AMENDED IN ASSEMBLY MAY 25, 2012

AMENDED IN ASSEMBLY APRIL 25, 2012

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL No. 2442

Introduced by Assembly Member Williams

February 24, 2012

An act to amend Sections 11011 and 54221 of, and to add and repeal Part 11.5 (commencing with Section 15870) of Division 3 of Title 2 of, the Government Code, relating to state property.

LEGISLATIVE COUNSEL'S DIGEST

AB 2442, as amended, Williams. State property: California Hope Public Trust.

Existing law requires each state agency to report annually to the Department of General Services any proprietary state lands under the jurisdiction of that agency that are in excess of the foreseeable needs of that agency. Existing law provides certain exceptions from this requirement, including, among others, lands under the jurisdiction of specified state entities. Existing law authorizes the Director of General Services to require a state agency to transfer to the department jurisdiction over any land declared excess by a state agency. Existing law authorizes the department to take specified actions with respect to that property, including, among others, asking permission from the Legislature to sell or dispose of the property. Existing law authorizes the department to give priority to any property that involves the exchange of surplus lands listed in specified reports. Existing law requires the department to maintain a complete and accurate statewide inventory of all real property held by the state.

This bill would exempt additional agencies from the requirement to report annually to the Department of General Services any property held by that agency that is in excess of its needs. The bill would authorize the department to give priority to proposals to further the purposes of the provisions governing the California Hope Public Trust.

The bill would establish the California Hope Public Trust in state government, to be governed and administered by a 9-member board, as specified. The bill would require the Department of General Services by March 31, 2013, and annually thereafter, to submit to the trust a complete and thorough inventory of all state-owned real estate and property and all lease agreements between any state agency and private or nonpublic management groups. The bill would require the trust by January 1, ~~2014~~ *2015*, and ~~annually~~ *at least biennially* thereafter, to review that inventory of state-owned property, *in cooperation with the Department of General Services*, and to determine which properties should be controlled by the trust. The bill would require the trust, by January 1, ~~2014~~ *2015*, and ~~annually~~ *as appropriate* thereafter, to request that the Legislature enact legislation that would authorize the trust to control any of those properties. *The bill would authorize the trust to hire staff for these purposes.*

The bill would require the trust to accomplish various objectives, including, among others, to generate a return on real estate holdings in the possession of the trust, and to use private sector management and accounting methods to provide for the efficient and effective utilization of state assets. The bill would authorize the trust to carry out various powers, including, among others, to acquire or dispose of any property, to construct and maintain any building, to lease property to public or private entities, to approve loan agreements, to issue tax-exempt revenue bonds subject to certain requirements and procedures, and to sell property owned by the trust and lease that property back in order to generate a profit. This bill would prohibit the trust from selling or disposing of any land reported as excess or any surplus state real property under certain statutes. *Notwithstanding the above, the bill would provide that these provisions shall become operative only to the extent legislation is enacted to authorize the trust to control those properties, as specified.*

The bill would require all net proceeds received or generated as a result of activities of the trust to be paid to the California Hope Public

Trust Fund, which would be created by this bill, and require the trust to use the money in that fund, upon appropriation by the Legislature in the annual Budget Act in accordance with a specified schedule, to support the California State University, California Community Colleges, and University of California systems.

Commencing on or before July 1, ~~2015~~ *2016*, and each year thereafter, the bill would require the trust to report to the Legislature on the activities undertaken by the trust and to include a financial statement showing the assets, liabilities, revenues, and expenditures of the trust, and a summary of net proceeds.

The bill would repeal these provisions on January 1, 2019, unless legislation is enacted that becomes effective before that date, that transfers management and control over property to the trust.

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. The Legislature finds and declares all of the following:

(a) Historically, California's institutions of higher education have prepared significant numbers of educated, responsible people who contribute to California's schools, economy, culture, and future. These institutions of education are often conduits for innovation in the fields of technology, science, engineering, and the arts.

(b) The prosperity of California's future economy and the well-being of its families depend not just on our natural resources and the quality of our environment, but on the skills and knowledge of California's people. Economists widely agree that the 21st century, even more than the 20th century, will be the "human capital" century, and that expanding the number of Californians with higher education degrees is critical to continued economic growth and expanded opportunity.

(c) The future of California depends on an educated populace to form a solid and dependable economy. It is projected that 41 percent of California's jobs will require a bachelor's degree in 2025 and only 35 percent of working-age adults are projected to have a bachelor's degree at that time.

(d) Unemployment rates are lower for college graduates as compared to working-age adults with less education. College graduates also earn higher wages than workers with only a high school diploma. This is confirmed by United States Census Bureau data that shows that the wages of college graduates are about 90 percent higher than the wages of workers with only a high school diploma.

(e) To respond to the challenges of protecting California's investment in our young people, this act will establish the California Hope Public Trust. The California Hope Public Trust will be funded by a transfer of state-owned property, including offices, industrial property, warehouses, and nonenvironmentally sensitive urban land clearly suitable for development.

(f) The California Hope Public Trust shall manage properties transferred to it with the goal of increasing the value of its holdings and earning revenue for the California State University, California Community Colleges, and University of California systems in ways consistent with its duty to provide cost-effective real estate services and to develop high-quality, environmentally responsible projects.

(g) The purpose of the California Hope Public Trust is to increase revenue for higher education by developing state properties that are currently underutilized. The California Hope Public Trust is not intended to compete with state agencies for property management services.

SEC. 2. Section 11011 of the Government Code is amended to read:

11011. (a) On or before December 31 of each year, each state agency shall make a review of all proprietary state lands, other than tax-deeded land, land held for highway purposes, lands under the jurisdiction of the State Lands Commission, the State Coastal Conservancy, the Department of Parks and Recreation, the Department of Fish and Game, the Wildlife Conservation Board, and other state conservancies, and land that has escheated to the state or that has been distributed to the state by court decree in estates of deceased persons, over which it has jurisdiction to determine what, if any, land is in excess of its foreseeable needs and report thereon in writing to the Department of General Services. These lands shall include, but not be limited to, the following:

(1) Land not currently being utilized, or currently being underutilized, by the state agency for any existing or ongoing state program.

(2) Land for which the state agency has not identified any specific utilization relative to future programmatic needs.

(3) Land not identified by the state agency within its master plans for facility development.

(b) Jurisdiction of all land reported as excess shall be transferred to the Department of General Services, when requested by the Director of General Services, for sale or disposition under this section or as may be otherwise authorized by law.

(c) The Department of General Services shall report to the Legislature annually, the land declared excess and request authorization to dispose of the land by sale or otherwise.

(d) The Department of General Services shall review and consider reports submitted to the Director of General Services pursuant to Sections 15878 and 66907.12 of this code and Section 31104.3 of the Public Resources Code prior to recommending or taking any action on surplus land, and shall also circulate the reports to all agencies that are required to report excess land pursuant to this section. In recommending or determining the disposition of surplus lands, the Director of General Services may give priority to proposals by the state that further the purposes of the California Hope Public Trust (Part 11.5 (commencing with Section 15870)) or that involve the exchange of surplus lands for lands listed in those reports.

(e) Except as otherwise provided by any other law, whenever any land is reported as excess pursuant to this section, the Department of General Services shall determine whether or not the use of the land is needed by any other state agency. If the Department of General Services determines that any land is needed by any other state agency it may transfer the jurisdiction of this land to the other state agency upon the terms and conditions as it may deem to be for the best interests of the state.

(f) When authority is granted for the sale or other disposition of lands declared excess, and the Department of General Services has determined that the use of the land is not needed by any other state agency, the Department of General Services shall sell the land or otherwise dispose of the same pursuant to the authorization, upon any terms and conditions and subject to any reservations and exceptions as the Department of General Services may deem to be for the best interests of the state. The Department of General Services shall report to the Legislature annually, with respect to each parcel of land authorized to be sold under this section, giving the following information:

(1) A description or other identification of the property.

(2) The date of authorization.

(3) With regard to each parcel sold after the next preceding report, the date of sale and price received, or the value of the land received in exchange.

(4) The present status of the property, if not sold or otherwise disposed of at the time of the report.

(g) Except as otherwise specified by law, the net proceeds received from any real property disposition, including the sale, lease, exchange, or other means, that is received pursuant to this section shall be paid into the Deficit Recovery Bond Retirement Sinking Fund Subaccount, established pursuant to subdivision (f) of Section 20 of Article XVI of the California Constitution, until the time that the bonds issued pursuant to the Economic Recovery Bond Act (Title 18 (commencing with Section 99050)), approved by the voters at the March 2, 2004, statewide primary election, are retired. Thereafter, the net proceeds received pursuant to this section shall be deposited in the Special Fund for Economic Uncertainties.

For purposes of this section, net proceeds shall be defined as proceeds less any outstanding loans from the General Fund, or outstanding reimbursements due to the Property Acquisition Law Money Account for costs incurred prior to June 30, 2005, related to the management of the state's real property assets, including, but not limited to, surplus property identification, legal research, feasibility statistics, activities associated with land use, and due diligence.

(h) The Director of Finance may approve loans from the General Fund to the Property Acquisition Law Money Account, which is hereby created in the State Treasury, for the purposes of supporting the management of the state's real property assets.

(i) Any rentals or other revenues received by the department from real properties, the jurisdiction of which has been transferred to the Department of General Services under this section, shall be deposited in the Property Acquisition Law Money Account and shall be available for expenditure by the Department of General Services upon appropriation by the Legislature.

(j) Nothing contained in this section shall be construed to prohibit the sale, letting, or other disposition of any state lands pursuant to any law now or hereafter enacted authorizing the sale, letting, or disposition.

(k) (1) The disposition of a parcel of surplus state real property, pursuant to Section 11011.1, made on an "as is" basis shall be exempt from Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code. Upon title to the parcel vesting in the purchaser or transferee of the property, the purchaser or transferee shall be subject to any local governmental land use entitlement approval requirements and to Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code.

(2) If the disposition of a parcel of surplus state real property, pursuant to Section 11011.1, is not made on an "as is" basis and close of escrow is contingent on the satisfaction of a local governmental land use entitlement approval requirement or compliance by the local government with Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code, the execution of the purchase and sale agreement or of the exchange agreement by all parties to the agreement shall be exempt from Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code.

(3) For the purposes of this subdivision, "disposition" means the sale, exchange, sale combined with an exchange, or transfer of a parcel of surplus state property.

SEC. 3. Part 11.5 (commencing with Section 15870) is added to Division 3 of Title 2 of the Government Code, to read:

PART 11.5. CALIFORNIA HOPE PUBLIC TRUST

Chapter 1. General Provisions

15870. This act shall be known and may be cited as the California Hope Public Trust.

15870.5. The California Hope Public Trust is hereby established in state government. The trust shall be funded by transfers of state-owned property, including offices, industrial property, warehouses, and other lands that are not environmentally sensitive and are clearly suitable for development. The California Hope Public Trust shall manage properties transferred to it with the goal of increasing the value of its holdings and earning revenue for the California State University, California Community Colleges, and University of California systems in ways consistent with its duty to provide cost-effective real estate services and to develop high-quality, environmentally responsible projects.

15871. For the purposes of this part, the following terms have the following meanings:

(a) "Board" means the board of directors of the California Hope Public Trust.

(b) "Bonds" means bonds, including structured, senior, and subordinated bonds or other securities; loans; notes, including bond, revenue, tax, or grant anticipation notes; commercial paper; floating rate and variable maturity securities; and any other evidences of indebtedness or ownership, including certificates of participation or beneficial interest, asset backed certificates, or lease-purchase or installment purchase agreements, whether taxable or excludable from gross income for federal income taxation purposes.

(c) "Cost" as applied to a project or portion of that project financed under this division, means all or any part of the cost of construction, renovation, and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, licenses, easements, and interests acquired or used for a project; the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved; the cost of all machinery, equipment, and financing charges; interest prior to, during, and for a period after completion of construction, renovation, or acquisition, as determined by the California Hope Public Trust; provisions for working capital; reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements; and the cost of architectural, engineering, financial and legal services, plans, specifications, estimates, administrative expenses, and other expenses necessary or incidental to determining the feasibility of any project or incidental to the construction, acquisition, or financing of any project.

(d) "Executive director" means the executive director of the trust appointed pursuant to Section 15873.

(e) "Project" means the acquisition, sale, or transfer of real property and the construction, rehabilitation, removal, and renovation of any buildings or structures related to that property, for the purpose of maximizing the return on the state's investment in the property.

(f) "Revenues" means all receipts, purchase payments, loan repayments, lease payments, and all other income or receipts derived by the California Hope Public Trust from the sale, lease, or other financing arrangement undertaken by the trust, its operations, including, all receipts from a bond purchase agreement, and any income or revenue derived from the investment of any money in any fund or account of the trust. Revenues shall not include moneys in the General Fund.

(g) "Trust" means the California Hope Public Trust.

15872. (a) The trust shall be governed and administered by a board of directors, which shall consist of nine members, to be selected as follows:

(1) Four members shall be appointed by the Governor, subject to confirmation by the Senate, who have demonstrated expertise in real estate, finance, and urban planning.

(2) One member shall be appointed by the Speaker of the Assembly.

(3) One member shall be appointed by the Senate Committee on Rules.

(4) (A) The Secretary for State and Consumer Services, the Treasurer, and the Controller shall serve as ex officio members of the board.

(B) Each ex officio member of the board may designate a deputy, who is employed under the member's authority, to act in his or her place and stead on the board. While serving on the board, the deputy may exercise the same powers that the ex officio member could exercise if he or she were personally present.

(b) Members of the board shall serve four-year terms, except that the members appointed by the Governor shall, upon creation of the board, classify themselves by lot so that the terms of those members shall expire as follows:

(1) Two members on January 1, 2015.

(2) Two members on January 1, 2017.

(c) The board shall elect a president from its membership. Four members shall constitute a quorum for the purposes of conducting board duties.

(d) Each member of the board shall serve without compensation but shall be reimbursed for traveling and other expenses actually and necessarily incurred in the performance of his or her duties.

(e) The members of the board are subject to the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).

(f) All meetings of the board shall be subject to the requirements of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1).

15872.5. The trust may hire necessary staff for purposes of implementing Section 15877. Staff hired pursuant to this section shall be subject to civil service provisions.

15873. (a) The board shall appoint and, notwithstanding Sections 19816, 19825, and 19826, fix the compensation of an executive director, a chief investment officer, and any other investment officer and portfolio manager whose position is designated managerial pursuant to Section 18801.1.

(b) When fixing the compensation for any position specified in subdivision (a), the board shall be guided by the principles contained in Sections 19826 and 19829, consistent with the board's responsibilities to the state to recruit and retain highly qualified and effective employees for these positions.

(c) When a position specified in subdivision (a) is filled through a general civil service appointment, it shall be filled from an eligible list based on an examination held on an open basis, and tenure in the position shall be subject to Article 2 (commencing with Section 19590) of Chapter 7 of Part 2 of Division 5. In addition to the causes for action specified in that article, the board may take action under the article for any cause related to its fiduciary responsibility to the state, including the employee's failure to meet specified performance objectives.

(d) The trust shall be subject to Section 19050.9 and any other requirements generally applicable to state agencies concerning officers and employees.

15874. (a) The executive director of the trust shall be exempt from civil service and shall be appointed by, and serve at the pleasure of, the board.

(b) The executive director shall administer the affairs of the trust, employ staff, be responsible to the trust for program performance, and shall be considered the head of the department within the meaning of Chapter 2 (commencing with Section 11150) of Part 1.

15875. The board ~~shall~~ *may* determine, by majority vote, where to maintain its office and ~~shall~~ *may* hold meetings at that office or elsewhere upon call of the president or four members of the board. The board shall not relocate its office more than once upon establishment of the board's first location.

Chapter 2. Powers and Duties

15876. On or before March 31, 2013, and annually thereafter, the Department of General Services shall submit to the trust a complete and thorough inventory of all state-owned real estate and property. The Department of General Services shall also submit to the trust on or before March 31, 2013, an inventory of all lease agreements between any state agency and private or nonpublic management groups *for all state-owned real estate and property*.

15877. (a) On or before January 1, ~~2014~~ *2015*, and ~~annually~~ *at least biennially* thereafter, the trust, *in cooperation with the Department of General Services,* shall review the inventory of state-owned real estate and property submitted to it pursuant to Section 15876, and determine which properties should be controlled by the trust. In making this determination, the trust shall consider, at a minimum, all offices, industrial property, warehouses, and nonenvironmentally sensitive urban land clearly suitable for development~~, including the properties controlled, managed, or leased by the Department of General Services~~. The trust shall prepare a plan for assuming responsibility ~~for providing real estate services to the state agencies and departments located in those properties and enter into customer service agreements to provide for their space needs. The plan shall include an estimate, on a fiscal year basis, of the net proceeds, as defined in subdivision (b) of Section 15882, that the trust expects to transfer pursuant to this part~~ *of state-owned real estate and property*.

(b) On or before January 1, ~~2014~~ *2015*, and ~~annually~~ *as appropriate* thereafter, the trust shall submit a request to the Legislature to enact legislation that would authorize the trust to control any state-owned real property that the trust determines pursuant to subdivision (a) should be controlled by the trust.

(c) Notwithstanding subdivision (a), the trust shall not consider for transfer any of the following real property owned by the state:

(1) Lands in the possession of the Department of Transportation that are used for existing highways or airspace, and properties acquired for highway projects.

(2) Lands that are part of the State Park System.

(3) Lands under the jurisdiction of the State Lands Commission.

(4) Lands in the possession of the Department of Corrections and Rehabilitation and the Department of Corrections and Rehabilitation, Division of Juvenile Facilities, that are used explicitly for the incarceration of inmates.

(5) The State Capitol.

(6) Any land, building, or property determined to be of historical or cultural significance.

(7) Any property subject to Section 1 of Article XIX of the California Constitution.

(8) Lands under the jurisdiction of the University of California.

(9) Lands under the jurisdiction of the California State University.

~~(10) Lands under the jurisdiction of the California Community Colleges.~~

15878. On an annual basis, the executive director of the trust shall report to the Director of General Services regarding land or property classified as excess pursuant to Section 11011 and identify that land or property that would assist the trust to effectuate its purposes.

15879. (a) The trust shall accomplish all of the following objectives:

(1) Generate a return on real estate holdings in the possession of the trust.

~~(2) Provide land and buildings it manages and controls for the accommodation of all state agencies, by lease or license or any other arrangement, for their use and occupation.~~

~~(3)~~

(2) Fulfill an obligation to the state to provide innovative stewardship of real property and infrastructure.

~~(4)~~

(3) Provide for the efficient and effective utilization of state assets.

~~(5)~~

(4) Ensure that all projects undertaken by the trust satisfy state, regional, and local land-use and environmental requirements that apply to private sector projects.

~~(6)~~

(5) Ensure that projects undertaken by the trust meet the smart growth principles of Executive Order D-46-01 of 2001.

(b) The trust may do all of the following:

(1) Acquire and dispose of any property, subject to subdivisions (c) and (d).

(2) Construct and maintain buildings, subject to subdivision (c).

~~(3) Conduct studies or surveys with regard to future office space and building needs of the state.~~

~~(4)~~

(3) Lease any property under the management and control of the trust to any person or any public or private entity.

~~(5)~~

(4) Enter into joint ventures with other public or private entities for the construction or development of buildings and land for joint-use purposes.

~~(6)~~

(5) Acquire by purchase, rental or otherwise, equipment, fixtures, and other property, real or personal, required for any property managed or controlled by the trust.

~~(7)~~

(6) Accept donations of property from private donors.

~~(8)~~

(7) Approve loans or other financing for projects undertaken by the trust.

~~(9)~~

(8) Contract with the Department of General Services for the management and maintenance of property in the possession of the trust.

~~(10)~~

(9) Issue revenue bonds, as provided in this part, to obtain funds to pay the cost of projects, secure the payment of revenue bonds and interest thereon by pledging all or part of its revenues, rentals, and receipts, and provide for the security of the revenue bonds and the rights of the holders thereof.

~~(11)~~

(10) Sell property owned by the trust and lease the property back so as to generate proceeds of sale to be used for purposes of the California Hope Public Trust, subject to subdivision (d).

(c) The trust shall notify the chair of the fiscal committee of each house prior to approving the acquisition or disposition of land and buildings pursuant to paragraph (1) of subdivision (b) or the construction of buildings pursuant to paragraph (2) of subdivision (b).

(d) The trust shall not sell or dispose of any land reported as excess pursuant to Section 11011 or any surplus state real property as defined in Section 11011.1.

15880. On or before July 1, ~~2015~~ *2016*, and each year thereafter, the trust shall report to the Legislature on the activities undertaken by the trust. The report shall be submitted in compliance with Section 9795. The report shall include, but is not limited to, all of the following topics:

(a) A financial statement showing the assets and liabilities of the trust at the end of the previous fiscal year.

(b) A summary of the operations of the trust for the previous fiscal year.

(c) A summary of the revenues and expenditures of the trust for the previous fiscal year.

(d) A summary of net proceeds, as defined in subdivision (b) of Section 15882. The summary shall identify which proceeds may be allocated from the trust and which proceeds may not be allocated from the trust. For those proceeds that may not be allocated from the trust, the summary shall identify the proceeds by any applicable special fund origin.

15881. (a) (1) There is hereby created the California Hope Public Trust Fund. The trust shall, upon appropriation by the Legislature in the annual Budget Act as set forth in paragraph (2), use the moneys in the fund to support *instruction and direct student services at* the California State University, California Community Colleges, and University of California systems.

(2) The amount appropriated by the Legislature pursuant to this section shall be appropriated in accordance with the following schedule:

(A) Fifty percent to the California State University.

(B) Twenty-five percent to the University of California.

(C) Twenty-five percent to the California Community Colleges.

(b) Except as otherwise specified by law, all net proceeds received or generated as a result of actions taken pursuant to this part shall be paid to the California Hope Public Trust Fund established pursuant to subdivision (a).

(c) For purposes of this section, "net proceeds" means gross proceeds less all costs directly related to the administration of the trust and management of state property.

(d) The trust shall account for proceeds received or generated that are derived from real estate procured with special fund revenue.

(e) (1) It is the intent of the Legislature that moneys in the fund not be used to enter into or renew a contract that provides for an increase in compensation for a University of California or California State University administrator.

(2) For purposes of this subdivision the following terms have the following meanings:

(A) "Administrator" includes, but is not limited to, the Chancellor of the California State University, a vice chancellor of the university, an executive vice chancellor of the university, the general counsel of the university, the trustees' secretary, and the president of a campus. "Administrator" also includes, but is not limited to, the President of the University of California; any vice president of the university; the regents' secretary; the treasurer of the university; the general counsel of the university; the chancellor of each campus of the university; all assistant chancellors, associate chancellors, and vice chancellors of each campus of the university; all provosts and vice provosts of each campus of the university; and the chief legal counsel, or equivalent, of each campus of the university.

(B) "Compensation" includes salary, benefits, perquisites, severance payments, retirement benefits, or any other form of compensation.

(f) It is the intent of the Legislature to establish an administrative cap on the trust once the trust becomes fully operational.

Chapter 3. Revenue Bonds

15882. (a) The trust may, from time to time, issue its revenue bonds in the principal amount that the trust determines necessary to provide sufficient funds to accomplish any power or duty of the trust described in Section 15879 or as otherwise set out in this part, including, but not limited to, the power or duty to finance the purchase or construction of property, to establish reserves to secure bonds, refunding previously issued bonds, and to pay other expenditures of the trust incident to the issue or bonds or refunding bonds.

(b) (1) Sale of the bonds of the trust shall be coordinated by the Treasurer. To obtain a date for the sale of bonds, the trust shall inform the Treasurer of the amount of the proposed issue. Upon that notification, the Treasurer shall provide three 10-day periods, within the 90 days next following, when the bonds can be sold. The trust may choose any date during the suggested periods or any other date to which the agency and the Treasurer have mutually agreed. The Treasurer shall sell the bonds on the date chosen according to terms approved by the trust.

(2) The trust shall exercise its powers with due regard for the right of the bondholders of the trust at any time outstanding, and nothing in, or done pursuant to, this section shall limit, restrict, or alter the obligation or powers of the trust or any member, officer, or representative of the trust or the Treasurer to carry out and perform each and every covenant, agreement, or contract at any time made or entered into on behalf of the trust with respect to its bonds or its benefits, or the security of the bondholders.

15883. Bonds may be issued in one or more series and may be issued as serial bonds, term bonds, or as a combination thereof. The bonds shall be authorized by resolution of the board and shall, as provided by the resolution, bear the date of issuance, the time of maturity, which shall not exceed 50 years from the date of issuance, bear the rate of interest, be payable at the time provided, be in the denominations provided, be in the form provided, carry the registration privileges provided, be executed in the manner provided, be payable in lawful money of the United States, or other designated currency, at the place provided, and be subject to any terms of redemption or tender provided in the resolution. The bonds of the trust shall be sold at public or private sale by the Treasurer at, above, or below the par value, on such terms and conditions and for such consideration in such medium of payment as the trust shall determine by resolution prior to the sale.

15884. The trust may, from time to time, issue (a) bonds to renew bonds and (b) other bond obligations to pay bonds including the interest thereon, and, whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured and to issue bonds partly to refund bonds then outstanding and partly for any of its purposes.

15885. The trust may include any of the following provisions, which shall also be included as a part of the contract with the bondholders to be authorized, in a resolution authorizing the issuance of bonds pursuant to this chapter:

(a) Provisions pledging all or any part of the revenues of the trust to secure the payment of the bonds or of any particular issue of bonds, subject to such agreements with bondholders as may then exist and consistent with Section 1 of Article XVI of the California Constitution.

(b) Provisions setting out the rentals, fees, purchase payments, loan repayments, and other charges, and the amounts to be raised in each year by those rents, and the use and disposition of the revenues.

(c) Provisions setting aside reserves or sinking funds, or providing for the use of subordinated classes of bonds by the trust, and the regulation and disposition thereof.

(d) Provisions that impose limitations on the issuance of additional bonds, the terms that additional bonds may be issued and secured, and the refunding of outstanding bonds.

(e) Provisions that specify the procedure, if any, that the terms of any contract with bondholders may be amended or abrogated, the amount of bonds and the holders of those bonds that are required to give consent to the amendment or abrogation, and the manner that the consent of the holders of those bonds may be given.

(f) Provisions that define acts or omissions to act that constitute a default in the duties of the trust to holders of its obligations, and providing the rights and remedies of a trustee or of the holders in the event of a default.

(g) Provisions that impose limitations on the trust's expenditures for operation and administration, or other expenses.

(h) Provisions for credit enhancements, including bond insurance or bank credit or liquidity agreements, or swaps or hedging arrangements, and the repayment thereof.

15886. The members of the board, the executive director of the trust, or any other person executing the notes or bonds shall not be subject to any personal liability or accountability by reason of the issuance of those bonds.

15887. The trust may provide that any bonds issued under this chapter be secured by a trust agreement between the trust and a trustee or trustees, that may include the Treasurer or any trust company or trust having the powers of a trust company within or without the state. The trust agreement may contain any provision deemed necessary or appropriate by the board, including any provision set out in Section 15885. The trust agreement, indenture, or the resolution providing for the issuance of the bonds may pledge or assign revenues to be received or proceeds of any contract or contracts pledged, and may also contain any provisions necessary to protect and enforce the rights and remedies of the bondholders.

15888. (a) Bonds issued under this chapter shall not constitute a debt or liability of the state or of any political subdivision thereof, other than the trust, or a pledge of the full faith and credit of the state or any of its political subdivisions, other than the trust, but are payable solely from the funds provided therefor under this chapter and shall be consistent with Sections 1 and 18 of Article XVI of the California Constitution. This subdivision shall not preclude bond guarantees or enhancements pursuant to this part. All bonds shall contain on the face thereof a statement to the following effect:

"Neither the full faith and credit nor the taxing power of the State of California or any political subdivision is pledged to the payment of the principal of, or interest on, this bond."

(b) The issuance of bonds under this chapter shall not directly, indirectly, or contingently obligate the state or any political subdivision thereof to levy or to pledge any form of taxation therefor or to make any appropriation for their payment.

15889. Any bonds issued by the trust, their transfer and any income earned from the transfer, shall at all times be free from taxation of every kind by the state and by all political subdivisions of the state.

15890. The trust may obtain, prior to or after sale, a legal opinion from private counsel as to the validity of the tax-exempt nature of the bonds if the trust deems that it will increase the likelihood that the bonds will be sold or the price of the bonds to obtain that opinion.

15891. The trust may employ financial consultants, advisers, and accountants, as may be necessary in its judgment, in connection with the issuance and sale of any bonds of the trust. Payment for these services may be made out of the proceeds of the sale of the bonds.

15892. Sections 10295 and 10382 of the Public Contract Code shall not apply to any agreement entered into by the trust in connection with the sale of bonds or notes authorized under this division.

15893. Notwithstanding any other law, bonds issued by the trust are legal investments for all trust funds, the funds of all insurance companies, banks, both commercial and savings, trust companies, executors, administrators, trustees, and other fiduciaries, for state school funds, pension funds, and for any funds that may be invested in county, school, or municipal bonds. These bonds are securities that may legally be deposited with, and received by, any state or municipal officer or agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state is now, or may hereafter be, authorized by law, including, deposits to secure public funds.

15894. This chapter shall be deemed to provide a complete, additional, and alternative method for doing the things authorized in its provisions, and shall be regarded as supplemental and additional to the powers conferred by other laws. The issuance of bonds and refunding bonds under this chapter shall comply with any other law applicable to the issuance of bonds including, but not limited to, Division 13 (commencing with Section 21000) of the Public Resources Code. Except as otherwise provided in this chapter, the financing of a project pursuant to this article shall not exempt a project from any requirement of law which otherwise would be applicable to the project.

15895. To the extent that this part, with respect to the financing of projects, is inconsistent with any general statute or special act or parts thereof, this part shall be deemed controlling.

15895.5. Sections 15873 and 15874, and Sections 15878 to 15895, inclusive, shall only become operative to the extent legislation is enacted pursuant to subdivision (b) of Section 15877.

15895.7. Any revenue received or generated from the application of this part attributable to the trust shall supplement, rather than supplant, state funds that are made available or expended for the same or similar purpose.

Chapter 4. Repeal Date

15896. This part shall be repealed on January 1, 2019, unless legislation is enacted that becomes effective on or before January 1, 2019, to transfer to the trust pursuant to Section 15877, management and control of any or all of the state-owned real estate that the trust recommends for transfer. At the time of the transfer, the trust shall assume ~~from the Department of General Services~~ responsibility for providing real estate services ~~to the state agencies and departments located in~~ *for* those properties, including planning of future projects.

SEC. 4. Section 54221 of the Government Code is amended to read:

54221. (a) As used in this article, the term “local agency” means every city, whether organized under general law or by charter, county, city and county, and district, including school districts of any kind or class, empowered to acquire and hold real property.

(b) As used in this article, the term “surplus land” means land owned by any local agency, that is determined to be no longer necessary for the agency’s use, except property being held by the agency for the purpose of exchange.

(c) As used in this article, the term “open-space purposes” means the use of land for public recreation, enjoyment of scenic beauty, or conservation or use of natural resources.

(d) As used in this article, the term “persons and families of low or moderate income” means the same as provided under Section 50093 of the Health and Safety Code.

(e) As used in this article, the term “exempt surplus land” means either of the following:

(1) Surplus land that is transferred pursuant to Section 25539.4.

(2) Surplus land that is (A) less than 5,000 square feet in area, (B) less than the minimum legal residential building lot size for the jurisdiction in which the parcel is located, or 5,000 square feet in area, whichever is less, or (C) has no record access and is less than 10,000 square feet in area; and is not contiguous to land owned by a state or local agency that is used for park, recreational, open-space, or low- and moderate-income housing purposes and is located neither within an enterprise zone pursuant to Section 7073 nor a designated program area as defined in Section 7082. If the surplus land is not sold to an owner of contiguous land, it is not considered exempt surplus land and is subject to this article.

(f) Notwithstanding subdivision (e), the following properties are not considered exempt surplus land and are subject to this article:

(1) Lands within the coastal zone.

(2) Lands within 1,000 yards of a historical unit of the State Parks System.

(3) Lands within 1,000 yards of any property that has been listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places.

(4) Lands within the Lake Tahoe region as defined in Section 66905.5.

(5) Lands transferred to the California Hope Public Trust pursuant to a statute implementing Part 11.5 (commencing with Section 11870) of Division 3 of Title 2.

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