



Judicial Council of California

455 Golden Gate Avenue · San Francisco, California 94102-3688

www.courts.ca.gov

REPORT TO THE JUDICIAL COUNCIL

Item No.: 25-025

For business meeting on February 21, 2025

Title

Report to the Legislature: Receipts and
Expenditures From Local Courthouse
Construction Funds for Fiscal Year 2023–24

Report Type

Information

Date of Report

January 28, 2025

Submitted by

Judicial Council staff
Zlatko Theodorovic, Director
Budget Services

Contact

Becky Porter, 916-643-7035
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Executive Summary

Under Government Code section 70403(d), the Judicial Council is required to submit a report accounting for all receipts and expenditures from local courthouse construction funds to the Legislature and the state Department of Finance by January 1 of each year. On December 18, 2024, Judicial Council staff submitted *Receipts and Expenditures From Local Courthouse Construction Funds for Fiscal Year 2023–24*.

Relevant Previous Reporting or Action

This report is submitted to the Legislature annually. Reports from previous fiscal years are available on the California Courts website’s “Reports to the Legislature” webpage at www.courts.ca.gov/7466.htm.

Analysis/Rationale

The annual submission of this report is required under Government Code section 70403(d). This year’s report covers the period from July 1, 2023, to June 30, 2024. Counties retaining funds to pay bonded indebtedness are required to submit annual updates of all receipts and expenditures within 90 days after the end of each fiscal year to the Judicial Council and the California Department of Finance.

When a county submits its annual report on the condition of its local courthouse construction fund, Judicial Council staff review the report—including the beginning and ending fund balances and an explanation of expenditures by project—to determine compliance. Each review includes a determination of whether the receipts and expenditures were made in accordance with the provisions of Government Code section 76100, including verifying that outstanding debt service remains. If the Judicial Council concludes, based on the information provided, that a county made an expenditure not permitted by statute, the Judicial Council will notify the county and the Department of Finance of the amount due for repayment to the state. No such repayments have been identified for fiscal year 2023–24; therefore, no additional reporting is required under Government Code section 70403(d).

The annual report (Attachment A) reflects 20 of the 21 counties that collected courthouse construction funds, with revenues totaling \$23.6 million and expenditures of \$25 million. Lassen County did not submit its revenue and expenditure data as required under Government Code section 70403(a) and has not submitted a report since fiscal year 2019–20.

Below is a summary of the status of the 58 counties' courthouse construction funds as of June 30, 2024.

As part of the 39 counties that have closed out their local courthouse construction funds in accordance with current law, two counties (Humboldt and Napa) ceased collection of courthouse construction funds by amending their boards of supervisors' resolutions and completing all closeout activities during this reporting period.

- Napa County remitted a fund balance of \$4.2 million to the State Court Facilities Construction Fund after all project commitments were completed.
- Humboldt County had no fund balance to remit.

The remaining 19 counties are statutorily required to continue to report their courthouse construction funds because they have bonded indebtedness, have approved outstanding projects for which the funds are used, or have not completed the required closeout activities with their boards of supervisors. Counties are required to submit annual reports on their courthouse construction fund revenues and expenditures until their boards of supervisors have passed revised resolutions and the remaining balances of their courthouse construction funds, if any, have been remitted to the State Court Facilities Construction Fund.

- One county (Glenn) concluded its lease obligation in this reporting period and is expected to close out its courthouse construction fund during the next reporting period.
- Three counties (Alameda, Lassen, and Ventura) concluded their bonded indebtedness in prior reporting periods but have not yet completed the closeout of their courthouse construction funds. The Judicial Council continues to work with these counties to facilitate the required closeout activities.

Fiscal Impact and Policy Implications

None.

Attachments and Links

1. Attachment A: *Receipts and Expenditures From Local Courthouse Construction Funds for Fiscal Year 2023–24*
2. Link A: Gov. Code, § 70403,
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=70403&lawCode=GOV
3. Link B: Gov. Code, § 76100,
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV§ionNum=76100



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HON. PATRICIA GUERRERO

*Chief Justice of California
Chair of the Judicial Council*

HON. BRAD R. HILL

Chair, Executive and Planning Committee

HON. ANN C. MOORMAN

*Chair, Judicial Branch Budget Committee
Chair, Litigation Management Committee*

HON. STACY BOULWARE

EURIE
Chair, Legislation Committee

HON. CARIN T. FUJISAKI

Chair, Rules Committee

HON. KYLE S. BRODIE

Chair, Technology Committee

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MS. MICHELLE CURRAN

*Administrative Director
Judicial Council*

December 18, 2024

Hon. Anna Caballero
Chair, Senate Appropriations
Committee

1020 N Street, Room 412
Sacramento, California 95814

Hon. Scott D. Wiener
Chair, Senate Committee on
Budget and Fiscal Review

1020 N Street, Room 502
Sacramento, California 95814

Hon. Buffy Wicks
Chair, Assembly Appropriations
Committee

1021 O Street, Suite 8220
Sacramento, California 95814

Hon. Jesse Gabriel
Chair, Assembly Committee
on Budget

1021 O Street, Suite 8230
Sacramento, California 95814

*Re: Receipts and Expenditures From Local Courthouse Construction
Funds for Fiscal Year 2023–24, as required under Government Code
section 70403*

Dear Senator Caballero, Senator Wiener, Assembly Member Wicks, and
Assembly Member Gabriel:

Under Government Code section 70403, the Judicial Council is
submitting *Receipts and Expenditures From Local Courthouse
Construction Funds for Fiscal Year 2023–24*.

If you have any questions related to this report, please contact Mr. Zlatko
Theodorovic, Director, Judicial Council Budget Services, at
916-263-1397 or Zlatko.Theodorovic@jud.ca.gov.

Sincerely,

Michelle Curran
Administrative Director
Judicial Council

December 18, 2024

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MC/BP

Enclosures

cc: Cara L. Jenkins, Legislative Counsel

Erika Contreras, Secretary of the Senate

Eric Dang, Counsel, Office of Senate President pro Tempore Mike McGuire

Emelyn Rodriguez, General Counsel, Office of Assembly Speaker Robert Rivas

Shaun Naidu, Policy Consultant, Office of Assembly Speaker Robert Rivas

Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

Gabriel Petek, Legislative Analyst, Legislative Analyst's Office

Mark Jimenez, Principal Program Budget Analyst, Department of Finance

Henry Ng, Budget Analyst, Department of Finance

Margie Estrada, Chief Counsel, Senate Judiciary Committee

Mary Kennedy, Chief Counsel, Senate Public Safety Committee

Liah Burnley, Principal Consultant, Senate Appropriations Committee

Hans Hemann, Principal Consultant, Joint Legislative Budget Committee

Eric Csizmar, Consultant, Senate Republican Policy Office

Matt Osterli, Consultant, Senate Republican Fiscal Office

Morgan Branch, Consultant, Senate Republican Policy Office

Alison Merrilees, Chief Counsel, Assembly Judiciary Committee

Andrew Ironside, Chief Counsel, Assembly Public Safety Committee

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MS. MICHELLE CURRAN

*Administrative Director
Judicial Council*

Report title: *Receipts and Expenditures From Local Courthouse
Construction Funds for Fiscal Year 2023–24*

Statutory citation: Government Code section 70403

Date of report: December 18, 2024

The Judicial Council has submitted a report to the Legislature for fiscal year 2023–24 in accordance with Government Code section 70403.

The following summary of the report is provided under the requirements of Government Code section 9795.

Government Code section 70402(a) requires that any amount in a county's local courthouse construction fund be transferred to the State Court Facilities Construction Fund at the later of the following dates: (1) the date of the last transfer of responsibility for court facilities from that county to the Judicial Council, or December 31, 2009, if there is no outstanding bonded indebtedness; or (2) the date of the final payment of the bonded indebtedness for any court facility paid from that fund is retired.

Under Government Code section 70403, a county that has retained revenue sources under Government Code section 70325 is required to submit an annual report of revenues and expenditures, including any amounts to be repaid by counties, to the Judicial Council.

The attached annual report reflects 20 counties that collected courthouse construction funds, with total revenues of \$23.6 million and expenditures of \$25 million. Lassen County did not submit its revenue and expenditure data as required under Government Code section 70403(a) and has not submitted a report since fiscal year 2019–20.

This report is submitted to the Legislature annually. Reports from previous fiscal years are available on the California Courts website's "Reports to the Legislature" webpage at www.courts.ca.gov/7466.htm.

A printed copy of the report may be obtained by calling 415-865-8777.

JUDICIAL COUNCIL OF CALIFORNIA

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*Chief Justice of California and
Chair of the Judicial Council*

Michelle Curran
*Administrative Director
Judicial Council*

BUDGET SERVICES
Zlatko Theodorovic
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*Senior Fiscal Analyst
Primary Author of Report*



Receipts and Expenditures From Local Courthouse Construction Funds for Fiscal Year 2023–24

December 2024



Judicial Council of California

County Reporting on Local Courthouse Construction Funds

Reporting Requirements

The Trial Court Facilities Act of 2002 (Sen. Bill 1732 (Escutia); Stats. 2002, ch. 1082) requires counties to report receipts to and expenditures from local courthouse construction funds. Government Code section 70403 mandates that each county submit a report to the Judicial Council's Administrative Director of all local courthouse construction fund receipts and expenditures from January 1, 1998, to December 31, 2005.

Counties retaining funds to pay bonded indebtedness must submit to the Judicial Council and the California Department of Finance annual updates of all receipts and expenditures within 90 days after the end of each fiscal year. Government Code section 70403 further requires the Judicial Council to submit a report to the Legislature on the information received from the counties regarding the status of local courthouse construction funds. This report fulfills that requirement for the period from July 1, 2023, to June 30, 2024.

Government Code section 70402(a) requires that any amount in a county's local courthouse construction fund be transferred to the State Court Facilities Construction Fund at the later of the following dates: (1) the date of the last transfer of responsibility for court facilities from that county to the Judicial Council, or December 31, 2009, if there is no outstanding bonded indebtedness; or (2) the date that the final payment of the bonded indebtedness for any court facility paid from that fund is retired.

Status of Courthouse Construction Funds for All 58 Counties

As of June 30, 2024, 39 counties have closed out their local courthouse construction funds in accordance with current law. Two of those counties (Humboldt and Napa) completed all closeout activities during this reporting period.

Humboldt and Napa counties ceased collection of courthouse construction funds by amending their board of supervisors' resolutions and completing all closeout activities in the reporting period. Napa County remitted a fund balance of \$4.2 million to the State Court Facilities Construction Fund after all project commitments were completed. Humboldt County had no fund balance to remit.

The remaining 19 counties¹ are statutorily required to continue to report their courthouse construction funds because they have bonded indebtedness, have approved outstanding projects for which the funds are used, or have not completed the required closeout activities with their boards of supervisors. Counties are required to submit annual reports on their courthouse construction fund revenues and expenditures until their boards of supervisors have passed

¹ The statewide totals in this report do not include data from Lassen County because the county did not submit its revenue and expenditure data for the reporting period.

revised resolutions and the remaining balances of their courthouse construction funds, if any, have been remitted to the State Court Facilities Construction Fund.

- One county (Glenn) concluded its lease obligation in this reporting period and is expected to close out its courthouse construction fund during the next reporting period.
- Three counties (Alameda, Lassen, and Ventura) concluded their bonded indebtedness in prior reporting periods but have not completed the closeout of their courthouse construction funds. The Judicial Council continues to work with these counties to facilitate the required closeout activities.

County Reporting Under Government Code Section 70403(b) for July 1, 2023, Through June 30, 2024

The Judicial Council received reports on the condition of local courthouse construction funds from 20 of the 21 counties that are required to report during the period from July 1, 2023, through June 30, 2024. The submitted reports (Appendix A) were received as of October 1, 2024, and were analyzed for compliance with section 70403(b).

As reported by the 20 counties, the local courthouse construction fund receipts totaled \$23.6 million and expenditures totaled \$25 million for fiscal year 2023–24. Lassen County did not submit its revenue and expenditure data as required under Government Code section 70403(a) and has not submitted a report since fiscal year 2019–20.

Status of Reviews

When a county submits its annual report on the condition of its local courthouse construction fund, Judicial Council staff review the report—including the beginning and ending fund balances and an explanation of expenditures by project—to determine compliance. Each review includes a determination of whether the receipts and expenditures were made in accordance with the provisions of Government Code section 76100, including verifying that outstanding debt service still exists. If the Judicial Council concludes, based on the information provided, that a county made an expenditure not permitted by statute, the Judicial Council will notify the county and the California Department of Finance of the amount due for repayment to the state. Under Government Code section 70403(d), no repayments have been identified for fiscal year 2023–24.

County Reporting for All Prior Reporting Periods

Based on the reports received from the counties for these reporting periods, there is no update to the previously reported receipts and expenditures. All reports follow the requirements of the statute for the reporting period. No further detailed reviews will be conducted on reports beyond fiscal year 2014–15 unless warranted. Reports from previous fiscal years are available on the California Courts website’s “Reports to the Legislature” webpage at www.courts.ca.gov/7466.htm.

Appendix

1. Appendix A: *County Reporting for the Period July 1, 2023 to June 30, 2024: Local Courthouse Construction Funds Under Government Code Section 70403*

County Reporting for the Period
July 1, 2023 to June 30, 2024
Local Courthouse Construction Funds Under Government Code Section 70403
APPENDIX A

County	Revenues for Period (as reported by county)	Expenditures for Period (as reported by county)	Balances Remitted to State Court Facilities Construction Fund	Bonded Indebtedness (indicated in report)
Complete¹				
Humboldt	\$ 38,734	\$ 0	\$ 0	Concluded 2017
Napa	634,673	0	4,160,526	Concluded 2014
In Progress — Current Bonded Indebtedness²				
1 Amador	20,479	17,590		x
2 Contra Costa	741,185	186,548		x
3 Los Angeles	8,814,000	15,394,000		x
4 Merced	270,225	499,165		x
5 Monterey	413,038	413,038		x
6 Placer	207,798	0		x
7 Riverside	5,177,121	4,363,244		x
8 Sacramento	755,594	1,005,554		x
9 San Diego	982,437	0		x
10 San Luis Obispo	423,528	306,303		x
11 San Mateo	1,309,659	1,147,319		x
12 Santa Clara	841,381	551,500		x
13 Santa Cruz	109,108	0		x
14 Solano	221,029	329,018		x
15 Stanislaus	275,125	816,590		x
Concluded Bonded Indebtedness³				
16 Alameda	1,425,382	0		Concluded 2023
17 Lassen				
18 Glenn	72,084	0		Concluded 2023
19 Ventura	842,910	0		Concluded 2019
TOTALS	\$ 23,575,490	\$ 25,029,869	\$ 4,160,526	

Notes:

1. Closed out in accordance with current law.

2. Bonded indebtedness: approved project underway.

3. Bonded indebtedness is complete; Judicial Council staff is working with counties to remit their Courthouse Construction Fund balances to the State Court Facilities Construction Fund.