

MINUTE ITEM

26. JOINT MEETING WITH SENATE FACT FINDING COMMITTEE ON NATURAL RESOURCES CONCERNING PROPOSAL AND RECOMMENDATION FOR A LAND MANAGEMENT AND SALES PROGRAM FOR ALL PUBLIC LANDS OTHER THAN SOVEREIGN - W.O. 3590.

The Chairman welcomed the following members of the Senate Interim Fact Finding Committee on Natural Resources:

Senator Charles Brown, Chairman
Senator Virgil O'Sullivan, Member
Senator Aaron W. Quick, Member

(Ford B. Ford, Executive Secretary of the Committee, also was present.)

Preliminary to a public hearing to be held by the Committee that afternoon, the Chairman requested the Executive Officer to make a brief statement (see Calendar Item 28 attached), outlining the status of the Commission land management and sales program.

Thereafter, Senator Brown presented the following prepared statement:

"This meeting of the Subcommittee on State lands of the Senate Fact Finding Committee on Natural Resources is being held to consider the proposals of the Division of State Lands recommending certain changes in the policy of the State regarding the management and sale of State lands. This committee was requested by the Senate Rules Committee to study these recommendations pursuant to the provisions of Senate Resolution No. 72 of the Third Extraordinary Session of 1962, which states, in part:

'Resolved by the Senate of the State of California that no action be taken by the State Lands Commission to adopt or otherwise effectuate the recommendations unless and until the proposed program has been reviewed by a Senate committee and a report thereon has been filed with the State Lands Commission.'

"In the interest of time, it was felt that this committee should meet with the State Lands Commission to receive the program presentation so that all the recommended policies could be adequately discussed. We appreciate the kind invitation of the Commission to proceed in this manner.

"At two p.m. today this Senate Committee will continue its hearing to afford those interested in this program an opportunity to make any comments they desire. If there is insufficient time to hear everyone this afternoon, you are invited to send your comments to the Executive Secretary of the Committee at Room 408 of the State Capitol Building in Sacramento.

"Thank you."

The Chairman informed Senator Brown that the staff of the Commission would be represented at the hearing that afternoon to answer any questions that might arise.

The Executive Officer read the following telegram, received that morning, from Assemblyman Frank Lanterman:

"Place me on record with State Lands Commission as protesting any proposed elimination of preferential rights now extended to first applicants on indemnity and exchange lands now pending as valid applications, and request such pending applications be processed to completion without further delay."

The Chairman asked Senator Brown for all possible expedition of action by his committee; Senator Brown reported that the Committee would proceed with all possible speed.

Attachment

Calendar Item 28 (4 pages)

CALENDAR ITEM

28.

JOINT MEETING WITH SENATE FACT FINDING COMMITTEE ON NATURAL RESOURCES CONCERNING PROPOSAL AND RECOMMENDATION FOR A LAND MANAGEMENT AND SALES PROGRAM FOR ALL PUBLIC LANDS OTHER THAN SOVEREIGN - W.O. 3590.

The Commission, at its meeting of May 24, 1960 (Minute Item 22, Page 5995), directed the staff to undertake a study for the purpose of inventorying and classifying the unsold public lands granted to the State by Congress.

There has been delivered to the Commission a "Report to State Lands Commission including Inventory and Classification of State Public Lands under its Jurisdiction", including a comprehensive "Statistical Report". Briefly, the report and recommendations provide for the establishment of a land management and sales program. Under the recommended program, all lands are proposed to be classified as to their highest and best potential use, whereupon those lands suitable for retention under Commission jurisdiction would be set up under a "lease list", and the remainder would be placed upon a "sales list". These lists, through staff classification, will determine those lands subject to Commission retention and those which will be available for sale as demand exists. The report contains recommendations for suggested changes to existing statutes and to the Commission's rules for the purpose of simplifying the Commission's administration of these lands. Also included are suggestions for administrative solution of the problems posed by conflicts of interest between private applicants and public agencies.

IT IS RECOMMENDED THAT THE COMMISSION ESTABLISH A LAND MANAGEMENT AND SALES PROGRAM FOR ALL LANDS UNDER THE COMMISSION'S JURISDICTION (EXCEPT THOSE HELD IN A SOVEREIGN CAPACITY) TO BE ADMINISTERED UNDER THE FOLLOWING GENERAL PRINCIPLES AND PROCEDURES:

1. CLASSIFICATION OF ALL LANDS FOR POTENTIAL USES AND SEGREGATION OF SUCH LANDS INTO:
 - A. A "LEASE LIST", CONSISTING OF THOSE LANDS TO BE RESERVED FROM SALE AND RETAINED UNDER COMMISSION ADMINISTRATION FOR MANAGEMENT UNDER LEASES FOR VARIOUS USES SUCH AS GRAZING, AGRICULTURE, RECREATION, CABIN SITES, MINERAL EXTRACTION, TIMBER PRODUCTION, ETC.
 - B. A "SALES LIST", CONSISTING OF THOSE LANDS NOT CONSIDERED POTENTIALLY REVENUE-PRODUCING UNDER A LEASE MANAGEMENT PROGRAM, BUT WHICH WOULD BE MORE BENEFICIALLY PLACED ON THE OPEN MARKET FOR SALE AS DEMAND MAY EXIST.
2. THE "SALES LIST" UNDER 1B ABOVE IS TO BE PREPARED PURSUANT TO STAFF CLASSIFICATION, AND SHALL, BY THE SEPARATE ENUMERATION OF THE SMALLEST LEGAL SUBDIVISION OR COMBINATION OF SMALLEST LEGAL SUBDIVISIONS WITHIN EACH SECTION, ESTABLISH THE OFFERING OF EACH LISTED PARCEL FOR SEPARATE SALE.

CALENDAR ITEM 28. (CONTD.)

3. UPON RECEIPT OF ANY APPLICATION FOR PURCHASE OF LANDS ON THE AFOREMENTIONED "SALES LIST", ALL STATE AGENCIES HAVING A POSSIBLE LAND-ACQUISITION PROGRAM SHALL BE CIRCULARIZED, REQUIRING RESPONSE WITHIN 30 DAYS AS TO WHETHER SUCH AGENCIES WISH TO USE OR TO ACQUIRE SUCH LAND.
4. SIMPLIFICATION OF PRIOR SALES PROCEDURES BY:
 - A. ELIMINATION OF THE PREFERENTIAL PURCHASE RIGHT NOW EXTENDED TO FIRST APPLICANTS AND PROVISION FOR AWARD TO THE HIGHEST QUALIFIED BIDDER.
 - B. REQUIRING THE DEPOSIT OF AN INITIAL MINIMUM EXPENSE DEPOSIT OF \$350 WITH ALL PURCHASE APPLICATIONS SUBMITTED PRIOR TO ADVERTISED CALL FOR BIDS.
 - C. ELIMINATION OF THE PRESENT REQUIREMENT THAT THE FULL AMOUNT OF THE OFFER IN CASH MUST ACCOMPANY AN INITIAL APPLICATION SUBMITTED PRIOR TO ADVERTISED CALL FOR SEALED BIDS. IN THE CASE OF SEALED BIDS SUBMITTED PURSUANT TO ADVERTISING, CONTINUATION OF THE POLICY OF REQUIRING THE FULL CASH AMOUNT OF THE BID TO ACCOMPANY THE BID FORM.
 - D. REQUIRING FORFEITURE OF THE ENTIRE EXPENSE DEPOSIT OF THE HIGHEST QUALIFIED BIDDER IF WITHDRAWAL OF SUCH HIGH BID OCCURS BETWEEN THE TIME OF OPENING OF ALL BIDS AND FORMAL BID ACCEPTANCE BY THE COMMISSION.
 - E. REVISION OF THE PRESENT SECTION 2301 OF THE RULES AND REGULATIONS RELATING TO MINIMUM ACCEPTABLE OFFERS SO THAT THE AMOUNT OF SUCH OFFERS IS NOT STATED IN THE RULES BUT MAY BE ESTABLISHED BY COMMISSION RESOLUTION.
 - F. INCORPORATION INTO THE COMMISSION'S RULES AND REGULATIONS A PROVISION TO PERMIT SALES TO FEDERAL, STATE, COUNTY, AND CITY GOVERNMENTS AND TO SCHOOL DISTRICTS AT THE APPRAISED VALUE WITHOUT COMPETITIVE BIDDING.
5. ADOPTION OF A POLICY WITH RESPECT TO THE LEASING OF LANDS INCLUDED IN THE "LEASE LIST" UNDER 1A ABOVE COMPATIBLE WITH THE PRESENT POLICY GOVERNING COMMERCIAL AND RECREATIONAL LEASING OF SOVEREIGN LANDS.
6. AUTHORIZATION OF INTRODUCTION OF LEGISLATION AMENDING SECTION 7361 OF THE PUBLIC RESOURCES CODE, AND ANY OTHER PERTINENT SECTIONS, TO ALLOW THE COMMISSION EITHER TO SELL TIMBER AND LAND TOGETHER OR TO SELL THE TIMBER IN TOTO OR BY SELECTIVE CUTTING, INDEPENDENT OF THE LAND.
7. IN THOSE INSTANCES WHERE A PUBLIC AGENCY IS DELICIOUS OF HAVING LAND HELD FOR POSSIBLE FUTURE USE, ESTABLISH A FIRM POLICY ALLOWING WITHDRAWAL OF SUCH LAND FROM SALE FOR A REASONABLE PERIOD (NOT TO EXCEED 2 YEARS) TO ALLOW SUFFICIENT TIME FOR DETERMINING WHETHER THE LAND WILL BE USED FOR THE AGENCY'S PROGRAM, AND REQUIRE THAT ON OR BEFORE EXPIRATION OF THE WITHDRAWAL PERIOD, SUCH AGENCY MUST EITHER PURCHASE OR LEASE THE LANDS, FAILING WHICH THE LAND WILL BE RETURNED TO THE APPROPRIATE LIST.

CALENDAR ITEM 28. (CONTD.)

8. REVOCATION OF THE WITHDRAWAL ORDER OF MAY 24, 1960, PLACED ON THE SALE OF VACANT SCHOOL LANDS, CONCURRENT WITH THE EFFECTIVE DATE OF THE REQUIRED REVISED RULES AND REGULATIONS.
9. DIRECTION TO THE STAFF TO IMPLEMENT, AND PLACE IN EFFECT, THE PROGRAM OUTLINED IN ITEMS 1 THROUGH 8 OF THIS RECOMMENDATION, INCLUSIVE OF THE AMENDING OF RULES AND REGULATIONS AND THE INTRODUCTION OF NECESSARY AMENDATORY LEGISLATION, AS RAPIDLY AS FEASIBLE.

THE FOLLOWING RECOMMENDATIONS ARE MADE IN ORDER TO RESOLVE IMMEDIATELY CURRENTLY PENDING CONFLICTS WHEREIN PRIVATE APPLICATIONS ARE ON FILE AND PUBLIC AGENCIES HAVE INDICATED AN INTEREST IN THE SAME LANDS:

10. REJECTION OF ANY APPLICATIONS BY PRIVATE PARTIES TO PURCHASE STATE LANDS PRESENTLY AUTHORIZED TO BE SOLD PURSUANT TO SECTIONS 2300 TO 2302, INCLUSIVE, OF THE CALIFORNIA ADMINISTRATIVE CODE IN INSTANCES WHERE ANY PUBLIC AGENCY HAS OBJECTED TO SUCH SALE INTO PRIVATE OWNERSHIP AND OFFERED TO PURCHASE OR LEASE THE LAND IMMEDIATELY.
11. WITH RESPECT TO LANDS UNDER PENDING STATE INDEMNITY SELECTIONS, EXCEPT THOSE INVOLVING SURRENDERED CERTIFICATES OF INDEMNITY (I.E., SCRIP) UNDER WHICH A CONTRACT HAS BEEN CREATED, AND EXCHANGES FOR WHICH PRIVATE APPLICATIONS ARE IN GOOD STANDING, PROCEED AS FOLLOWS:
 - A. LEASE, OR SELL WHEN IN THE BEST INTERESTS OF THE STATE, TO PUBLIC AGENCIES WHEN SUCH AGENCY APPLICATIONS ARE SUBMITTED, THEREBY ENTITLING THE PUBLIC-AGENCY APPLICANT TO PREFERENCE RIGHT ACCORDED UNDER THE PROVISIONS OF SECTION 6223 OF THE PUBLIC RESOURCES CODE.
 - B. SELL TO PRIVATE APPLICANTS IN INSTANCES WHERE, AT THE TIME THE MATTER OF SALE IS CONSIDERED BY THE COMMISSION, NO CONFLICTING APPLICATION OF A PUBLIC AGENCY HAS BEEN SUBMITTED PURSUANT TO THE PROVISIONS OF SECTION 6223 OF THE PUBLIC RESOURCES CODE.

The aforementioned reports and above recommendations were considered by the Commission at its meeting of May 24, 1962. Because of the complexity of the report and the policy considerations contained therein, it was felt that additional time was needed to study the recommendations made. To this end, the Commission, by resolution, directed that a public workshop discussion be held on June 27, 1962, at 2:00 p.m. in Sacramento with all known interested groups and individuals to be notified in advance, in order that their views might be expressed either orally or in writing. With approximately 2,000 groups and individuals notified by formal letter, the public workshop discussion was held on the date specified during which the entire program as proposed by the staff was discussed and reviewed.

Senate Resolution No. 22 of the 1962 Third Extraordinary Session of the Legislature, adopted June 28, 1962, resolved "That no action be taken by the State Lands Commission to adopt or otherwise effectuate the recommendations unless and until the proposed program has been reviewed by a Senate committee and a report thereon has been filed with the State Lands Commission."

CALENDAR ITEM 28. (CONTD.)

The review of this proposed program has been assigned to the Senate Fact Finding Committee on Natural Resources. Arrangements have been made for this committee to review the program with the State Lands Commission at its regularly scheduled meeting on September 27, 1962.