

**ASSEMBLY BILL**

**No. 1907**

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**Introduced by Assembly Member Daly**

February 11, 2016

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An act to repeal Sections 3884.1 and 3884.2 of the Food and Agricultural Code, relating to district agricultural associations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1907, as introduced, Daly. Orange County Fair: sale of state property.

Existing law divides the state into agricultural districts within the boundaries of which agricultural associations may be formed. Existing law creates District 32a from real property commonly known as the Orange County Fair and authorizes the Department of General Services to sell all or any portion of the real property that composes District 32a.

This bill would repeal the provision creating District 32a out of the Orange County Fair property and would repeal the provision authorizing the sale of that property by the department. The bill would also repeal the creation of the District 32a Disposition Fund in the State Treasury.

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 3884.1 of the Food and Agricultural Code
- 2 is repealed.
- 3 ~~3884.1. There is hereby created District 32a, which consists~~
- 4 ~~of all of that real property that is a portion of District 32 that is~~
- 5 ~~commonly known as the Orange County Fair located in the City~~

1 of Costa Mesa. Notwithstanding any other law, any officer of  
2 District 32a may also be an officer of District 32 and shall be a  
3 resident of District 32. All otherwise applicable ethical duties,  
4 including those in Section 1090 of the Government Code,  
5 subdivision (a) of Section 8920 of the Government Code, and the  
6 Political Reform Act of 1974 (Title 9 (commencing with Section  
7 81000) of the Government Code), shall apply to the officers of  
8 both District 32 and District 32a, and shall apply in regard to the  
9 transactions contemplated by Section 3884.2.

10 SEC. 2. Section 3884.2 of the Food and Agricultural Code is  
11 repealed.

12 3884.2. (a) The District 32a Disposition Fund is hereby created  
13 in the State Treasury.

14 (b) The Department of General Services may sell all or any  
15 portion of the real property that composes District 32a. District  
16 32a shall not enter into any contract, lease, or other agreement  
17 affecting the use or operation of the real property for a period that  
18 exceeds three months, and all of these contracts, leases, or other  
19 agreements shall contain a provision that they may be canceled  
20 upon a 30-day notice from the Department of General Services.  
21 The Department of General Services shall be reimbursed for any  
22 reasonable cost or expense incurred for the transactions described  
23 in this section. Additionally, to the extent bonds issued by the State  
24 Public Works Board or other entity involve the property to be sold  
25 pursuant to this section, all issuer- and trustee-related costs  
26 associated with the review of any proposed sale, together with the  
27 costs related to the defeasance or retirement of any bonds, which  
28 may include the cost of nationally recognized bond counsel, shall  
29 be paid from the proceeds of any sale or lease authorized by this  
30 section. The net proceeds from the sale shall be deposited into the  
31 District 32a Disposition Fund.

32 (c) The sale of the real property authorized by this section shall  
33 be pursuant to a public bidding process designed to obtain the  
34 highest, most certain return for the state from a responsible bidder,  
35 and any transaction based on such a bidding process shall be  
36 deemed to be the fair market value for the property. A notice of  
37 this bidding process shall be posted by the Department of General  
38 Services on its Internet Web site for at least 30 days prior to the  
39 sale of the real property. The provisions of Section 11011.1 of the

1 ~~Government Code are not applicable to the sale of real property~~  
2 ~~authorized under this section.~~

3 ~~(d) Thirty days prior to executing a transaction for a sale of real~~  
4 ~~property authorized by this section, the Director of General~~  
5 ~~Services shall report to the chairpersons of the fiscal committees~~  
6 ~~of the Legislature all of the following:~~

7 ~~(1) The financial terms of the transaction.~~

8 ~~(2) A comparison of fair market value for the real property and~~  
9 ~~the terms listed in paragraph (1).~~

10 ~~(3) Any basis for agreeing to terms and conditions other than~~  
11 ~~fair market value.~~

12 ~~(e) As to the real property sold pursuant to this section, the~~  
13 ~~Director of General Services shall except and reserve to the state~~  
14 ~~all mineral deposits, as defined in Section 6407 of the Public~~  
15 ~~Resources Code, together with the right to prospect for, mine, and~~  
16 ~~remove the deposits. If, however, the Director of General Services~~  
17 ~~determines that there is little or no potential for mineral deposits,~~  
18 ~~the reservation may be without surface right of entry above a depth~~  
19 ~~of 500 feet, or the rights to prospect for, mine, and remove the~~  
20 ~~deposits shall be limited to those areas of the real property~~  
21 ~~conveyed that the director determines to be reasonably necessary~~  
22 ~~for the removal of the deposits.~~

23 ~~(f) The Department of General Services shall report to the~~  
24 ~~Legislature on or before June 30 of each year on the status of the~~  
25 ~~sale of real property authorized by this section.~~

26 ~~(g) Upon the sale of all property that composes District 32a,~~  
27 ~~District 32a shall be abolished and all funds in the District 32a~~  
28 ~~Disposition Fund shall be transferred to the General Fund.~~

29 ~~(h) (1) The disposition of state real property or buildings~~  
30 ~~specified in subdivision (b) that are made on an “as is” basis shall~~  
31 ~~be exempt from Chapter 3 (commencing with Section 21100) to~~  
32 ~~Chapter 6 (commencing with Section 21165), inclusive, of Division~~  
33 ~~13 of the Public Resources Code. Upon title to the parcel vesting~~  
34 ~~in the purchaser or transferee of the property, the purchaser or~~  
35 ~~transferee shall be subject to any local governmental land use~~  
36 ~~entitlement approval requirements and to Chapter 3 (commencing~~  
37 ~~with Section 21100) to Chapter 6 (commencing with Section~~  
38 ~~21165), inclusive, of Division 13 of the Public Resources Code.~~

39 ~~(2) If the disposition of state real property or buildings specified~~  
40 ~~in subdivision (b) is not made on an “as is” basis and close of~~

1 escrow is contingent on the satisfaction of a local governmental  
2 land use entitlement approval requirement or compliance by the  
3 local government with Chapter 3 (commencing with Section 21100)  
4 to Chapter 6 (commencing with Section 21165), inclusive, of  
5 Division 13 of the Public Resources Code, the execution of the  
6 purchase and sale agreement or of the exchange agreement by all  
7 parties to the agreement shall be exempt from Chapter 3  
8 (commencing with Section 21100) to Chapter 6 (commencing with  
9 Section 21165), inclusive, of Division 13 of the Public Resources  
10 Code.

11 (3) For the purposes of this subdivision, “disposition” means  
12 the sale, lease, or repurchase of state property or buildings specified  
13 in subdivision (b).

14 (i) The disposition of real property or buildings, or both,  
15 pursuant to this section does not constitute a sale or other  
16 disposition of state surplus property within the meaning of Section  
17 9 of Article III of the California Constitution and shall not be  
18 subject to subdivision (g) of Section 11011 of the Government  
19 Code.