

Colorado Legislative Council Staff Fiscal Note
STATE and STATUTORY PUBLIC ENTITY
FISCAL IMPACT

Drafting Number: LLS 13-0516
Prime Sponsor(s): Sen. Crowder

Date: March 14, 2013
Bill Status: Senate SMVA
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TITLE: CONCERNING THE CREATION OF AN AUTHORITY TO FINANCE THE PURCHASE OF REAL PROPERTY IN THE PINON CANYON MANEUVER SITE FROM THE FEDERAL GOVERNMENT.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill requires that the governor and the attorney general negotiate with the federal government for the purchase of the federally owned Pinyon Canyon Maneuver Site. If the state and the federal government enter into an agreement to transfer ownership of the site, the bill creates the Pinyon Canyon Maneuver Site Land Purchase Authority (authority), which is empowered to issue bonds to finance the purchase of all or any portion of the site, and to offer loans to support the resale of the state's interest in the site to private landowners. The bill establishes the authority's board of directors, legal powers, and general duties. The authority is permitted to borrow money for start-up costs.

The authority must offer for sale all the site property, and give priority consideration to previous land owners, or their heirs. Second consideration must be given to agricultural producers in the counties that share the site. Following two years of marketing the properties to preferred purchasers, the offer to purchase must be extended to any private or public buyer.

The authority may extend loans or other financing terms to assist land purchases from the site. The loan interest rate must be set at a rate that is 2 percent above the interest rate on the bonds the authority issued to finance the purchase price of the site. Any revenues that result from the difference between the amount the authority pays in interest on the bonds and the amount regained by making the loans may be kept by the authority for administrative purposes. After all

administrative expenses have been paid, any excess is transferred to the state treasurer for use in state veterans programs. The authority may make recommendations to the General Assembly concerning necessary statutory changes, and is subject to auditing by the Office of the State Auditor. The bill is repealed July 1, 2028.

State Expenditures

This bill increases workload minimally as a result of negotiations with the federal government conducted by the governor's office and the attorney general. The governor's office and the Department of Law will have increased expenditures to conduct the negotiations; however, this expense can be met within existing appropriations. This fiscal note assumes that no surplus revenue will be available for expenditures of state veterans programs during the initial years of the authority's operations.

Statutory Public Entity

Assuming negotiations are successful, there is a conditional increase in statutory public entity revenue and expenditures for operations of the authority. The authority is authorized to issue bonds to raise revenue sufficient to complete the immediate purchase of the site from the federal government. The bonds are repaid with the proceeds from the future resale of the site. The Pinyon Canyon Maneuver Site Land Purchase Authority will also raise revenue for its operations from loans made at interest rates above the rate used for the bond issued to finance the purchase price of the site.

The expenditures of the authority will include reimbursement for the expenses of the board meetings (7 members and a minimum of 6 meetings annually), salary and benefits for an executive director and support staff, and other costs to manage funds, manage property holdings, market property sales, and conduct real estate transactions. These expenditures will be determined through board decisions and are not estimated in this fiscal note.

Departments Contacted

Governor's Office
Natural Resources

Law
Revenue

Military Affairs
State Auditor