

Surplus Land Bill Clears Legislature Following CSDA's Removal of Opposition

By CSDA ADMIN

Last week, the California Legislature passed AB 1486 (Ting), governing the use and disposal of surplus land owned by special districts and other public agencies. The bill is now awaiting a veto or signature from Governor Gavin Newsom.

The Surplus Land Act (Government Code § 54220, et seq.) requires special districts and other local agencies to offer surplus land to schools, parks and recreation, open space, and affordable housing developers before disposing of the land to any other entity (commonly residential or commercial development). As originally introduced, the bill applied to both the sale and lease of special district surplus land. It was amended in the Assembly to limit the bill to the sale of land, but the bill sponsors will likely continue to press in future years for restrictions on leasing special district land.

CSDA strongly opposed the AB 1486 throughout the year, joined by a groundswell of grassroots opposition to the bill from dozens of special districts that expressed their concerns by submitting letters to various committees and legislators. After months of working with the author's office, compromise amendments were taken September 6 to remove opposition from CSDA and the coalition. The amendments substantially expanded the definition of "agency's use" for special districts (not applicable to transit agencies) to permit a wide range of uses of surplus land, including commercial, retail or entertainment uses if the district board declares that the "agency's use" of the surplus land either directly furthers the express purpose of agency work or operations or is expressly authorized by a statute governing the district.

The negotiated amendments to AB 1486 also permit additional activities by a district in the "pre-negotiation" stage of disposing surplus land. Finally, a proposed 50 percent penalty of the final sale value of the land for violating the Surplus Land Act was reduced to 30% for a first-time offense and 50% for any subsequent offense, and the penalty provision will not go into effect until January 1, 2021.

CSDA thanks all the districts that sent in letters on this AB 1486, without your efforts we may not have been successful in securing amendments to address special districts' largest concerns.

Governor Gavin Newsom now has until October 13 to sign or veto AB 1486. Should you have any questions regarding the amendments that removed CSDA's opposition or the potential effect of AB 1486 on your district, contact CSDA Legislative Analyst-Attorney Mustafa Hessabi at mustafah@cda.net.