

## CHAPTER 124

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**NATURAL RESOURCES**

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**HOUSE BILL 10-1165**

BY REPRESENTATIVE(S) Merrifield, Benefield, Fischer, Labuda, McFadyen, Middleton, Pommer, Priola, Schafer S., Todd;  
also SENATOR(S) Tapia.

**AN ACT****CONCERNING THE AUTHORITY OF THE STATE BOARD OF LAND COMMISSIONERS REGARDING STATE LAND.**

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

**SECTION 1.** 36-1-124 (1) and (2), Colorado Revised Statutes, are amended to read:

**36-1-124. Sale of state lands.** (1) The state board of land commissioners may at any time direct the sale of any state lands, except as provided in this article, in such parcels as the board deems proper. EXCEPT AS SPECIFIED IN SECTION 36-1-124.3, all sales under this article, except those to the United States, shall be advertised in four consecutive issues of a weekly paper of the county in which the land is situated, if there is a weekly paper in the county, and, if not, then in a paper published in an adjoining county and in other papers as the board may direct.

(2) EXCEPT AS SPECIFIED IN SECTION 36-1-124.3, the advertisement shall state the time, place, and terms of sale and the minimum price fixed by the STATE board OF LAND COMMISSIONERS for each parcel, lot, block, or tract below which no bid shall be received. All patents and certificates of purchase issued before March 31, 1919, are validated. If any land is sold on which authorized improvements have been made by lessees, the improvements shall be appraised under the direction of the ~~state board of land commissioners~~. When lands on which such improvements have been made are sold, the purchasers, if other than the owner of the improvements, shall pay the appraised value of the improvements to the owner thereof, taking a receipt therefor, and such purchaser shall deposit such receipt with the ~~state board of land commissioners~~ before such purchaser is entitled to a patent or certificate of purchase. All such receipts shall be filed and preserved in the office of the state board of land commissioners.

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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.*

**SECTION 2.** Article 1 of title 36, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**36-1-124.3. Acquisition of state trust lands by governmental entities - repeal.**

(1) THE GENERAL ASSEMBLY DECLARES THAT ITS INTENT IN ENACTING THIS SECTION IS TO AUTHORIZE THE TRANSFER OF INTERESTS IN LAND TO LOCAL GOVERNMENTS OR SPECIAL DISTRICTS IN EXCHANGE FOR FAIR AND ADEQUATE CONSIDERATION.

(2) IF THE STATE BOARD OF LAND COMMISSIONERS SEEKS TO DISPOSE OF A PARCEL OF LAND TO A LOCAL GOVERNMENT OR SPECIAL DISTRICT, THE BOARD SHALL GIVE PUBLIC NOTICE OF ITS INTENT PURSUANT TO SUBSECTION (3) OF THIS SECTION. NOT LESS THAN SIXTY DAYS AFTER THE DATE OF NOTICE, THE BOARD SHALL MEET IN PUBLIC SESSION TO HEAR AND RECEIVE TESTIMONY AND EVIDENCE CONCERNING THE PROPOSED DISPOSAL. AFTER GIVING FULL CONSIDERATION TO THE TESTIMONY AS WELL AS ITS LEGAL MANDATES, THE BOARD SHALL VOTE WHETHER TO APPROVE THE TRANSACTION.

(3) FOR PURPOSES OF PROPERTY DISPOSALS UNDER THIS SECTION, NOTICE SHALL BE PUBLISHED IN FOUR CONSECUTIVE ISSUES OF A WEEKLY PAPER OF THE COUNTY IN WHICH SUCH LAND IS SITUATED, IN SUCH OTHER PAPERS AS THE STATE BOARD OF LAND COMMISSIONERS MAY DIRECT, AND ON THE BOARD'S PUBLIC WEB SITE. THE BOARD SHALL DIRECTLY NOTIFY, BY EMAIL IF AVAILABLE, ALL LESSEES OF THE PROPERTY AND ALL GOVERNMENTAL ENTITIES WITHIN WHOSE BOUNDARIES THE PROPOSED TRANSACTION WILL TAKE PLACE. THE NOTICE SHALL IDENTIFY THE PARCEL, THE LOCAL GOVERNMENT OR SPECIAL DISTRICT TO RECEIVE THE PROPERTY INTEREST, THE PURPOSE AND BENEFIT OF THE DISPOSAL, AND THE TIME AND LOCATION OF THE PUBLIC HEARING.

(4) THE STATE BOARD OF LAND COMMISSIONERS SHALL NOT COMPLETE MORE THAN TWO TRANSACTIONS PURSUANT TO THIS SECTION IN A FISCAL YEAR. ALL DISPOSALS PURSUANT TO THIS SECTION SHALL:

(a) BE BASED ON FAIR MARKET VALUE AS DETERMINED BY THE BOARD THAT IS CONSISTENT WITH AN INDEPENDENT APPRAISAL CONFORMING TO THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE STANDARDS; AND

(b) IDENTIFY THE PURPOSE OF THE DISPOSAL OF PROPERTY AS:

(I) ADDING VALUE TO ADJOINING OR NEARBY STATE TRUST PROPERTY;

(II) COMPLYING WITH VALID LOCAL LAND USE REGULATIONS AS REQUIRED BY SECTION 10 OF ARTICLE IX OF THE STATE CONSTITUTION; OR

(III) BENEFITTING BOARD OPERATIONS.

(5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2015.

**SECTION 3.** 36-1-129, Colorado Revised Statutes, is amended to read:

**36-1-129. Bonds.** (1) When, in the judgment of the state board of land

commissioners, a bond, A DAMAGE DEPOSIT, OR EARNEST MONEYS by the purchaser of state lands is necessary, the board shall require ~~such~~ THE purchaser to give ~~a bond~~ THE FINANCIAL WARRANTY upon such conditions as the board may determine.

(2) (a) In leasing state lands for nonagricultural purposes, the STATE board OF LAND COMMISSIONERS shall require of the lessee ~~such~~ a bond OR DAMAGE DEPOSIT securing the state against loss of rents or other loss or waste, or occupation of the land for more than thirty days after the cancellation or expiration of the lease of the lessee, unless the lessee becomes the purchaser of the land, and in no case shall the lessee be allowed to cut or use more timber than is necessary for the improvement of the land or for fuel for the use of the family of the lessee; and the cutting and hauling of timber to sawmills, to be sawed on shares, is expressly prohibited.

(b) A lessee of state lands shall not be required to post a bond if such lessee is leasing state lands solely for agricultural purposes; EXCEPT THAT A BOND OR DAMAGE DEPOSIT MAY BE REQUIRED FOR STATE-OWNED IMPROVEMENTS EVEN IF LEASED SOLELY FOR AGRICULTURAL PURPOSES.

(3) ALL BONDS, DAMAGE DEPOSITS, AND EARNEST MONEYS COLLECTED PURSUANT TO THIS ARTICLE THAT THE STATE BOARD OF LAND COMMISSIONERS HAS DEEMED FORFEITED OR REQUIRED FOR REMEDIATION ACTIVITIES SHALL BE CREDITED TO THE FINANCIAL WARRANTY ACCOUNT OF THE STATE LAND BOARD TRUST ADMINISTRATION FUND CREATED IN SECTION 36-1-145 (2) (e). MONEYS IN THE ACCOUNT ARE CONTINUOUSLY APPROPRIATED FOR THE REMEDIATION OR OTHER ACTIVITIES ON THE AFFECTED PROPERTY.

**SECTION 4.** 36-1-145 (2) (c), Colorado Revised Statutes, is amended, and the said 36-1-145 (2) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

**36-1-145. Land commissioners' receipts - appropriation.** (2)(c) Any moneys remaining in the state land board trust administration fund at the end of the state fiscal year shall be allocated to the trust funds under the control of the state board of land commissioners in an amount equal to the proportion of such moneys that would have been paid into such trust funds but for their allocation to the state land board trust administration fund; EXCEPT THAT MONEYS IN THE FINANCIAL WARRANTY ACCOUNT OF THE FUND CREATED IN PARAGRAPH (e) OF THIS SUBSECTION (2) SHALL REMAIN IN THE ACCOUNT UNTIL SPENT.

(e) THERE IS HEREBY CREATED IN THE STATE LAND BOARD TRUST ADMINISTRATION FUND THE FINANCIAL WARRANTY ACCOUNT, CONSISTING OF FINANCIAL WARRANTIES CREDITED TO THE ACCOUNT PURSUANT TO SECTION 36-1-129 (3). THE BOARD SHALL EXPEND MONEYS IN THE ACCOUNT ONLY FOR PURPOSES SPECIFIED IN SECTION 36-1-129 (3).

**SECTION 5. Applicability.** This act shall apply to conduct occurring on or after the effective date of this act.

**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: April 15, 2010