

**SENATE JUDICIARY COMMITTEE**  
**Senator Thomas Umberg, Chair**  
**2023-2024 Regular Session**

AB 2988 (McCarty)  
Version: June 11, 2024  
Hearing Date: June 25, 2024  
Fiscal: Yes  
Urgency: No  
AM

**SUBJECT**

Courts

**DIGEST**

This bill authorizes the Judicial Council of California (Judicial Council) to sell the Gordon D. Schaber Sacramento County Courthouse, as provided, and requires the net proceeds from the sale to be deposited into the State Court Facilities Construction Fund.

**EXECUTIVE SUMMARY**

California overhauled its court system through a series of reforms over 20 years ago resulting in the Judicial Council having responsibility, authority, and control over trial court facilities as an owner. In 2021, the Legislature authorized the Judicial Council to sell specified court properties at fair market value and upon the terms and conditions and subject to the reservations the Judicial Council deems in the best interests of the state, specified that the net proceeds from the sale of the property are to be deposited into the State Court Facilities Construction Fund, and exempted the sale of these properties from the statutes governing surplus lands.<sup>1</sup> This bill seeks to do the same for the Gordon D. Schaber Sacramento County Courthouse, except that this bill requires the Judicial Council to make the availability of the property known to the Department of Housing and Community Development (DHCD) and any local public entity that has jurisdiction for developing low- and moderate-income housing through the state. The bill also requires a local agency that purchases the property from Judicial Council to give priority to an entity that agrees to use the site for housing and proposes to provide the greatest number of units of low- and moderate-income housing under specified provisions of law related to surplus land. This bill is substantially similar to AB 959 (McCarty, 2023) that passed this Committee 11 to 0, but was ultimately held in the Senate Appropriations Committee. The bill is author sponsored. No timely support or opposition was received by this Committee.

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<sup>1</sup> (AB 143 (Committee on Budget, Ch. 79, Stats. 2021.))

**PROPOSED CHANGES TO THE LAW**

Existing law:

- 1) Provides that the Judicial Council, as the policymaking body for the judicial branch, has the following responsibilities and authorities with regard to court facilities:
  - a) Full responsibility, jurisdiction, control, and authority as an owner would have over trial court facilities, the title of which is held by the state, including, but not limited to, the acquisition and development of facilities;
  - b) The full range of policymaking authority over trial court facilities, including, but not limited to, planning, construction, acquisition, and operation, to the extent not expressly otherwise limited by law; and
  - c) Dispose of surplus court facilities, as specified. (Gov. Code § 70391.)<sup>2</sup>
  
- 2) Requires the Judicial Council to consider the following factors regarding the potential new or planned use of a court facility prior to selling or transferring the facility:
  - a) if the use is compatible with the use of other adjacent public buildings;
  - b) if the use unreasonably departs from the historic or local character of the surrounding property or local community;
  - c) if the use has a negative impact on the local community;
  - d) if the use interferes with other governmental agencies that use or are located in or adjacent to the building containing the court facility; and
  - e) if the use is of sufficient benefit to outweigh the public good in maintaining it as a court facility or building. (§ 70391(c)(3).)
  
- 3) Permits the Judicial Council to sell specified court properties in Los Angeles, Fresno, and Kings Counties at fair market value and upon the terms and conditions and subject to the reservations the Judicial Council deems in the best interests of the state, if all of the following requirements are satisfied:
  - a) the sales comply with the provisions of 2), above;
  - b) the Judicial Council consults with the county where the property is located concerning the sale of the property; and
  - c) the Judicial Council offers the county in which the property is located the right to purchase the property at fair market value before otherwise offering the property for sale. (§ 70395 – 70397.)
  
- 4) Requires the Judicial Council, in consultation with the superior court of each county and the county government, to enter into agreements regarding the transfer of responsibility for court facilities from that county to the Judicial Council. (§ 70321.)

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<sup>2</sup> All further references are to the Government Code unless stated otherwise.

- 5) Requires that proceeds from the sale of surplus state property are to be used to pay the principal and interest on bonds issued pursuant to the Economic Recovery Bond Act, and upon the payment of those bonds to be deposited into the Special Fund for Economic Uncertainties, as specified. (Cal. Const. art. III, sec. 9.)
- 6) Establishes procedures for the disposal of publicly-owned land that is surplus to the needs of local agencies. (§ 54220 et. seq.)
  - a) Require local agencies to follow the procedures laid out in the SLA before surplus land can be sold, including, but not limited, to sending a written notice of availability to various public agencies and nonprofit groups, referred to as "housing sponsors," notifying them that land is available for the following purposes:
    - i. low- and moderate-income housing;
    - ii. park and recreation, and open space;
    - iii. school facilities; or
    - iv. infill opportunity zones or transit village plans. (§ 54222.)

This bill:

- 1) Authorizes the Judicial Council to sell the Gordon D. Schaber Sacramento County Courthouse in a fair market value transaction and upon the terms and conditions and subject to the reservations the Judicial Council deems in the best interests of the state, if all of the following requirements are satisfied:
  - a) the Judicial Council complies with the existing law regarding the considerations and actions that must be taken prior to the sale of surplus court property;
  - b) the Judicial Council consults with the county in which the property is located concerning the sale of the property; and
  - c) the Judicial Council offers the county in which the property is located the right to purchase the property in a fair market value transaction before otherwise offering the property for sale
  - d) the Judicial Council makes the availability of the property known to the DHCD and any local public entity that has jurisdiction for developing low- and moderate-income housing through the state maintained by DHCD on its website pursuant to paragraph (2) of subdivision (a) of Section 54222;
  - e) the Judicial Council makes the availability of the property known to any local public entity that has jurisdiction for developing low- and moderate-income housing where the property is located; and
  - f) any local agency, as defined, that purchases the Gordon D. Schaber Sacramento County Courthouse from the Judicial Council in a fair market value transaction to use the property for developing low- and moderate-income housing must give priority to an entity that agrees to use the site for housing and proposes to provide the greatest number of units that meet the

requirements of Section 54222.5 in accordance with Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5.

- 2) Requires the net proceeds from the sale of the property to be deposited into the State Court Facilities Construction Fund.
- 3) Specifies that the disposition of the Gordon D. Schaber Sacramento County Courthouse does not constitute a sale or other disposition of surplus state property within the meaning of Section 9 of Article III of the California Constitution and is not subject to subdivision (g) of Section 11011.

### COMMENTS

#### 1. Stated need for the bill

The author writes:

AB 2988 allows the Judicial Council to sell the Sacramento County Courthouse per statute. In addition, AB 2988 will provide greater affordable housing options and reduce community displacement caused by the influx of housing prices by authorizing the county to purchase the property, and permitting it to be turned into affordable housing.

#### 2. The sale of state court facilities

Existing law generally requires state agencies to report to Department of General Services (Department) all property that can be deemed surplus. (Gov. Code § 11011.) The Department then submits a list of properties to the Legislature to be officially declared surplus by legislation and requests authorization to dispose of the land. Upon approval by the Legislature, the Department must determine whether the land could first be used by any other state agency, local agency, or nonprofit affordable housing organization. The property can only be sold to the public once the Department determines that the property cannot be utilized by one of the aforementioned entities. Proposition 60A enacted Section 9 of Article III of the California Constitution in 2004, and required that all surplus property be disposed of by the Department and that all sale proceeds be used to pay the principal and interest on bonds issued pursuant to the Economic Recovery Bond Act.

California overhauled its court system through a series of reforms over 20 years ago resulting in the existing superior court system where the Judicial Council has the responsibility, authority, and control over trial court facilities as an owner. Prior to the overhaul of the trial court system, individual counties managed California's trial courts and owned many of the trial court facilities. As a result of SB 1732 (Escutia, Ch. 1082, Stats. 2002), the Judicial Council took ownership of county court facilities. In 2021, the

Legislature authorized the Judicial Council to sell specified court properties in Los Angeles, Fresno, and Kings Counties at fair market value and upon the terms and conditions and subject to the reservations the Judicial Council deems in the best interests of the state. (AB 143 (Committee on Budget, Ch. 79, Stats. 2021.)) AB 143 also specified that the net proceeds from the sale of the property are to be deposited into the State Court Facilities Construction Fund. The Legislature specifically exempted the sale of these properties from the statutes governing surplus lands.

This bill seeks to enact similar provisions for the Gordon D. Schaber Sacramento County Courthouse, which will permanently close upon commencing occupancy in the new Tani Cantil-Sakauye Sacramento County Courthouse. The main differences in this bill are:

- the Judicial Council makes the availability of the property known to the DHCD and any local public entity that has jurisdiction for developing low- and moderate-income housing;
- the Judicial Council makes the availability of the property known to any local public entity that has jurisdiction for developing low- and moderate-income housing where the property is located; and
- any local agency, as defined, that purchases the Gordon D. Schaber Sacramento County Courthouse from the Judicial Council in a fair market value transaction to use the property for developing low- and moderate-income housing must give priority to an entity that agrees to use the site for housing and proposes to provide the greatest number of units that meet the requirements of Section 54222.5 in accordance with Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5.

#### **SUPPORT**

None received

#### **OPPOSITION**

None received

#### **RELATED LEGISLATION**

##### **Pending Legislation:**

AB 3282 (Committee on Judiciary, 2024) among other things, authorizes the Judicial Council to sell certain court facilities in Plumas and Stanislaus Counties, as provided. AB 3282 is pending in this Committee and will be heard on the same day as this bill.

Prior Legislation:

AB 959 (McCarty, 2023) was substantially similar to the provisions of AB 3282 (Committee on Judiciary, 2024) that authorize the sale of specified court properties in Plumas and Stanislaus Counties. AB 959 was held in the Senate Appropriations Committee.

AB 143 (Committee on Budget, Ch. 79, Stats. 2021), among other things, authorized the Judicial Council to sell specified court properties in Los Angeles, Fresno, and Kings Counties at fair market value and upon the terms and conditions and subject to the reservations the Judicial Council deems in the best interests of the state, specified that the net proceeds from the sale of the property are to be deposited into the State Court Facilities Construction Fund, and exempted the sale of these properties from the statutes governing surplus lands.

**PRIOR VOTES**

Assembly Floor (Ayes 69, Noes 0)

Assembly Appropriations Committee (Ayes 11, Noes 0)

Assembly Judiciary Committee (Ayes 12, Noes 0)

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