

AMENDED IN ASSEMBLY JUNE 23, 2021

AMENDED IN SENATE MAY 28, 2021

AMENDED IN SENATE MAY 3, 2021

AMENDED IN SENATE APRIL 19, 2021

AMENDED IN SENATE APRIL 12, 2021

AMENDED IN SENATE MARCH 24, 2021

SENATE BILL

No. 796

Introduced by Senator Bradford

(Principal coauthor: Senator Allen)

(Principal coauthors: Assembly Members Burke and Muratsuchi)

(Coauthors: Senators Kamlager, Laird, and Stern)

(Coauthors: Assembly Members Bloom, Lorena Gonzalez,
Jones-Sawyer, and Luz Rivas)

February 19, 2021

An act to amend Section 5002.6 of the Public Resources Code, relating to state parks, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 796, as amended, Bradford. State parks: state beaches: County of Los Angeles: Manhattan State Beach: deed ~~restrictions~~: *restrictions*: *taxation*.

Existing law requires the Director of Parks and Recreation, upon the adoption of a specified resolution by the Board of Supervisors of the County of Los Angeles, to grant to the County of Los Angeles, in trust for the people of California, all of the rights, title, and interest of the

State of California in specified state beach property, including a portion of Manhattan State Beach. Existing law requires the grant to be made upon the express condition that the County of Los Angeles use, operate, and maintain the granted lands and improvements only for public recreation and beach purposes in perpetuity. Existing law subjects the transfer of those rights, title, and interest in the granted lands to specified restrictions, including prohibitions on new or expanded commercial development on those granted lands and on the sale, transfer, or encumbrance of those granted lands.

This bill would exclude specified property located in Manhattan State Beach, commonly known as ~~“Bruce’s Beach,”~~ *Bruce’s Beach*, from the requirement that the property be used only for public recreation and beach purposes in perpetuity and from those specified restrictions. The bill would authorize the property to be sold, transferred, or encumbered upon terms and conditions determined by the Board of Supervisors of the County of Los Angeles to be in the best interest of the county and the general public. The bill would require the Director of Parks and Recreation, on or before December 31, 2021, to execute an amendment to a specified deed that incorporates the exclusion of that property from *that requirement and* those restrictions.

Under the California Constitution, all property is taxable and must be assessed at the same percentage of fair market value, unless otherwise provided in the California Constitution or federal law. The California Constitution limits the maximum amount of any ad valorem tax on real property to 1% of its full cash value and defines “full cash value” for these purposes. Existing property tax law, in accordance with these provisions, defines “full cash value” of real property to mean the fair market value of the property as of the 1975 lien date or, for property which is purchased, is newly constructed, or changes ownership after the 1975 lien date, the date on which the purchase or change in ownership occurs, or the date on which new construction is completed, and if uncompleted, on the lien date. Under existing property tax law, the purchase price of real property is rebuttably presumed to be the “full cash value” or “fair market value” if the terms of the transaction were negotiated at arms length between a knowledgeable transferor and transferee neither of which could take advantage of the other.

This bill, for purposes of determining the full cash value of Bruce’s Beach upon its sale, transfer, or encumbrance as authorized by the bill’s provisions, would require that the fair market value of that land

be its full cash value as of the 1975 lien date, adjusted by an inflation factor determined as provided.

The Personal Income Tax Law and the Corporation Tax Law, in modified conformity with federal law, generally define “gross income” as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income for purposes of computing tax liability.

This bill would provide that, under both the Personal Income Tax Law and the Corporation Tax Law, a recipient’s gross income does not include any sale, transfer, or encumbrance of Bruce’s Beach, or income directly derived from that sale, transfer, or encumbrance, in accordance with the procedures described above for the taxable year in which the land is sold, transferred, or encumbered.

Existing law, the Documentary Transfer Tax Act, authorizes the board of supervisors of any county or city and county, and the legislative body of any city within the county, to impose by ordinance a tax, at a specified rate, on each deed, instrument, or writing by which any lands, tenements, or other realty sold within the county is granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or any other person, if the consideration or value of the interest or property conveyed or vested exceeds \$100. Existing law provides various exemptions from a tax imposed by a county or city and county under these provisions.

This bill would exempt any sale, transfer, or encumbrance of the portion of Bruce’s Beach in accordance with the procedures described above from a documentary transfer tax imposed pursuant to the Documentary Transfer Tax Act.

This bill would make legislative findings and declarations as to the necessity of a special statute for ~~“Bruce’s Beach.”~~ *Bruce’s Beach*.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The United States of America has never fully addressed the
- 4 institution and practice of 250 years of chattel slavery; the ideology
- 5 that established and maintained it has left an indelible stain on the

1 fabric of this nation and is embedded in virtually every facet of
2 American culture and civil society.

3 (b) The legacy of the intentional structuring of opportunity,
4 implementation of policies and practices, and assignment of value
5 based solely on skin color and other physical characteristics has
6 created, and continues to create, unfair disadvantages for Black
7 people.

8 (c) Racial discrimination has prevented entire communities of
9 people from achieving their full potential due to its manifestations,
10 including, but not limited to, the implementation of Black codes
11 and Jim Crow laws, the widespread and accepted practices of
12 lynching and sexually assaulting Black men and women, voter
13 suppression of Black Americans, the false concept of separate but
14 equal schools, state-sanctioned housing discrimination in the form
15 of redlining and enforcement of racially restrictive covenants,
16 disparate access to and substandard treatment within the health
17 care system, police brutality in Black communities, the misguided
18 war on drugs, and mass incarceration.

19 (d) Racism aggravates and exacerbates historical inequities and
20 consequently deprives marginalized communities of access to land,
21 economic opportunities, and a stable future.

22 (e) The experience of Willa and Charles Bruce is an example
23 of how racism against Black people has reached crisis proportions
24 and has resulted in large disparities in family stability, health and
25 mental wellness, education, employment, economic development,
26 public safety, criminal justice, and housing.

27 (f) In 1912, Willa and Charles Bruce purchased the first of two
28 lots of land along the Strand in the City of Manhattan Beach and
29 turned the location into a seaside resort that welcomed Black beach
30 goers from all over and became colloquially referred to as “Bruce’s
31 Beach.”

32 (g) In 1924, the Manhattan Beach City Council voted to
33 condemn Bruce’s Beach and the surrounding land through the
34 power of eminent domain under the ostensible purpose of building
35 a park. After the land was ultimately taken in 1929, the Bruce
36 family moved out of the City of Manhattan Beach, and the city
37 immediately demolished the Bruce’s Beach resort. The city did
38 not move to build a park and, instead, the land sat empty for
39 decades.

1 (h) Willa and Charles Bruce were deprived of their rightful
2 property, as well as their right to derive the benefits of that
3 property, including the freedom and fortune of operating their own
4 business on their land.

5 (i) The fraudulent appropriation of land from private persons
6 in general, and especially on the basis of race, is against the public
7 interest and denies individuals and communities the right to
8 enjoyment, the right to own property alone, as well as in association
9 with others, the right to inherit, and the right to control one's
10 property.

11 (j) Government has a responsibility to prohibit and eliminate
12 racial discrimination in all forms and to ensure that all persons are
13 entitled to security against forced removal, harassment, and
14 intimidation by entities who seek to deprive individuals of their
15 rights to self-determination and dignity on the basis of their race.

16 (k) Government must act in the public's interest to ensure that
17 communities can fairly access justice and an effective remedy,
18 including, when appropriate, the potential return, restitution,
19 resettlement, rehabilitation, or compensation, for unlawful and
20 race-based displacements.

21 (l) The land in the City of Manhattan Beach, which was
22 wrongfully taken from Willa and Charles Bruce, should be returned
23 to their living descendants, and it is in the public interest of the
24 State of California, the County of Los Angeles, the City of
25 Manhattan Beach, and the People of the State of California to do
26 so.

27 (m) *The sale, transfer, or encumbrance of Bruce's Beach as*
28 *authorized by this act constitutes a change in ownership of the*
29 *property, which requires the reassessment of the property at its*
30 *full cash value in accordance with Article XIII A of the California*
31 *Constitution. The racially motivated taking of the land from Willa*
32 *and Charles Bruce under false, unlawful pretenses as described*
33 *in this section has negatively impacted the duration of their*
34 *ownership of the property and value of the property in comparison*
35 *with other parcels. Therefore, in determining the full cash value*
36 *for taxation purposes, the full cash value of Bruce's Beach as of*
37 *the 1975 lien date, as adjusted for inflation, accurately represents*
38 *the true fair market value of the property, and it is appropriate to*
39 *establish that this amount is the full cash value of the property*
40 *upon its sale, transfer, or encumbrance as authorized by this act.*

1 SEC. 2. Section 5002.6 of the Public Resources Code is
 2 amended to read:

3 5002.6. (a) Notwithstanding any other law, and upon the
 4 adoption of a resolution of acceptance pursuant to subdivision ~~(i)~~,
 5 (j), the director shall grant to the County of Los Angeles, at no
 6 cost to the county, in trust for the people of the State of California,
 7 and subject to the conditions set forth in this section, all of the
 8 rights, title, and interest of the State of California in lands, and
 9 improvements thereon, generally described as follows, and more
 10 particularly described in the deed:

11 (1) Parcel 1. Approximately 3.83 acres of unimproved land,
 12 known as Las Tunas State Beach.

13 (2) Parcel 2. Approximately 31.21 acres of improved land,
 14 known as Topanga State Beach.

15 (3) Parcel 3. Approximately 46.34 acres of improved land,
 16 being a portion of Manhattan State Beach.

17 (4) Parcel 4. Approximately 26.03 acres of improved land,
 18 known as Redondo State Beach.

19 (5) Parcel 5. Approximately 18.07 acres of improved land,
 20 known as Royal Palms State Beach.

21 (6) Parcel 6. Approximately 30.64 acres of improved land,
 22 being a portion of Point Dume State Beach.

23 (7) Parcel 7. Approximately 15.12 acres of unimproved land,
 24 known as Dan Blocker State Beach, and that includes Latigo
 25 Shores.

26 (8) Parcel 8. Approximately 10.50 acres of improved land,
 27 being a portion of Malibu Lagoon State Beach, known as Surfrider
 28 Beach.

29 (b) (1) The grant in trust for the people of the State of California
 30 made pursuant to subdivision (a) shall be made upon the express
 31 condition that the County of Los Angeles shall use, operate, and
 32 maintain the granted lands and improvements on the granted lands
 33 for public recreation and beach purposes in perpetuity, and shall
 34 comply with all restrictions specified in each deed and prescribed
 35 in subdivision (e). The county shall not make or permit any other
 36 use of the granted lands and improvements. A violation of this
 37 prohibition or a violation of subdivision (e) shall constitute a breach
 38 of conditions for purposes of paragraph (2).

39 (2) Upon a material breach of a condition of a grant made
 40 pursuant to this section that is determined by a court of competent

1 jurisdiction to have been made intentionally, the State of California
2 shall terminate the interest of the County of Los Angeles in the
3 granted lands and improvements pursuant to Chapter 5
4 (commencing with Section 885.010) of Title 5 of Part 2 of Division
5 2 of the Civil Code. Upon exercise of the state's power of
6 termination in accordance with Section 885.050 of the Civil Code,
7 all rights, title, and interest of the County of Los Angeles in the
8 granted lands and improvements shall terminate and revert to, and
9 rest in, the state, and the county shall, within 30 days from the date
10 of that judgment, pay to the state an amount equal to funds received
11 by the county annually from the appropriation under Schedule (a)
12 of Item 3680-105-516 of the Budget Act of 1995 or from any
13 subsequent appropriation received from the state specifically for
14 the operation or maintenance of the granted lands and
15 improvements. However, in no event shall that payment exceed
16 the sum of one million five hundred thousand dollars (\$1,500,000).
17 The returned funds shall be deposited into the State Parks and
18 Recreation Fund.

19 (3) Notwithstanding Section 885.030 of the Civil Code, the
20 state's power of termination pursuant to paragraph (2) shall remain
21 in effect in perpetuity.

22 (c) An operating agreement between the State of California and
23 the County of Los Angeles pertaining to any of the real property
24 described in subdivision (a), in existence at the time of the grant,
25 shall be terminated by operation of law upon the conveyance of
26 the real property to the County of Los Angeles.

27 (d) There is hereby excepted and reserved to the State of
28 California from the grants made pursuant to subdivision (a) all
29 mineral deposits, as defined in Section 6407, that lie below a depth
30 of 500 feet, without surface rights of entry.

31 (e) The transfer of all rights, title, and interest in the lands and
32 improvements described in subdivision (a) shall be subject to the
33 following restrictions, which shall be specified in each deed:

34 (1) (A) No new or expanded commercial development shall be
35 allowed on the granted real property.

36 (B) A project for new or expanded noncommercial development
37 on the granted real property shall not exceed an estimated cost
38 limitation for each project of two hundred fifty thousand dollars
39 (\$250,000), as adjusted annually to reflect the California
40 Construction Index utilized by the Department of General Services.

1 An authorization for new and expanded noncommercial
2 development shall be limited to projects that provide for the safety
3 and convenience of the general public in the use and enjoyment
4 of, and enhancement of, recreational and educational experiences,
5 and shall be consistent with the use, operation, and maintenance
6 of the granted lands and improvements as required pursuant to
7 subdivision (b). The expenditure of public funds for shoreline
8 protective works shall only be permitted for those protective works
9 that the County of Los Angeles determines are necessary for the
10 protection of public infrastructure or a public facility. For purposes
11 of this subparagraph, “project” means the whole of an action that
12 constitutes the entirety of the particular type of new construction,
13 alteration, or extension or betterment of an existing structure.

14 (C) Notwithstanding subparagraph (B), the deed for the
15 conveyance of Royal Palms State Beach shall contain a provision
16 that allows for the implementation of the state-approved local
17 assistance grant (project number SL-19-003) to the County of Los
18 Angeles already approved in the Budget Act of 1988 for
19 noncommercial development to rehabilitate the existing park
20 infrastructure at that state beach.

21 (D) The estimated cost limitation specified in subparagraph (B)
22 shall not apply to the noncommercial projects necessary to bring
23 public accessways and public facilities into compliance with the
24 federal Americans with Disabilities Act of 1990, as amended (42
25 U.S.C. Sec. 12101 et seq.). The limitation described in this
26 subparagraph shall not affect the restriction described in
27 subparagraph (A).

28 (2) The granted lands and improvements shall not be
29 subsequently sold, transferred, or encumbered. For purposes of
30 this section, “encumber” includes, but is not limited to, mortgaging
31 the property, pledging the property as collateral, or any other
32 transaction under which the property would serve as security for
33 borrowed funds. A lease of the granted lands or improvements
34 shall only be consistent with the public recreation and beach
35 purposes of this section.

36 (f) As an alternative to the exercise of the power of termination
37 for a material breach of conditions, each condition set forth in this
38 section shall be enforceable as a covenant and equitable servitude
39 through injunction for specific performance issued by a court of
40 competent jurisdiction.

1 (g) On and after June 30, 1998, it is the intent of the Legislature
2 that an application by the County of Los Angeles Fire Department
3 to secure state funding support for boating safety and enforcement
4 on waters within the County of Los Angeles shall be given priority
5 consideration by the Legislature, unless an alternative source of
6 funding is secured before that date that serves the same or similar
7 purposes.

8 (h) (1) Paragraph (1) of subdivision (b), except the requirement
9 that the County of Los Angeles comply with all restrictions
10 specified in the deed, and subdivision (e) shall not apply to a
11 portion of land within Manhattan State Beach, described in
12 paragraph (3) of subdivision (a), known as “Peck’s Manhattan
13 Beach Tract Block 5” and commonly referred to as “Bruce’s
14 Beach.”

15 (2) Notwithstanding any other law, *easement, covenant,*
16 *restriction, or servitude*, the portion of land identified in paragraph
17 (1) may be sold, transferred, or encumbered upon terms and
18 conditions determined by the Board of Supervisors of the County
19 of Los Angeles to be in the best interest of the County of Los
20 Angeles and the general public.

21 (3) (A) *Notwithstanding Section 110 of the Revenue and*
22 *Taxation Code, for purposes of determining the full cash value of*
23 *the land identified in paragraph (1) pursuant to Section 110.1 of*
24 *the Revenue and Taxation Code upon its sale, transfer, or*
25 *encumbrance as authorized by this subdivision, the fair market*
26 *value of that real property shall be its full cash value as of the*
27 *1975 lien date, adjusted by an inflation factor determined as*
28 *provided in subdivision (a) of Section 51 of the Revenue and*
29 *Taxation Code.*

30 (B) *Under the Personal Income Tax Law (Part 10 (commencing*
31 *with Section 17001) of Division 2 of the Revenue and Taxation*
32 *Code) and the Corporation Tax Law (Part 11 (commencing with*
33 *Section 23001) of Division 2 of the Revenue and Taxation Code),*
34 *a recipient’s gross income does not include (i) any sale, transfer,*
35 *or encumbrance of the portion of land identified in paragraph (1)*
36 *in accordance with the procedures described in this section for*
37 *the taxable year in which the land is sold, transferred, or*
38 *encumbered and (ii) any gain, income, or proceeds received in the*
39 *taxable year in which the land is sold, transferred, or encumbered*
40 *that is directly derived from the sale, transfer, or encumbrance of*

1 *the portion of land identified in paragraph (1) in accordance with*
 2 *the procedures described in this section.*

3 (C) *Notwithstanding any other law, any sale, transfer, or*
 4 *encumbrance of the portion of land identified in paragraph (1) in*
 5 *accordance with the procedures described in this section shall not*
 6 *be subject to any documentary transfer tax imposed pursuant to*
 7 *Section 11911 of the Revenue and Taxation Code.*

8 (i) *For purposes of this section, the portion of land identified*
 9 *in paragraph (1) of subdivision (h) shall not be subject to Section*
 10 *11011.1 of the Government Code or Article 8 (commencing with*
 11 *Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of*
 12 *the Government Code.*

13 (†)

14 (j) This section shall become operative only if the Board of
 15 Supervisors of the County of Los Angeles adopts a resolution
 16 accepting the fee title grants, in trust for the people of the State of
 17 California, in accordance with this section, of the lands and
 18 improvements described in subdivision (a).

19 SEC. 3. With regard to a deed executed by the Director of
 20 Parks and Recreation granting property to the County of Los
 21 Angeles pursuant to Section 5002.6 of the Public Resources Code,
 22 *notwithstanding any other law*, the director, on or before December
 23 31, 2021, shall execute an amendment to that deed modifying the
 24 deed restriction required by subdivision (e) of Section 5002.6 of
 25 the Public Resources Code to incorporate the provisions of
 26 subdivision (h) of Section 5002.6 of the Public Resources Code
 27 as amended by this act.

28 SEC. 4. The Legislature finds and declares that a special statute
 29 is necessary and that a general statute cannot be made applicable
 30 within the meaning of Section 16 of Article IV of the California
 31 Constitution because of the unusual circumstances surrounding
 32 the land ownership at “Bruce’s Beach.”

33 SEC. 5. This act is an urgency statute necessary for the
 34 immediate preservation of the public peace, health, or safety within
 35 the meaning of Article IV of the California Constitution and shall
 36 go into immediate effect. The facts constituting the necessity are:

37 To ensure that the property located in Manhattan State Beach,
 38 commonly known as “Bruce’s Beach,” is expeditiously sold,
 39 transferred, or encumbered upon terms and conditions determined
 40 by the Board of Supervisors of the County of Los Angeles to be

- 1 in the best interest of the county and the general public, it is
- 2 necessary that this act take effect immediately.

O