MINUTE ITEM

This Calendar Item No. 32 was approved as Minute Item No. 32 by the State Lands Commission by a vote of 3 to 0 at its 1/31/85 meeting.

CALENDAR ITEM

A 35, 58, 69

S 18, 37

32

01/31/85
W 4848
Maulorico

SUBVENTIONS TO CITIES AND COUNTIES
FOR THE 1984-1985 FISCAL YEAR

DESCRIPTION: P.R.C. Section 6817 provides for subventions of State tide and submerged land oil and gas revenues to cities and counties, under conditions described below, and requires the State Lands Commission to report to the State Controller the amounts of revenues to be used for purposes of calculating subventions.

PURPOSE: To approve qualifying beaches and parks, as required by P.R.C. Section 6817, as listed in Exhibit "A" attached and by reference made a part hereof.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. The subventions shall be made to cities or counties that own or operate parks (public beaches) free of charge to the public for recreational purposes. Prior to January 1, 1976, the statute required that qualifying parks be immediately adjacent to and have a common frontage with State tide and submerged land leased for oil and gas. As of January 1, 1976, due to the enactment of Chapter 1210, Statutes of 1975, the adjacency and common frontage requirements were removed for cities. Beach parks and State oil and gas leases now may be non-contiguous, although within a city's corporate limits, with the city qualifying for subventions if other statutory conditions are met.

2. Chapter 1553 was enacted by the Legislature in 1984 and became effective in January of this year (1985). The Statute revised the subvention distribution formula as follows:

   a. Fiscal Year 1983/84 oil and gas revenues to the state from applicable leases are determinative of whether maximums shall apply to subvention distributions.

   b. For amounts up to the Fiscal Year 1983/84 applicable lease revenue totals, subventionees may receive one percent of such revenues, up to a maximum of $100,000 for each mile of qualifying beach frontage, or portion thereof. This represents an increase of $25,000 from the previous maximum of $75,000 per mile of qualifying beach frontage, or portion thereof.

   c. For amounts over and above Fiscal Year 1983/84 applicable lease revenue totals, subventionees will be entitled to receive one percent of such excess amounts without regard to any maximum limitations, although a qualifying beach will continue to be required.

3. The effect of the new statute is demonstrated in the following hypothetical example:

Assumptions:

F.Y. 1983/84 applicable lease revenues: $12,000,000
F.Y. 1984/85 applicable lease revenues: $32,000,000
Qualifying beach frontage: 1 mile

Subventions paid for F.Y. 1984/85 equals:

1% x $12,000,000 x 1 mile ($100,000/mile limit)	=	$100,000
1% x $20,000,000 (No limiting factor)	=	200,000
Total F.Y. 1984/85 subvention	=	$300,000

4. The language of the statute states that "... the Controller shall annually as of June 30th of each calendar year apportion for the fiscal year ending on that date..., one percent of the revenues paid to the state..." Thus, for Fiscal Year 1984/85, subvention distributions will be predicated upon applicable lease revenues earned by the state through June 30, 1985.

5. With respect to each city or county, the apportionment for any given fiscal year shall be based upon the physical facts existing on June 30 of the preceding fiscal year.

6. Certifications required by P.R.C. Section 6817 have been made by each of the subventionees for Fiscal Year 1984-85.

7. The State Lands Commission shall, at the time of remitting revenues to the State Treasurer, report to the State Controller the total amount of revenue received from tide and submerged land shown with respect to each city or county to which such amount is applicable.

8. Subventions for Fiscal Year 1983-84 are as follows:

City of Carpinteria	$ 13,462
City of Huntington Beach	150,000
City of Long Beach	75,000
City of Port Hueneme	4
City of Seal Beach	42,201
County of Santa Barbara	75,000
County of Ventura	13,120
	$368,787

EXHIBIT: A. Cities and counties qualifying for subventions under P.R.C. Section 6817, 1984-85 Fiscal Year.

IT IS RECOMMENDED THAT THE COMMISSION:

1. AUTHORIZE THE REPORTING TO THE STATE CONTROLLER OF THE SUBVENTIONS FOR THE 1984-85 FISCAL YEAR THAT ARE ATTRIBUTABLE TO THE REVENUES RECEIVED FROM LEASES WITHIN THE LIMITS OF QUALIFYING CITIES OR COUNTIES ACCORDING TO THE PARKS AND MILEAGE AS DESCRIBED IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE PART HEREOF.

W 4848

EXHIBIT "A"

CITIES AND COUNTIES QUALIFYING FOR SUBVENTIONS
UNDER P.R.C. SECTION 6817,
FISCAL YEAR 1984-85

Cities and Counties	Park or Beach Owned or Operated by City or County	Footage	Total Qualifying Mileage
City of Carpinteria	Carpinteria City Beach Park	9,154.00	2
City of Huntington Beach	Huntington Beach Public Park	5,665.00	2
City of Long Beach	Alamitos Beach Park Lands	2,005.00	1
City of Port Hueneme	Hueneme Beach City Park	2,500.00	1
City of Seal Beach	Seal Beach Public Beach	8,214.00	2
County of Ventura	Rincon Parkway	12,269.00	
	Silver Strand Beach	4,645.00	
	Mandalay Beach Park	1,530.00	
	Hollywood Beach	3,563.00	
		22.007.00	6
County of Santa Barbara	Isla Vista Beach	4,792.00	1

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