. Bridges; Gardner

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Bill Status: House Trans. & Local Govt.
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Bill Topic: PUBLIC REAL PROPERTY INDEX

- Summary of Fiscal Impact:
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This bill requires each state agency, state institution of higher education, and political subdivision of the state to annually submit a list of its usable real property to the Office of the State Architect. It increases state and local expenditures beginning in FY 2020-21 on an ongoing basis.

Appropriation Summary: For FY 2020-21, the bill requires a \$537,590 appropriation to the Department of Personnel and Administration.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 20-1138

Table with 3 columns: Category, FY 2020-21, FY 2021-22. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total), Total FTE, Transfers, and TABOR Refund.

Summary of Legislation

This bill requires each state agency, state institution of higher education, and political subdivision of the state to annually submit a list of its usable real property to the Office of the State Architect (OSA) in the Department of Personnel and Administration (DPA), beginning no later than December 31, 2020. The list must include the real property's address, size, and zoning; contact information for the entity that owns or controls the real property; the plan for its use, development, or sale; a description of the condition of the real property, and a measurement of the total area of the real property that is vacant, unused, or underdeveloped. In addition, each state agency, state institution of higher education, and political subdivision of the state must submit annual updates to the information originally provided, no later than December 31 of each year following the first report. Beginning July 1, 2021, any state agency, state institution of higher education, and political subdivision of the state must notify the OSA when it plans to sell any real property.

The bill requires the OSA to establish and maintain a free, publicly available website that includes the information it receives from any state agency, state institution of higher education, and political subdivision of the state on publicly-owned real property in the state and on any plans to sell such property.

State Expenditures

The bill increases General Fund expenditures by \$551,218 and 0.8 FTE in FY 2020-21, and by \$195,322 and 1.0 FTE in FY 2021-22 for the DPA. Costs are shown in Table 2 and explained below.

**Table 2
Expenditures Under HB 20-1138**

	FY 2020-21	FY 2021-22
Department of Personnel and Administration		
Personal Services	\$60,175	\$72,210
Operating Expenses	\$1,215	\$1,350
Capital Outlay Costs	\$6,200	-
Website Development and Maintenance	\$470,000	\$105,000
Centrally Appropriated Costs*	\$13,628	\$16,762
Total Cost	\$551,218	\$195,322
Total FTE	0.8 FTE	1.0 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Personnel and Administration. The bill requires the OSA to collect specified information, and to make such information publicly available on a website that it maintains. Development of the website database is estimated to cost roughly \$470,000 by the Colorado Statewide Internet Portal Authority (SIPA), with whom DPA will contract to build and maintain the website. SIPA also estimates roughly \$105,000 per year for ongoing website maintenance. In addition, because management of this information requires interpretation and technical

understanding of legal descriptions of property, surveys, plats, and real estate transactions, DPA will require 0.8 FTE in FY 2020-21 and 1.0 FTE in subsequent years. First year costs have been prorated to reflect the General Fund pay date shift and the bill's effective date.

Other state agencies and institutions of higher education. The bill may increase workload in state agencies and state institutions of higher education related to initial and subsequent reporting on usable real property. Some entities subject to the bill may have more significant workload increases based on the amount of real property they control; if workload exceeds existing appropriations, additional resources will be requested through the annual budget process.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$13,628 in FY 2020-21 and \$16,672 in FY 2021-22.

Local Government

The bill is anticipated to increase workload in local governments to comply with reporting requirements. Though many political subdivisions of the state, including school districts, are already subject to similar reporting requirements, there will be an increase in workload for local governments that are not otherwise required to report similar data. Costs will vary depending on the size of the local government and the number of properties owned.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2020-21, the Department of Personnel and Administration requires a General Fund appropriation of \$537,590 and 0.8 FTE.

State and Local Government Contacts

All State and Local Agencies