

**Assembly Bill No. 1748**

**CHAPTER 78**

An act to amend Section 81378.1 of the Education Code, relating to community colleges.

[Approved by Governor July 10, 2012. Filed with  
Secretary of State July 10, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1748, Fong. California Community Colleges: fair market value of leases.

Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law establishes community college districts, administered by a governing board, throughout the state. Existing law authorizes the governing board of a community college district to let, in the name of the district, specified property not needed for academic activities, and prohibits the fair market value of that lease from exceeding \$25,000 per year, as certified by the governing board.

This bill would remove the requirement that the lease not exceed \$25,000 per year.

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

SECTION 1. Section 81378.1 of the Education Code is amended to read:  
81378.1. (a) The governing board of a community college district may, without complying with any other provision of this article, let in the name of the district any buildings, grounds, or space therein, together with any personal property located thereon, not needed for academic activities, upon the terms and conditions agreed upon by the governing board and the lessee for a period of more than five days but less than five years, as determined by the governing board. Before executing the lease, the governing board shall include in an agenda of a meeting of the board open to the public a description of the proposed lease and an explanation of the methodology used to establish the lease rate and for determining the fair market value of the lease.

(b) The governing board shall give public notice before taking any action pursuant to subdivision (a). The notice shall include a description of the governing board's intended action. The notice shall be printed once a week for three successive weeks prior to the board meeting described in

subdivision (a) in a newspaper of general circulation that is published at least once a week.

(c) The governing board shall include, as a condition in any agreement to let any buildings, grounds, or space therein, together with any personal property located thereon, a provision that the agreement shall be subject to renegotiation and may be rescinded after 60 days' notice to the lessee if the governing board determines at any time during the term of the agreement that the buildings, grounds, or space therein subject to the agreement are needed for academic activities. Any revenue derived pursuant to the agreement shall be retained for the exclusive use of the community college district whose buildings, grounds, or space therein are the basis of the agreement and shall be used to supplement, but not supplant, any state funding. Any buildings, grounds, or space therein, let by the district shall be included as space actually available for use by the college in any calculations related to any plan for capital construction submitted to the board of governors pursuant to Chapter 4 (commencing with Section 81800), or any other law.

(d) The authority of a governing board under this section does not apply to the letting of an entire campus.

(e) The use of any buildings, grounds, or space therein, together with any personal property located thereon, let by the governing board pursuant to this section shall be consistent with all applicable zoning ordinances and regulations.