

CHAPTER 1252

An act to amend Section 3 of, and to add Section 3.5 to, Chapter 1086 of the Statutes of 1970, and to amend Section 12.5 of, and to add Section 12.45 to, Chapter 138 of the Statutes of 1964, First Extraordinary Session, relating to tidelands and submerged lands and making an appropriation therefor.

[Approved by Governor October 27, 1971 Filed with
Secretary of State October 27, 1971.]

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

SECTION 1. The Legislature finds and declares that the City of Eureka has been lawfully granted tide and submerged lands in Humboldt Bay under statutory grants from the State of California as set forth in Chapter 82 of the Statutes of 1857, Chapter 438 of the Statutes of 1915, Chapter 187 of the Statutes of 1927, Chapter 225 of the Statutes of 1945, and Chapter 1086 of the Statutes of 1970 and has administered such lands in accordance with their terms.

The Legislature further finds and declares that the city has made excessively large contributions from its general municipal funds for the administration and improvement of such tide and submerged lands, that such contributions have been particularly large and burdensome to the city in performing its trusteeship responsibilities to establish and clear titles to the waterfront of Humboldt Bay and to prepare and implement

a comprehensive master plan for the development or redevelopment of the waterfront.

The Legislature further finds and declares that such expenditure of municipal funds in the administration and improvement of such tide and submerged lands is an extraordinary contribution in the case of the City of Eureka.

The Legislature further finds and declares that the action of the city in clearing and confirming titles to the waterfront and in effecting its planned development is in the best interest of the State of California and will benefit the people of the state generally by virtue of the creation of physical and visual public access to Humboldt Bay and the waterfront thereof and by the establishment of facilities for recreational, boating, beach and park, fishing, commercial and other uses authorized by such statutes, that it is unfairly burdensome to impose upon the city and its people the responsibility for such state-wide benefits, and that a fund should be established which will permit the city to continue its capable administration of such tide and submerged lands, which fund shall be composed of the sum of two hundred fifty thousand dollars (\$250,000) of the oil revenue and dry gas revenue payable to the State of California pursuant to Chapter 138 of the Statutes of 1964, First Extraordinary Session and present and future revenues from such tide and submerged lands.

SEC. 2. Section 3 of Chapter 1086 of the Statutes of 1970 is amended to read:

Sec. 3. The city shall establish the Humboldt Bay Fund in such manner as may be approved by the State Lands Commission and the city shall deposit therein all moneys received directly from, or indirectly attributable to, the granted tidelands in the city. An annual statement of financial condition and operations, to conform with such requirements as the State Lands Commission may prescribe, shall be submitted to the State Lands Commission each year by the city on or before September 30th of each year for the preceding fiscal year. All moneys received from the State Controller pursuant to Section 12.45 of Chapter 138 of the Statutes of 1964, First Extraordinary Session shall be deposited in the Humboldt Bay Fund and may be used by the city for the purposes for which revenues accruing from or out of the use of the granted tidelands may be used pursuant to the provisions of this act.

Prior to June 30, 1974, and prior to the end of each fiscal year thereafter, the city shall pay not less than twenty-five thousand dollars (\$25,000) from city tidelands trust revenues to the State Controller; provided, that the aggregate amount of such payments required to be made by the city shall not exceed the sum of two hundred fifty thousand dollars (\$250,000) together with interest on the unpaid balance thereof. All payments shall be applied first to accrued interest and, thereafter, to principal. Interest shall accrue at a rate for each fiscal year equal to the average of the net interest earnings to

the state on the investment of moneys in the Pooled Money Investment Account in the General Fund received during the period of the five fiscal years immediately preceding the fiscal year concerned, as determined by the State Controller. However, when the applicable average of the net interest costs to the state is not a multiple of one-tenth of 1 percent, the interest rate shall be the multiple of one-tenth of 1 percent next above the applicable average of the net interest costs.

In the event the city fails to make any payment required to be made hereby for any reason whatsoever, including, but not limited to, a deficiency of city tidelands trust revenues, the State Board of Equalization, upon the order of the State Controller, shall deduct the amount of that payment from the sales and use taxes to be paid to the city thereafter pursuant to Section 7204 of the Revenue and Taxation Code and shall pay the same to the State Controller.

All payments made by the city and the State Board of Equalization shall be considered as oil revenues and dry gas revenues payable to the State of California during the year it is received for the purposes of Section 12.5 of Chapter 138 of the Statutes of 1964, First Extraordinary Session, and shall be deposited in accordance with the provisions of that section.

For the purposes of Section 7 of this act, such amounts paid to the State Controller by the city shall be considered as current and accrued operating costs and expenditures directly related to the operation and maintenance of tideland trust activities.

SEC. 3. Section 3.5 is added to Chapter 1086 of the Statutes of 1970, to read:

Sec. 3.5. Whenever the city deems it necessary or desirable to incur a revenue bonded indebtedness for any or all purposes, uses or acts authorized by this act the city may issue revenue bonds in accordance with the provisions of the Revenue Bond Law of 1941, as the same now exists or may hereafter be amended and pledge the moneys deposited or to be deposited in the Humboldt Bay Fund or received from, or indirectly attributable to, the granted tidelands in the city; provided, however, that:

(a) As an alternative to the election required by the Revenue Bond Law of 1941, and notwithstanding any provision of the charter of the city or any other provision of law to the contrary, the city may provide by ordinance which shall be subject to referendum that the bonds shall be issued without an election. Any referendum petition on such an ordinance shall be filed within the requisite time and shall be signed by the voters of the city equal in number of at least 5 percent of the entire vote cast within the city for all candidates for Governor at the last gubernatorial election.

(b) Any provisions of the Revenue Bond Law of 1941 which are inconsistent with the provisions of this act shall not be applicable.

SEC. 4. Section 12.45 is added to Chapter 138 of the Statutes of 1964, First Extraordinary Session, to read:

Sec. 12.45. During the fiscal year 1971-1972, two hundred fifty thousand dollars (\$250,000) of the oil revenue and dry gas revenue payable to the State of California under this act that year is appropriated and shall be paid by the State Controller to the Humboldt Bay Fund after the amount provided for in Section 12 is deposited in the California Water Fund, the amount provided for in Section 12.1 is deposited in the Central Valley Water Project Construction Fund, the amounts provided for in Sections 12.2 and 12.4 are deposited in the State Water Quality Control Fund, and the amount provided for in Section 12.3 is paid to the Southern California Rapid Transit District.

SEC. 5. Section 12.5 of Chapter 138 of the Statutes of 1964, First Extraordinary Session, is amended to read:

Sec. 12.5. All of the oil revenue and dry gas revenue payable to the State of California under this act each year shall be deposited in the Capital Outlay Fund for Public Higher Education, after the amount provided for in Section 12 is deposited in the California Water Fund, the amount provided for in Section 12.1 is deposited in the Central Valley Water Project Construction Fund, the amounts provided for in Sections 12.2 and 12.4 are deposited in the State Water Quality Control Fund, the amount provided for in Section 12.3 is paid to the Southern California Rapid Transit District, and the amount provided for in Section 12.45 is paid to the Humboldt Bay Fund.