

Date of Hearing: July 16, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 461 (Padilla) – As Amended March 24, 2025

Policy Committee: Governmental Organization

Vote: 22 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill authorizes the Department of General Services (DGS) to sell or lease the California Highway Patrol (CHP) El Centro Area office to the City of Imperial.

Specifically, this bill:

- 1) Authorizes the DGS director to sell or lease the CHP El Centro Area office to the City of Imperial at fair market value upon terms and conditions the director determines are in the best interest of the state.
- 2) Authorizes the DGS director to sell or lease the property below fair market value if the director determines such a discount will enhance public safety and facilitate the state in addressing historic pollution at the property. The DGS director must also consider the current and intended future use of the property when making this determination.
- 3) Requires the proceeds of the sale or lease to cover specified bond payments related to the property, with net proceeds deposited into the Special Fund for Economic Uncertainties (SFEU), but prohibits such proceeds in the SFEU from being continuously appropriated pursuant to existing law and requires such proceeds be expended only upon appropriation.
- 4) Exempts the sale or lease of the property from the California Environmental Quality Act.

FISCAL EFFECT:

- 1) One-time costs of approximately \$110,000 to DGS to conduct the appraisal and environmental reports and review, as well as for other staff workload related to the purchase and sale of the CHP El Centro Area office (Architecture Revolving Fund). DGS notes such administrative costs would be recovered from sale proceeds. DGS would likely incur lower costs related to leasing the property.
- 2) One-time revenue gain of an unknown amount, but likely in excess of \$150,000, to the state from selling the El Centro Area office (Property Acquisition Law Money Account (PALMA) and SFEU). However, revenue gain from the sale would be significantly reduced if the property is sold for less than fair market value. DGS would likely incur ongoing revenue gain of a lower amount related to leasing the property.
- 3) One-time cost savings of approximately \$150,000 and annual cost savings of approximately \$15,000 to CHP if DGS sells the El Centro Area office to the City of Imperial, as the cost

CHP would otherwise incur to decommission the office's fuel tank would be borne by the City of Imperial and CHP would no longer incur ongoing expenses from maintaining and securing the property (Motor Vehicle Account).

COMMENTS:

1) **Purpose.** According to the author:

Currently, the Imperial Police Department operates from a converted juvenile detention facility that houses multiple city functions, including City Hall and Public Services. This arrangement presents several operational challenges. The [CHP] will be moving to a new facility in El Centro, leaving their facility within the boundaries of the City of Imperial behind. SB 461 would facilitate the transfer of the CHP facility to the City of Imperial. An acquisition by the City would present a cost-effective solution that would accommodate the City and Police Department's growth requirements while enhancing public safety services for the expanding community.

2) **Background. *Surplus State Property.*** Existing law requires every state agency to annually review and report to DGS if any land under the agency's jurisdiction is in excess of programmatic needs. DGS may then determine if any such property can be used by another state agency, and if not, the property is included in an annual omnibus surplus lands bill, which authorizes DGS to dispose of the property by sale, lease, or exchange. DGS must first offer each surplus property to the relevant local governmental agencies and then to nonprofit affordable housing developers, prior to letting private entities bid on the property. Local agencies must pay fair market value for the property, unless the property is being acquired for parks or open space. Net proceeds from the property disposition are generally deposited into the SFEU, which supports the state in meeting General Fund obligations in the event of declining revenues or unanticipated expenditures. However, AB 127 (Committee on Budget), Chapter 45, Statutes of 2023, authorized DGS to deposit some or all of the net proceeds from the sale of surplus property into the PALMA to maintain an operating reserve sufficient to develop excess state lands into affordable housing.

CHP El Centro Area Office. The CHP El Centro Area office is approximately 4,000 square feet and currently shared by 42 uniformed officers and four support staff. Due to limited space to meet operational needs, CHP will soon vacate the office and move to a larger El Centro location once construction is complete later this year. This bill authorizes DGS to sell or lease the El Centro Area office to the City of Imperial outside the surplus state property process. The property must be sold or leased at fair market value, unless the DGS director determines a lower price will enhance public safety and facilitate the state in addressing historic pollution at the property. Although this bill requires net proceeds from the sale or lease be deposited pursuant to existing law (generally, the SFEU or PALMA), this bill prohibits such proceeds in the SFEU from being continuously appropriated and requires such proceeds be expended only upon appropriation. It is unclear why funds from this property disposition should not be appropriated pursuant to existing law and how the funds would eventually be appropriated.

3) **Prior Legislation.** SB 536 (Rubio), Chapter 768, Statutes of 2024, authorized DGS to sell or lease the Herman G. Stark Youth Correctional Facility to the City of Chino under certain

conditions, with net proceeds deposited into the SFEU for continuous appropriation pursuant to existing law.

SB 572 (Smallwood-Cuevas), Chapter 770, Statutes of 2024, authorized DGS to sell all or a portion of a specified parcel of state property in the County of Los Angeles to a community land trust under certain conditions, with net proceeds deposited into the SFEU not continuously appropriated and expended only upon appropriation.

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