

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 15, 2010  
POSITION: Oppose  
SPONSOR: California State Controller

BILL NUMBER: AB 2598  
AUTHOR: J. Brownley

**BILL SUMMARY: Tidelands and Submerged Lands**

This bill would define a local trustee of granted public trust lands as a county, city, or district, or any other local political or corporate subdivision that has been granted public trust lands through a legislative grant.

This bill would require local trustees to prepare sea level action plans and submit the plans to the Natural Resources Agency (Resources Agency), the Governor’s Office of Planning and Research (OPR), and the State Lands Commission (Commission) by July 1, 2012.

This bill would also include a hardship provision to allow the Commission to exempt local trustees from the proposed requirement should the trustees have insufficient funds.

**FISCAL SUMMARY**

The Commission, the Resources Agency, and OPR would incur no additional costs to receive the plans, which are for information gathering purposes. However, costs could be incurred should the bill create a requirement that something be done with the plans.

The California Constitution requires the state to reimburse local entities for increased costs associated with any new program or higher level of service imposed by the state on local entities if the Commission on State Mandates determines that the new program or higher level of service is reimbursable and a state mandate. It is unclear if the Public Trust Doctrine and laws governing granted public trust lands require local trustees to address the sea level rising issue. If these existing laws do not have any requirement, this bill could create a state reimbursable mandate. In addition, the bill would require the Commission to exempt a local trustee from the proposed requirement if it does not have sufficient funds. However, this discretion still resides with the state. Therefore, this bill could impose a higher level of service to local trustees that could possibly create a state reimbursable mandate. The final determination will reside with the Commission on State Mandates.

**COMMENTS**

Finance is opposed to this bill because it could create a state reimbursable mandate and it is unclear what the OPR, Resources Agency, and the Commission are expected to do with the sea level action plan.

(Continued)

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Analyst/Principal (0651) M Almy	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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

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AB 2598

**COMMENTS** (continued)

In December 2009, the Commission submitted "A Report of Sea Level Rise Preparedness", which contained responses to a survey that was sent out to all trustees of the state's public trust lands. Only a small portion of the surveys sent out were returned. The public trust lands are state assets and are comprised of the state's filled and unfilled and submerged lands as well as the beds of navigable waterways. The lands are extremely vulnerable to sea level rise and are some of the state's most valuable lands in terms of economic infrastructure and environmental habitat. The trustees are legislative grant recipients of these public trust lands and the statutes governing these grants allow the local trustees to collect revenues generated from the state assets and reinvest them locally for public trust purposes. The Commission indicates the intention of this bill is to allow it to confirm that major trustees are beginning to address the issue of sea level rise.

**SUMMARY OF CHANGES**

Amendments to this bill since our analysis of the April 15, 2010 version include the following significant amendments which do not change our position:

- Clarify that only local trustees of granted public trust lands are required to comply with the proposed requirement.
- Add a hardship provision to allow the Commission to exempt a local trustee's requirement should the trustee have insufficient funds.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code	
	LA	(Dollars in Thousands)								
	CO	PROP	2010-2011		2011-2012		2012-2013			
	RV	98	FC	FC	FC	FC				
0540/Secy Nat Res	SO	No	-----	See Fiscal Summary	-----			0140		
0650/OPR	SO	No	-----	See Fiscal Summary	-----			0001		
3560/Lands Comm	SO	No	-----	See Fiscal Summary	-----			0001		
8885/Comm St Mndt	SO	No	-----	See Fiscal Summary	-----			0001		
<u>Fund Code</u>	<u>Title</u>									
0001	General Fund									
0140	Environmental License Plate Fund, Calif									