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AB-1390 State lands: school and lieu lands. (2021-2022)



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## Assembly Bill No. 1390

## CHAPTER 715

An act to amend Sections 6373, 6477, 8709, and 8712 of, to add Section 6210.6 to, and to repeal Sections 6201.5 and 6205 of, the Public Resources Code, relating to state lands.

[ Approved by Governor October 08, 2021. Filed with Secretary of State October 08, 2021. ]

## LEGISLATIVE COUNSEL'S DIGEST

AB 1390, Boerner Horvath. State lands: school and lieu lands.

(1) Existing law grants to the State Lands Commission control over specified public lands in the state, including indemnity lands selected in lieu of specified land granted to the state by the United States for the use of public schools that was lost.

Existing law requires the commission to prepare a master plan for all school and lieu lands under its jurisdiction. Existing law requires the commission to obtain a statement from the United States Land Office after the survey of any township by the United States, as specified.

This bill would repeal the above requirements.

(2) Existing law requires, before any disposition of state lands to a private party or governmental agency, the intended recipient of the lands to submit a general plan for the use of the lands to the commission and Legislature, as prescribed.

This bill would instead require, at least 10 days before the commission authorizes a conveyance of state lands to a private party or governmental agency, the commission to notify, by letter, the chair of the relevant policy committees of the Legislature and each Member of the Legislature in whose district any part of the state lands is located of the proposed conveyance, and to make the information regarding the proposed conveyance publicly available on its internet website.

(3) Existing law prohibits the sale, lease, or rental of state lands that provide the only convenient means of access to other state lands, without reserving an easement for convenient access to the other lands to the state and its successors in interest.

This bill would make an exception to this requirement to reserve an easement on school lands when the commission determines that selling the school lands without the easement is in the best interests of the state.

(4) Existing law, the School Land Bank Act vests with the commission, as a trustee, the exclusive jurisdiction and authority to administer the School Land Bank Fund and authorizes the commission to acquire real property or any interest in real property with the objective of facilitating management of school lands for the purpose of generating revenue. The act authorizes the payment of the costs and expenses of the acquisition of real property, in addition to the purchase price, from the fund, provided that those costs do not exceed 5% of the expended funds.

This bill would authorize the commission to delegate authority to the commission's executive officer to make nonrefundable downpayments on potential acquisitions of real property or any interest in real property. The bill would remove the above-described limitation on costs and expenses paid from the fund, and would specify that these costs and expenses include, but are not limited to, the fees and expenses of appraisals, escrow, broker's fees, title insurance, and other third-party costs.

(5) Existing law requires the commission to report quarterly to the Teachers' Retirement Board and annually to the Legislature and Governor on the management of school and lieu lands and on waivers, suspensions, reductions, alterations, or amendments made by the commission relating to certain geothermal resources permits and leases on state lands.

This bill would also require the commission to report on acquisitions of real property made pursuant to the School Land Bank Act, including a summary of downpayments and any other transaction costs.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

- **SECTION 1.** Section 6201.5 of the Public Resources Code is repealed.
- **SEC. 2.** Section 6205 of the Public Resources Code is repealed.
- SEC. 3. Section 6210.6 is added to the Public Resources Code, to read:
- **6210.6.** Notwithstanding Section 6210.5, the commission is not required to reserve an easement on school lands if it determines that selling the school lands without the easement is in the best interests of the state.
- **SEC. 4.** Section 6373 of the Public Resources Code is amended to read:
- **6373.** At least 10 days before the commission authorizes a conveyance of state lands to a private party or other governmental agency, the commission shall notify, by letter, the chair of the relevant policy committees of the Legislature and each Member of the Legislature in whose district any part of the state lands is located of the proposed conveyance and make the information regarding the proposed conveyance publicly available on the commission's internet website.
- SEC. 5. Section 6477 of the Public Resources Code is amended to read:
- **6477.** (a) The commission shall report quarterly to the Teachers' Retirement Board and annually to the Legislature and the Governor on all of the following:
  - (1) The management of school and lieu lands.
  - (2) Waivers, suspensions, reductions, alterations, or amendments made by the commission pursuant to Section 6916, together with the reasons therefor.
  - (3) Acquisitions made pursuant to Section 8705, including a summary of downpayments and any other transaction costs.
- (b) The commission shall file a report with the Legislature annually on all waivers, suspensions, reductions, alterations, or amendments made by the commission pursuant to this section, together with the reasons therefor.
- (c) The reports required pursuant to this section shall be prepared in compliance with Section 9795 of the Government Code.
- SEC. 6. Section 8709 of the Public Resources Code is amended to read:
- **8709.** In addition to the purchase price to be paid, the costs and expenses attributable to the acquisition, including, but not limited to, the fees and expenses of appraisals, escrow, broker's fees, title insurance, and other third-party costs, may be paid from the fund.
- SEC. 7. Section 8712 of the Public Resources Code is amended to read:
- **8712.** The trustee may acquire real property or any interest in real property with the objective of facilitating management of school lands for the purpose of generating revenue. The trustee may delegate authority to the trustee's executive officer to make a nonrefundable downpayment for a potential acquisition of real property or any interest in real property.