AMENDED IN SENATE AUGUST 17, 2010

AMENDED IN SENATE AUGUST 2, 2010

AMENDED IN ASSEMBLY JANUARY 26, 2010

AMENDED IN ASSEMBLY SEPTEMBER 10, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL No. 151

Introduced by Assembly Member Jones
(Principal coauthor: Senator Runner)

January 23, 2009

An act to amend Section 15621 of, and to add Section 14673.12 to, the Government Code, relating to state property.

LEGISLATIVE COUNSEL'S DIGEST

AB 151, as amended, Jones. Department of General Services: authorization.

Existing law authorizes the Department of General Services to acquire and convey real property for the state, whenever that transfer of the real property is authorized or contemplated by law.

This bill would require the Director of General Services to conduct a study to determine whether it is in the best interest of the state to sell or lease specified real property in the City of Sacramento owned by the state, and to report its findings to the Legislature no later than April 1, 2011. The bill would authorize the director, after making this determination, to sell, exchange, lease, or any combination thereof, all or a portion of the property. This bill would also require the director to use the revenues resulting from any sale, exchange, or lease of the property to pay off the total outstanding loan on the property, including any obligations associated with it, as specified.

The California Constitution requires that the proceeds from the sale of surplus state property be used to pay the principal and interest on specified bonds and, once those bonds are fully paid, be deposited into the Special Fund for Economic Uncertainties.

This bill would specify that the proceeds from the sale of the state property authorized by the bill, for purposes of this provision of the California Constitution, are the revenues resulting from the sale that are in excess of the amount necessary to satisfy the outstanding loan on the property.

Existing law authorizes the State Board of Equalization to hire or lease any property, real or personal, for its occupancy or use in the performance of its duties, upon the written approval of the Department of General Services.

This bill would authorize the board to hire or lease any property without the written approval of the Department of General Services. This bill would further authorize the board to exercise prescribed powers, including, among others, acquiring ~~and relocating to~~ new facilities through lease of real or personal property in its own name, maintaining offices, storage, and parking facilities, and negotiating, making, and executing contracts and all other instruments necessary or convenient for the exercise of its powers and functions pursuant to specified law provisions.

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

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

SECTION 1. Section 14673.12 is added to the Government Code, to read:

14673.12. (a) The Legislature finds and declares all of the following:

(1) Located in the City of Sacramento, the state owns approximately 449,138 square feet of office space, with improvements, on city blocks bounded by "N" Street on the north, 5th Street on the east, "O" Street on the south, and 4th Street on the west, that is currently used for state offices, including offices of the State Board of Equalization.

(2) For purposes of this section, the real property described in paragraph (1) shall be referred to as the “Sacramento Property.”

(3) Allowing the State Board of Equalization to move out of the Sacramento Property permanently and to consolidate its operations into one location will accommodate any future growth as part of its revenue-administrative mission.

(b) The Director of General Services shall conduct a study to determine whether it is in the best interest of the state to sell the Sacramento Property or to lease the property to another state tenant. The director shall report to the Legislature on the most cost-effective option for the state. The director shall consider the timeframe to sell or lease the Sacramento Property in conjunction with the timely relocation of the State Board of Equalization headquarters operation. The director shall report his or her findings to the Legislature no later than April 1, 2011.

(c) (1) Upon the Director of General Services making the determination specified in subdivision (b) that the Sacramento Property should be either sold or leased to another state tenant, the director may sell, exchange, lease, or any combination thereof, all or a portion of the Sacramento Property. Subject to the requirements of Section 9 of Article 3 of the California Constitution, the director shall use the revenues resulting from any sale, exchange, or lease to pay off the total outstanding loan on the Sacramento Property, including accrued interest and any other obligations associated with the Sacramento Property.

(2) In the event that the director sells the Sacramento Property and the sale constitutes a sale of surplus state property for purposes of Section 9 of Article III of the California Constitution, the “proceeds from the sale” for purposes of that section shall be the revenues from the sale in excess of the amount necessary to satisfy the total outstanding loan on the Sacramento Property, as required by paragraph (1).

(d) (1) The requirement for submitting a report imposed under subdivision (b) is inoperative on April 1, 2015, pursuant to Section 10231.5.

(2) The report required pursuant to subdivision (b) shall be submitted in compliance with Section 9795.

SEC. 2. Section 15621 of the Government Code is amended to read:

15621. ~~(a)~~ Notwithstanding any other provision of law, the board may hire or lease any property, real or personal, for its occupancy or use in the performance of its duties and shall have all of the following powers:

~~(1)~~

(a) To maintain offices, storage, and parking facilities at any place or places within and outside the state, which it may designate.

~~(2)~~

(b) To negotiate, make, and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this part. Contracts made or executed under the authority of this part shall not be subject to any applicable provision of law requiring the supervision or approval of another division or officer of state government.

~~(3)~~

(c) To acquire new facilities through lease of real or personal property, or any interest therein, on either a temporary or long-term basis in its own name.

~~(4)~~

(d) The board shall first consider the utilization of existing state-owned, state-leased, or state-controlled facilities before considering the leasing of additional facilities. If no available appropriate state facilities exist, the board ~~shall~~ *may not, absent legislative approval in the Budget Act,* procure new facilities ~~that~~ *to* meet the agency's ~~needs using~~ *needs. If legislative approval is given in the Budget Act, the agency shall, in procuring new facilities, use* cost efficiency as a primary criterion, among other agency-specific criteria, as applicable.

~~(6)~~

~~(5) Notwithstanding Section 14682, the board is authorized to relocate its offices from existing state-owned or state-leased facilities that no longer meet its needs without any obligation to pay rent after vacating the premises.~~

(e) To do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this part.

~~(b) It is the intent of the Legislature to permit the board to utilize a portion of its 2010–11 operating budget to pay for the board's~~

~~actual reasonable costs for actions taken pursuant to this section in the 2010–11 fiscal year.~~

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