



## Assembly Bill No. 1686

### CHAPTER 143

An act to amend Section 7 of Chapter 628 of the Statutes of 2014, relating to ports and harbors.

[Approved by Governor September 1, 2023. Filed with Secretary of State September 1, 2023.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1686, Grayson. Ports and harbors: Martinez Marina.

Existing law requires, commencing June 30, 2015, and at the end of every fiscal year thereafter, and subject to an exception described below, that the City of Martinez, as trustee, transmit 20 percent of all gross revenue generated from specified trust lands to the State Lands Commission for allocation by the Treasurer to the General Fund and Land Bank Fund. Existing law, in recognition of deteriorated conditions at the Martinez Marina, commencing June 30, 2015, and until June 30, 2021, authorized the commission to relieve the trustee of its obligation to transmit those gross revenues so the trustee can take action to address those conditions, including the dredging of sediment to restore adequate depth for launching, berthing, and safe navigation at the marina.

This bill would authorize the commission to relieve the trustee of its obligation to transmit those gross revenues so the trustee can take action to address those conditions at the marina, including the dredging of sediment to restore adequate depth for launching, berthing, and safe navigation at the marina, commencing January 1, 2024, and until June 30, 2029.

*The people of the State of California do enact as follows:*

SECTION 1. Section 7 of Chapter 628 of the Statutes of 2014 is amended to read:

SEC. 7. (a) (1) The trustee shall establish and maintain accounting procedures, in accordance with generally accepted accounting principles, providing accurate records of all revenues received from the trust lands and trust assets and of all expenditures of those revenues.

(2) All trust revenues received from the trust lands and trust assets shall be expended only for those uses and purposes consistent with this act. The trustee shall provide for the segregation of funds derived from the use of the trust lands by the trustee from other city municipal funds, so as to ensure that trust revenues are only expended to enhance or maintain the trust lands in accordance with the uses and purposes for which the trust lands are held.

(3) Trust revenues may be expended to acquire appropriate upland properties to benefit and enhance the trust lands, subject to a determination by the commission that the acquisition is consistent with this act and in the best interest of the state. Property acquired with these trust revenues shall be considered an asset of the trust and subject to the terms and conditions of this act.

(b) The trustee shall comply with Section 6306 of the Public Resources Code. The annual statement and standardized reporting form required to be filed pursuant to subdivision (e) of that section shall also include a summary explaining how the trustee is using trust revenues to revitalize the marina and prevent its closure.

(c) (1) Before expending trust revenues for any single capital improvement on the trust lands involving an amount in excess of two hundred fifty thousand dollars (\$250,000) in the aggregate, the trustee shall file with the commission a detailed description of the capital improvement not less than 120 days prior to the time of any disbursement of trust revenues for, or in connection with, that capital improvement.

(2) Within 120 days after the time of a filing specified in paragraph (1), the commission shall determine whether the capital improvement is consistent with the trust lands use plan. The commission may request the opinion of the Attorney General on the matter and, if the commission makes this request, the Attorney General shall deliver a copy of the opinion to the trustee with the notice of its determination.

(3) If the commission notifies the trustee that the capital improvement is not authorized, the trustee shall not disburse any trust revenues for, or in connection with, the capital improvement, unless it is determined to be authorized by a final order or judgment of a court of competent jurisdiction.

(4) The trustee may bring suit against the state for the purpose of securing an order or judgment for purposes of paragraph (3), which suit shall have priority over all other civil matters. Service shall be made upon the executive officer of the commission and the Attorney General, and the Attorney General shall defend the state in that suit. If judgment is given against the state in the suit, no costs may be recovered.

(d) (1) Except as provided in paragraph (2), commencing June 30, 2015, and at the end of every fiscal year, 20 percent of all gross revenues generated from the trust lands shall be transmitted to the commission. Of this amount transmitted, the commission shall allocate 80 percent to the Treasurer, for deposit in the General Fund, and 20 percent to the Treasurer, for deposit in the Land Bank Fund for expenditure pursuant to Division 7 (commencing with Section 8600) of the Public Resources Code for management of the commission's granted lands program.

(2) In recognition of the deteriorated conditions at the marina, commencing January 1, 2024, and until June 30, 2029, the commission may, at its discretion, relieve the trustee of its obligation to transmit the gross revenues as specified in paragraph (1) so that the trustee can take action to address those conditions, including the dredging of sediment to restore adequate depth for launching, berthing, and safe navigation at the marina.

(e) The commission may, from time to time, institute a formal inquiry to determine that the terms and conditions of this act, and amendments to this act, have been complied with, and that all other applicable provisions of law concerning the trust lands are being complied with in good faith.

(f) The commission shall approve any loan or expenditures of nontrust revenues for improvements made to the trust lands prior to the loan or expenditure. If not approved, those expenditures shall be deemed a gift to the trust.