

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Blanca Rubio, Chair

AB 1947 (Ta) – As Introduced February 13, 2026

SUBJECT: Surplus land.

SUMMARY: The bill would require the Department of General Services (DGS) to submit a report to the Legislature by January 1, 2031, identifying land reported by state agencies (as part of an existing annual report), under specified provisions. The bill would include the Department of Transportation (Caltrans) in the annual report. The report must include the market value of the properties reviewed by the agency. It must also identify any land that is not currently being utilized, is underutilized, or is not in use by a state agency, regardless of whether the agency is currently prepared to dispose of the land by sale or otherwise. **Specifically, this bill:**

- 1) Expands the requirement for state agencies, including Caltrans, to annually report land not currently being utilized, currently being underutilized, or not being used by a state agency, regardless of whether the agency is currently prepared to dispose of the land by sale or otherwise. The report would also be required to include the market value of each property reviewed.
- 2) Requires DGS to submit a report to the Legislature with the information regarding land reported by state agencies under this measure, by January 1, 2031, as defined.
- 3) Sunsets the requirements for DGS to submit a report on January 1, 2035.

EXISTING LAW:

- 1) Establishes DGS, which is under the control of the Director of DGS, within the Government Operations Agency, and requires the director to perform various functions and duties with respect to property within the state, including entering into lease agreements.
- 2) Authorizes DGS, subject to legislative approval, to sell, lease, exchange, or transfer various specified properties for current market value, or upon such terms and conditions that DGS determines are in the best interest of the state.
- 3) Establishes criteria for state agencies to use in determining and reporting excess lands. A state agency must annually report land as surplus that is:
 - a) Not currently utilized, or is underutilized, for any existing or ongoing programs;
 - b) Land for which the agency cannot identify a specific utilization relative to future needs; and,
 - c) Land not identified by the state agency within its master plan for facility development.
- 4) Prescribes a process for the disposition of surplus state property, which includes a requirement for DGS to determine whether or not the use of the land is needed by any other state agency prior to any sale or disposition of that land.

5) Requires DGS to create a digitized inventory of all excess state land, create screening tools for prioritizing affordable housing development on excess state land, and issue requests for proposals and select affordable housing developments on excess state land, as described.

6) Authorizes the Director of DGS, with the consent of the state agency concerned, to, among other things, let for a period 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, as specified.

7) States any report required or requested by law, or identified in the Legislative Analyst's Supplemental Report of the Budget Act, to be submitted by a state or local agency to a committee of the Legislature or the Members of either house of the Legislature generally, shall instead be submitted as a printed copy to the Secretary of the Senate, as an electronic copy to the Chief Clerk of the Assembly, and as an electronic or printed copy to the Legislative Counsel. (CA Government Code § 9795)

FISCAL EFFECT: This bill is keyed fiscal by Legislative Counsel.

COMMENTS:

Purpose of the bill. According to the author, "Californians do not pay taxes so that the state can be a landlord. Governments do not collect taxes on properties the state owns. The state also loses money on property it holds, as real estate is an appreciating asset and the state remains liable for its maintenance and upkeep. By optimizing management of state-owned land, AB 1947 will ensure that these assets are used effectively. This enhanced reporting will support the creation of additional revenue streams while expanding options to address the state's growing housing shortage. AB 1947 is a win-win for Californians."

What problem does this bill solve? According to information provided by the author's office, "On or before December 31 of each year, each state agency shall review all proprietary state lands. Under current law, DGS reports to the Legislature on excess land that agencies are ready and willing to sell. California faces significant budget deficits, and unused state land presents a potential revenue source for closing budget shortfalls. As stewards of the public trust, the Legislature has a fiduciary responsibility to understand all resources available to the state."

Background.

The DGS acts as the business manager for the state of California. DGS helps state government better serve the public by providing services to state agencies, including procurement and acquisition solutions, real estate management, leasing and design services, environmentally friendly transportation, and architectural oversight and funding for the construction of safe schools.

California Government Code § 11011 governs the disposition of surplus state-owned real property. Each state agency is required to annually review all proprietary lands under its jurisdiction to identify and report to DGS any land that is excess to the agency's foreseeable needs. Once a property has been identified as excess by the state agency, DGS must determine whether another state use for the property. If an agency expresses interest, DGS assists by preparing the necessary transfer-of-jurisdiction documents to complete the change of control. If

there is no state use, it may be included in the omnibus surplus property bill sponsored by DGS, which seeks legislative authorization for DGS to dispose of the property.

State Property. The State owns over 3,100 properties, encompassing more than 44,000 parcels of land. Altogether, these holdings span approximately 2.9 million acres—an area comparable in size to Los Angeles County. State agencies possess this land and use it for a variety of purposes, including maintaining office space for state operations, providing parks to the public, and furnishing campuses for higher education. The agencies that possess the largest percentage of the State's acreage are the Department of Parks and Recreation, the California Department of Fish and Wildlife, and the California State Lands Commission. In addition, Caltrans maintains numerous land holdings that serve as components of the State's transportation system.

The Legislature empowers the DGS with overseeing the administration of certain centralized services for state agencies, including the leasing and purchasing of real property. Acting as the State's property manager, DGS acquires and disposes of property for the State after legislative approval or approves property leases as necessary for state agencies to conduct their business. DGS also provides planning, construction management, and other services to state agencies to support the use of the properties those agencies possess.

Excess and Surplus Property. To strengthen the State's oversight of its real property holdings, California law requires all state agencies—subject to limited exceptions—to submit annual reports to DGS detailing the land they control. DGS uses these self-reported data to maintain the State Property Inventory (SPI), a centralized database cataloging much of the State's real property portfolio. When reporting to the SPI, agencies must provide information such as the property's size, location, and any major structures situated on it.

As part of their duties related to the SPI, state agencies must also report, with certain limited exceptions, the extent to which they are or anticipate using the property they possess. Existing law requires state agencies to identify for DGS any property they possess that is not in use, and it defines such property as excess property. Once an agency reports excess property, DGS determines whether another state agency may be able to make use of it. If DGS identifies such an agency, it may transfer possession of the property to that agency. When DGS is not able to identify an alternate use for the property, it includes the property in an annual report it issues to the Legislature, which may declare the land surplus property. DGS may then sell or lease the property. Since 2009, state law has set a preference for DGS to sell or lease surplus property in a manner that supports affordable housing development, when possible. Between 2010 and 2020, DGS sold, leased, or transferred 64 surplus properties, and seven of these properties ultimately went on to support affordable housing, providing more than 500 units of affordable housing.

It should be noted that not all state-owned property is suitable for development. For example, the SPI indicates that the California State Lands Commission possesses about 460,000 acres of state property, but the commission's mission is to protect and enhance those lands as well as the public's access to them.

The State's Process for Disposing of Surplus Property. Each year, agencies submit annual reports to DGS by December 31 detailing the properties they control and identifying any that are unused or underused (excess properties). Upon receipt of agencies' reports, DGS evaluates whether any other state agencies can use properties identified as excess. DGS annually reports to the Legislature on excess properties that cannot be put to another beneficial use and requests

authority to sell or lease those properties as surplus property. Upon legislative approval, DGS sells or leases the surplus property, prioritizing affordable housing uses when feasible.

In 2019, Governor Newsom, issued Executive Order N-06-19 (EO) which reoriented DGS's priorities to focus on facilitating conversion of excess property to affordable housing. The contents of the EO were later codified by SB 561 (Dodd, Chapter 446, Statutes of 2022) and AB 2233 (Quirk-Silva, Chapter 438, Statutes of 2022). Since the EO, HCD and DGS have assembled a statewide pipeline of nearly 4,300 housing units across 32 projects in various phases of development. The state estimates that the new sites being released have the capacity for at least 2,000 homes to be added as the sites are developed.

Related legislation. AB 2770 (Alvarez) of 2026. This bill would require the Director of DGS to quitclaim to the San Pasqual Band of Mission Indians, at no cost to the tribe, all interests of the state in the land that it owns within the San Pasqual Battlefield State Park, consisting of 3 parcels of land totaling approximately 3.68 acres. This bill would encourage the City of San Diego to transfer to the San Pasqual Band of Mission Indians all of the city's interests in the land the city owns within the San Pasqual Battlefield State Park, as specified. (Assembly Committee on Water, Parks, and Wildlife)

Prior legislation. AB 98 (Jackson) of 2025. The bill would have required the Director of DGS to quitclaim, at no cost, the state's interest in 11 parcels of land in the City of Moreno Valley to the city. The city would be required to use the land for wildfire mitigation, fire protection, expanded open space, outdoor recreation, or similar purposes. The bill would exempt the land from specified provisions of law governing the disposal of surplus state and local real property. (Assembly Committee on Governmental Organization)

AB 971 (Alvarez) of 2025. This bill would have required the DGS to quitclaim to the San Pasqual Band of Mission Indians, at no cost to the tribe, all interests of the state in the land that it owns within the San Pasqual Battlefield State Park, consisting of 3 parcels of land totaling approximately 3.68 acres. This bill would encourage the City of San Diego to transfer to the San Pasqual Band of Mission Indians all of the city's interests in the land the city owns within the San Pasqual Battlefield State Park, as specified. (Assembly Committee on Appropriations – Held on Suspense File)

SB 461 (Padilla), Chapter 759, Statutes of 2025. Authorized the Director of the DGS to sell or lease to the City of Imperial, all or any part of the California Highway Patrol El Centro Area office, as specified.

SB 572 (Smallwood-Cuevas), Chapter 770, Statutes of 2024. Authorized the Director of the DGS to sell, upon those terms and conditions the director determines are in the best interest of the state, all or any part of approximately 59,200 square feet of property, located at 5401 Crenshaw Boulevard, Los Angeles for purposes of redeveloping the property as an affordable housing or mixed-used housing project.

SB 792 (Smallwood-Cuevas) of 2023. This bill would have required the DGS to update, by January 1, of each year, a complete and accurate inventory of all real property held by the state. (Gut and amended in the Assembly)

SB 803 (Becker) of 2023. This bill would have required the DGS to annually verify a sample of the digitized inventory to ensure that digitized inventory is accurate. Current law requires DGS to conduct a comprehensive survey of all state-owned parcels every four years and to keep a digitized inventory of state-owned parcels that are suitable for affordable housing. (Gut and amended in the Assembly)

AB 2233 (Quirk-Silva), Chapter 438, Statutes of 2022. Required the DGS to develop a plan to facilitate development of affordable housing on state-owned excess land, as specified.

AB 869 (Cunningham) of 2019. Would have required the DGS to notify other state agencies of an excess property and take action on a transfer of jurisdiction request for the property within 150 days. (Vetoed by Governor)

AB 1255 (Robert Rivas), Chapter 661, Statutes of 2019. Required local governments to include an inventory of surplus sites that are infill, “high-density” sites in their housing elements and requires DGS to create a searchable database of surplus sites.

SB 6 (Beall), Chapter 667, Statutes of 2019. Required the Department of Housing and Community Development to provide DGS with an annual list of vacant sites that are suitable and available for residential development, as identified by local governments, and requires DGS to develop a searchable database of those sites and state surplus sites.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Eric Johnson / G.O. / (916) 319-2531