

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

AB 959 (McCarty)
Version: February 14, 2023
Hearing Date: June 20, 2023
Fiscal: Yes
Urgency: Yes
AM

SUBJECT

Courts

DIGEST

This bill authorizes the Judicial Council of California (Judicial Council) to sell certain outdated or closed court facilities in Plumas, Sacramento, and Stanislaus Counties, as provided, and requires the net proceeds from the sale to be deposited into the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. Existing law provides certain procedures for selling surplus state property and requires proceeds from the sale of surplus state property to be used to pay the principal and interest on bonds issued pursuant to the Economic Recovery Bond Act. 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, 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. (AB 143 (Committee on Budget, Ch. 79, Stats. 2021.)) This bill seeks to do the same thing for certain specified properties in Plumas, Sacramento, and Stanislaus Counties.

The bill is sponsored by the Judicial Council. There is no known opposition.

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.)

- 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. (Gov. Code § 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. (Gov. Code § 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. (Gov. Code §70321.)

- 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.)

This bill:

- 1) Authorizes the Judicial Council to sell, notwithstanding any other law, specified property 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 sale complies with Section 70391, as applicable;
 - 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.
- 2) Specifies that the property authorized to be sold in 1), above, means:
 - a) The Plumas/Sierra Regional Courthouse located at 600 South Gulling Street, City of Portola, County of Plumas, Assessor Parcel Number 126-050-046.
 - b) The Gordon D. Schaber Sacramento County Courthouse located at 720 Ninth Street, City of Sacramento, County of Sacramento, Assessor Parcel Number 002-0145-026.
 - c) The Modesto Main Courthouse located at 800 11th Street, and the Hall of Records, located at 1100 I Street, City of Modesto, County of Stanislaus, collectively a portion of Assessor Parcel Number 105-025-001.
 - d) The Ceres Superior Court located at 2744 Second Street, City of Ceres, County of Stanislaus, Assessor Parcel Number 127-016-014.
- 3) Requires the net proceeds from the sale of the property to be deposited into the State Court Facilities Construction Fund.

COMMENTS

1. Stated need for the bill

The author writes:

The Judicial Council currently owns two vacant properties and upon completion of two new courthouses, will have two further vacant properties. To sell these properties and avoid the liabilities and costs associated with maintaining vacant properties, the council must obtain statutory authority to sell them.

2. The sale of state court facilities

Existing law generally requires state agencies to report to Department of General Services 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 of General Services 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 certain outdated or closed court facilities in Plumas, Sacramento, and Stanislaus Counties. According to the Judicial Council:

The Ceres Superior Court was permanently closed in March, 2009 and all former operations will be moving to the new courthouse in Modesto. The Modesto location will permanently close upon commencing occupancy in a new courthouse in December, 2024. The Schaber Courthouse in Sacramento will permanently close upon commencing occupancy in the new courthouse in February, 2024. The Plumas/Sierra Regional Courthouse closed permanently in November, 2014. In accordance with existing law and AB 959 language, the council has worked with the associated counties and have collectively agreed on the need to sell the identified properties.

By depositing the net proceeds into the State Court Facilities Construction Fund, it will ensure that all sale proceeds will be used to fund construction on new court facilities.

3. Statements in support

The Judicial Council of California, sponsor of the bill, writes:

The Judicial Council is committed to ensuring all Californians will have equal access to courts and be served in an efficient and effective manner. This bill meets that mandate by ensuring the Judicial Council does not need to expend unnecessary funding, staff time, and mitigation measures for potential safety issues that are commonly associated with vacant buildings. By allowing the council to sell these buildings at fair market value and in alignment with existing law, state funding is appropriately expended where it is needed most – going toward maintaining our existing facilities that are actively in use by court users and by allowing net proceeds to go toward building projects for new courthouses and renovations to existing courthouses to improve the court experience for the millions of Californians who access the courts every year.

SUPPORT

Judicial Council of California

OPPOSITION

None known

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

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 80, Noes 0)
Assembly Appropriations Committee (Ayes 15, Noes 0)
Assembly Judiciary Committee (Ayes 11, Noes 0)
