

43. ADOPTION OF RULES AND REGULATIONS - W.O. 5125.

During consideration of Calendar Item 7 attached, appearances were made by the following:

David L. Luce, District Attorney of Lake County, who objected to the proposed rules and regulations as they would affect Lake County, and suggested that Clear Lake either be leased to or granted back to Lake County. (It was pointed out by the Commission that a lease or grant was a matter requiring action by the Legislature.

Marvin E. Sullivan, Owner of Sully's Resort at Clear Lake, who was opposed to the proposed rules and regulations because of his interpretation as to their possible effect on resort owners.

Armond S. Fitzer, who was opposed to the proposed rules and regulations as they would affect Lake County and stated that he would seek a restraining order against the Commission.

Carl W. Denner, Chairman of the Board of Supervisors of Lake County, who stated that in his opinion it would be to the best interest of the State and of Lake County if the Commission would recommend leasing the entire lake bottom of Clear Lake to Lake County and that he was opposed to the proposed rules and regulations as they would work a hardship on the resort owners and private-property owners in Lake County.

During the discussion on the problems of Lake County, during which it had been brought out that Lake County was a hardship area with economic problems, the Commission pointed out that its rules and regulations necessarily had to apply to the entire State, but that special factual situations were taken into account in the appraisal process.

Upon motion duly made and unanimously carried, the following resolution was adopted:

THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION IN TITLE 2, DIVISION 3, OF THE CALIFORNIA ADMINISTRATIVE CODE HEREBY ARE AMENDED, REPEALED, AND ADOPTED SPECIFICALLY AS SET FORTH IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF AND THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER - MANAGEMENT IS HEREBY AUTHORIZED AND DIRECTED TO DO ALL THINGS NECESSARY FOR THE PREPARATION AND FILING, ACCORDING TO LAW, OF SUCH REGULATIONS AS ARE HEREBY AMENDED, REPEALED, AND ADOPTED.

Attachment

Calendar Item 7 (22 pages)

7.

SALES AND LEASING POLICY
(Other than minerals, oil and gas, and
other extractive uses)

Pursuant to resolution of the Commission, a public hearing was held by the Executive Officer on behalf of the Commission for the purpose of considering statements or arguments relevant to the intention of the Commission to adopt, amend, or repeal regulations in Title 2, Division 3, of the California Administrative Code, as set forth in the NOTICE OF PROPOSED CHANGE IN THE REGULATIONS OF THE STATE LANDS COMMISSION, a copy of which is on file in the Sacramento and Los Angeles offices of the Commission.

The notice was first published on October 17, 1968, in the Daily Recorder, Sacramento, California, and in the Los Angeles Daily Journal, as shown by the Declaration on file in this matter, both being newspapers of general circulation as provided for in Government Code Section 11423, and was otherwise distributed as required by law.

After hearing the statements and arguments presented at the hearing on November 19, 1968, and after full consideration thereof (written statements are on file), the State Lands Division recommends amendment, repeal and adoption of the Rules and Regulations of the Commission as set forth in said notice and including the following additional changes, which additional changes, for purposes of clarification, are indicated by use of a diagonal stroke (/) for deletions, and by double underlining for additions (see Exhibit "A" attached):

1. After and just below the words "GENERAL PROVISIONS", page 1, insert "Amend Section 1900, as follows:"
2. Section 1903(a) (2) through (5), page 2, delete the \$ signs.
3. Section 2000(a), A through K, pages 4 and 5, delete the letters A through K and substitute numbers 1 through 11.
4. Section 2000(a) 8, page 5, add the letter "s" to the word "structure".
5. Section 2000(e), page 7, capitalize the first letter of the word "commission".
6. Section 2000(e), page 7, after the last word, delete the period and add ", or renewal."
7. Section 2002(a), page 7, Section 2003, page 8, and Section 2005(a), page 10, capitalize the first letter of the word "commission".
8. Section 2004, first and second lines of proposed amendment, page 9, after the word "leases" and before the word "granted", and ", including renewals, if any,"

CALENDAR ITEM 7. (CONTD.)

9. Section 2004, pages 9 and 10. In each instance where "66 years" appears, substitute "49 years".
10. Section 2005(a), page 10, capitalize the first letter of the word "commission".
11. Section 2005(b) (6), page 11, delete the letter "s" from the word "conduits".
12. Section 2005(b) (8), page 12, substitute the number (9) for the number (3).
13. Section 2005(b) (9), page 12, capitalize the first letter of the word "commission".
14. Section 2005, page 12, add the following:

"(8) Noncommercial leases: 6% per annum of the appraised value, with a \$100.00 minimum annual rental, except for a \$65.00 minimum annual rental for dwelling, cabin and ark sites."
15. Section 2012, page 14. Delete the following portion of said section, which is to be renumbered as Section 2015 (see 17 below): "The projection from a shoreline shall be normal to the general direction of the shoreline, or as the commission may determine to be reasonable and proper, and in the best interests of the State."
16. Sections 2013 and 2014, page 14, capitalize the first letter of the word "commission".
17. After Section 2014, page 14, insert "Add Section 2015, as follows:

2015. PROJECTION FROM SHORELINE. The projection from a shoreline shall be normal to the general direction of the shoreline, or as the Commission may determine to be reasonable and proper, and in the best interests of the State."

(See change No. 15 above.)
18. Section 2302(d) (2), page 19, lines 7 and 8, delete the words "and administrative charge".

It is therefore recommended that the Commission adopt the following:

IT IS HEREBY RESOLVED THAT THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION IN TITLE 2, DIVISION 3, OF THE CALIFORNIA ADMINISTRATIVE CODE BE AND THEY HEREBY ARE AMENDED, REPEALED, AND ADOPTED SPECIFICALLY AS SET FORTH IN EXHIBIT "A" ATTACHED AND HEREBY MADE A PART HEREOF; AND THE EXECUTIVE OFFICER OR THE ASSISTANT EXECUTIVE OFFICER - MANAGEMENT IS HEREBY AUTHORIZED AND DIRECTED TO DO ALL THINGS NECESSARY FOR THE PREPARATION AND FILING, ACCORDING TO LAW, OF SUCH REGULATIONS AS ARE HEREBY AMENDED, REPEALED, AND ADOPTED.

Attachment: Exhibit "A"

EXHIBIT "A"

Title 2, Division 3 of the California Administrative Code

ARTICLE 1.

GENERAL PROVISIONS

Amend Section 1900, as follows:

1900. OPERATING AND ADMINISTRATIVE AGENCY.

The State Lands Division of the Department of Finance is the operating and administrative agency of the State Lands Commission and shall perform such duties and functions as may be directed by the Commission.

Amend Section 1903, as follows:

~~1903. FEES AND EXPENSE DEPOSITS.~~

(a) Each application shall be accompanied by a filing fee of \$5 (except in the case of a political subdivision or governmental agency from which no filing fee is required). This fee shall not be refunded if the application is accepted and filed.

(b) In addition to this filing fee an expense deposit shall be made in an amount sufficient to cover the costs of the commission in processing the application. This deposit shall be in the amounts specified in the separate articles hereof. Should such initial expense deposit be insufficient to cover said costs, the applicant shall deposit with the commission within 20 days following receipt of written notice such additional sum as may be specified. Failure to so deposit shall cause the application to be cancelled without notice.

Section 1903 (Continued)

(e) Any unexpended balance of the expense deposit shall be refunded to the applicant.

(d) Costs of processing the application shall be borne by the successful applicant. The entire expense deposit of all other applicants or bidders shall be refunded whenever an award is made to a successful applicant or bidder.

(e) Fees for the following services performed by the commission shall be:

(1) Certificates of Purchase or duplicates thereof	\$ 6.00
(2) Patents and certified copies of records thereof	10.00
(3) For certifying a contested case to superior court	20.00
(4) For certifying copies of papers	1.00
(5) For other services performed, fees shall be charged based on the costs of the services rendered.	

1903. FEE SCHEDULE.

(a) Except as may otherwise be provided for by law, fees of the Commission shall be charged according to the following schedule:

<u>(1) Filing fees as required by Sections 6502 and 7706 of the Public Resources Code</u>	<u>\$25.00</u>
<u>(2) Certificates of Purchase or duplicates thereof</u>	<u>\$ 6.00</u>
<u>(3) Patents and certified copies of records thereof</u>	<u>\$10.00</u>
<u>(4) Certification of contested case to superior court</u>	<u>\$20.00</u>
<u>(5) Certification of copies of documents</u>	<u>\$ 1.00</u>
<u>(6) Charges for other Commission services shall be based on costs.</u>	

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Add Section 1903.1, as follows:

1903.1. COMMISSION COSTS AND EXPENSES.

(a) Except as may otherwise be provided by law, costs and expenses of the Commission incurred in processing an application for land shall be chargeable as follows:

(1) An applicant for a lease under Article 2 shall not be charged for such costs and expenses.

(2) Other applicants shall be charged for such costs and expenses as provided by the separate Articles hereof.

Add Section 1903.2, as follows:

1903.2. EXPENSE DEPOSITS.

(a) In those instances where Commission costs and expenses are chargeable to the applicant, the applicant shall, at the time of filing the application, deposit an expense deposit with the Commission in an amount based on such costs and expenses.

(b) Should the expense deposit be insufficient to cover such costs and expenses, an additional expense deposit, sufficient for such purpose, shall be made by applicant from time to time, within 20 days after written notice of the amount thereof and demand therefor shall have been mailed to the applicant at the address of applicant supplied to the Commission by applicant. Should applicant fail to make such additional expense deposit with the Commission, the application may be cancelled without further notice.

(c) The Commission shall be entitled to apply such expense deposit, or any portion thereof, to the costs and expenses chargeable to applicant. Any unexpended portion thereof shall be refunded to applicant.

ARTICLE 2.

LEASING OR OTHER USE OF LANDS

Amend Section 2000, as follows:

2000. GENERAL.

(a) This article applies to leases of lands for ~~commercial,~~ residential, recreational, agricultural (including-grazing), and all other uses except for the prospecting for or extraction of minerals, including oil and gas, and geothermal resources. Rules for operations under leases for the extraction of oil and gas or other hydrocarbons are to be found in Article 3 and those for mineral extraction leases are set forth in Article 4. All authorizations for use granted pursuant to this article are subject to the right of the State to grant separate leases for the extraction of minerals, including oil or gas, and geothermal resources, from the lands involved or for other uses not incompatible with the original lease. Leases granted under this article are classified according to the lease purposes as follows:

1. A COMMERCIAL LEASE: Private marinas, restaurants, club-houses, amusements, fishing piers, helicopter decks, service stations, mooring sites, buoys, watercraft rental, water skiing, and other income-producing enterprises.

2. B INDUSTRIAL LEASE: Wharves, piers, stowage sites, dolphins, moorings, man-made or other islands, and similar uses.

3. C RIGHTS OF WAY: Power lines, pipelines and conduits, private bridges and access structures, roadways requiring monetary consideration, communications, and similar uses.

4. D PUBLIC AGENCY LEASE: Marinas, recreational piers, concessionaires, boating facilities. - fee charged to public, income producing leases, and other similar leases to public agencies.

Section 2000 (Continued)

5. § NONCOMMERCIAL LEASE: Inclusive of but not necessarily limited to subdivisions, clubs, associations, organizations not using land to produce direct income, and for accommodation piers, boathouses, floats, dwellings, cabins, arks, and other leases of the same nature.

6. § USE PERMIT: Noncommercial and nonindustrial use of a minimum pier, dock, buoy, or float of an area of State lands no greater than 3,000 square feet.

7. § GRAZING OR AGRICULTURAL LEASE: Livestock, silviculture, seasonal crops, and other agricultural purposes.

8. § PUBLIC AGENCY PERMIT: Public bridge, public roads, water lines, outfall lines, sewer lines, recreational structures, and other similar uses by public agencies.

9. § PROTECTIVE STRUCTURE PERMIT: This category includes permits granted under the authority of Section 6321 of the Public Resources Code, including groins, jetties, seawalls, bulkheads, breakwaters, and other similar uses.

10. § PRIVATE RECREATIONAL PIER PERMIT: This category includes permits granted pursuant to the provisions of Section 6503 of the Public Resources Code.

11. § SALVAGE PERMIT: This category includes permits granted pursuant to the provisions of Section 6309 of the Public Resources Code.

(b) Applications for grazing and agricultural leases shall be addressed to the State Lands Division, Sacramento, California 95814. Applications for other leases under this article shall be addressed to the principal office at 217 West First Street, Los Angeles, California 90012.

Section 2000 (Continued)

(b) Applications for leases under this Article of land located in the counties of Mono, Inyo, San Luis Obispo, Kern, Santa Barbara, San Bernardino, Ventura, Los Angeles, Riverside, San Diego, Orange and Imperial shall be filed with the State Lands Division, Los Angeles, California 90012. Applications for leases of lands outside said counties shall be filed with the State Lands Division, Sacramento, California 95814.

(e) Applications relating to the same parcel of land shall take precedence in the order of their receipt at the designated office of the commission, except that applications filed by cities, counties and officers of the State shall have priority over applications of other persons.

(c) Priorities of applications shall be as provided in Section 6223 of the Public Resources Code.

(d) The initial minimum expense deposits required under the provisions of Section 1903(b) as applied to leases under this article shall be: The initial minimum expense deposits for permits within the purview of Section 6321 of the Public Resources Code shall be \$150.00.

(1) For leases for residential use, and for recreational use where the cost of proposed installations or the preliminary appraised value of the lands does not exceed \$1,000: no initial deposit is required.

(2) For grazing and agricultural leases, and for leases for recreational use where the cost of proposed installations or the preliminary appraised value of the lands exceeds \$1,000: \$50.

(3) For all other leases within the purview of this article \$100.

Section 2000 (Continued)

(e) Leases under this article, or renewals of existing leases to the extent the terms and conditions of such leases being renewed do not otherwise provide, shall be governed by the rules and regulations of the Commission, as set forth in Title 2, Division 3, of the California Administrative Code, as such rules and regulations may be in effect on the date of Commission approval and authorization to execute the lease/, or renewal.

Amend Section 2002, as follows:

2002. LESSEES.

(a) Leases to occupy tidelands and submerged lands or to construct or maintain thereon, wharves, docks, piers, water terminals, pipe lines, lines for the transmission and distribution of electricity, telephone lines, bridges, and all other structures within the purview of this article, may be granted to the littoral owner or to others with the consent of the owner of licenses or easements from such littoral owners for the proposed work, or to public bodies of the State, however such lands may, consistent with development and utilization to the maximum economic potential, consistent with the legal rights of the littoral owner, be leased to the best qualified applicants, as determined by the Commission, whether or not the applicant be the littoral owner. The Commission may advertise and invite bids where in its judgment it is in the best interests of the State.

(b) Leases of other State lands for uses permitted under this article may be issued to qualified applicants.

Amend Section 2003, as follows:

2003. APPLICATION REQUIREMENTS.

(a) Forms for grazing and agricultural leases may be obtained from the Sacramento office of the State Lands Division.

Section 2003 (Continued)

(b) No special forms are required for applications for other uses within the purview of this article.

(c) Applications for authority to construct or maintain structures enumerated in Section 2001 hereof, and to construct and maintain commercial structures covered by Section 2002 hereof shall include:

(1) Name, address, and status of citizenship of applicant; if applicant is a corporation, the corporate name and the name of the president, secretary, and officer authorized to execute contracts and leases.

(2) A description of the state lands involved.

(3) A statement of the use proposed.

(4) A plat of the area desired, showing:

(A) Boundaries of parcel applied for, connected to a record of survey by courses and distances.

(B) The outline of each existing structure on the property, each appropriately identified.

(5) Name and address of each record owner of adjoining property, with a statement of the character and use of such property.

(6) Plans and cross sections of the proposed structure or copies of drawings which may have been submitted to the Corps of Engineers, Department of the Army.

(d) The applicant may be required to furnish such additional information and supporting data as the State Lands Division may deem applicable.

Information requirements upon lease applications shall be as prescribed by the State Lands Division, not inconsistent with law and the rules of the Commission.

Amend Section 2004, as follows:

2004. DURATION OF LEASES.

(a) The term for which any grazing, private recreational, or agricultural lease may be issued under this article shall not exceed 10 years except that when the recreational use is combined and is incidental to residential use on the same parcel and the lease so recites the lease shall not exceed 50 years.

(b) The term for which easements for rights of way, pipelines for transmission and distribution of electricity, telephone lines, submarine flow lines and similar facilities may be issued may be for so long as the lands are used for the specified purpose but shall not exceed 49 years.

(c) The initial term for any other lease shall not exceed 15 years with the option to renew for three 10-year periods upon such reasonable terms and conditions as the State or any successor in interest thereto might impose.

(d) The term of any lease, permit, license or easement to be issued to a public body of the State or United States for any facilities or structures within the purview of this article may be for so long as the lands are used for the specified purpose but shall not exceed 49 years except by special resolution of the Commission.

Except as may otherwise be provided by law, the term of leases, including renewals, if any, granted hereunder shall be for the period deemed by the Commission to be in the best interests of the State according to the following schedule, and in no event to exceed a term of §§ 49 years:

<u>(A) Commercial lease</u>	<u>Not to exceed §§ 49 years</u>
<u>(B) Industrial lease</u>	<u>Not to exceed §§ 49 years</u>
<u>(C) Rights of Way</u>	<u>Not to exceed §§ 49 years</u>

Section 2004 (Continued)

<u>(D) Public Agency lease</u>	<u>Not to exceed 66 49 years</u>
<u>(E) Noncommercial lease</u>	
<u>(1) Dwelling, cabin and ark sites (except as provided by Public Resources Code Section 6505.5).</u>	<u>Not to exceed 10 years</u>
<u>(2) Other</u>	<u>Not to exceed 66 49 years</u>
<u>(F) Use Permit</u>	<u>Not to exceed 5 years</u>
<u>(G) Grazing or Agricultural lease</u>	
<u>(1) Livestock (See Public Resources Code Section 6505.5)</u>	<u>Not to exceed 10 years</u>
<u>(2) Seasonal crops</u>	<u>Not to exceed 10 years</u>
<u>(3) Silviculture</u>	<u>Not to exceed 66 49 years</u>
<u>(H) Public agency permit</u>	<u>Not to exceed 66 49 years</u>
<u>(I) Protective structure permit</u>	<u>Not to exceed 66 49 years</u>
<u>(J) Private recreational pier permit</u>	
<u>(See Public Resources Code Section 6503)</u>	<u>Not to exceed 10 years</u>
<u>(K) Salvage permit</u>	<u>Not to exceed 5 years</u>

Amend Section 2005, as follows:

2005. PAYMENT OF RENTALS.

(a) Amount: Rentals for rights of way easements issued for as long as the leased lands are used for the specified purpose shall be paid in advance in full. Leases executed pursuant to this article shall contain provisions for the payment of rental based on the rates established by the following schedule in fixed sums or in sums based in whole or in part on gross income, or for such other consideration as, in the judgment of the Commission, may be in the best interests of the State:

Section 2005 (Continued)

(b) Where the annual rental under any lease issued pursuant to this article is less than \$25, the rental for the full term of the lease shall be paid in advance.

(b) Rental Rate Schedule: Rental rates shall be computed at the rate of 6% per annum of the appraised value of the leased land, provided, however, that the following rates shall apply to the classifications listed below:

(1) Commercial leases, and industrial leases: A percentage, determined by appraisal, of annual gross income, or 6% per annum of the appraised value of the leased land, whichever is greater, with a \$300 minimum annual rental.

(2) Use Permits: A fixed rental of \$50 per annum for areas of up to 1,000 square feet, or less, and \$75 per annum for areas of 1,000 square feet to 3,000 square feet.

(3) Grazing and Agricultural leases: Rental based on appraisal for the use intended.

(4) Salvage Permits: Rentals shall be based on salvage value. Rental, equivalent to 25% of salvage value of \$25,000.00 or less; rental shall be in the amount of 50% of the net salvage value in excess of \$25,000.00.

(5) Public Agency leases and permits: Leases of State land to public agencies shall provide for fair monetary rental, or such consideration as the Commission determines to be in the best interests of the State.

(6) Rights of Way: 6% of the appraised land value, together with damages, if any, except that rental rates for rights of way for pipeline and conduit purposes shall be at the rate of one cent per diameter inch per lineal foot. Minimum rental shall be \$20 per annum.

Section 2005 (Continued)

(7) Protective Structure permits: 6% of the appraised value, however, with consideration for statewide public benefits.

(8) Noncommercial leases: 6% per annum of the appraised value, with a \$150.00 minimum annual rental, except for a \$65.00 minimum annual rental for dwelling, cabin and ark sites.

(9) Anything herein to the contrary notwithstanding, it is the policy of the Commission that rental rates, other than fees and minimum rentals, for comparable Commission leases within a competitive area be substantially equal, and that required adjustments of lease rental rates be made so as to avoid unreasonable rental rate discrimination. Rental rates may be established to reflect such equalization of rental rates, however, with provisions for periodic updating leading to uniformity of all rental rates for such leases within the area based on a fair market rental. Any such adjustment of rental rate shall be specifically noted in the Commission records at the time of its approval of such leases.

(c) Rentals subject to Law: In cases where leases are exempted from rental by law or if rates are particularly controlled or established by law, rental charges shall be governed by such law.

(d) Other Consideration: The Commission reserves the right to grant leases for such other considerations as may be deemed by the Commission to be in the best interests of the State.

(e) Review: Leases may contain provisions which provide for review of rental rates, at intervals as the Commission may require. Such leases shall provide that any new rental rate shall be effective upon reasonable notice to the lessee as more specifically set forth in the lease.

Section 2005 (Continued)

(f) Time of Payment:

(1) Where the annual rental for any period is \$50, or less, the total rental for such period shall be paid in advance. Except as may otherwise be provided in the lease, rentals shall be payable annually as follows:

(2) In all other cases within the purview of this article, the first year's rental shall be paid in advance; rentals for following years shall be paid not later than 15 days after the beginning of each such following year, provided, however, that rental under leases requiring computations to ascertain the rental rate may be paid in whole or in part at other times as specified in the lease.

Amend Section 2008, as follows:

2008. MARKER.

Where required by the terms of any lease or authorization, there shall be installed on each structure, a substantial brass marker not less than 2 1/2 inches in diameter inscribed "State Lands Commission (application file number), (structure letter), (type of structure)."

The marker will be installed under the direction of the State Lands Division; all cost involved shall be borne by ~~defrayed from~~ the expense ~~deposit~~, the lessee.

Add Section 2012, as follows:

2012. EXTENT OF LEASED LAND.

Irrespective of the description of the land contained in any application, the land to be leased shall be as determined by the Commission.

Section 2012 (Continued)

The projection from a shoreline shall be normal to the general direction of the shoreline or as the Commission may determine to be reasonable and proper and in the best interests of the State.

Add Section 2013, as follows:

2013. BONDS AND INSURANCE.

In addition to such bonds as may be required by law, the Commission may require such bonds and liability insurance as may be in the best interests of the State.

Add Section 2014, as follows:

2014. ASSIGNMENTS AND SUBLEASING.

Leases shall not be assigned or sublet by the lessor without prior approval of the Commission. Payment to the State of at least one half the rental or other consideration payable by a sublessee, in excess of a reasonable return to the sublessor for his investments in improvements, shall, among other things, constitute a requirement of such approval.

Add Section 2015, as follows:

2015. PROJECTION FROM SHORELINE.

The projection from a shoreline shall be normal to the general direction of the shoreline, or as the Commission may determine to be reasonable and proper, and in the best interests of the State.

ARTICLE 4.

LEASES AND PROSPECTING PERMITS FOR
MINERALS OTHER THAN OIL AND GAS

Amend Section 2202(c), as follows:

(c) The application shall be accompanied by a filing fee, as provided in Section 1903(a), and a deposit equal to the amount of \$1 per acre for each acre within the desired permit area, as provided in Section 1903(a) and (b).

Amend Section 2204, as follows:

2204. PROCEDURES FOR NONPREFERENTIAL LEASES.

Lands known to contain commercially valuable deposits of minerals, not subject to a preferential lease under a prospecting permit, may be leased pursuant to a published notice of intention to receive bids. (See Section 1903). The minimum initial expense deposit required under the provisions of Section ~~1903(b)~~ 1903.2 shall be \$50.

ARTICLE 5.

SALE OF SCHOOL AND SWAMP AND OVERFLOWED LANDS

Amend Section 2301, as follows:

2301. APPLICATIONS.

To qualify as a bona fide applicant prior to advertising, a person shall tender to the Sacramento office of the Commission his complete application in the form prescribed, accompanied by a nonrefundable filing fee of ~~\$5.00~~, \$25.00, plus a minimum expense deposit of \$350.00 (~~see Section 1903 supra~~). The minimum written offer required to qualify an application for

Section 2301 (Continued)

filing shall be as determined by blanket resolution of the Commission in force at the time of the filing of the application. A cash deposit on account of the offer shall not be required prior to advertised call for sealed bids. In the case of bids submitted pursuant to advertised call for sealed bids, there shall be submitted, with the bid form, the filing fee plus the amount of the expense deposit stated in the advertised call for sealed bids plus the following applicable minimum cash (check or money order) deposits on account of the offer: the following:

- (a) The full amount of the appraised value, for parcels appraised at \$500.00 or less;
- (b) \$500.00, for parcels appraised at more than \$500.00 but not more than \$2,500.00;
- (c) 20% of the appraised value, for parcels appraised at more than \$2,500.00.

(a) Filing fee (nonrefundable);

(b) The amount of the expense deposit stated in the advertised call for sealed bids;

(c) A cash deposit (check or money order) on account of the bid in the following amounts:

- (1) The full amount of the appraised value, for parcels appraised at \$500.00 or less;
- (2) \$500.00, for parcels appraised at more than \$500.00 but not more than \$2,500.00;
- (3) 20% of the appraised value, for parcels appraised at more than \$2,500.00.

Section 2301 (Continued)

(d) All applicants with applications on file prior to commencement of the advertised call for sealed bids shall, during the advertising period, submit cash deposits on account of the offer in accordance with the above schedule and more specifically set forth in the published notice. Failure to comply will invalidate previously submitted written offers.

Amend Section 2302(a), as follows:

2302. UNOCCUPIED LANDS NOT SUITABLE FOR CULTIVATION.

(a) Processing Applications. Upon the receipt of a bona fide application, except applications filed by school districts and those falling within the purview of Section 6223, Public Resources Code, the State Lands Division shall notify all State agencies having a land-acquisition program, soliciting a response to be received within 45 days from date of the receipt of such application as to whether such agencies wish to have the land withdrawn from sale for the purpose of leasing or purchasing such lands within two years, subject to the availability of funds. If any entity referred to in Section 2300(h) indicates in writing that it will purchase or lease the applied-for land within two years, subject to the availability of funds, all private applications shall be cancelled and the lands withdrawn from sale, except in instances where any application indicates that the land may fall within the purview of Sections 2300(c) or 2303, in which event the private application(s) shall continue in force, at the option of the applicant, pending classification of the land by formal action of the Commission. In the event no such entity indicates in writing within the aforementioned 45-day period that it will purchase or lease the land applied for within two years, or if the applicant is a county, city or officer of the State subject to the provisions of

Section 2302(a) (Continued)

Section 6227, Public Resources Code, or is a school district, the State Lands Division shall prepare an estimate of the total expenses required to complete processing of the application(s). If such estimate exceeds the amount of expense funds deposited by an applicant(s), such applicant(s) shall be notified to comply with the requirement of Section ~~1903(b)~~ 1903.2(b) relating to deposit of additional expense funds. Upon receipt of such additional estimated expense funds, the State Lands Division shall proceed to appraise the land at its fair market value.

Amend Section 2302(d), as follows:

(d) PAYMENT OF EXPENSES.

Expenses accrued to date of completion of sale or to date of cancellation or withdrawal which include, but are not limited to appraisal, advertising, patent and filing fees, shall be borne by applicants or bidders in accordance with the following:

1. In the event of completion of a sale: by the purchaser of the land.
2. In the event no sale is consummated:
 - (1) by all applicants, pro rata, whose applications are on file on the date of the issuance of the notice to amend offers required under Section 2302(a), if all such applicants withdraw or fail to amend during such 20-day period.
 - (2) by the sole applicant or bidder, if there be no other application or bid on file at the time cancellation or withdrawal occurs.

Section 2302(d) (Continued)

(3) by the highest qualified bidder if such bidder withdraws his bid, or offer, between the time of opening of all bids and formal bid acceptance by the Commission.

(4) by the person to whom the award is made by the Commission in the event such person fails to pay the balance of his offer or bid within the period provided in Section 2302(e).

(1) In the event of completion of a sale, the successful purchaser shall bear all costs incidental thereto except those attributed to appraisal.

(2) If no sale is completed as a result of withdrawal of the land from sale or for reasons other than the applicant's refusal to complete the purchase or failure to comply with any of the requirements of law or the regulations of the Commission, such expenses shall be borne by the State and any expense deposit, other than the filing fee ~~and applicable to the~~ ~~state~~, shall be refunded, or credited to the account of the applicant.

(3) In all other cases: In the event no sale is consummated:

(a) by all applicants, pro rata, whose applications are on file on the date of the issuance of the notice to amend offers required under Section 2302(a) if all such applicants withdraw or fail or fail to amend during such 20-day period.

Section 2302(d) (Continued)

- (b) by the sole applicant or bidder, if there be no other application or bid on file at the time cancellation or withdrawal occurs.
- (c) by the highest qualified bidder, if such bidder withdraws his bid, or offer, between the time of opening of all bids and formal bid acceptance by the Commission.
- (d) by the person to whom the award is made by the Commission in the event such person fails to pay the balance of his offer or bid within the period provided in Section 2302(e).

Amend Section 2401(b), as follows:

2401. APPLICATIONS

(b) An applicant desiring to purchase such lands shall accompany his application, which shall include a legal description of the land, with all papers and documents on forms prescribed by the State Lands Division and the United States Department of Interior. He shall furnish a certified check or money order, payable to the United States Bureau of Land Management, in the amount of \$5 for each 640 acres or fraction thereof applied for. In addition, the application must be accompanied by a nonrefundable filing fee of \$5 ~~\$5~~ and an expense deposit of \$350 (see ~~Section 1903~~ Sections 1903 and 1903.2). The minimum written offer required to qualify an application for filing shall be as determined by blanket resolution of the commission in force at the time of the filing of the application.