

ASSEMBLY BILL

No. 2559

Introduced by Assembly Member Smyth

February 22, 2008

An act to amend Section 5080.18 of the Public Resources Code, relating to state parks.

LEGISLATIVE COUNSEL'S DIGEST

AB 2559, as introduced, Smyth. State parks: concession contracts.

Existing law authorizes the Department of Parks and Recreation to enter into contracts with natural persons, corporations, partnerships, and associations for the construction, maintenance, and operation of concessions within units of the state park system. Existing law requires those concession contracts to contain certain specified provisions, including a provision that the maximum term shall be 10 years, except that a term of more than 10 years may be provided if the Director of Parks and Recreation determines that the longer term is necessary to allow the concessionaire to amortize improvements made by the concessionaire, to facilitate the full utilization of a structure that is scheduled by the department for replacement or redevelopment, or to serve the best interests of the state. Existing law prohibits a term of a concession contract from exceeding 20 years without specific authorization by statute.

This bill would authorize the department to enter into a concession contract for a term of 50 years if the concession contract is for the construction, development, and operation of multiple-unit lodging facilities, as specified, that is expected to exceed an initial cost of \$1,500,000 in capital improvements in order to begin operation. This

bill would prohibit a term for this type of concession contract from exceeding 50 years without specific authorization by statute.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5080.18 of the Public Resources Code
2 is amended to read:

3 5080.18. All concession contracts entered into pursuant to this
4 article shall contain, but are not limited to, all of the following
5 provisions:

6 (a) (1) The maximum term shall be 10 years, except that a term
7 of more than 10 years may be provided if the director determines
8 that the longer term is necessary to allow the concessionaire to
9 amortize improvements made by the concessionaire, to facilitate
10 the full utilization of a structure that is scheduled by the department
11 for replacement or redevelopment, or to serve the best interests of
12 the state. The term shall not exceed 20 years without specific
13 authorization by statute.

14 (2) *The maximum term shall be 50 years if the concession*
15 *contract is for the construction, development, and operation of*
16 *multiple-unit lodging facilities equipped with full amenities,*
17 *including plumbing and electrical, that is anticipated to exceed*
18 *an initial cost of one million five hundred thousand dollars*
19 *(\$1,500,000) in capital improvements in order to begin operation.*
20 *The term for a concession contract described in this paragraph*
21 *shall not exceed 50 years without specific authorization by statute.*

22 (b) Every concessionaire shall submit to the department all sales
23 and use tax returns.

24 (c) Every concession shall be subject to audit by the department.

25 (d) A performance bond shall be obtained and maintained by
26 the concessionaire. In lieu of a bond, the concessionaire may
27 substitute a deposit of funds acceptable to the department. Interest
28 on the deposit shall accrue to the concessionaire.

29 (e) The concessionaire shall obtain and maintain in force at all
30 times a policy of liability insurance in an amount adequate for the
31 nature and extent of public usage of the concession and naming
32 the state as an additional insured.

1 (f) Any discrimination by the concessionaire or his or her agents
2 or employees against any person because of the marital status or
3 ancestry of that person or any characteristic listed or defined in
4 Section 11135 of the Government Code is prohibited.

5 (g) To be effective, any modification of the concession contract
6 shall be evidenced in writing.

7 (h) Whenever a concession contract is terminated for substantial
8 breach, there shall be no obligation on the part of the state to
9 purchase any improvements made by the concessionaire.

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