

AMENDED IN ASSEMBLY MARCH 24, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1943

Introduced by Assembly Member Chesbro

February 19, 2014

An act to amend Section 3 of Chapter 1086 of the Statutes of 1970, relating to tidelands and submerged lands of the City of Eureka, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1943, as amended, Chesbro. Tidelands: City of Eureka.

Existing law grants to the City of Eureka all the right, title, and interest of the ~~State of California~~ *state* in and to certain tidelands and submerged lands located in Humboldt Bay in trust for certain purposes. Existing law ~~provides that certain moneys received by~~ *requires* the City of Eureka ~~from the State Controller shall be deposited in~~ *to establish* the Humboldt Bay Fund and ~~may be used by the City of Eureka for the purposes for which revenues accruing from or out of the use of those granted tidelands may be used.~~ *to deposit in the fund all moneys received directly from, or indirectly attributable to, those trust lands.*

Existing law requires the City of Eureka, prior to June 30 of each year, to pay to the ~~State~~ Controller a specified amount of the money deposited by the city into the Humboldt Bay Fund during the preceding fiscal year in lieu of all obligations incurred by the city, as specified.

~~This bill would provide that when the State Controller certifies that the amount of the original payments has been made by the city, the obligation to make payments shall cease.~~

Existing law, the Kapiloff Land Bank Act, creates the Kapiloff Land Bank Fund, and continuously appropriates moneys in the fund, subject

to a statutory trust, to the State Lands Commission, acting as the Land Bank Trustee, to acquire real property or any interest in real property for the purposes of public trust title settlements.

This bill would delete the requirement that the City of Eureka pay to the Controller a specified amount of the money deposited by the city into the Humboldt Bay Fund during the preceding fiscal year and would instead require, on June 30, 2015, and at the end of every fiscal year thereafter, that 4% of all gross revenues generated from the trust lands be transmitted to the commission and deposited in the Kapiloff Land Bank Fund for expenditure by the commission pursuant to the act, thereby making an appropriation.

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 3 of Chapter 1086 of the Statutes of 1970,
 2 as amended by Section 1 of Chapter 1068 of the Statutes of 1982,
 3 is amended to read:
 4 Sec. 3. (a) The city shall establish the Humboldt Bay Fund in
 5 the manner as may be approved by the State Lands Commission,
 6 and the city shall deposit therein all moneys received directly from,
 7 or indirectly attributable to, the tide and submerged lands granted
 8 to the city. An annual statement of financial condition and
 9 operations, to conform with those requirements as the State Lands
 10 Commission may prescribe, shall be submitted to the State Lands
 11 Commission by the city on or before September-~~30th~~ 30 of each
 12 year for the preceding fiscal year. In furtherance of its management
 13 and administration over granted tide and submerged lands, the
 14 State Lands Commission shall audit, or cause to be audited, the
 15 operations and all books and records of the city. Further, the city
 16 shall prepare and submit to the State Lands Commission, for its
 17 review and approval, an annual budget with respect to all revenues
 18 and expenditures regarding tide and submerged lands granted to
 19 the city. All moneys received from the ~~State~~ Controller pursuant
 20 to Section 18 of this act shall be deposited in the Humboldt Bay
 21 Fund and may be used by the city for the purposes for which
 22 revenues accruing from or out of the use of the granted tidelands
 23 may be used pursuant to the provisions of this act.

1 ~~(b) Prior to June 30 of each year, the city shall pay to the State~~
2 ~~Controller a sum that is not less than 15 percent of the amount of~~
3 ~~the money deposited by the city into the Humboldt Bay Fund~~
4 ~~during the preceding fiscal year, after deducting from the fund the~~
5 ~~principal and interest payments required by the currently~~
6 ~~outstanding 1973 Municipal Harbor Improvement Revenue Bond~~
7 ~~issue, and after the credit for reverted funds provided for in Section~~
8 ~~18 of this act. Moneys received from the State Controller pursuant~~
9 ~~to Section 18 of this act shall not be included in the calculation of~~
10 ~~the amount deposited into the Humboldt Bay Fund. Payments~~
11 ~~made to the State Controller pursuant to this section shall be in~~
12 ~~lieu of all obligations incurred by the city pursuant to this section,~~
13 ~~as amended by Section 2 of Chapter 1252 of the Statutes of 1971,~~
14 ~~and prior to the amendment of this section during the 1977-78~~
15 ~~Regular Session of the Legislature. When the State Controller~~
16 ~~certifies that the amount of the original payments has been paid~~
17 ~~by the city, the obligation to make payments shall cease.~~

18 ~~(c) If the city fails to make any payment required to be made~~
19 ~~hereby for any reason whatsoever, the State Board of Equalization,~~
20 ~~upon the order of the State Controller, shall deduct the amount of~~
21 ~~that payment from the sales and use taxes to be paid to the city~~
22 ~~thereafter pursuant to Section 7204 of the Revenue and Taxation~~
23 ~~Code and shall pay the same to the State Controller.~~

24 ~~(d) All payments made by the city and the State Board of~~
25 ~~Equalization shall be considered as oil revenues and dry gas~~
26 ~~revenues payable to the state pursuant to Chapter 138 of the~~
27 ~~Statutes of 1964, First Extraordinary Session, during the year they~~
28 ~~are received.~~

29 ~~(e) For the purposes of Section 7 of this act, the amounts paid~~
30 ~~to the State Controller by the city shall be considered as current~~
31 ~~and accrued operating costs and expenditures directly related to~~
32 ~~the operation and maintenance of tideland trust activities.~~

33 *(b) On June 30, 2015, and at the end of every fiscal year*
34 *thereafter, 4 percent of all gross revenue generated from the trust*
35 *lands described in subdivision (a) shall be transmitted to the State*
36 *Lands Commission and deposited in the Kapiloff Land Bank Fund*
37 *for expenditure by the commission pursuant to Division 7*
38 *(commencing with Section 8600) of the Public Resources Code*
39 *for management of the commission's granted lands program.*

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