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## Chapter 533: Bipartisan Efforts to Limit California State Park Closures

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## *Public Resources*

### **Chapter 533: Bipartisan Efforts to Limit California State Park Closures**

*David Vidal*

#### *Code Sections Affected*

Public Resources Code §§ 5019.90, 5019.91, 5019.92 (new), § 5080.42 (amended); Revenue and Taxation Code §§ 201.7, 18900.1, 18900.2, 18900.3, 18900.4 (new).  
AB 1589 (Huffman); 2012 STAT. Ch. 533.

#### I. INTRODUCTION

California state parks attract more visitors each year than the top four most-visited amusement parks in the world combined.<sup>1</sup> In May 2011, however, the California Department of Parks and Recreation (DPR) announced that they would be closing seventy of California's 278 state parks.<sup>2</sup> The announcement was in response to a \$22 million budget reduction for the department over two years.<sup>3</sup> California state parks generate billions of dollars in tourism revenue, but ongoing budget cuts are affecting the ability of the DPR to maintain and staff state parks at the level required to keep them open.<sup>4</sup> The parks on the closure list attract about 5.6 million visitors each year.<sup>5</sup> Many Californians were angered by state park closures and have taken action by raising money to keep parks open.<sup>6</sup>

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1. See ASSEMBLY COMMITTEE ON APPROPRIATIONS, COMMITTEE ANALYSIS OF AB 1589, at 3 (May 25, 2012) (stating that the parks have over seventy million visitors a year); THEMED ENTERTAINMENT ASS'N, 2011 THEME INDEX: THE GLOBAL ATTRACTIONS ATTENDANCE REPORT 12 (Gene Jeffers ed., 2011) (reporting the top twenty-five amusement park visitations worldwide in 2011; the top four were Magic Kingdom with 17,142,000 visitors, Disneyland with 16,140,000 visitors, Tokyo Disneyland with 13,996,000 visitors, and Tokyo Disney Sea with 11,930,000 visitors).

2. ASSEMBLY FLOOR, COMMITTEE ANALYSIS OF AB 1589, at 4 (May 25, 2012); ASSEMBLY COMMITTEE ON APPROPRIATIONS, COMMITTEE ANALYSIS OF AB 1589, at 3 (May 25, 2012); see also ASSEMBLY COMMITTEE ON APPROPRIATIONS, COMMITTEE ANALYSIS OF AB 1589, at 3 (May 25, 2012) (noting that there are 278 state parks in California).

3. ASSEMBLY COMMITTEE ON APPROPRIATIONS, COMMITTEE ANALYSIS OF AB 1589, at 3 (May 25, 2012) (noting that the General Fund reduced their support for the California DPR by \$11 million in the 2011–12 budget and another \$11 million in the 2012–13 budget).

4. See *Assemblymember Mary Hayashi Co-Authors Legislation to Save State Parks*, PR WEB (May 21, 2012), <http://www.prweb.com/releases/prweb2012/5/prweb9527542.htm> (on file with the *McGeorge Law Review*) (stating that the loss in funding has caused parks to have “[m]aintenance, staffing, and public safety” issues).

5. Peter Fimrite, *3 Parks Get U.S. Help to Stay Open*, S.F. CHRON., Oct. 7, 2011, at C3.

6. Melissa Pamer, *Parks in Peril; Residents Step Forward to Help Valley Destination Set for Closure*, DAILY NEWS L.A., Mar. 2, 2012, at A1.

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Despite successful local fundraising efforts,<sup>7</sup> some Assembly Members sought to create a more long-term solution to the funding problem to protect the state park system.<sup>8</sup> They believed that park closures could be avoided by using cost saving alternatives,<sup>9</sup> such as those outlined in a 2012 report by the Legislative Analyst's Office.<sup>10</sup> During local fundraising efforts and legislative action, however, a story broke that the DPR had "hidden assets" of nearly \$54 million.<sup>11</sup> The report was a disheartening violation of public trust for park advocates and the nonprofits that had dedicated time and money to saving local parks.<sup>12</sup> In the wake of controversy, Chapter 533 was enacted to "reset" the DPR and commit California to the long-term goal of funding California state parks.<sup>13</sup>

## II. LEGAL BACKGROUND

California has about 1.3 million acres of state park land.<sup>14</sup> The DPR is responsible for "administering, protecting, developing and interpreting state parks for the use and enjoyment of the public."<sup>15</sup> Furthermore, the DPR is "required to help preserve the state's extraordinary biological diversity and its most valued natural and cultural resources."<sup>16</sup> In the past, state park revenue was

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7. *Id.*

8. *See Assemblymember Mary Hayashi Co-Authors Legislation to Save State Parks, supra* note 4 (Assemblymember Mary Hayashi co-authored this legislation saying that it "will allow the Department of Parks and Recreation to immediately develop new revenue streams and a long-term plan for sustainability.").

9. *Id.*

10. MAC TAYLOR, LEGISLATIVE ANALYST'S OFFICE, THE 2012-13 BUDGET: STRATEGIES TO MAINTAIN CALIFORNIA'S PARK SYSTEM 16-18 (Mar. 2, 2012), *available at* <http://www.lao.ca.gov> (on file with the *McGeorge Law Review*) (including strategies such as transferring park ownership, allowing private operators, increasing fees, changing fee collection, and expanding concessions).

11. Matt Weiser & Kevin Yamamura, *Hidden California State Parks Funds Spark Outrage*, SACRAMENTO BEE (Sept. 10, 2012), <http://www.sacbee.com/2012/07/21/4646682/hidden-parks-funds-spark-outrage.html> (on file with the *McGeorge Law Review*).

12. *Id.*

13. ASSEMBLY COMMITTEE ON WATER, PARKS AND WILDLIFE COMMITTEE ANALYSIS OF AB 1589, at 1 (Mar. 20, 2012); Patrick McGreevy, *Brown Signs Bill to Protect Parks; A Measure Placing a Two-Year Moratorium on Closures Is Among Dozens He Approves*, L.A. TIMES, Sept. 26, 2012, at AA1 (quoting Assembly Member Jared Huffman, stating that AB 1589 provides "a serious 'reset' to an agency that desperately needs it").

14. Richard J. Dolesh, *California State Park Closures Affect Us All*, PARKS & RECREATION, Nov. 1, 2011, at 15.

15. ASSEMBLY FLOOR, COMMITTEE ANALYSIS OF AB 1589, at 2 (May 25, 2012).

16. *See* TAYLOR, *supra* note 10, at 5.

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not a major part of the DPR mission.<sup>17</sup> Ongoing budget cuts, however, made California state parks revenue a common topic of California legislation.<sup>18</sup>

Supporters of state parks tried to pass Proposition 21, which would have raised vehicle license fees by eighteen dollars to raise money for the park system, but voters did not approve the initiative.<sup>19</sup> In 2011, the legislature added Section 5007 to the California Public Resources Code.<sup>20</sup> Section 5007 authorizes the DPR to reduce services, partially close, or entirely close state parks to achieve budget cuts.<sup>21</sup> Section 5007 also establishes the criteria for selecting which parks are to be closed.<sup>22</sup> The criteria included an evaluation of the relative significance of the park, rate of visitation, and estimated savings.<sup>23</sup> In May 2011, two months after section 5007 became law, the DPR announced seventy state park closures resulting from the budget cuts.<sup>24</sup> Facing a \$22 million budget cut, DPR estimated that the park closures would produce \$11 million in savings.<sup>25</sup>

In 2011, the legislature also added Section 5080.42 to the California Public Resource Code.<sup>26</sup> Section 5080.42 alleviates some of the financial burden on state parks by authorizing the DPR to enter into agreements with nonprofits to aid in the operation of state parks.<sup>27</sup> The legislation further authorizes the DPR to enter into agreements with a nonprofit to operate an entire state park to avoid park closure.<sup>28</sup> Some argued, however, for the need of a more permanent and sustainable solution.<sup>29</sup>

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17. See Telephone Interview with Diane Colborn, Chief Consultant to Assembly Comm. on Water, Parks & Wildlife (June 12, 2012) (notes on file with the *McGeorge Law Review*) (describing that with general fund support, revenue was not a primary concern); CAL. DEP'T PARKS & RECREATION, THE SEVENTH GENERATION: THE STRATEGIC VISION OF CALIFORNIA STATE PARKS 11 (2001) (describing core values with no reference to revenue).

18. See Dolesh, *supra* note 14, at 15.

19. Cal. Proposition 21 (2010); see also Alison Hawkes, *State Park Advocates Hit Capitol Halls*, BAY NATURE (Mar. 19, 2012), baynature.org/articles/web-only-articles/state-park-advocates-hit-capitol-halls/ (on file with the *McGeorge Law Review*) (describing California Proposition 21).

20. CAL. PUB. RES. CODE § 5007 (West Supp. 2012).

21. *Id.*

22. *Id.*

23. See *id.* § 5007(a)(1)–(11) (including in the park closure criteria: the feasibility of closing the park, the potential for partnerships, the proximity to other closed parks, recent and necessary investments, deed restrictions, and dedicated funds).

24. ASSEMBLY FLOOR, COMMITTEE ANALYSIS OF AB 1589, at 4 (May 25, 2012).

25. ASSEMBLY COMMITTEE ON WATER, PARKS AND WILDLIFE, COMMITTEE ANALYSIS OF AB 1589, at 3 (Mar. 20, 2012).

26. PUB. RES. § 5080.42(a).

27. *Id.*

28. See *id.* (limiting the number of agreements for operation of an entire park to twenty parks).

29. See Dolesh, *supra* note 14, at 17.

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## III. CHAPTER 533

Chapter 533 enacts the California State Park Stewardship Act of 2012 (the Act).<sup>30</sup> The Act declares that California parks are “an essential part of California’s unique heritage” and that in addition to generating billions for the State, they are “vital to the quality of life in California.”<sup>31</sup> The Act simultaneously recognizes that state parks cannot remain viable with ongoing budget cuts.<sup>32</sup> Chapter 533 declares that “[i]t is imperative that the state commit to a long-term goal of adequately and sustainably funding and maintaining California’s state park system.”<sup>33</sup> The Act also calls for the DPR to develop and implement new strategies for generating revenue and fee collection so that state park closure is the last resort.<sup>34</sup> Chapter 533 sets forth an action plan suggesting new strategies to increase revenue.<sup>35</sup> The DPR is required to develop the plan and report to the legislature and the governor by July 1, 2013.<sup>36</sup>

Chapter 533 calls for the DPR to ensure “accurate and transparent accounting and disclosure of all state special funds available for support of state parks.”<sup>37</sup> Chapter 533 also requires that donor funds are used for their intended purpose and that it does not replace the need for state funding.<sup>38</sup> In addition, Chapter 533 clarifies that nonprofits operating state parks are exempt from taxes because the property is state-owned.<sup>39</sup> Nonprofits must use revenues for the park intended, but the legislature added an option for nonprofits to dedicate excess revenue to another state park.<sup>40</sup> Chapter 533 sets forth the policy of limiting park closures, enhancing the DPR’s efficiency, and promoting the use of a multidisciplinary council to independently assess and advise the legislature and the governor on the future of California state parks.<sup>41</sup>

Chapter 533 also modifies the California Revenue and Taxation Code in an effort to increase state park revenue.<sup>42</sup> The modification allows taxpayers to contribute to state parks by designating a portion of their income tax return.<sup>43</sup> The

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30. PUB. RES. § 5019.90 (enacted by Chapter 533).

31. *Id.* § 5019.91(a)–(c) (enacted by Chapter 533).

32. *Id.* § 5019.91(d) (enacted by Chapter 533).

33. *Id.* § 5019.91(f) (enacted by Chapter 533).

34. *Id.* §§ 5019.91(f), 5019.92(a) (enacted by Chapter 533); ASSEMBLY COMMITTEE ON WATER, PARKS AND WILDLIFE, COMMITTEE ANALYSIS OF AB 1589, at 1 (Mar. 20, 2012).

35. PUB. RES. § 5019.92 (enacted by Chapter 533).

36. *Id.* § 5019.92(b) (enacted by Chapter 533).

37. *Id.* § 5019.91(h)(1) (enacted by Chapter 533).

38. *Id.* § 5019.91(h)(2) (enacted by Chapter 533).

39. CAL. REV. & TAX. CODE § 201.7 (enacted by Chapter 533).

40. PUB. RES. § 5080.42(3)(A)–(B) (enacted by Chapter 533).

41. *Id.* § 5019.91(h)(3)–(4)(i) (enacted by Chapter 533).

42. REV. & TAX. §§ 18900.1–18900.4 (enacted by Chapter 533).

43. *Id.* § 18900.1(a)–(c) (enacted by Chapter 533).

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tax form allows for contribution of one dollar or more.<sup>44</sup> Taxpayers donating an amount equal to or greater than the price of an annual parks pass are entitled to receive an annual parks pass, giving the holder unlimited day-use access of California state parks for one year.<sup>45</sup> As of May 2012, the annual pass is \$195.<sup>46</sup> Donations in excess of the price of an annual pass are tax deductible, and the donated funds go toward issuing parks passes and the protection and preservation of California state parks.<sup>47</sup>

Chapter 533 creates the State Parks Protection Fund to collect donations made through tax returns.<sup>48</sup> The option to donate to state parks on tax returns will be discontinued if the fund does not collect at least \$250,000 in the second year.<sup>49</sup> After the second year, the Franchise Tax Board is responsible for determining the minimum contribution.<sup>50</sup> If the minimum amount is not met, the option to donate to state parks on tax returns will be discontinued.<sup>51</sup>

## IV. ANALYSIS

According to Assembly Member Wesley Chesbro, Chapter 533 will “change the relationship between the state and State Parks, making State Parks more self-sufficient and well-funded with sustainable revenue sources.”<sup>52</sup> This section describes how Chapter 533 will reform the DPR, increase donor confidence, limit the detrimental effects of park closures, and require new revenue strategies to increase the long-term maintenance and protection of state parks.<sup>53</sup>

A. *Reforming the California Department of Parks and Recreation*

Chapter 533 calls for increased transparency and accounting in the DPR in response to public outrage over two department actions.<sup>54</sup> On November 1, 2011,

44. *Id.* § 18900.1(g) (enacted by Chapter 533).

45. *Id.* § 18900.1(e) (enacted by Chapter 533).

46. Michael Gardner, *Tax Checkoff, Car Plates for Parks Proposed*, SAN DIEGO UNION-TRIB., May 23, 2012, at B2.

47. REV. & TAX. §§ 18900.1(h)(i), 18900.3(b) (enacted by Chapter 533).

48. *Id.* § 18900.2 (enacted by Chapter 533).

49. *Id.* § 18900.4(a)(3) (enacted by Chapter 533).

50. *Id.* § 18900.4(1)(A) (enacted by Chapter 533).

51. *Id.* § 18900.4(a)(2) (enacted by Chapter 533).

52. *Assembly Democrats and Republicans Come Together in Effort to Save State Parks*, ASSEMBLYMEMBER WESLEY CHESBRO (May, 21, 2012), <http://asmdc.org/members/a01/news-room/press-releases/item/3040-assembly-democrats-and-republicans-come-together-in-effort-to-save-state-parks> (on file with the *McGeorge Law Review*).

53. See ASSEMBLY COMMITTEE ON WATER, PARKS AND WILDLIFE, COMMITTEE ANALYSIS OF AB 1589, at 3 (Mar. 20, 2012) (describing the purpose of Chapter 533 as “enhance[ing] the capacity of the state to protect its valued state parks and . . . [t]o make progress toward the long-term goal of a more sustainable and well-maintained state park system”).

54. CAL. PUB. RES. CODE § 5019.91(h)(1) (enacted by Chapter 533); see also Weiser, *supra* note 11

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the Assembly Committee on Water Parks and Wildlife and the Assembly Committee on Accountability and Administrative Review held an informational hearing to discuss California state parks.<sup>55</sup> Many committee members, non-profits, and members of the public expressed frustration over the criteria the DPR used to choose the seventy parks on the closure list.<sup>56</sup> After the DPR announced the closure of seventy state parks, an Assembly Committee report described the closure process as “opaque, insensitive to public and private costs associated with closure of particular park units, and inflexible in its consideration of cost saving alternatives to park closure.”<sup>57</sup>

In the summer of 2012, however, frustration turned into outrage when a story broke that the DPR had \$54 million in “hidden assets.”<sup>58</sup> The money was discovered during a *Sacramento Bee* investigation into an unauthorized buyout of park employee vacation time.<sup>59</sup> The Deputy Director of Administrative Services resigned after the *Bee*’s investigation uncovered the buyout, but the *Bee* continued its investigation into rumors of a budget surplus.<sup>60</sup> The Director of California State Parks, Ruth Coleman, assigned the replacement Deputy Director of Administrative Services, Aaron Robertson, to investigate the rumors; Robertson found a hidden funds surplus that had existed for twelve years.<sup>61</sup> Coleman took responsibility for the hidden assets and resigned.<sup>62</sup> The discovery was difficult for the many park advocates spending their time and effort raising money when the surplus itself could have prevented parks from being placed on the closure list.<sup>63</sup> This violation of public trust set the stage for legislative action to support state parks and change the DPR.<sup>64</sup>

Chapter 533 addresses these events by calling for increased transparency and establishing the policy of “ensuring accurate and transparent accounting and disclosure of all state special funds available for support of state parks.”<sup>65</sup> A policy declaration alone does not ensure transparency and Chapter 533 does not

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(describing California state park closures and the discovery of hidden assets at California state parks).

55. Bob Nordberg, *BRIEF: Hearings Today on State Park Closures*, PRESS DEMOCRAT, Nov. 1, 2011.

56. ASSEMBLY COMMITTEE ON APPROPRIATIONS, COMMITTEE ANALYSIS OF AB 1589, at 3 (May 25, 2012).

57. *Id.*

58. See Weiser & Yamamura, *supra* note 11 (reporting that \$20.4 million accumulated in the Parks and Recreation Fund and \$33.5 million accumulated in the Off Highway Vehicle Trust Fund).

59. See *id.* (describing an unauthorized program for employees to sell unused vacation that cost the state over \$271,000).

60. *Id.*

61. *Id.*

62. *Id.*

63. *Id.*

64. See McGreevy, *supra* note 11 (interviewing Assembly Member Huffman who described that serious changes to DPR were needed).

65. CAL PUB. RES. CODE § 5019.91(h)(1) (enacted by Chapter 533).

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add to existing legislative oversight.<sup>66</sup> However, in addition to Chapter 533, the governor also signed Chapter 530, which allocates more money to the Park and Recreation Commission in order to help oversee the finances of the DPR.<sup>67</sup> According to Assembly Member Huffman, author of Chapter 533, this legislation provides “a serious ‘reset’ to an agency that desperately needs it.”<sup>68</sup>

*B. Increasing Donor Confidence*

Chapter 533 clarifies the relationship between the DPR and park supporters.<sup>69</sup> In 2011, with park closures on the horizon, many local nonprofit groups began stepping up to save local state parks with grassroots funding efforts.<sup>70</sup> By March of 2012, twenty-three parks had entered into agreements to prevent closure.<sup>71</sup> The Marin State Parks Association, for example, received \$180,000 from the nonprofit Friends of China Camp.<sup>72</sup> Bidwell Mansion in Chico received approximately \$138,000 from local community members to stay open for another year.<sup>73</sup> The fast-food chain Chipotle pledged \$100,000 to state parks.<sup>74</sup> Though Californians stepped up to raise awareness and money to save state parks from closure, some were concerned that these efforts were only a temporary solution.<sup>75</sup> Park advocates argued that local efforts should not replace the need for the legislature to fund state parks.<sup>76</sup> Furthermore, the discovery of the DPR’s “hidden assets” shook the confidence of donors.<sup>77</sup> Chapter 533 declares the policy that

66. See, e.g., *id.* § 5080.42(h)(1) (West Supp. 2012) (requiring reports to the legislature regarding operating agreements).

67. *Id.* § 541.5 (enacted by Chapter 530); McGreevy, *supra* note 13.

68. McGreevy, *supra* note 13.

69. See PUB. RES. §§ 5019.91(h)(2), 5080.42(3)(A)–(B) (enacted by Chapter 533) (clarifying that donor funds be used for their intended purpose and that revenue shall be used for the park intended unless dedicated to another park); CAL. REV. & TAX. CODE § 201.7 (enacted by Chapter 533) (clarifying that nonprofits operating parks are exempt from state property taxes).

70. Chris Rooney, *New Bill to Save State Parks*, SAN RAFAEL NEWS POINTER (May 16, 2012, 1:05 PM), [http://marinscope.com/articles/2012/05/17/news\\_pointer/news/doc4fb3f79f71948447842278.txt](http://marinscope.com/articles/2012/05/17/news_pointer/news/doc4fb3f79f71948447842278.txt) (on file with the *McGeorge Law Review*).

71. Pamer, *supra* note 6.

72. Patch Staff, *Nonprofit Grants, Bipartisan Legislation Seek to Help Keep State Parks Open*, MILL VALLEY PATCH (May 22, 2012), <http://www.millvalley.patch.com/articles/nonprofit-grants-bipartisan-legislation-seek-to-help-keep-state-parks-open> (on file with the *McGeorge Law Review*).

73. Heather Hacking, *Assemblyman Logue Pushes for State Parks Bill*, CHICO ENTERPRISE-RECORD (May 22, 2012), [http://www.chicoer.com/news/ci\\_20678977/assemblyman-logue-pushes-state-parks-bill](http://www.chicoer.com/news/ci_20678977/assemblyman-logue-pushes-state-parks-bill) (on file with the *McGeorge Law Review*).

74. See Mark Glover, *Chipotle Pledges \$100,000 for California State Parks*, SACRAMENTO BEE (June 5, 2012), <http://www.sacbee.com/2012/06/05/4538164/chipotle-pledges-100000-for-california.html> (on file with *McGeorge Law Review*) (Chipotle donated \$100,000 to support state parks during the budget cuts and also established an in-restaurant fund-raising promotion.).

75. Pamer, *supra* note 6.

76. Peter Fimrite, *Public Lands in Private Hands*, S.F. CHRON., Dec. 15, 2011, at A1.

77. See Weiser & Yamamura, *supra* note 11 (describing some of the donor response to the discovery).



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donor funds will not replace the need for the state to fund parks and requires that donor funds be used for their intended purpose.<sup>78</sup> Chapter 533 does not expressly provide for enforcement of this policy; however, Chapter 530 increases oversight of the DPR and appropriates money for “ongoing audits and investigations as directed by the Joint Legislative Audit Committee, the office of the Attorney General, the Department of Finance, or other state agency.”<sup>79</sup>

### C. Limiting the Effects of Park Closure

Chapter 533 requires that park closures are the last-resort option for responding to budget cuts.<sup>80</sup> Many in the legislature and park stakeholders in support of Chapter 533 argue that closing parks has deleterious effects on the community.<sup>81</sup> For example, illegal marijuana growth, vandalism, and public safety risks resulting from closed parks are all concerns with financial repercussions.<sup>82</sup> Minnesota, for example, experienced vandalism and damages at dozens of state parks during a government shutdown.<sup>83</sup> One Minnesota public official warned against safety risks saying “[w]e can’t keep people from going into these facilities.”<sup>84</sup>

In addition to park damages, proponents of Chapter 533 argue that closing parks will result in lost tax revenue for local communities and the state.<sup>85</sup> Travel and tourism in California generates about \$1.9 billion in local taxes and \$3.4 billion in state taxes.<sup>86</sup> Proponents of Chapter 533 argue that state parks are a major part of the tourism industry.<sup>87</sup> Studies estimate that state parks contribute about \$300 million a year in tax revenue to the state general fund.<sup>88</sup> Chapter 533 establishes the policy of limiting park closure, which will help maintain tax revenue and prevent the detrimental effects of park closure on communities that rely on them.<sup>89</sup>

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78. CAL. PUB. RES. CODE § 5019.91(h)(2) (enacted by Chapter 533).

79. *Id.* § 541.5 (enacted by Chapter 530).

80. *Id.* § 5019.91(f) (enacted by Chapter 533).

81. ASSEMBLY BILL 1589: CALIFORNIA STATE PARKS STEWARDSHIP ACT OF 2012, FACT SHEET (2012) [hereinafter FACT SHEET] (on file with the *McGeorge Law Review*).

82. *Id.*

83. Jim Anderson, *Vandals Trash Closed State Parks*, STAR TRIBUNE (July 6, 2011), <http://www.startribune.com/local/125028954.html> (on file with the *McGeorge Law Review*).

84. *Id.*

85. ASSEMBLY COMMITTEE ON REVENUE AND TAXATION, COMMITTEE ANALYSIS OF AB 1589, at 3 (May 7, 2012).

86. *Id.*

87. *Id.*

88. See Fimrite, *supra* note 76 (estimating \$300 million in tax revenues from purchases of “camping gear, food, gas, and other goods in communities surrounding state parks”).

89. FACT SHEET, *supra* note 81.

*D. Developing Strategies to Prevent Park Closure*

In addition to recent budget cuts, the DPR has a backlog of an estimated \$1.3 billion in maintenance projects that is expected to increase to a \$2 billion backlog by 2020.<sup>90</sup> Chapter 533 does not replace the money lost in the budget cuts, but rather implements another source of revenue and challenges the DPR to develop new strategies to raise revenue and fee collection.<sup>91</sup> Chapter 533 creates a new revenue source for the DPR by allowing taxpayers to designate a portion of their refund to state parks.<sup>92</sup> Taxpayers who contribute at least the amount of a yearly park pass will receive a pass.<sup>93</sup> It is unclear how much increased revenue will be generated by the tax refund option because it is voluntary.<sup>94</sup> One report found that in 2009, California residents generated \$4.9 million for charity by donating through a tax check-off option.<sup>95</sup> The incentive of receiving a yearly park pass may encourage Californians to donate through the tax option but it remains to be seen if this will also reduce the number of annual park passes bought through the traditional means.<sup>96</sup> Chapter 533 also challenges the DPR to develop new strategies to increase revenue and fee collection<sup>97</sup> in addition to the existing authorization to negotiate private funding agreements and secure operating agreements with non-profits.<sup>98</sup> New strategies to increase revenue set forth by Chapter 533 include, but are not limited to, innovative marketing plans, modern fee collection, different pricing options to maximize revenue, and more opportunities to purchase passes for seasonal parks.<sup>99</sup> Chapter 533 requires that the DPR report the new strategies to the governor and the legislature by July 1, 2013.<sup>100</sup> The revenue generated as a result Chapter 533 is unknown, but supporters are hopeful that new revenue strategies will allow California to meet the long-term goal of funding California state parks.<sup>101</sup>

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90. TAYLOR, *supra* note 10, at 9.

91. CAL. PUB. RES. CODE § 5019.91(f) (enacted by Chapter 533); ASSEMBLY COMMITTEE ON WATER, PARKS AND WILDLIFE, COMMITTEE ANALYSIS OF AB 1589, at 1 (Mar. 20, 2012).

92. CAL. REV. & TAX. CODE § 18900.1(a)–(c) (enacted by Chapter 533).

93. *Id.*

94. *See* TAYLOR, *supra* note 10, at 16 (noting that voluntary options “often raise less revenue”).

95. *States Offer Charity ‘Checkoffs’ to Give Through Taxes*, HUFFINGTON POST (Mar. 23, 2011), [http://www.huffingtonpost.com/2011/03/23/taxes-checkoff-for-charity\\_n\\_839868.html](http://www.huffingtonpost.com/2011/03/23/taxes-checkoff-for-charity_n_839868.html) (on file with the *McGeorge Law Review*).

96. REV. & TAX. § 18900.1(a)–(c) (enacted by Chapter 533).

97. CAL. PUB. RES. CODE §§ 5019.91(f), 5019.92(a) (enacted by Chapter 533).

98. *Id.* § 5080.42(a) (West Supp. 2012).

99. *Id.* § 5019.92 (enacted by Chapter 533) (specific strategies may include: updated technology that accepts credit card entrance into parks, changing the pricing of high-demand facilities, adding revenue-generating services, an “adopt a park” donor system, offering different regional and seasonal pass options, creating more opportunities to purchase a parks pass, an incentive structure such as a free midweek camping pass with the purchase of an annual pass, and creating the ability to donate to a specific category of the park).

100. *Id.* § 5019.92(b) (enacted by Chapter 533).

101. *Id.*; ASSEMBLY COMMITTEE ON WATER, PARKS AND WILDLIFE COMMITTEE ANALYSIS OF AB

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## V. CONCLUSION

Over seventy-million people visit California state parks each year,<sup>102</sup> generating billions of dollars in state revenue.<sup>103</sup> Chapter 533 requires the DPR to develop a transparent and efficient plan to increase revenue for California parks.<sup>104</sup> Chapter 533 maintains bipartisan support despite potential one-time and ongoing costs.<sup>105</sup> Assembly Member Kevin Jeffries described Chapter 533 as legislation that “crosses the partisan warfare” because “[p]arks are used by everybody.”<sup>106</sup> Chapter 533 establishes the goal of sustainable California parks for the benefit of park users and the California economy as a whole.<sup>107</sup>

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1589, at 1 (Mar. 20, 2012).

102. ASSEMBLY COMMITTEE ON APPROPRIATIONS, COMMITTEE ANALYSIS OF AB 1589, at 3 (May 25, 2012).

103. PUB. RES. § 5019.91(a)–(c) (enacted by Chapter 533).

104. ASSEMBLY COMMITTEE ON WATER, PARKS AND WILDLIFE COMMITTEE ANALYSIS OF AB 1589, at 1 (Mar. 20, 2012).

105. ASSEMBLY COMMITTEE ON APPROPRIATIONS, COMMITTEE ANALYSIS OF AB 1589, at 1 (May 25, 2012); *see also* Assembly Floor Vote of AB 1589, Unofficial Ballot (Aug. 30, 2012), <http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml> (on file with the *McGeorge Law Review*) (recording the final vote as 80–0); ASSEMBLY FLOOR, CONCURRENCE IN SENATE AMENDMENTS OF AB 1589, at 2–3 (Aug. 29, 2012) (the costs to implement Chapter 533 are minimal—the one-time costs for the DPR to prepare a strategies report and incorporating the taxpayer donation box on state tax forms, and the loss of revenue from tax-free donations).

106. Hannah Dreier, *Lawmakers Work Together to Keep State Parks Open*, S.F. CHRON. (May 27, 2012), <http://www.sfgate.com/news/article/Lawmakers-work-together-to-keep-state-parks-open-3589200.php> (on file with the *McGeorge Law Review*).

107. ASSEMBLY FLOOR, COMMITTEE ANALYSIS OF AB 1589, at 1 (May 25, 2012).