

AMENDED IN SENATE MAY 25, 2012

AMENDED IN SENATE APRIL 23, 2012

SENATE BILL

No. 1266

Introduced by Senator Corbett

February 23, 2012

An act to amend Sections 5096.501 and 5096.511 of, to add Section 5096.510 to, and to repeal and add Section 5096.517 of, the Public Resources Code, relating to state lands.

LEGISLATIVE COUNSEL'S DIGEST

SB 1266, as amended, Corbett. Resource conservation lands: appraisal process.

Existing law authorizes various state agencies to acquire land for purposes related to conservation, and requires an acquisition agency, as defined, prior to any action by the acquisition agency to approve a major acquisition of conservation lands, to contract for at least one independent appraisal of the fair market value of the land. A "major acquisition" is defined as an acquisition for which an agency proposes to spend more than \$25,000,000 of state funds.

This bill would redefine major acquisition as an acquisition for which an agency proposes to spend more than \$15,000,000 of state funds. The bill would also require that, if more than \$1,000,000 of state funds are proposed for expenditure or grant by an acquisition agency of conservation lands, *including major acquisitions*, the acquisition agency or the project partner, as defined, shall contract for an appraisal. *The bill would require that the appraisal meet specified requirements. The bill would also allow the project partner or landowner to contribute to the cost of the appraisal, be identified as a user of the appraisal, and be named as the coclient of the appraiser or firm preparing the appraisal*

except, on and after January 1, 2015, the bill would prohibit the landowner from being named as a coclient of the appraiser or firm preparing the appraisal.

Existing law requires the Department of General Services to convene a workgroup to develop and adopt standards, subject to the approval of the Natural Resources Agency, with respect to the acquisition of conservation lands concerning the appraisal process, availability of appraisal information, and valuation for purposes of a charitable contribution, as prescribed.

This bill would repeal those provisions requiring the department to convene a workgroup and would instead require that, in addition to any other requirements or standards prescribed by law, appraisal reports prepared for the acquisition of any land or interest therein by or with funding from an acquisition agency, as defined, include specified information, and meet specified requirements to be considered for appraisal review by the state.

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 5096.501 of the Public Resources Code
- 2 is amended to read:
- 3 5096.501. For purposes of this chapter, the following terms
- 4 have the following meanings:
- 5 (a) “Acquisition agency” means the Wildlife Conservation
- 6 Board, the Department of Parks and Recreation, or a state
- 7 conservancy.
- 8 (b) “Conservation lands” means any land or interest therein to
- 9 be acquired by an acquisition agency, or that is owned by the state.
- 10 (c) “Major acquisition” means an acquisition for which an
- 11 agency proposes to spend more than fifteen million dollars
- 12 (\$15,000,000) of state funds.
- 13 (d) “Project partner” means a public agency or nonprofit
- 14 organization that is seeking state funding *for itself or for another*
- 15 *public agency or nonprofit organization*, from an acquisition
- 16 agency for the acquisition of conservation lands.
- 17 SEC. 2. Section 5096.510 is added to the Public Resources
- 18 Code, to read:

1 5096.510. If more than one million dollars (\$1,000,000) of
2 state funds are proposed for expenditure or grant by an acquisition
3 agency of conservation lands, *including major acquisitions*, the
4 acquisition agency or the project partner shall contract for an
5 appraisal. *The appraisal shall meet all applicable requirements of*
6 *this chapter and any other applicable state laws and policies, and*
7 *shall conform to Uniform Standards of Professional Appraisal*
8 *Practice. The project partner or landowner may contribute to the*
9 *costs of the appraisal, be identified as an intended user of the*
10 *appraisal, and be named as the coclient of the appraiser or firm*
11 *preparing the appraisal. However, on and after January 1, 2015,*
12 *a landowner shall not be named as a coclient of the appraiser or*
13 *firm preparing the appraisal.*

14 SEC. 3. Section 5096.511 of the Public Resources Code is
15 amended to read:

16 5096.511. Prior to any action by an acquisition agency to
17 approve a major acquisition of conservation lands, the acquisition
18 agency or project partner shall contract for at least one independent
19 appraisal of the fair market value of the land. The appraisal shall
20 be conducted by a qualified member of the Appraisal Institute who
21 is licensed pursuant to Part 3 (commencing with Section 11300)
22 of Division 4 of the Business and Professions Code. The appraisal
23 shall be prepared pursuant to the Uniform Standards of Professional
24 Appraisal Practice.

25 SEC. 4. Section 5096.517 of the Public Resources Code is
26 repealed.

27 SEC. 5. Section 5096.517 is added to the Public Resources
28 Code, to read:

29 5096.517. (a) In addition to any other requirements or
30 standards prescribed by law, appraisal reports prepared for the
31 acquisition of any land or interest therein by or with funding from
32 an “acquisition agency,” as defined in subdivision (a) of Section
33 5096.501, shall include all of the following to be considered for
34 appraisal review by the state:

35 (1) A collection of descriptive photographs and maps of
36 sufficient quality and detail to clearly depict the subject property
37 and any market data relied upon, including the relationship between
38 the location of the subject property and the market data.

- 1 (2) A complete description of the subject property land, site
2 characteristics, and improvements. Valuations based on a
3 property’s development potential shall include:
- 4 (A) Verifiable data on the development potential of the land.
 - 5 (B) A description of what would be required for a development
6 project to proceed, such as legal entitlements, and infrastructure
7 needs.
 - 8 (C) Presentation of evidence that sufficient demand exists, or
9 is likely to exist in the future, to provide market support for the
10 development.
- 11 (3) A statement by the appraiser indicating to what extent land
12 title conditions were investigated and considered in the analysis
13 and value conclusion. The appraisal shall also include a preliminary
14 appraisal report when such a report is available.
- 15 (4) A discussion of implied dedication, prescriptive rights, or
16 other unrecorded rights as described in Sections 801 to 813,
17 inclusive, and Sections 1006 to 1009, inclusive, of the Civil Code,
18 that may affect value, indicating the extent of investigation and
19 any knowledge or observation of conditions that might indicate
20 evidence of public use. If the appraiser has no knowledge of, or
21 has not observed, those conditions, a statement to that effect shall
22 be included in the appraisal report.
- 23 (5) An appraisal report that includes more than nominal value
24 for specialty interests, including, but not limited to, timber, water,
25 minerals, or carbon credits, shall include a separate valuation
26 prepared and signed by a certified or registered professional
27 qualified in the field of specialty interest. This valuation shall be
28 reviewed and approved by a second qualified, certified or registered
29 professional, considered by the appraiser, and appended to the
30 appraisal report.
- 31 (b) Each appraisal report shall be prepared by, and include a
32 signature by an appropriately licensed or certified real estate
33 appraiser in good standing pursuant to Part 3 (commencing with
34 Section 11300) of Division 4 of the Business and Professions Code,
35 and its implementing regulations.

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