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**AB-1709 Armories: sales: local agencies.** (2017-2018)

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**Assembly Bill No. 1709**

**CHAPTER 304**

An act to amend Section 435 of the Military and Veterans Code, relating to armories.

[ Approved by Governor September 26, 2017. Filed with Secretary of State September 26, 2017. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1709, Committee on Veterans Affairs. Armories: sales: local agencies.

Existing law authorizes the Director of General Services, with the approval of the Adjutant General, to lease and sell real property held for armory purposes, subject to legislative approval. Existing law establishes the Armory Fund and requires that all proceeds from the sale or lease of armories be deposited into the fund, for use, upon appropriation by the Legislature, for specified purposes related to armories.

This bill would require that an armory be offered for sale to a local agency, as defined, prior to being offered for sale to private entities or individuals, as provided. The bill would also require the Department of General Services to maintain a list of armories authorized for sale in a conspicuous place on its Internet Web site and to provide local agencies and, upon request, members of the public, with electronic notification of updates to the list of properties.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 435 of the Military and Veterans Code is amended to read:

**435.** (a) The Director of General Services, with the approval of the Adjutant General, may lease for not more than 99 years or sell for fair market value upon terms and conditions and subject to any reservations and exceptions as may be determined to be in the best interests of the state any real property held for armory purposes. Real property shall not be sold or leased pursuant to this subdivision unless the Legislature, by statute, approves the sale or lease of the property.

(b) (1) An armory shall be offered for sale to any local agency, as defined in subdivision (a) of Section 54221 of the Government Code, prior to being offered for sale to private entities or individuals.

(2) For purposes of paragraph (1), fair market value shall be determined by an appraisal undertaken and approved by the Director of General Services.

(3) The Department of General Services, subject to this subdivision, shall maintain a list of armories authorized for sale in a conspicuous place on its Internet Web site. The Department of General Services shall provide local agencies and, upon request, members of the public, with electronic notification of updates to the list of properties.

(4) To be considered as a potential priority buyer of the armory, a local agency shall notify the Department of General Services of its interest in the armory within 90 days of the Department of General Services posting on its Internet Web site the notice of the availability of the armory property. When more than one local agency expresses an interest in the armory, the Department of General Services shall transfer the armory to the local agency offering the highest amount of money above fair market value.

(5) If no local agency is interested, or an agreement, as provided above, is not reached, then the disposal of the armory to private entities or individuals shall be pursuant to a public bidding process designed to obtain the highest most certain return for the state from a responsible bidder, and any transaction based on that bidding process shall be deemed to be the fair market value.

(c) As to an armory sold pursuant to this section, the Director of General Services shall except and reserve to the state all mineral deposits, as described in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove the deposits. If, however, the Director of General Services determines that there is little or no potential for mineral deposits, the reservation may be without surface right of entry above a depth of 500 feet, or the rights to prospect for, mine, and remove the deposits shall be limited to those areas of the armory conveyed that the director determines to be reasonably necessary for the removal of the deposits.

(d) There is in the State Treasury the Armory Fund. All net proceeds from the sale or lease of an armory shall be deposited in the fund. The money in the fund is available, upon appropriation by the Legislature, for the maintenance of existing armories, and for the acquisition or construction of new or replacement armories, including, but not limited to, the cost of design. The disposition of armory properties is not subject to subdivision (g) of Section 11011 of the Government Code.

(e) For the purposes of this section, "net proceeds" are the gross proceeds less:

(1) Outstanding reimbursements due to the Property Acquisition Law Money Account for costs incurred by the Department of General Services in selling an armory property.

(2) All costs directly related to the disposition of an armory, including, but not limited to, all costs and expenses incurred by the Department of General Services, as specified in subdivision (f).

(f) Notwithstanding subdivision (d), the Department of General Services shall, upon appropriation by the Legislature, use funds from the Property Acquisition Law Money Account for the purposes of selling armory properties. The Director of Finance may approve loans from the General Fund to the Property Acquisition Law Money Account.

(g) The sale of an armory shall be made on an "as is" basis and is exempt from Chapter 3 (commencing with Section 21100) of Division 13 of the Public Resources Code. Upon vesting title of the armory to the purchaser or transferee of the armory, the purchaser or transferee shall be subject to any local governmental land use entitlement requirements and to Chapter 3 (commencing with Section 21100) of Division 13 of the Public Resources Code.