

MINUTE ITEM

17. POLICY REGARDING SALVAGE OPERATIONS PERFORMED UPON UNGRANTED TIDE AND SUBMERGED LANDS - W.O. 3361.

After consideration of Calendar Item 14 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE STATE LANDS COMMISSION ADOPTS THE FOLLOWING POLICY RESPECTING THE CONDUCT OF SALVAGE OPERATIONS ON TIDE AND SUBMERGED LANDS:

1. PROCEDURES DEVELOPED BY THE ORGANIZATION AND COST CONTROL DIVISION, DEPARTMENT OF FINANCE, AND USED HERETOFORE BY THE ADMINISTRATIVE ADVISER'S OFFICE, DEPARTMENT OF FINANCE, RELATIVE TO SALVAGE OPERATIONS ON STATE LANDS ARE TO BE FOLLOWED.
2. THE FOLLOWING FEES AND REVENUES ARE TO BE APPLICABLE TO SUCH OPERATIONS:

<u>SALVAGE VALUE</u>	<u>FEE</u>	<u>SHARE OF SALVAGE</u>
\$500 OR LESS	\$25	0
\$500 - \$25,000	\$25	25% OVER \$500
\$25,000 AND OVER	\$25	NEGOTIATED (MINIMUM 25%)

Attachment
Calendar Item 14 (2 pages)

CALENDAR ITEM

14.

POLICY REGARDING SALVAGE OPERATIONS PERFORMED UPON UNGRANTED TIDE AND SUBMERGED LANDS - W.O. 3361.

Effective September 18, 1959, jurisdiction over salvage operations performed upon ungranted State tide and submerged lands passed from the Department of Finance to the State Lands Commission pursuant to Ch. 1201/59 (Section 6309 of the Public Resources Code).

This function has been performed by the Department of Finance in accordance with the following:

- A. Opinion of the Attorney General No. 56-19 (July 2, 1956). This opinion concludes that the State has jurisdiction over the recovery of vessels which have sunk and been abandoned upon ungranted State sovereign lands.
- B. Opinion of the Attorney General No. 58-51 (March 10, 1958). Concerns State jurisdiction over specific sunken vessels.
- C. Letter opinion of Deputy Attorney General Miriam E. Wolff (December 4, 1957) regarding State jurisdiction with respect to abandoned submarine cable.
- D. Management Survey 878 (Salvage of Abandoned Vessels and Cargo on State-Owned Tide Lands) prepared by Organization and Cost Control Division, Department of Finance. Following is an outline of the recommended administrative procedures:
 1. Request received from applicant for permission to salvage abandoned property.
 - a. State usually is made aware of a proposed salvage operation upon receipt of a Public Notice from the U. S. Corps of Engineers resulting from the request of an applicant for a Federal permit.
 2. A questionnaire to be completed by the applicant inquiring into the nature of the operation for the purpose of determining its feasibility and covering the following points:
 - a. Nature and value of materials to be salvaged.
 - b. Personnel and equipment to be used.
 - c. Hazards of the operation
 - d. Experience and ability of the applicant

Review of this information becomes the basis for:

3. The issuance of an exploratory permit, if such is necessary to secure further information, and/or

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4. A contract to conduct salvage operations.

Contracts issued (the form of which has been supplied by the Administrative Adviser's Office, Department of Finance) have provided for protecting the State against possible loss or damage, and for revenue returns as follows:

<u>Salvage Value</u>	<u>Fee</u>	<u>Share of Salvage</u>
\$500 or Less	\$25	0
\$500 - \$25,000	\$25	25%
\$25,000 and Over	\$25	Negotiated (Minimum 25%)

To date, no State contracts have been issued in which the estimated salvage value has exceeded \$25,000; therefore, policy has not been formulated for the larger scale salvage operations.

A staff study is being made with respect to this new activity for the purpose of recommending a policy and/or Rules and Regulations governing salvage operations. It is estimated that this work will take 90 to 120 days, subsequent to which a presentation will be made to the Commission. However, pending applications result in a need to adopt a policy on an interim basis governing the activity.

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION ADOPT THE FOLLOWING POLICY RESPECTING THE CONDUCT OF SALVAGE OPERATIONS ON TIDE AND SUBMERGED LANDS:

1. THAT PROCEDURES DEVELOPED BY THE ORGANIZATION AND COST CONTROL DIVISION, DEPARTMENT OF FINANCE, AND USED HERETOFORE BY THE ADMINISTRATIVE ADVISER'S OFFICE, DEPARTMENT OF FINANCE, RELATIVE TO SALVAGE OPERATIONS ON STATE LANDS BE FOLLOWED.
2. THAT THE FOLLOWING FEES AND REVENUES BE APPLICABLE TO SUCH OPERATIONS:

<u>SALVAGE VALUE</u>	<u>FEE</u>	<u>SHARE OF SALVAGE</u>
\$500 OR LESS	\$25	0
\$500 - \$25,000	\$25	25% OVER \$500
\$25,000 AND OVER	\$25	NEGOTIATED (MINIMUM 25%)