

Date of Hearing: May 19, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Lorena Gonzalez, Chair
AB 1390 (Boerner Horvath) – As Amended April 19, 2021

Policy Committee: Natural Resources

Vote: 10 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill revises laws related to the selling and leasing of the State Lands Commission's (SLC) school lands including allowing SLC to sell or lease state lands without maintaining an easement if it determines it is in the best interest of the state. Additionally, this bill:

- 1) Authorizes SLC to delegate authority to the executive officer to make a nonrefundable down payment for a potential acquisition of real property or any interest in real property.
- 2) Repeals the requirement for the intended recipient of state lands, before the disposition of such lands to the private party or other governmental agency, to submit to the SLC and to the Legislature a general plan, and instead, at least 10 days before a disposition of state lands to a private party or other governmental agency, requires SLC to notify, by letter, the chair of the relevant policy committees of the Legislature and each Member of the Legislature in whose district any part of the state lands is located of the proposed disposition, and make the information regarding the proposed disposition publicly available on SLC's internet website. Specifies costs and expenses attributable to the acquisition include, but are not limited to, the fees and expenses of appraisals, escrow, broker's fees, title insurance and other third-party costs and may be paid from the fund.
- 3) Repeals out-of-date and obsolete provisions related to school lands, such as a requirement for SLC to ask the United States for surveys and create a master plan for all school and lieu lands under its jurisdiction.

FISCAL EFFECT:

Negligible state costs.

COMMENTS:

- 1) **Purpose.** According to the author:

AB 1390 provides the State Lands Commission with additional tools to acquire and steward a category of public lands, known as school lands, which have been entrusted to the Commission to generate revenue for retired teachers and facilitate renewable energy development projects. The bill

would remove constraints that make it difficult for the Commission to invest in property to generate revenue for CalSTRS. Removing these constraints, would also better position the Commission to avail itself of opportunities to work with the federal government to facilitate renewable energy projects, which would help California transition to a clean energy future, and help contribute to the state and federal 30 by 30 policies.

- 2) **Background.** The SLC, established in 1938, manages four million acres of tide and submerged lands and the beds of natural navigable rivers, streams, lakes, bays, estuaries, inlets and straits. These lands, often referred to as sovereign or Public Trust lands, stretch from the Klamath River and Goose Lake in the north to the Tijuana Estuary in the south, and the Colorado River in the east to the Pacific Coast three miles offshore in the west to Lake Tahoe in the east, and includes the Sacramento and San Joaquin rivers.

The SLC also monitors sovereign land granted in trust by the legislature to approximately 70 local jurisdictions that generally consist of prime waterfront lands and coastal waters. SLC is required to protect and enhance these lands and natural resources by issuing leases for use or development, providing public access and resolving boundaries between public and private lands.

- 3) **School Lands.** In 1853, Congress granted California 5.5 million acres of lands to support public schools. These school lands, consisted of the 16th and 36th sections of land in each township, with exceptions. A township contains 36 equal sections. Each section within a township is 1 square mile, or 640 acres. Over time, the state sold several million acres of school lands (nearly 90%). There are now approximately 458,000 acres of school lands that SLC manages, along with the reserved mineral interests on an additional 790,000 acres where the surface land has been sold.

School lands were placed into a statutory trust in 1984, when the Legislature enacted the School Land Bank Act and established the School Land Bank Fund. The SLC is the trustee of the Fund. School lands and attendant interests are to be proactively managed and enhanced to provide an economic base supporting public schools. The SLC is required to take all action necessary to fully develop school lands, indemnity interests and attendant mineral interests into a permanent and productive resource base. Revenues generated from school lands are used to benefit CalSTRS. In fiscal year 2019-20, \$6 million in revenue was transferred to CalSTRS.