

MINUTE ITEM

11. PUBLIC LANDS ADMINISTRATION PROGRAM (OTHER THAN SOVEREIGN TIDE AND SUBMERGED LANDS) - W.O. 3590.

In discussion of Calendar Item 3 attached, No. 7(3) of the recommendation was deliberated at some length, with the final determination that it should be changed to provide for (in addition to the amount of the expense deposit named in the bid advertisement) a cash deposit with the bid, the sum to be:

- (a) The full amount of the appraised value for parcels appraised at \$500 or less.
- (b) \$500 for parcels appraised at more than \$500 but not more than \$2500.
- (c) Twenty percent of the appraised value for parcels appraised at more than \$2500.

The Executive Officer pointed out that in paragraph 15 of the recommendation, line 6, the comma following the word "AVAILABLE" should be stricken, and also the words "AGENCIES AGREE" should be stricken.

Mrs. Ruth Thurber, who appeared on behalf of 39 exchange applicants (Exchanges Nos. 67 and 75) was assured by Messrs. Hale Champion, F. J. Hortig, and Kenneth C. Smith that none of the proposed changes would affect applications already on file.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE FOLLOWING RESOLUTION WAS ADOPTED:

THE COMMISSION:

1. ADOPTS, WITH DUE CONSIDERATION FOR THE TRUST OBLIGATIONS OF THE CONGRESSIONAL GRANT, THE POLICY OF ADMINISTERING THE REMAINING VACANT STATE SCHOOL LANDS THROUGH (A) ENCOURAGING LEASES FOR PUBLIC USES BY STATE AND LOCAL AGENCIES AND FOR PRIVATE USES WHERE NOT INCONSISTENT WITH PUBLIC-AGENCY PROGRAMS; AND (B) PROVIDING FOR SALE OF THE LANDS WHEN THE COMMISSION DETERMINES THAT SUCH SALE IS IN THE BEST INTEREST OF THE STATE.
2. DIRECTS THE EXECUTIVE OFFICER TO CIRCULATE A LIST OF ALL SUCH LANDS TO STATE AND LOCAL PUBLIC AGENCIES, THROUGH APPROPRIATE MEDIA (I.E., TO COUNTY BOARDS OF SUPERVISORS THROUGH THE COUNTY BOARD OF SUPERVISORS ASSOCIATION; TO CITY GOVERNMENTS THROUGH THE LEAGUE OF CALIFORNIA CITIES; AND TO SCHOOL DISTRICTS THROUGH THE CALIFORNIA SCHOOL BOARDS ASSOCIATION), REQUIRING RESPONSE WITHIN 60 DAYS AS TO WHETHER SUCH AGENCIES WISH TO LEASE OR TO ACQUIRE ANY LAND APPEARING THEREON, NOTING THAT SUCH LIST IS SUBJECT TO CHANGE AND THAT RESPONSIBILITY IN THE FUTURE WILL REST WITH ALL LOCAL PUBLIC AGENCIES TO ASCERTAIN WHETHER ANY SUCH STATE LANDS ARE WITHIN THEIR PROGRAM AREA.
3. DIRECTS THE ESTABLISHMENT OF A "LEASE LIST", CONSISTING OF THOSE LANDS TO BE RESERVED FROM SALE FOR:
 - (1) PUBLIC AGENCIES, ON REQUEST, UNDER NO. 2 ABOVE;

- (2) MILITARY USES UNDER NEGOTIATED LEASES;
 - (3) QUALIFIED INDIVIDUALS OR ENTITIES, FOR SILVICULTURE OR FOREST-CUTTING PURPOSES, IN COOPERATION WITH THE STATE FORESTER AS AUTHORIZED BY SECTION 6201 OF THE PUBLIC RESOURCES CODE;
 - (4) MINERAL EXTRACTION;
 - (5) OTHER USES NOT INCONSISTENT WITH PUBLIC-AGENCY NEEDS TO BE SATISFIED BY LEASE OR PURCHASE.
4. DIRECTS THE ESTABLISHMENT OF A "SALES LIST" CONSISTING OF THOSE LANDS NOT INCLUDED IN EITHER:
 - (1) THE "LEASE LIST" UNDER NO. 3 ABOVE, OR
 - (2) LITIGATION, TITLE PROBLEMS, OR OTHER MATTERS PRECLUDING SALE THEREOF.
 5. DIRECTS THE ESTABLISHMENT ON THE "SALES LIST" UNDER 4 ABOVE, DESCRIPTIONS OF THE SMALLEST LEGAL SUBDIVISIONS OR COMBINATIONS THEREOF WITHIN EACH SECTION AS INDICATION OF THE AVAILABILITY, FOR SEPARATE SALE, OF EACH SUCH LISTED PARCEL.
 6. UPON RECEIPT OF ANY APPLICATION FOR PURCHASE OF LANDS ON THE "SALES LIST" PURSUANT TO 4 AND 5 ABOVE, EXCEPT THOSE FALLING WITHIN THE PURVIEW OF SECTION 6223, PUBLIC RESOURCES CODE, DIRECTS THE NOTIFICATION OF ALL STATE AGENCIES HAVING A POSSIBLE LAND-ACQUISITION PROGRAM, SOLICITING A RESPONSE WITHIN 45 DAYS AS TO WHETHER SUCH AGENCIES WISH TO LEASE OR PURCHASE SUCH LAND WITHIN TWO YEARS.
 7. DIRECTS THE SIMPLIFICATION OF THE SALES PROCEDURES AS FOLLOWS:
 - (1) ELIMINATE THE PREFERENTIAL PURCHASE RIGHT NOW EXTENDED TO FIRST APPLICANTS, AND PROVIDE FOR AWARD TO THE HIGHEST QUALIFIED BIDDER, EXCEPT AS TO THOSE APPLICATIONS FILED FOR THE PURCHASE OF STATE SCHOOL LANDS PRIOR TO MAY 24, 1960.
 - (2) REQUIRE THE SUBMISSION OF AN INITIAL MINIMUM EXPENSE DEPOSIT OF \$350 WITH ALL PURCHASE APPLICATIONS SUBMITTED PRIOR TO ADVERTISED CALL FOR BIDS.
 - (3) ELIMINATE THE PRESENT REQUIREMENT THAT THE FULL AMOUNT OF THE OFFER IN CASH MUST ACCOMPANY AN INITIAL APPLICATION SUBMITTED PRIOR TO ADVERTISED CALL FOR SEALED BIDS; IN THE CASE OF SEALED BIDS SUBMITTED PURSUANT TO ADVERTISING, CONTINUE THE POLICY OF REQUIRING THAT THE CASH AMOUNT OF THE EXPENSE DEPOSIT NAMED IN THE BID ADVERTISEMENT FOR ANY PARCEL MUST ACCOMPANY THE BID FORM, PLUS A CASH DEPOSIT WITH THE BID OF:
 - (A) THE FULL AMOUNT OF THE APPRAISED VALUE FOR PARCELS APPRAISED AT \$500 OR LESS.
 - (B) \$500 FOR PARCELS APPRAISED AT MORE THAN \$500 BUT NOT MORE THAN \$2500.

- (c) TWENTY PERCENT OF THE APPRAISED VALUE FOR PARCELS APPRAISED AT MORE THAN \$2500.
- (4) REQUIRE FORFEITURE OF THE ENTIRE EXPENSE DEPOSIT OF THE HIGHEST QUALIFIED BIDDER IF WITHDRAWAL OF SUCH BID OCCURS BETWEEN THE TIME OF OPENING OF ALL BIDS AND FORMAL BID ACCEPTANCE BY THE COMMISSION.
- (5) REVISE PRESENT SECTION 2301 OF THE RULES AND REGULATIONS RELATING TO MINIMUM ACCEPTABLE OFFERS SO THAT THE AMOUNT OF SUCH OFFERS IS NOT STATED IN THE RULES BUT MAY BE ESTABLISHED BY COMMISSION RESOLUTION.
- (6) INCORPORATE INTO THE COMMISSION'S RULES AND REGULATIONS A PROVISION TO PERMIT SALES, AT THE APPRAISED VALUE WITHOUT COMPETITIVE BIDDING, TO STATE, COUNTY, AND CITY GOVERNMENTS, AND TO SCHOOL DISTRICTS.
8. DIRECTS THE ESTABLISHMENT OF A POLICY WITH RESPECT TO LEASING OF SCHOOL LANDS COMPATIBLE WITH THE PRESENT POLICY GOVERNING COMMERCIAL AND RECREATIONAL LEASING OF SOVEREIGN LANDS.
9. AUTHORIZES INTRODUCTION OF LEGISLATION TO AMEND SECTION 7361 AND ANY OTHER PERTINENT SECTIONS OF THE PUBLIC RESOURCES CODE TO ALLOW THE COMMISSION EITHER TO SELL TIMBER AND LAND TOGETHER, OR TO SELL THE TIMBER IN TOTO, OR BY SELECTIVE CUTTING INDEPENDENT OF THE LAND, IN COOPERATION WITH THE STATE FORESTER PURSUANT TO SECTION 6201 OF THE PUBLIC RESOURCES CODE.
10. IN THOSE INSTANCES WHERE A STATE OR LOCAL AGENCY REQUESTS THAT LAND BE HELD FOR ITS POSSIBLE FUTURE USE, ESTABLISHES A POLICY PERMITTING WITHDRAWAL OF SUCH LAND FROM SALE FOR A PERIOD OF UP TO TWO YEARS TO ALLOW TIME FOR DETERMINING WHETHER THE LAND WILL BE NEEDED FOR THE AGENCY'S PROGRAM, AND REQUIRES THAT ON OR BEFORE EXPIRATION OF THE WITHDRAWAL PERIOD SUCH AGENCY MUST EITHER PURCHASE OR LEASE THE LAND, FAILING WHICH THE LAND WILL BE RETURNED TO THE APPROPRIATE LIST.
11. REVOKES THE COMMISSION'S WITHDRAWAL ORDER OF MAY 24, 1960, PLACED ON THE SALE OF VACANT SCHOOL LANDS, SUCH REVOCATION TO BE CONCURRENT WITH THE EFFECTIVE DATE OF REQUIRED REVISION OF RULES AND REGULATIONS.
12. DIRECTS THE STAFF TO IMPLEMENT AND TO PLACE IN EFFECT, AS RAPIDLY AS FEASIBLE, THE PROGRAM OUTLINED IN THE RECOMMENDATIONS HEREINABOVE, INCLUSIVE OF THE AMENDING OF THE RULES AND REGULATIONS AND THE INTRODUCTION OF NECESSARY AMENDATORY LEGISLATION.
13. DIRECTS THE REJECTION OF ANY APPLICATION BY PRIVATE PARTIES TO PURCHASE STATE LANDS PRESENTLY AUTHORIZED TO BE SOLD PURSUANT TO SECTIONS 2300 TO 2302, INCLUSIVE, OF TITLE 2, DIVISION 3, OF THE CALIFORNIA ADMINISTRATIVE CODE, IN INSTANCES WHERE ANY STATE OR LOCAL AGENCY HAS OBJECTED TO SUCH SALE INTO PRIVATE OWNERSHIP AND OFFERS TO PURCHASE OR LEASE THE LAND WITHIN TWO YEARS FROM THE DATE SUCH OBJECTION IS RECEIVED BY THE STATE LANDS COMMISSION.

14. WITH RESPECT TO LANDS UNDER PENDING STATE INDEMNITY SELECTIONS, EXCEPT THOSE INVOLVING SURRENDERED CERTIFICATES OF INDEMNITY (I.E., SCRIP) UNDER WHICH A CONTRACT HAS BEEN CREATED, AND WITH RESPECT TO EXCHANGES FOR WHICH PRIVATE APPLICATIONS ARE IN GOOD STANDING, DIRECTS THE FOLLOWING PROCEDURE:
- (1) LEASE OR SELL TO PUBLIC AGENCIES WHEN SUCH AGENCY APPLICATIONS ARE SUBMITTED UNDER THE PROVISIONS OF SECTION 6223, PUBLIC RESOURCES CODE, WHEREBY THE PUBLIC AGENCY APPLICANT IS ACCORDED A PREFERENTIAL PURCHASE RIGHT.
 - (2) SELL TO PRIVATE APPLICANTS IN INSTANCES WHERE, AT THE TIME THE MATTER OF SALE IS CONSIDERED BY THE COMMISSION, NO CONFLICTING APPLICATION OF A PUBLIC AGENCY HAS BEEN SUBMITTED PURSUANT TO THE PROVISIONS OF SECTION 6223, PUBLIC RESOURCES CODE.
15. REVOKES THE COMMISSION'S SEPTEMBER 13, 1957, DECLARATION OF A MORATORIUM ON EXCHANGES AND INDEMNITY SELECTIONS FOR THE EXCLUSIVE BENEFIT OF STATE AND LOCAL AGENCIES, IN ORDER TO PROVIDE FOR THE ACQUISITION OF LANDS FROM THE UNITED STATES UNDER EITHER PROCEDURE WHEN THE FEDERAL LANDS TO BE ACQUIRED ARE PROPOSED FOR DIRECT USE BY SUCH STATE OR LOCAL AGENCIES, AND WHEN NECESSARY FUNDS ARE MADE AVAILABLE TO PAY THE COMMISSION'S TOTAL COST OF THE EXCHANGE TRANSACTION AND WHEN THE PUBLIC AGENCY AGREES TO LEASE OR PURCHASE THE ACQUIRED LANDS AT MARKET VALUE UPON ACQUISITION BY THE COMMISSION; OR WHEN THE PURPOSE IS TO BLOCK OUT OR CONSOLIDATE STATE OR FEDERAL LANDS; SUCH TRANSACTIONS TO BE UNDERTAKEN ONLY WHEN, IN THE OPINION OF THE COMMISSION, IT IS DETERMINED TO BE IN THE BEST INTEREST OF THE STATE TO DO SO AND ADEQUATE ACREAGE OF THE APPROPRIATE TYPE OF STATE LAND IS AVAILABLE.
16. AUTHORIZES AMENDMENT OF THE COMMISSION'S EXISTING REGULATIONS, SIMULTANEOUSLY WITH THE ADOPTION OF ANY NEW REGULATIONS IN IMPLEMENTATION OF THIS RECOMMENDED PROGRAM, TO ALLOW THE RETURN OF ALL DEPOSITS ON HAND WHICH WERE FILED WITH PURCHASE APPLICATIONS FOR LANDS EXEMPTED FROM THE MAY 24, 1960, MORATORIUM, EXCEPT \$350 FOR EACH APPLICATION AND EXCEPT SUCH DEPOSITS AS WERE FILED WITH THOSE APPLICATIONS WHICH IT IS ANTICIPATED WILL BE PROCESSED WITHIN A SIX-MONTH PERIOD AFTER LIFTING OF THE MORATORIUM.
17. TAKES UNDER ADVISEMENT FOR SUCH FUTURE ACTION AS MAY POSSIBLY BE REQUIRED RECOMMENDATIONS III, IV, AND V OF THE SENATE FACT FINDING COMMITTEE ON NATURAL RESOURCES RELATING TO PROPOSALS FOR INTRODUCTION OF LEGISLATION CONCERNING:
- (1) THE LEGISLATIVE TRANSFER OF STATE SCHOOL LANDS TO THE JURISDICTION OF OTHER STATE AGENCIES FOR MANAGEMENT PURPOSES.
 - (2) THE LEGISLATIVE TRANSFER OF STATE SCHOOL LANDS TO SCHOOL DISTRICTS.
 - (3) REPEAL OF SECTION 4 OF ARTICLE IX OF THE STATE CONSTITUTION TO ELIMINATE THE SCHOOL LAND FUND.

Attachment
Calendar Item 3 (6 pages)

CALENDAR ITEM

3.

PUBLIC LANDS ADMINISTRATION PROGRAM (OTHER THAN SOVEREIGN, TIDE AND SUBMERGED LANDS) - W.O. 3590.

The Commission, in undertaking a review of policies and procedures relating to public lands under its jurisdiction other than those held in a sovereign capacity, deferred further action thereon in deference to Senate Resolution No. 22, adopted June 28, 1962, Third Extraordinary Session. This resolution requested that no action be taken by the Commission to adopt or otherwise effectuate prior staff recommendations unless and until the proposed program had been reviewed by a Senate Committee and a report thereon had been filed with the Commission.

The Senate Permanent Fact Finding Committee on Natural Resources, to which the review and study was assigned, held hearings on the proposed program and rendered a report thereon in January of this year, copies of which have been furnished to members of the Commission. (Exhibit "C")

The purpose of this calendar item is to set forth an analysis of all recommendations, both of the staff and of the Senate Natural Resources Committee, together with staff comments and further recommendations to assist the Commission in its deliberations with respect to establishing policies and procedures for the future administration of the lands involved. For this purpose, the staff analysis is attached hereto as Exhibit "B".

The analysis reveals differences of concept as to the manner of using the lands under discussion. The original proposal of the Commission's staff is based upon the concept that the 1853 Congressional Grant of the 16th and 36th sections in each township, or lands in lieu thereof, requires that the lands be used for the exclusive benefit of the public schools of the State. To date, legislative policy has dictated that the lands be sold or leased, that the income from sale be deposited in the permanent constitutional School Land Fund, and that any earnings from leases or from the corpus of the School Land Fund be deposited in the School Fund. Accordingly, administration of these lands always has been in keeping with the trust obligations which always have been considered to exist. The existence of trust obligations has been confirmed by formal opinion of the Attorney General, No. 63/48 dated June 5, 1963, a copy of which is attached hereto as Exhibit "A". A prior opinion of the Legislative Counsel points out that the only legal trust obligation is the requirement that all sale income be deposited into the School Land Fund in compliance with the requirements of Section 4, Article IX of the State Constitution.

The Division feels that the spirit and intent of both the Congress and the Legislature was to require diligent administration of the granted lands so as to obtain the best possible return for the benefit of the public schools of this State from the sale or use of the lands. This view appears to have been the guiding principle for the Commission's predecessors, and is substantiated by the Attorney General's Opinion Analysis, which emphasizes the express, implied, and honorary aspects of the trusts under both the Congressional School Land Grant and the State Constitution.

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The Resources Agency had originally proposed for Committee consideration certain uses for State school lands which were not consistent with subsequent Committee recommendations or the opinion of the Office of the Attorney General. Accordingly, the Agency has submitted a revised proposal consistent with the aforementioned Committee recommendations and the opinion of the Attorney General.

In view of the opinion expressed by the Attorney General that the use of school lands must be for the direct benefit of common schools throughout the State, the Division cannot endorse all of the Committee's recommendations, and, further, suggests limitations on certain of the recommendations.

The Commission will recall that its request for a staff review of policy with respect to administration of the remaining vacant school lands was predicated upon a question as to whether lands were being sold into private ownership to the alleged detriment of public-agency programs. The land administration program proposed by the Division in its report to the Commission under date of December 1, 1961, recommendations for which are modified herein, seeks to simplify procedures by which school lands might be utilized even more extensively for public uses consistent with the trusts under which the Commission must operate.

The Committee has indicated that the Division's recommended land-management program is not appropriate. The objection expressed is that the Commission should not use for speculative purposes these lands which are classified for leasing. However, a more limited program was recommended by the Committee to be applicable to a considerably reduced acreage. The proposed uses are for military purposes, silviculture, and mineral extraction. This program would have been applicable after transfer of a substantial portion of the presently vacant lands to certain other agencies.

The proposed transfer without benefit to the public schools is deemed contrary to the trusts per the Attorney General's Opinion, but might be made acceptable if provision were made for full-value reimbursement to the School Fund or to the School Land Fund.

In view of the above resumé of the points at issue and the attached analysis,

IT IS RECOMMENDED THAT THE COMMISSION:

1. ADOPT, WITH DUE CONSIDERATION FOR THE TRUST OBLIGATIONS OF THE CONGRESSIONAL GRANT, THE POLICY OF ADMINISTERING THE REMAINING VACANT STATE SCHOOL LANDS THROUGH (A) ENCOURAGING LEASES FOR PUBLIC USES BY STATE AND LOCAL AGENCIES AND FOR PRIVATE USES WHERE NOT INCONSISTENT WITH PUBLIC-AGENCY PROGRAMS; AND (B) PROVIDING FOR SALE OF THE LANDS WHEN THE COMMISSION DETERMINES THAT SUCH SALE IS IN THE BEST INTEREST OF THE STATE.
2. DIRECT THE EXECUTIVE OFFICER TO CIRCULATE A LIST OF ALL SUCH LANDS TO STATE AND LOCAL PUBLIC AGENCIES, THROUGH APPROPRIATE MEDIA (I.E., TO COUNTY BOARDS OF SUPERVISORS THROUGH THE COUNTY BOARD OF SUPERVISORS ASSOCIATION; TO CITY GOVERNMENTS THROUGH THE LEAGUE OF CALIFORNIA

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CITIES; AND TO SCHOOL DISTRICTS THROUGH THE CALIFORNIA SCHOOL BOARDS ASSOCIATION), REQUIRING RESPONSE WITHIN 60 DAYS AS TO WHETHER SUCH AGENCIES WISH TO LEASE OR TO ACQUIRE ANY LAND APPEARING THEREON, NOTING THAT SUCH LIST IS SUBJECT TO CHANGE AND THAT RESPONSIBILITY IN THE FUTURE WILL REST WITH ALL LOCAL PUBLIC AGENCIES TO ASCERTAIN WHETHER ANY SUCH STATE LANDS ARE WITHIN THEIR PROGRAM AREA.

3. ESTABLISH A "LEASE LIST", CONSISTING OF THOSE LANDS TO BE RESERVED FROM SALE FOR:
 - (1) PUBLIC AGENCIES, ON REQUEST, UNDER NO. 2 ABOVE;
 - (2) MILITARY USES UNDER NEGOTIATED LEASES;
 - (3) QUALIFIED INDIVIDUALS OR ENTITIES, FOR SILVICULTURE OR FOREST-CUTTING PURPOSES, IN COOPERATION WITH THE STATE FORESTER AS AUTHORIZED BY SECTION 6201 OF THE PUBLIC RESOURCES CODE;
 - (4) MINERAL EXTRACTION;
 - (5) OTHER USES NOT INCONSISTENT WITH PUBLIC-AGENCY NEEDS TO BE SATISFIED BY LEASE OR PURCHASE.
4. ESTABLISH A "SALES LIST" CONSISTING OF THOSE LANDS NOT INCLUDED IN EITHER:
 - (1) THE "LEASE LIST" UNDER NO. 3 ABOVE, OR
 - (2) LITIGATION, TITLE PROBLEMS, OR OTHER MATTERS PRECLUDING SALE THEREOF.
5. ESTABLISH ON THE "SALES LIST" UNDER 4 ABOVE, DESCRIPTIONS OF THE SMALLEST LEGAL SUBDIVISIONS OR COMBINATIONS THEREOF WITHIN EACH SECTION AS INDICATION OF THE AVAILABILITY, FOR SEPARATE SALE, OF EACH SUCH LISTED PARCEL.
6. UPON RECEIPT OF ANY APPLICATION FOR PURCHASE OF LANDS ON THE "SALES LIST" PURSUANT TO 4 AND 5 ABOVE, EXCEPT THOSE FALLING WITHIN THE PURVIEW OF SECTION 6223 PUBLIC RESOURCES CODE, NOTIFY ALL STATE AGENCIES HAVING A POSSIBLE LAND-ACQUISITION PROGRAM, SOLICITING A RESPONSE WITHIN 45 DAYS AS TO WHETHER SUCH AGENCIES WISH TO LEASE OR PURCHASE SUCH LAND WITHIN TWO YEARS.
7. SIMPLIFY THE SALES PROCEDURES AS FOLLOWS:
 - (1) ELIMINATE THE PREFERENTIAL PURCHASE RIGHT NOW EXTENDED TO FIRST APPLICANTS, AND PROVIDE FOR AWARD TO THE HIGHEST QUALIFIED BIDDER, EXCEPT AS TO THOSE APPLICATIONS FILED FOR THE PURCHASE OF STATE SCHOOL LANDS PRIOR TO MAY 24, 1960.
 - (2) REQUIRE THE SUBMISSION OF AN INITIAL MINIMUM EXPENSE DEPOSIT OF \$350 WITH ALL PURCHASE APPLICATIONS SUBMITTED PRIOR TO ADVERTISED CALL FOR BIDS.

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- (3) ELIMINATE THE PRESENT REQUIREMENT THAT THE FULL AMOUNT OF THE OFFER IN CASH MUST ACCOMPANY AN INITIAL APPLICATION SUBMITTED PRIOR TO ADVERTISED CALL FOR SEALED BIDS; IN THE CASE OF SEALED BIDS SUBMITTED PURSUANT TO ADVERTISING, CONTINUE THE POLICY OF REQUIRING THAT THE FULL CASH AMOUNT OF THE BID PLUS THE AMOUNT OF THE EXPENSE DEPOSIT NAMED IN THE BID ADVERTISEMENT MUST ACCOMPANY THE BID FORM FOR ANY PARCEL APPRAISED FOR SALE PURPOSES AT \$2,500 OR LESS. FOR ANY PARCEL APPRAISED FOR SALE PURPOSES AT MORE THAN \$2,500 REQUIRES THE BIDDER TO DEPOSIT 20% OF THE APPRAISED VALUE AT THE TIME OF SUBMISSION OF A SEALED BID PLUS THE AMOUNT OF THE EXPENSE DEPOSIT.
 - (4) REQUIRE FORFEITURE OF THE ENTIRE EXPENSE DEPOSIT OF THE HIGHEST QUALIFIED BIDDER IF WITHDRAWAL OF SUCH BID OCCURS BETWEEN THE TIME OF OPENING OF ALL BIDS AND FORMAL BID ACCEPTANCE BY THE COMMISSION.
 - (5) REVISE PRESENT SECTION 2301 OF THE RULES AND REGULATIONS RELATING TO MINIMUM ACCEPTABLE OFFERS SO THAT THE AMOUNT OF SUCH OFFERS IS NOT STATED IN THE RULES BUT MAY BE ESTABLISHED BY COMMISSION RESOLUTION.
 - (6) INCORPORATE INTO THE COMMISSION'S RULES AND REGULATIONS A PROVISION TO PERMIT SALES, AT THE APPRAISED VALUE WITHOUT COMPETITIVE BIDDING, TO STATE, COUNTY, AND CITY GOVERNMENTS, AND TO SCHOOL DISTRICTS.
8. ADOPT A POLICY WITH RESPECT TO LEASING OF SCHOOL LANDS COMPATIBLE WITH THE PRESENT POLICY GOVERNING COMMERCIAL AND RECREATIONAL LEASING OF SOVEREIGN LANDS.
 9. AUTHORIZE INTRODUCTION OF LEGISLATION TO AMEND SECTION 7361 AND ANY OTHER PERTINENT SECTIONS OF THE PUBLIC RESOURCES CODE TO ALLOW THE COMMISSION EITHER TO SELL TIMBER AND LAND TOGETHER, OR TO SELL THE TIMBER IN TOTO, OR BY SELECTIVE CUTTING INDEPENDENT OF THE LAND, IN COOPERATION WITH THE STATE FORESTER PURSUANT TO SECTION 6201 OF THE PUBLIC RESOURCES CODE.
 10. IN THOSE INSTANCES WHERE A STATE OR LOCAL AGENCY REQUEST THAT LAND BE HELD FOR ITS POSSIBLE FUTURE USE, ESTABLISH A POLICY PERMITTING WITHDRAWAL OF SUCH LAND FROM SALE FOR A PERIOD OF UP TO TWO YEARS TO ALLOW TIME FOR DETERMINING WHETHER THE LAND WILL BE NEEDED FOR THE AGENCY'S PROGRAM, AND REQUIRE THAT ON OR BEFORE EXPIRATION OF THE WITHDRAWAL PERIOD SUCH AGENCY MUST EITHER PURCHASE OR LEASE THE LAND, FAILING WHICH THE LAND WILL BE RETURNED TO THE APPROPRIATE LIST.
 11. REVOKE THE COMMISSION'S WITHDRAWAL ORDER OF MAY 24, 1960, PLACED ON THE SALE OF VACANT SCHOOL LANDS, SUCH REVOCATION TO BE CONCURRENT WITH THE EFFECTIVE DATE OF REQUIRED REVISION OF RULES AND REGULATIONS.
 12. DIRECT THE STAFF TO IMPLEMENT AND TO PLACE IN EFFECT, AS RAPIDLY AS FEASIBLE, THE PROGRAM OUTLINED IN THE RECOMMENDATIONS HEREINABOVE, INCLUSIVE OF THE AMENDING OF THE RULES AND REGULATIONS AND THE INTRODUCTION OF NECESSARY AMENDATORY LEGISLATION.

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13. REJECT ANY APPLICATION BY PRIVATE PARTIES TO PURCHASE STATE LANDS PRESENTLY AUTHORIZED TO BE SOLD PURSUANT TO SECTION 2300 TO 2302, INCLUSIVE, OF TITLE 2, DIVISION 3, OF THE CALIFORNIA ADMINISTRATIVE CODE, IN INSTANCES WHERE ANY STATE OR LOCAL AGENCY HAS OBJECTED TO SUCH SALE INTO PRIVATE OWNERSHIP AND OFFERS TO PURCHASE OR LEASE THE LAND WITHIN TWO YEARS FROM THE DATE SUCH OBJECTION IS RECEIVED BY THE STATE LANDS COMMISSION.
14. WITH RESPECT TO LANDS UNDER PENDING STATE INDEMNITY SELECTIONS, EXCEPT THOSE INVOLVING SURRENDERED CERTIFICATES OF INDEMNITY (I.E., SCRIP) UNDER WHICH A CONTRACT HAS BEEN CREATED, AND WITH RESPECT TO EXCHANGES FOR WHICH PRIVATE APPLICATIONS ARE IN GOOD STANDING, PROCEED AS FOLLOWS:
 - (1) LEASE OR SELL TO PUBLIC AGENCIES WHEN SUCH AGENCY APPLICATIONS ARE SUBMITTED UNDER THE PROVISIONS OF SECTION 6223, PUBLIC RESOURCES CODE, WHEREBY THE PUBLIC AGENCY APPLICANT IS ACCORDED A PREFERENTIAL PURCHASE RIGHT.
 - (2) SELL TO PRIVATE APPLICANTS IN INSTANCES WHERE, AT THE TIME THE MATTER OF SALE IS CONSIDERED BY THE COMMISSION, NO CONFLICTING APPLICATION OF A PUBLIC AGENCY HAS BEEN SUBMITTED PURSUANT TO THE PROVISIONS OF SECTION 6223, PUBLIC RESOURCES CODE.
15. REVOKE THE COMMISSION'S SEPTEMBER 13, 1957 DECLARATION OF A MORATORIUM ON EXCHANGES AND INDEMNITY SELECTIONS FOR THE EXCLUSIVE BENEFIT OF STATE AND LOCAL AGENCIES, IN ORDER TO PROVIDE FOR THE ACQUISITION OF LANDS FROM THE UNITED STATES UNDER EITHER PROCEDURE WHEN THE FEDERAL LANDS TO BE ACQUIRED A. PROPOSED FOR DIRECT USE BY SUCH STATE OR LOCAL AGENCIES, AND WHEN NECESSARY FUNDS ARE MADE AVAILABLE, AGENCIES AGREE TO PAY THE COMMISSION'S TOTAL COST OF THE EXCHANGE TRANSACTION AND WHEN THE PUBLIC AGENCY AGREES TO LEASE OR PURCHASE THE ACQUIRED LANDS AT MARKET VALUE UPON ACQUISITION BY THE COMMISSION; OR WHEN THE PURPOSE IS TO BLOCK OUT OR CONSOLIDATE STATE OR FEDERAL LANDS; SUCH TRANSACTIONS TO BE UNDERTAKEN ONLY WHEN, IN THE OPINION OF THE COMMISSION, IT IS DETERMINED TO BE IN THE BEST INTEREST OF THE STATE TO DO SO AND ADEQUATE ACREAGE OF THE APPROPRIATE TYPE OF STATE LAND IS AVAILABLE.
16. AUTHORIZE AMENDMENT OF THE COMMISSION'S EXISTING REGULATIONS, SIMULTANEOUSLY WITH THE ADOPTION OF ANY NEW REGULATIONS IN IMPLEMENTATION OF THIS RECOMMENDED PROGRAM, TO ALLOW THE RETURN OF ALL DEPOSITS ON HAND WHICH WERE FILED WITH PURCHASE APPLICATIONS FOR LANDS EXEMPTED FROM THE MAY 24, 1960 MORATORIUM, EXCEPT \$350 FOR EACH APPLICATION AND EXCEPT SUCH DEPOSITS AS WERE FILED WITH THOSE APPLICATIONS WHICH IT IS ANTICIPATED WILL BE PROCESSED WITHIN A SIX-MONTH PERIOD AFTER LIFTING OF THE MORATORIUM.
17. TAKE UNDER ADVISEMENT FOR SUCH FUTURE ACTION AS MAY POSSIBLY BE REQUIRED RECOMMENDATIONS III, IV AND V OF THE SENATE FACT FINDING COMMITTEE ON NATURAL RESOURCES RELATING TO PROPOSALS FOR INTRODUCTION OF LEGISLATION CONCERNING:
 - (1) THE LEGISLATIVE TRANSFER OF STATE SCHOOL LANDS TO THE JURISDICTION OF OTHER STATE AGENCIES FOR MANAGEMENT PURPOSES.

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- (2) THE LEGISLATIVE TRANSFER OF STATE SCHOOL LANDS TO SCHOOL DISTRICTS.
- (3) REPEAL OF SECTION 4 OF ARTICLE IX OF THE STATE CONSTITUTION TO ELIMINATE THE SCHOOL LAND FUND.