

AMENDED IN SENATE JUNE 22, 1998
AMENDED IN ASSEMBLY APRIL 14, 1998

CALIFORNIA LEGISLATURE—1997-98 REGULAR SESSION

ASSEMBLY BILL

No. 2459

Introduced by Assembly Member Campbell

February 20, 1998

An act to amend Sections 11005.3, ~~14669, and 14670~~ and *14669* of, and to add Section 14667.1 to, the Government Code, relating to property.

LEGISLATIVE COUNSEL'S DIGEST

AB 2459, as amended, Campbell. Property: state leases and acquisitions.

(1) Existing law authorizes any state department, board, or commission to lease any real property for the use of the state agency for storage, warehouse, or office purposes provided that the lease term does not exceed 3 years and the annual rental does not exceed \$24,000.

This bill would increase this maximum annual rental amount to \$50,000.

(2) Existing law authorizes the Director of General Services to exempt from his or her approval or from the approval of the Department of General Services any transaction involving not more than \$50,000 for which the approval is required by statute whenever, in the director's judgment, the exemption is appropriate and in the best interest of the state.

This bill would authorize the director, notwithstanding the above provision, to exempt from his or her approval, or from the approval of the department, any state real estate acquisition or conveyance involving not more than \$150,000 for which approval is required by statute whenever, in his or her judgment, the state agency delegated that authority has the necessary real estate expertise and experience to complete the transaction competently and professionally while protecting the best interests of the state. The bill would require that written notice of the exemptions be given to the Controller.

(3) Existing law authorizes the Director of General Services to lease, lease-purchase, or lease with the option to purchase any real or personal property for the use of any state agency, but prohibits the director from entering into a lease-purchase agreement, or a lease with an option to purchase with an initial option purchase price over \$2,000,000, either of which involves office space, unless specifically authorized by the Legislature.

This bill would delete the requirement that the director receive specific legislative authorization to enter into a lease with an option to purchase that involves office space with an initial option price over \$2,000,000. This bill would require the director to prepare and submit a report to the Legislature listing all leases entered into in the prior calendar year with an option to purchase with another public or private entity that involve office space.

~~(4) Existing law authorizes the Director of General Services, with the consent of the state agency concerned, to let for a period of not to exceed 5 years any real or personal property that belongs to the state, the letting of which is not expressly prohibited by law, if the director deems the letting is in the best interest of the state.~~

~~This bill would authorize the director, with the consent of the state agency concerned that is obtained prior to any action being taken by the Department of General Services to effectuate a lease, to let real or personal state property belonging to the state without limitation as to the duration of the lease. The bill would require that any lease of state property for a term longer than 5 years be submitted by the~~



~~director, along with a report that demonstrates the necessity and potential benefits to the state of the lease, for a 30-day review by the Joint Legislative Budget Committee.~~

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 11005.3 of the Government
2 Code is amended to read:

3 11005.3. Any state department, board, or commission
4 may lease any real property for the use of the state agency
5 for storage, warehouse, or office purposes provided that
6 the lease term does not exceed three years and the annual
7 rental does not exceed fifty thousand dollars (\$50,000).

8 Prior approval to engage in any lease activity shall first
9 be obtained from the Department of General Services
10 and the lease agreement shall be subject to approval by
11 the department.

12 SEC. 2. Section 14667.1 is added to the Government
13 Code, to read:

14 14667.1. Notwithstanding Section 14616, the director
15 may exempt from his or her approval, or from the
16 approval of the department, any state real estate
17 acquisition or conveyance involving not more than one
18 hundred fifty thousand dollars (\$150,000) for which
19 approval is required by statute whenever, in his or her
20 judgment, the state agency delegated that authority has
21 the necessary real estate expertise and experience to
22 complete the transaction competently and professionally
23 while protecting the best interests of the state. Written
24 notice of exemptions shall be given to the Controller.

25 SEC. 3. Section 14669 of the Government Code is
26 amended to read:

27 14669. (a) The director may hire, lease,
28 lease-purchase, or lease with the option to purchase any
29 real or personal property for the use of any state agency,
30 including the Department of General Services, if he or
31 she deems the hiring or leasing is in the best interests of
32 the state.



1 (b) The director shall not enter into a lease-purchase
2 agreement that involves office space, unless specifically
3 authorized to do so by the Legislature. The director shall
4 solicit written bids for any lease-purchase that involves
5 office space in a newspaper of general circulation in the
6 county in which the project is located. All bids received
7 shall be publicly opened and the lease awarded to the
8 lowest responsible bidder. If the director deems the
9 acceptance of the lowest responsible bid is not in the best
10 interest of the state, he or she may reject all bids.

11 (c) Notwithstanding Section 7550.5, by March 1st of
12 each year, the director shall prepare a report listing all
13 leases entered into in the prior calendar year with an
14 option to purchase with another entity, public or private,
15 that involve office space. The report shall be submitted to
16 the Chairperson of the Joint Legislative Budget
17 Committee and the chairperson of the committee of each
18 house of the Legislature that considers appropriations.

19 ~~SEC. 4. Section 14670 of the Government Code is~~
20 ~~amended to read:~~

21 ~~14670. With the consent of the state agency~~
22 ~~concerned, which is obtained prior to any action being~~
23 ~~taken by the department to effectuate a lease, the~~
24 ~~director may do any of the following:~~

25 ~~(a) Let any real or personal property that belongs to~~
26 ~~the state, the letting of which is not expressly prohibited~~
27 ~~by law, if the director deems the letting is in the best~~
28 ~~interest of the state. Notwithstanding Section 7550.5, any~~
29 ~~lease of state property for a term longer than five years~~
30 ~~shall be submitted by the director, along with a report~~
31 ~~that demonstrates the necessity and potential benefits to~~
32 ~~the state of such a lease, for a 30-day review by the Joint~~
33 ~~Legislative Budget Committee.~~

34 ~~(b) Sublet any real or personal property leased by the~~
35 ~~state, the subletting of which is not expressly prohibited~~
36 ~~by law, if the director deems the subletting is in the best~~
37 ~~interest of the state.~~

38 ~~(c) Let for a period not to exceed five years, and at less~~
39 ~~than fair market rental, any real property of the state to~~
40 ~~any public agency for use as nonprofit, self help~~



1 ~~community vegetable gardens and related supporting~~
2 ~~activities, provided:~~

3 ~~(1) Parcels let for these purposes shall not exceed five~~
4 ~~acres.~~

5 ~~(2) Two or more contiguous parcels shall not be let for~~
6 ~~these purposes.~~

7 ~~(3) Parcels shall be let subject to applicable local~~
8 ~~zoning ordinances.~~

9 ~~The Legislature finds and declares that any leases let at~~
10 ~~less than fair market rental pursuant to subdivision (c)~~
11 ~~shall be of broad public benefit.~~

12 ~~Any money received in connection with subdivision~~
13 ~~(a) shall be deposited in the General Fund for~~
14 ~~appropriation as provided in Section 15863. Any~~
15 ~~expenditures in connection with the letting may be~~
16 ~~allocated from the appropriation pursuant to Section~~
17 ~~15863.~~

18 ~~All money received pursuant to subdivision (b) shall be~~
19 ~~accounted for to the Controller at the close of each month~~
20 ~~and on order of the Controller be paid into the State~~
21 ~~Treasury and credited to the appropriation from which~~
22 ~~the cost of the lease was paid.~~

