

TO THE LANDS GRANTED TO THAT CITY AND THE DIER NOW BEING CONSTRUCTED AT NO CHARGE IN THAT THE DREDGING IS IN THE PUBLIC INTEREST.

22. (GRAZING LEASE APPLICATION NO. P.R.C. 1211, FRESNO COUNTY-AGNES H. HALBERSTADT, SAC. W.O. 5320) Application has been received from Mrs. Halberstadt of Laton, California, for a grazing lease for a term of ten years on the $W\frac{1}{2}$ of $SW\frac{1}{4}$, $NE\frac{1}{4}$ and $E\frac{1}{2}$ of $SE\frac{1}{4}$ of Section 36, T. 19 S., R. 12 E., M.D.M., containing 320 acres in Fresno County. The land has been advertised for lease and no other applications have been received. The applicant has offered twenty-one cents per acre per year which is the minimum of five per cent of the appraised value of the land, and is the minimum rental acceptable to the Commission.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED AUTHORIZING THE EXECUTIVE OFFICER TO ISSUE A FIVE YEAR GRAZING LEASE TO MRS. AGNES H. HALBERSTADT FOR 320 ACRES OF SCHOOL LANDS IN THE $W\frac{1}{2}$ OF $SW\frac{1}{4}$, $NE\frac{1}{4}$ AND $E\frac{1}{2}$ OF $SE\frac{1}{4}$ IN SECTION 36, T. 19 S., R. 12 E., M.D.M., IN FRESNO COUNTY AT AN ANNUAL RENTAL OF TWENTY-ONE CENTS PER ACRE AND THAT THE APPLICANT BE REQUIRED TO PAY THE FIRST AND LAST YEARS' RENTAL AT THE TIME OF EXECUTION OF THE LEASE.

23. (LEGISLATION - W.O. 540) A digest of the progress of bills which were authorized to be introduced in the Legislature was submitted to the Commission.

The digest showed that Senate Bill 1695 had been tabled. This was requested after a discussion with the Legislative Counsel brought out that further study was essential. The bill was to remove a duplication of the same provision in the Public Resources Code. No procedural effect on the State Lands Commission operation will occur pending reintroduction of the bill next session.

With respect to Senate Bill 1720 regarding telephone companies' use of State land company representatives wanted to amend the bill to the end that no legislative declaration would result which would affect their position of a grant in perpetuity. Upon the suggestions from Mr. Dean and Mr. Kuchel, the amendments were discussed with Assistant Attorney General Walter Bowers. He advised that passage of the amended bill would confirm the telephone companies' position of a grant in perpetuity. The position of the staff after discussion with the Attorney General is that the only way to settle the grant in perpetuity problem is through a court case. It would, therefore, not be advantageous to get the amended bill enacted. The problem may be clarified by another bill in the legislature which may overcome the Supreme Court ruling in the Los Angeles County case that it cannot collect 2% of gross telephone revenue under a franchise for use of rights of way over county streets.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, A RESOLUTION WAS ADOPTED APPROVING THE STAFF'S ACTION IN HAVING SENATE BILL 1695 TABLED AND AUTHORIZING TABLING OF SENATE BILL 1720.

There being no further business to come before the Commission, the meeting was adjourned.