
CHAPTER 1095

An act to amend Section 3 of and to add Sections 8.5 and 18 to Chapter 1086 of the Statutes of 1970, relating to tide and submerged lands, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 25, 1978 Filed with
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The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that certain tide and submerged lands in Humboldt Bay have been granted in trust to the City of Eureka by 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.

The Legislature further finds and declares that the City of Eureka has, commensurate with its duties and responsibilities as trustee, conscientiously and vigorously defended the public interest in such granted tide and submerged lands in ongoing litigation involving the title to, and boundaries of, a major part of the downtown waterfront of the city and that the burden of the city in such litigation has been particularly difficult due to the absence of positive responses to the city's detailed settlement overtures and the complexity of the legal and factual issues involved.

The Legislature further finds and declares that the action of the City of Eureka in clearing and confirming title to the waterfront and in effecting its planned development is of statewide significance in that precedential issues, which may affect the public ownership and administration of tide and submerged lands throughout the state, are involved and is in the best interest of the state 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. Further, as the state will share in the revenues derived from the lands granted to the city, and as the credit and funding provided in this act is needed by the city in order to enable it financially to continue its defense of the public interest in and around Humboldt Bay, the Legislature finds and declares that providing credit and funding to the city is justified as being in the statewide public interest.

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 tide and submerged lands granted to 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 by the city on or before September 30th of each year for the preceding fiscal year. In furtherance of its management and administration over granted tide and submerged lands, the State Lands Commission shall audit, or cause to be audited, the operations and all books and records of the city. Further, the city shall prepare and submit to the State Lands Commission, for its review and approval, an annual budget with respect to all revenues and expenditures regarding tide and submerged lands granted to the city. All moneys received from the State Controller pursuant to Section 18 of this act 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, 1979, and prior to June 30 of each succeeding year, the city shall pay to the State Controller a sum that is not less than 15 percent of the amount of the money deposited by the city into the Humboldt Bay Fund during the preceding fiscal year, after deducting from the fund the principal and interest payments required by the currently outstanding 1973 Municipal Harbor Improvement Revenue Bond issue. Moneys received from the State Controller pursuant to Section 18 of this act shall not be included in the calculation of the amount deposited into the Humboldt Bay Fund. Payments made to the State Controller pursuant to this section shall be in lieu of all obligations incurred by the city pursuant to this section as amended by Section 2 of Chapter 1252 of the Statutes of 1971 and prior to the amendment of this section during the 1977-78 Regular Session of the Legislature.

In the event the city fails to make any payment required to be made hereby for any reason whatsoever, 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 pursuant to Chapter 138 of the Statutes of 1964, First Extraordinary Session, during the year they are received.

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 8.5 is added to Chapter 1086 of the Statutes of 1970, to read:

Sec. 8.5. No lease or permit in excess of one year in duration for the use of granted tide and submerged lands entered into or issued by the City of Eureka shall be valid without the prior approval of the State Lands Commission. The commission shall have 60 days after submittal of a proposed lease or permit in which to approve any such lease or permit. If the commission takes no action within 60 days, the lease or permit shall be deemed approved. For purposes of this section, a lease or permit shall be deemed submitted for approval when all documents required by the commission have been received.

SEC. 4. Section 18 is added to Chapter 1086 of the Statutes of 1970, to read:

Sec. 18. The sum of seven hundred fifty thousand dollars (\$750,000), or so much thereof as may be necessary, is hereby appropriated to the General Fund from the oil and dry gas revenues payable to the state under Chapter 138 of the Statutes of 1964, First Extraordinary Session, pursuant to Section 6217 of the Public Resources Code during the 1978-79 fiscal year, and shall be

transferred by the State Controller to the General Fund during the 1978-79 fiscal year immediately prior to making the allocation to the California Water Fund pursuant to subdivision (b) of Section 6217 and after making the allocations pursuant to subdivision (a) of Section 6217. The sum thus transferred to the General Fund is hereby appropriated to the State Controller, who shall pay that sum to the Humboldt Bay Fund as follows: in the 1978-79 fiscal year and each fiscal year thereafter, a sum equal to 50 percent of the sum expended by the City of Eureka during each fiscal year in the prosecution or defense of any action or proceeding involving the title to, or the boundaries of, tidelands or submerged lands granted to the City of Eureka by the Legislature along the Humboldt Bay waterfront; and during the 1978-79 fiscal year, the additional sum of two hundred fifty thousand dollars (\$250,000) from the seven hundred fifty thousand dollars (\$750,000) appropriated by this section.

SEC. 5. Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to that section nor shall there be an appropriation made by this act because the duties, obligations or responsibilities imposed on local governmental entities or school districts by this act are such that related costs are incurred as part of their normal operating procedures.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting such necessity are:

In order that litigation concerning the tide and submerged lands in the City of Eureka may be conducted properly, it is necessary that this act take effect immediately.