

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: March 18, 2010
POSITION: Neutral

BILL NUMBER: AB 2179
AUTHOR: W. Monning

BILL SUMMARY: Tidelands/Submerged Lands: Santa Cruz and Long Beach

Currently, the cities of Santa Cruz and Long Beach manage public trust lands for the benefit of the people of California pursuant to Legislative grants. However, these grants do not include the lands that were recently acquired through land exchanges. This bill would grant these newly acquired trust lands to their respective cities so that they can be managed locally along with other granted trust lands.

FISCAL SUMMARY

There would be no state fiscal impact associated with this bill since the grant of the public trust lands is to local governments who maintain the trust lands.

The courts have held that costs to a local entity resulting from an action undertaken at the option of the local entity are not reimbursable as "costs mandated by the state". The Department of Finance believes that this bill simply would make an optional program available to local governments, which would not result in a reimbursable state mandate.

COMMENTS

This bill would have no state fiscal impact and concerns a policy matter on which we are neutral.

The State Lands Commission (Commission) has authority under Public Resources Code (PRC) section 6307 to exchange former tidelands that are no longer useful for public trust purposes for lands that would improve the trust. Public trust lands are the tide and submerged lands as well as the bed of the navigable waterways within the state's borders. These lands are held in trust by the state for water related commerce, navigation, and fishing purposes. Sometimes these lands are filled or reclaimed for various reasons (e.g. harbors, marinas, piers, etc.). In Long Beach, much of the waterfront is filled tidelands, and therefore subject to the public trust doctrine. However, many of these filled tideland parcels are so isolated and far removed from the water that they can no longer be used for water related commerce, navigation, and fishing purposes. PRC 6307 allows the Commission to exchange these isolated parcels with lands that would be useful for the trust, such as enhancing public access to or along the water, or resolving boundary or title disputes. The Commission then imposes the trust on the newly acquired lands.

During the last 20 years, the Commission approved land exchanges in Santa Cruz and Long Beach pursuant to Section 6307. In many cases, much, if not all, of the trust lands are granted by the Legislature to the local government by statute. These lands must still be managed pursuant to the public trust doctrine; however, the locals rather than the Commission manage and administer the leases and other land use issues. The Commission retains oversight authority to ensure that no abuses occur.

When a land exchange occurs pursuant to PRC 6307, the newly acquired trust lands go to the state, not the local government. In order for the local government to manage the newly acquired trust lands, the Legislature must enact a subsequent granting statute. This bill would grant these newly acquired trust lands to the cities of Long Beach and Santa Cruz.

Analyst/Principal Date Program Budget Manager Date
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Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

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Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	
3560/Lands Comm	SO	No		----- No/Minor Fiscal Impact -----				0001	