
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 62 (McKinnor) - Agency: racially motivated eminent domain

Version: August 18, 2025

Urgency: No

Hearing Date: August 25, 2025

Policy Vote: JUD. 13 - 0

Mandate: No

Consultant: Liah Burnley

Bill Summary: AB 62 requires the Bureau for Descendants of American Slavery to evaluate applications from persons who claim their property was taken because of racially motivated eminent domain.

Fiscal Impact:

- Cost pressures (General Fund) to fund the Bureau for Descendants of American Slavery to process, investigate, and make recommendations on claims of racially motivated eminent domain. Actual costs will depend on the number of claims submitted and level of staffing needed to handle the claims. Actual costs will also depend on the nature of future proceedings involving the Bureau and the amount of workload those proceedings generate for the Bureau. Costs may be higher in the short term, possibly in the low millions of dollars annually, with costs potentially tapering off over time once historical claims are resolved.
- Costs (General Fund, special funds) of an unknown but likely significant amount to state entities to compensate dispossessed owners. Actual costs will depend on the number of claims substantiated by the Bureau, and the value of real property or monetary compensation ultimately awarded. State entities will likely also incur significant to in litigate cases alleging racially motivated eminent domain and to transfer real property or other compensation to dispossessed owners. Taken together, these costs may be in the tens of millions to hundreds of millions of dollars.
- Likely non-reimbursable costs to local government entities to compensate dispossessed owners and litigate cases alleging racially motivated eminent domain.
- Costs (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts to adjudicate claims for compensation based on racially motivated eminent domain that are rejected by government entities. Actual costs to the courts will depend on the number of cases filed and the amount of time needed to adjudicate each case. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund.
- The California Natural Resources Agency (CNRA) estimates of impact of approximately \$14 million annually, ongoing to account for the creation of a new department or a division within an existing one. Funding would support staffing and operations which would require high-level legal/attorneys; real estate appraisal & title expertise; and administrative expertise. Size of organization would depend on the

number of claims submitted. Each claim would carry with it significant workload and review time.

Fiscal impact would require legal and land use consultants to do the following: 1) review of regulations by a new entity that would require evaluation of lands and possible claims to it, 2) participation in proceedings that would potentially impact the Park and dispossess the Park of those lands, 3) impacts to leases and NDA obligations, 4) impacts to parkwide operations and parking flow/safety, and 5) direct and indirect staff needed to adequately manage this bill. *Note that this may impact operations for significant parkwide planned events such as the Olympic and Paralympic Games in 2028 and the 2026 World Cup.*

The entities listed below within CNRA report an unknown, potentially significant fiscal impact:

- State Parks: The Department cannot comply with the requirements of this bill within existing resources and has identified the need for twelve PYs with annual ongoing General Fund implications of \$2.5 million. The State Park System, which encompasses over 1.6 million acres, began during an era of systemic discrimination. The Department proposes a team comprised of staff with expertise in history, archives, research, property, and law to locate, authenticate, and contextualize relevant historical documentation to ensure an objective evaluation and interpretation of historical sources regarding property within the State Park System. The expertise and credibility of this team will be crucial during efforts to reach consensus with affected parties as well as representing the Department in potential litigation. In addition to personnel costs, fiscal implications resulting from claims could be in the tens of millions to hundreds of millions. For context, Los Angeles County paid the Bruce Family \$20 million to retain the small neighborhood park for recreational purposes. (See table below)

Classification	BY	BY+1+
Archivist I (1)	\$164,000	\$153,000
Associate Governmental Program Analyst (1)	\$176,000	\$165,000
Attorney IV (2)	\$588,000	\$568,000
Legal Secretary (1)	\$121,000	\$111,000
Research Analyst I (1)	\$163,000	\$152,000
Senior Right of Way Agent (4)	\$972,000	\$926,000
State Historian II (1)	\$193,000	\$181,000
Supervising Right of Way Agent (1)	\$281,000	\$267,000
Total	\$2,658,000	\$2,523,000

- Department of Water Resources: AB 62 could cost DWR upwards of \$5 million to search records that may be responsive to requests from persons who believe that DWR, or the CVP (which we have operating agreements with), has records that would show whether or not land was subject to the

eminent domain process for racially motivated reasons. In addition to personnel costs, fiscal implications resulting from claims could be in the tens of millions to hundreds of millions. Additionally, DGS would charge approximately \$12k per transaction for their services in the unlikely event that land was required to be returned.

- Department of Fish and Wildlife: The Department anticipates costs of \$2.382 million per year to cover increased workload and litigation. The Department would need staff support for each region and at headquarters to coordinate, identify lands to offer as suitable compensation, and help the Department understand and trouble-shoot the potential fallout of transferring any property. These staff would also be involved if another government entity transfers property that the Department relies upon in some way, for example property with a conservation easement:
 - 8 Staff Services Manager I (1 for each region + 1 for HQ) = \$1.615 million;
 - 1.5 Attorney IV = \$517,000;
 - Estimated annual litigation costs = \$250,000; and,
 - In addition, there would be unknown but highly significant costs to compensate dispossessed owners, should the Office conclude that there is a dispossessed owner involving land currently owned by the Department.

Background: AB 3121 (Weber), Chapter 319, Statutes of 2020, established the Task Force to Study and Develop Reparation Proposals for African Americans, with a Special Consideration for African Americans Who are Descendants of Persons Enslaved in the United States (“Task Force”) to explore options for providing reparations to African Americans, and particularly the descendants of enslaved persons, in recognition of California’s role in slavery and the post-abolition perpetuation of racist institutions.

In June 2023, the Task Force issued its final report to the Legislature. The report includes detailed information about the horrors of slavery, the ongoing harms experienced by African Americans as a result of slavery, and the task force’s reparations proposals. The Task Force’s reparations proposals include a number of specific policy recommendations that relate to racial terror, political disenfranchisement, separate and unequal education, and racism in environment and infrastructure, among other topics. One of the recommendations was for the state to provide restitution for racially motivated property takings.

Eminent domain is a legal theory that permits the government to take ownership of privately owned property for use for a public purpose. According to the Task Force’s final report, California governments have used eminent domain to take land from African American owners at a disproportionate rate, with devastating impacts to their communities:

California built its cities over the bones of the African American neighborhoods that it tore apart through eminent domain, building the highways, cities, and parks that have enabled the State of California to become the fourth or fifth largest economy in the world. The unjust taking of land did more than just seize property—it destroyed communities and forced African Americans out of their historical neighborhoods. At its peak in 1980, 7.7 percent of the population in California was African American. By 2020, that number dropped to about 5 percent. In 2018 alone, 75,000 Black Americans left the state. The state's more expensive coastal cities alone have shed 275,000 Black residents.

Proposed Law:

- Defines the following:
 - “Dispossessed owner” as a person who has had property taken from them by the state, county, city, city and county, district, or other political subdivision of the state without just compensation as a result of racially motivated eminent domain, or a direct descendant of the person whose property was taken;
 - “Publicly held property” as property that is owned by the state or local agency that took possession of the property that is the subject of an application submitted pursuant to this section; and,
 - “Racially motivated eminent domain” means when the state, county, city, city and county, district, or other political subdivision of the state acquires private property for public use and does not distribute just compensation to the owner at the time of the taking, and the taking, or the failure to provide just compensation, was due, in whole or in part, to the owner's ethnicity or race.
- Provides that, upon appropriation by the Legislature, the Office of Legal Affairs within the Agency shall accept, review and investigate applications from persons who claim they are the dispossessed owner of property taken as a result of racially motivated eminent domain. After reviewing all of the relevant materials, the office must determine whether the applicant is a dispossessed owner of property taken through racially motivated eminent domain.
- If the Office of Legal Affairs determines that an applicant has established that they are a dispossessed owner, the office shall determine:
 - The present-day fair market value of the property that was taken from them by the state, county, city, city and county, district, or other political subdivision of the state as a result of racially motivated eminent domain; and,
 - Whether issuing property or just compensation to that dispossessed owner would serve to redress past acts of racial discrimination, prevent future acts of racial discrimination, and benefit the whole of the community and its general welfare.

- If the Office of Legal Affairs determines that providing property or just compensation is warranted, the Office of Legal Affairs shall certify that the dispossessed owner is entitled to the return of the taken property if it is still in possession of the public entity that did the taking, other publicly held property of equal value, or financial compensation:
 - If just compensation is warranted, that compensation from the state or local agency shall be in the amount of the fair market value of the property minus the amount paid at the time of the taking, adjusted for inflation;
 - If the Office of Legal Affairs determines that the dispossessed owner is entitled to other publicly held property of equal value, it shall solicit and select from the state or other jurisdiction, as applicable, a list of recommendations of publicly held properties that are suitable as compensation. If no publicly held property is suitable as compensation, the Office of Legal Affairs shall determine an amount of just compensation pursuant to in the amount of the fair market value of the property minus the amount paid at the time of the taking, adjusted for inflation.
- If the state or local agency that took property by racially motivated eminent domain rejects the determination of the Office of Legal Affairs, the dispossessed owner who is entitled to compensation as determined by the Office of Legal Affairs may bring an action to challenge the taking or the amount of compensation under the relevant provisions of the Eminent Domain Law. An action brought pursuant to this subparagraph shall not be subject to the statute of limitations, whether the action is brought before or after the enactment of this chapter.
- Becomes operative only if SB 518 is enacted establishing the Bureau for Descendants of American Slavery.

Related Legislation:

- SB 518 (Weber Pierson) would establish the Bureau for Descendants of American Slavery within the Department of Justice, which may ultimately house the Office referenced in this bill. SB 518 is pending in the Assembly Appropriations Committee.
- SB 1050 (Bradford), of the 2023-24 Legislative Session, was substantially the same as this bill. However, the agency that SB 1050 required to evaluate eminent domain claims would have been created by SB 1331 (Bradford), of the same session, did not reach the Governor's desk. The Governor vetoed SB 1050, writing, "[T]his bill tasks a nonexistent state agency to carry out its various provisions and requirements, making it impossible to implement."

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