

MANAGEMENT MEMO	NUMBER: 26-01	
SUBJECT: DGS AUTHORITY TO EXEMPT OR WAIVE REVIEW AND/OR APPROVAL OF SPECIFIED REAL PROPERTY TRANSACTIONS	EFFECTIVE DATE: January 1, 2026	
ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES	EXPIRES: 12-31-2026	SUPERSEDES: N/A

Purpose

To establish the overall policies and procedures related to the exempting or waiving approval of certain real property transactions by the Department of General Services (DGS).

Legal Authority

Government Code (GC)

[§ 11005](#) – Acquisition or hiring of real property

[§ 14667.1](#) – Value-limited acquisition or conveyance of real property

Public Resources Code (Authority Specific to Department of Parks and Recreation)

[§ 5003.17](#) – Lease of real property in the park system

[§ 5006](#) – Appraisal of property to be acquired for parks purposes

[§ 5006.5](#) – Lease of real or personal property for the park system

[§ 5063](#) – Appraisals for land proposed to be leased by Parks

[§ 5069.3](#) – Lease of State Parks for agricultural purposes

Definitions

For the purposes of this memo, the following definitions apply:

Acquisition or Hiring of Real Property: Acquisition or hiring of real property is the obtaining of fee ownership, or the obtaining of any lesser estate or interest (such as leases, easements, licenses or permits), in real property (including any existing improvements located on the real property).

Conveyance: The grant, sale, or transfer of real property, or the conveyance of any lesser estate or interest in real property (whether improved or unimproved). This may include the grant or conveyance of leases, easements, licenses, or permits over state-owned real property.

Executing Agency: A state agency that has received a Senate Bill (SB) 630 Waiver.

Exempted Agency: A state agency that has received a Real Property Exemption Notice.

Existing Authority: Any already existing statutory authorization for a state agency to enter into a real property transaction. Importantly, SB 630 generally did NOT provide state agencies with the authority to enter into real property transactions. Instead, the bill made DGS' review and approval of such transactions discretionary on the part of DGS. As such, when a state agency requests that DGS exercise its discretion to waive its review or approval, that agency must still have the Existing Authority to enter into such a transaction.

Jurisdiction: Jurisdiction refers to having legal control over real property. For all intents and purposes, Jurisdiction is equivalent to ownership. The waiver of DGS reviews or approvals for a given real property transaction or category of transactions requires that the requesting state agency have statutory Jurisdiction over the real property in question. Any questions over Jurisdiction shall be settled by reviewing the Statewide Property Inventory (SPI).

Real Property Exemption Notice (Exemption Notice): A notice provided to specified state agencies pursuant to GC 14667.1 stating that certain real estate acquisitions and conveyances are exempt from DGS review or approval. The notice defines terms, sets conditions, and lists obligations on the part of the Exempted Agency.

SB 630 Waiver: A transaction-specific waiver requested by a state agency and granted by DGS that exempts a particular real property transaction from DGS review or approval. The SB 630 Waiver is distinct from the Real Property Exemption Notice, and covers those discretionary waivers permitted through SB 630 beyond GC 14667.1.

SB 630 Waiver Approval Memo (Approval Memo): A memorandum issued by the Chief of the Asset Management Branch approving the SB 630 Waiver and listing any conditions or requirements that the Executing Agency shall be subject to.

Policy

Senate Bill 630 (Allen, Chapter 775, Statutes of 2025) added or amended the authorities related to certain real property transactions. These additions and amendments generally increased DGS' authority to exempt or waive DGS review and/or approval from specified real property transactions.

Effective January 1, 2026, departments are expected to follow the guidelines specified below for the waiver or exemption of DGS review and/or approval for real property transactions:

A. Real Property Exemption Notices

1. General Concept

Government Code Section 14667.1 allows DGS to make a determination that a particular state agency has the necessary real estate expertise and experience to complete real property transactions competently and professionally while protecting the best interests of the state. In the event that DGS makes such a finding, DGS may exempt from its review and approval all real property acquisitions or conveyances that meet the following conditions:

- The transaction is valued at up to \$750,000 (as defined in the Exemption Notice);
- The transaction concerns real property under the jurisdiction of the Exempted Agency; and
- The Exempted Agency, but for DGS approval, has existing authority to enter the transaction.

2. Responsibility of the Exempted Agency

The Exempted Agency understands that they assume full responsibility and liability for legal, policy, and all other aspects of each transaction under the Exemption Notice.

3. Exemptions Granted as of January 1, 2026

Prior to January 1, 2026, the following state agencies have been issued Exemption Notices using the pre-SB 630 dollar thresholds.

- Department of Fish and Wildlife
- Wildlife Conservation Board
- Department of Parks and Recreation
- California Tahoe Conservancy
- Department of Water Resources
- Central Valley Flood Control Board
- Department of Corrections and Rehabilitation

Effective January 1, 2026, these same departments shall be issued new Exemption Notices reflecting the SB 630-adjusted thresholds.

4. Process to Request a Real Property Exemption Notice

State agencies not mentioned above may request an Exemption Notice from DGS.

a. Submission of Request

To request an Exemption Notice, a state agency shall submit a formal request in writing to the Chief of the Asset Management Branch in the Real Estate Services Division (RESA). Such request should be in the form of a memo or letter to the Chief, which may be transmitted electronically through the [Global CRUISE](#) system or via email to the Chief.

b. Contents of Request

The request for an Exemption Notice must be sufficient to allow DGS to make the finding that the requesting department has the “necessary real estate expertise and experience to complete the transaction competently and professionally while protecting the best interests of the state,” as is required by Government Code 14667.1

As such, the request must contain the following elements:

- A description of the types of real property acquisitions/hiring/conveyances that the agency expects to conduct.
- The agency’s Existing Authority to enter into such transactions.
- A description of the agency’s relevant expertise and experience. In providing the information, the agency should consider: the experience and expertise of both staff and contracted support, where applicable; the type/nature of the transactions in terms of risk; and the agency’s track record in completing such transactions and successfully obtaining DGS approval.
- Anything else that the agency wishes to provide to make the case for it having the requisite experience and expertise.

c. Review and Approval

Upon receipt of the request, the Chief shall review the request. The Chief may consult with the Real Property Services Section within RESA and may pose questions to the requesting agency. At the end of the evaluation, the Chief shall either issue a Real Property Exemption Notice or provide the requesting agency with an explanation of why the request is being denied.

d. Denials

If a request for an Exemption Notice is denied, the requesting agency may remedy any concerns noted in the denial and resubmit in the future.

Additionally, in accordance with the process noted below, the requesting agency may still request a SB 630 Waiver for individual transactions. Agencies that were denied an Exemption Notice on the basis of a lack of demonstrable experience should consider SB 630 Waivers as a helpful process by which to build experience.

B. SB 630 Waivers

1. General Concept

In addition to GC 14667.1, as indicated above, a number of different statutes were amended to make DGS' review or approval of certain real property transactions discretionary. While some of these statutes are specific to the Department of Parks and Recreation's transactions, GC 11005 is the default statute for DGS approval of the Acquisition or Hiring of Real Property. As such, DGS is establishing the following process for agencies to seek a waiver of DGS review or approval pursuant to SB 630.

***Note:** While there is a difference in the types of transactions that DGS can waive for the Department of Parks and Recreation compared to other departments, the process for requesting an SB 630 Waiver is the same.*

2. Executing Agency

The Executing Agency understands that they assume full responsibility and liability for legal, policy, and all other aspects of each transaction conducted under a granted waiver. Additionally, the Executing Agency must ensure that any documentation, conditions, or requirements listed by DGS in the Approval Memo are followed. A failure to do so may result in future requests for SB 630 Waivers to be denied.

3. Requesting an SB 630 Waiver

a. Submission of the Request

To request an SB 630 Waiver, a state agency shall submit a [Global CRUISE](#) request to RESD.

b. Contents of the Request

Requesting agency should include the following information:

- (1) Detailed description of the proposed transaction.
- (2) Listing of the proposed parties to the transaction, if known.
- (3) Citation of the agency's underlying authority to enter into the transaction.
- (4) Any known risks or issues unique to the transaction or property.

If the transaction for which the SB 630 Waiver is being requested is a part of any current or planned Capital Outlay project (regardless of

whether said project will be managed by DGS), that is considered a known issue and must be disclosed.

(5) A description of the agency's relevant expertise and experience. The agency should consider the following:

- Experience and expertise of both staff and contracted support, where applicable.
- Type/nature of the transactions in terms of risk.
- Agency's track record in completing such transactions and successfully obtaining DGS approval.

(6) Anything else that the agency wishes to provide to make the case for it having the requisite experience and expertise.

Note: DGS reserves the right to request additional information or documentation in evaluating the request.

c. Timing of the Request

Departments may submit SB 630 Waiver requests at any time during a project's lifecycle. However, it is advised that departments submit when the project is at a stage at which the required information is known or otherwise can be attested to with reasonable certainty.

d. Review and Approval Process

Upon receipt of the request, the Real Property Services Section and the Chief of the Asset Management Branch shall concurrently review the request.

DGS shall evaluate the following (see the [Real Property Exemption Flowchart](#) for additional information on the workflow):

- (1) Proposed transaction falls under the statutes amended by SB 630.
- (2) Transaction, and requesting agency, are not already covered under an Exemption Notice.
- (3) Requesting agency has the authority to undertake the transaction but-for DGS review or approval.
- (4) Requesting agency has demonstrated that they have the necessary experience and expertise *relevant to the nature and risk of the proposed transaction* such that DGS may reasonably waive its approval.
- (5) If the proposed transaction is related to a current or future Capital Outlay project managed by DGS, the Chief of the Project Management and Development Branch agrees with the issuance of an Approval

Memo. Alternatively, if the transaction is related to a Capital Outlay project that is not managed by DGS, the requesting agency has demonstrated in writing that the Department of Finance concurs with their request.

Note: *In the event that both Chiefs do not agree, the matter shall be elevated to the Deputy Director of RESD.*

The Real Property Services Section shall, within four weeks of receiving the [Global CRUISE](#) request, recommend approval or denial of the request to the Chief. Upon receiving the recommendation, the Chief shall make their own determination and issue either an Approval Memo or deny the request in writing.

Responsibilities

Exempted Agency (under Real Property Exemption Notice):

1. Assume full responsibility and liability for all legal, policy, and operational aspects of transactions conducted under the Exemption Notice.

Department(s) seeking Exemption Notice:

1. Submit formal request for an Exemption Notice, including all required information.
2. Assume full responsibility and liability for all aspects of transactions exempted from DGS review.

Department(s) seeking SB 630 Waiver:

1. Comply with any conditions or requirements listed in the SB 630 Waiver Approval Memo.
2. Submit waiver request through [Global CRUISE](#) with all supporting documents.
3. For Capital Outlay project not managed by DGS: Provide documentation in writing that the Department of Finance agrees with their request.

DGS – Real Estate Services Division

1. Review and evaluate requests for Exemption Notices and SB 630 Waivers.
2. Issue Real Property Exemption Notice (if criteria are met), or SB 630 Waiver Approval Memo (with conditions, if approved).
3. Provide written denial with reasons for requests not approved.
4. Coordinate with other branches (e.g., Project Management and Development Branch), as needed.

Resources

- [Global CRUISE](#)
- [Real Property Exemption Flowchart](#)
- [SB 630 Waiver Approval Memo \(Sample\)](#)
- [Real Property Exemption Notice \(Sample\)](#)

Contact Information

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Approval



ANA M. LASSO, Director
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