

A special meeting of the State Lands Commission was called by Honorable James S. Dean and held through conference line from Sacramento to Los Angeles on January 30, 1951 at 4:00 P.M. to Honorable Goodwin J. Knight. Honorable Thomas H. Kuchel, Member, was absent. Those in attendance at the telephone conference were J. Stuart Watson, F. J. Hertzog and M. Byron.

1. (TIDELANDS CONTROVERSY, U. S. vs STATE OF CALIFORNIA - W.O. 721) The Commission was informed that at its meeting of October 5, 1950, the following resolution was adopted as Minute Item No. 17 (Page 1192):

"Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to request the State Controller to establish as of October 1, 1950 (1) an account entitled 'Impounded Tide and Submerged Lands Revenue per Stipulation of August 21, 1950' wherein would be accounted and under which the Division of State Lands would remit to the State Treasurer for deposit all moneys received from tide and submerged land mineral leases affected by said stipulation; also an account entitled 'Rentals - Commercial and Recreational Tide and Submerged Land Leases Subsequent to October 1, 1950' wherein would be accounted and under which the Division of State Lands would remit to the State Treasurer for deposit all moneys received from tide and submerged land commercial and recreational leases which are excluded as not coming under the provisions of the stipulation of August 21, 1950; (2) that the disposition of the moneys in these accounts shall occur only and upon a specific resolution of the State Lands Commission."

In furtherance of the performance by the State of its obligations under the stipulation with the United States, executed August 21, 1950, the Legislature passed, and the Governor signed an urgency measure, Ch. 7/1951 (AB 1878) which provided:

"SEC. 2. All moneys received in the period between June 23, 1947, and September 30, 1950, inclusive, under leases of such tide and submerged lands by the State of California referred to in said stipulation, shall continue to be segregated and held in a separate account in the Special Deposit Fund in the State Treasury, in trust, pending final determination by the United States Supreme Court, by Act of Congress, or other settlement, of the entitlement thereto. Upon such determination or settlement, the moneys so held in trust, or such portion the entitlement whereof may be so determined or settled, shall be paid to the beneficiaries entitled thereto, upon claim filed with the State Controller by the State Lands Commission.

"SEC 3. All moneys received on and after October 1, 1950, under said leases shall be deposited in the Special Deposit Fund in the State Treasury, in trust. During such time as said stipulation or any extension or modification thereof is in effect and so provides, moneys deposited in the Special Deposit Fund under this section shall be transferred quarterly to the Treasurer of the United States, to be by him segregated and held in a special fund in trust, pending final determination by the United States Supreme Court, by Act of Congress, or other settlement, of the entitlement thereto. Such transfers shall be made by warrant of the State Controller payable to a national bank

within this State for the credit of the Treasurer of the United States and delivered to the Secretary of the Interior of the United States, as soon as practicable after receipt of the moneys from said leases for the quarter ended December 31, 1950, and quarterly in like manner thereafter, upon claims filed by the State Lands Commission with the State Controller;

"No such money shall be transferred as herein provided unless the Treasurer of the United States agrees to deposit said money in a national bank of its choice within this state, subject, if authorized by federal law, to investment by the Treasurer of the United States in bonds or other obligations of the United States and withdrawals as provided in Section 5."

The act makes further provisions with respect to the entitlement of the State and the United States to withdraw from the funds so deposited, amounts to be allowed the State and the U. S. as reimbursement for administrative costs in connection with the administration of tideland leases as follows: To the State from the Special Deposit Fund in the State Treasury, an amount not to exceed \$12,000 monthly on and after October 1, 1950; and the Federal Government, from the moneys transferred to the Treasurer of the United States, in accordance with Sec. 3 of Chap. 7/1951, \$50,000 annually to reimburse the Geological Survey of the Department of the Interior for their expenses on and after October 1, 1950.

UPON MOTION DULY MADE BY LT. GOVERNOR GOODWIN J. KNIGHT AND SECONDED BY HONORABLE JAMES S. DEAN, THE FOLLOWING RESOLUTION WAS UNANIMOUSLY ADOPTED: NOTWITHSTANDING THE PROVISIONS OF MINUTE ITEM #17 ADOPTED OCTOBER 5, 1950, THE EXECUTIVE OFFICER, OR IN HIS ABSENCE, THE ASSISTANT EXECUTIVE OFFICER, IS AUTHORIZED TO WITHDRAW MONEYS FROM THE SPECIAL DEPOSIT FUNDS ON DEPOSIT WITH THE STATE TREASURER AS HEREINAFTER SPECIFICALLY PROVIDED.

(1) THAT THE EXECUTIVE OFFICER, OR IN HIS ABSENCE, THE ASSISTANT EXECUTIVE OFFICER, IS AUTHORIZED TO DRAN CLAIMS AGAINST THE SPECIAL DEPOSIT FUND ENTITLED "IMPOUNDED TIDE AND SUBMERGED LANDS REVENUE PER STIPULATION AUGUST 21, 1950" TO PAY AMOUNTS DEPOSITED IN SAID FUND ON A QUARTERLY BASIS, BEGINNING WITH THE QUARTER OCTOBER 1, 1950 THROUGH DECEMBER 31, 1950, AND CONTINUING THEREAFTER UNTIL OTHERWISE DIRECTED, TO THE TREASURER OF THE UNITED STATES AS PROVIDED IN SECTION 3 OF CHAPTER 7, STATUTES OF 1951; (AB 1878).

(2) THAT THE EXECUTIVE OFFICER, OR IN HIS ABSENCE, THE ASSISTANT EXECUTIVE OFFICER IS AUTHORIZED TO REQUEST THE STATE CONTROLLER TO MAKE TRANSFERS IN ACCORDANCE WITH SECTION 4, CHAPTER 7, STATUTES OF 1951, (AB 1878) FROM THE SPECIAL DEPOSIT FUND ENTITLED "IMPOUNDED TIDE AND SUBMERGED LANDS REVENUE PER STIPULATION OF JUNE 23, 1947", AND IN ACCORDANCE WITH THE PLAN OF FINANCIAL ADJUSTMENT APPROVED BY THE STATE CONTROLLER, TO THE STATE LANDS ACT FUND, AMOUNTS NOT EXCEEDING \$12,000 MONTHLY FOR THE PERIOD OCTOBER 1, 1950, THROUGH SEPTEMBER 30, 1951. SAID AMOUNTS SO TRANSFERRED TO BE CREDITED TO THE CURRENT APPROPRIATION FOR SUPPORT OF THE STATE LANDS COMMISSION.

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

STANDARD B & P "NOISE"

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