

ASSEMBLY THIRD READING

AB 1390 (Boerner Horvath)

As Amended April 19, 2021

Majority vote

SUMMARY

Modernizes 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 that selling or leasing the lands without the easement is in the best interests of the state.

Major Provisions

- 1) Repeals out-of-date and obsolete provisions related to school lands, such as a requirement that the SLC ask the United States for surveys and create a master plan for all school and lieu lands under its jurisdiction.
- 2) Authorizes SLC to sell or lease state lands without maintaining an easement if it determines that selling or leasing the lands without the easement is in the best interests of the state.
- 3) Repeals the requirement that before the disposition of state lands to a private party or other governmental agency, the intended recipient of such lands to submit to the SLC and to the Legislature a general plan, and instead requires, at least 10 days before a disposition of state lands to a private party or other governmental agency, 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.
- 4) 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, may be paid from the fund.
- 5) Authorizes SLC to delegate authority to their executive officer to make a nonrefundable down payment for a potential acquisition of real property or any interest in real property.

COMMENTS

In 1853, Congress granted the State of California 5.5 million acres of lands to support public schools. These lands, known as 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. AB 982 (Skinner), Chapter 485, Statutes of 2011, declared it is in the best interest of the state that school lands be managed as a revenue source and it is the intent of the Legislature that fair market value be a primary criterion in determining if proposed uses or dispositions of land should be approved. Revenues generated from school lands are used to benefit CalSTRS. In fiscal year 2019-20, \$6 million in revenue was transferred to CalSTRS. The bill would assist SLC in meeting the intent of AB 982 by modernizing school lands statutes to remove obsolete requirements and barriers to the lease or sale of school lands.

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.

Arguments in Support

The SLC, in support of this bill, states this bill would help the SLC generate revenue to support retired teachers. Specifically, it would provide the SLC with additional tools to acquire and steward a category of public lands, known as school lands, that the SLC manages to generate revenue for retired teachers and facilitate renewable energy development.

Arguments in Opposition

None received

FISCAL COMMENTS

According to the Assembly Appropriations Committee, negligible state costs.

VOTES

ASM NATURAL RESOURCES: 10-0-1

YES: Luz Rivas, Chau, Friedman, Cristina Garcia, Mathis, McCarty, Muratsuchi, Seyarto, Stone, Wood

ABS, ABST OR NV: Flora

ASM APPROPRIATIONS: 15-0-1

YES: Lorena Gonzalez, Bigelow, Calderon, Carrillo, Chau, Megan Dahle, Davies, Fong, Gabriel, Levine, Quirk, Robert Rivas, Akilah Weber, Holden, Luz Rivas

ABS, ABST OR NV: Eduardo Garcia

UPDATED

VERSION: April 19, 2021

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