

**DEPARTMENT OF FINANCE BILL ANALYSIS**

**AMENDMENT DATE:** August 2, 2010  
**POSITION:** Support  
**SPONSOR:** California Military Department

**BILL NUMBER:** SB 1481  
**AUTHOR:** Senate Governmental Organization

**BILL SUMMARY: State Militia: Armories: Leases and Sales**

This bill would specify that proceeds from the sale or lease of armories be deposited in the Armory Fund, notwithstanding the statutory provisions that require proceeds from the sale or lease of surplus state property be applied to retire state deficit recovery bonds.

**FISCAL SUMMARY**

Under current law, proceeds from the sale of surplus property must be used to retire Economic Recovery Bonds (ERBs). This requirement was the result of Proposition 60A, which was enacted by the voters in 2004. The only potential fiscal impact associated with this measure would be the extent to which, if armory sale proceeds were used to repay ERBs, the ERBs would be retired early. This is not expected to be significant.

**COMMENTS**

This Administration-sponsored measure is intended to clarify existing law by providing that armories are not subject to the existing surplus property process that is overseen by the Department of General Services.

Existing law authorizes the Department of General Services, with the approval of the Adjutant General, to lease or sell any real property used for armory purposes. Under current law, all proceeds from the sale or lease of armories are deposited into the Armory Fund to be used for armory maintenance, and for the acquisition or construction of new or replacement armories.

This bill would specify that proceeds from the sale or lease of armories be deposited in the Armory Fund, notwithstanding the statutory provisions that require proceeds from the sale or lease of surplus state property be applied to retire state deficit recovery bonds.

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year)			Fund Code
				2010-2011	2011-2012	2012-2013	
8940/Military Dpt	SO	No		FC	FC	FC	0604
				----- See Fiscal Summary -----			
<u>Fund Code</u>	<u>Title</u>						
0604	Armory Fund						

Analyst/Principal (0212)J. Osborn	Date	Assistant Program Budget Manager Z. Theodorovic	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)