

## CHAPTER 209

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**HUMAN SERVICES - SOCIAL SERVICES**

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**SENATE BILL 97-112**

BY SENATORS Congrove, Bishop, and Rupert;  
also REPRESENTATIVES George, Entz, Epps, and Miller.

**AN ACT**

CONCERNING THE AUTHORITY OF THE DEPARTMENT OF HUMAN SERVICES TO ADMINISTER EXISTING  
COLORADO STATE AND VETERANS NURSING HOMES.

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

**SECTION 1.** 26-12-106 (1) (a), (1) (c), and (1) (d), Colorado Revised Statutes, 1989 Repl. Vol., as amended, are amended to read:

**26-12-106. Payments for care - funds - annual report - collections for charges.** (1) (a) The state department shall establish rates for the care of patients in state and veterans nursing homes, such rates to be as nearly equal to the cost of operation and maintenance of such state and veterans nursing homes as may be practicable. Payments shall be made to the director of the division in the state department responsible for state nursing homes, who shall deposit such funds, together with any other moneys received from any source for the operation and maintenance of such state and veterans nursing homes, with the state treasurer, who shall credit all such moneys to the central fund for state and veterans nursing homes, which fund is hereby created. The STATE department is authorized to expend moneys out of the central fund for state and veterans nursing homes for the direct and indirect costs incurred by the state department for the operation and administration of the state and veterans nursing homes, and for capital construction. Such expenditures will not require an appropriation by the general assembly but shall be limited to amounts in the central fund for state AND VETERANS nursing homes. All requests for capital construction submitted by the state department shall be considered by the capital development committee pursuant to section 2-3-1304, C.R.S. ~~In accordance with section 24-36-114, C.R.S., all interest derived from the deposit and investment of moneys in the fund shall be credited to the general fund.~~ ALL INTEREST DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE CENTRAL FUND FOR STATE AND VETERANS NURSING HOMES SHALL BE CREDITED TO SUCH FUND. At the end of

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

any fiscal year, all unexpended and unencumbered moneys in the fund shall remain therein and shall not be credited or transferred to the general fund or any other fund.

(c) ~~The functions of the department of human services relating to the expending of moneys from the central fund for state and veterans nursing homes is repealed, effective July 1, 1997.~~

(d) ~~The provisions of section 24-34-104, C.R.S., concerning the termination schedule for regulatory bodies of the state, unless extended as provided in that section, are applicable to the functions of the department of human services relating to the expending of moneys from the central fund for state and veterans nursing homes performed pursuant to this section.~~

**SECTION 2.** 26-12-312, Colorado Revised Statutes, 1989 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**26-12-312. Addition to center authorized.** (2.5) (a) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF HUMAN SERVICES, WITH THE APPROVAL OF THE STATE BOARD PURSUANT TO SECTION 26-12-311, SHALL SELL ANY REAL PROPERTY AT THE COLORADO STATE VETERANS CENTER AT HOMELAKE DECLARED TO BE SURPLUS BY THE STATE BOARD TO THE HIGHEST BIDDER ON SUCH TERMS AND CONDITIONS AS ARE DEEMED APPROPRIATE BY THE EXECUTIVE DIRECTOR FOR NOT LESS THAN THE APPRAISED VALUE THEREOF, AS DETERMINED BY AN APPRAISER WHO IS A MEMBER OF THE MEMBERS APPRAISAL INSTITUTE (MAI), AND TO EXECUTE DEEDS OF CONVEYANCE OF SUCH REAL PROPERTY.

(b) UPON THE SALE OF REAL PROPERTY PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (2.5), THE PROCEEDS SHALL BE DEPOSITED IN THE CENTRAL FUND FOR STATE AND VETERANS NURSING HOMES AND APPLIED TOWARD THE RETIREMENT OF ANY OUTSTANDING ANTICIPATION WARRANTS ISSUED PURSUANT TO SUBSECTION (2) OF THIS SECTION.

**SECTION 3.** 24-34-104 (26.1), Colorado Revised Statutes, 1988 Repl. Vol., as amended, is repealed as follows:

**24-34-104. General assembly review of regulatory agencies and functions for termination, continuation, or reestablishment.** (26.1) ~~The functions of the department of human services relating to the expending of moneys from the central fund for state and veterans nursing homes created by section 26-12-106, C.R.S., shall terminate July 1, 1997.~~

**SECTION 4. General fund loan to state veterans nursing home at Rifle - forgiveness.** (1) The general assembly hereby finds and determines that:

(a) From fiscal year 1985 through 1990, footnotes in the annual general appropriation act to appropriations made to the Colorado state veterans nursing home at Rifle, Colorado (Rifle facility), required repayment, without interest, of general fund moneys that were appropriated for final construction and initial operating costs of the Rifle facility, which opened in 1987;

(b) Footnotes in House Bill 88-1325 and Senate Bill 89-245 specified that the

general fund loan amount of \$831,397.35 was to be repaid in equal installments over a period of twenty years when the Rifle facility reached an occupancy of eighty-eight percent or the facility's expenditures exceeded revenues by five hundred dollars, whichever occurred first;

(c) To date, the Rifle facility has repaid \$290,990 of the general fund loan amount, leaving a balance of \$540,407.35; and

(d) Because federal Medicaid regulations prohibit repayment of a loan to be included as part of the reimbursement rate for an eligible Medicaid recipient in a nursing facility, repayment of the general fund loan is disproportionately borne by the non-Medicaid veteran and private-pay residents of the Rifle facility.

(2) The general assembly, therefore, declares that, of the remaining balance of \$540,407.35 of the general fund loan specified in subsection (1) of this section to the Rifle facility, \$407,348.54 is forgiven as of July 1, 1996.

**SECTION 5. Effective date.** This act shall take effect July 1, 1997.

**SECTION 6. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 27, 1997