

Resolutions for Council Consideration – 6/2/10

Resolution 1 - Good Faith Discount (GFD) Allowance

For all cases that meet the GFD criteria (such as ‘established ownership prior to map adoption’ and ‘NO Title Insurance established’), a 75% discount will be applied. The old established methodology failed to be adjusted for price increases over time. If adjusted properly and consistently, most properties in the State would have qualified for a 75% discount. In addition, this adoption applies to very few properties anymore. Most properties have transferred ownership since the 1982 date.

Lastly, this resolution will eliminate many of the cases with the large dollar figure values where some members of the council were unwilling to approve a large consideration.

Cases that have already been approved and delivered to the applicant will not be re-considered nor will they be eligible for a refund.

Resolution 2 - Council License Approval

Based on desire to improve the timeliness of licenses moving through the system, all short form licenses will be approvable by the Bureau Manager or designee. Historically, the Council has not reviewed license applications on a one by one basis and there is little value added in the Council approval.

Licenses that are contested or not entirely straightforward will still be presented to the Council through the long form process.

So, once a license application is technically complete, the Bureau Manager or designee may immediately notify the applicant of its approval via a price letter. The Tidelands Resource Council approval will not be required. Council will be provided a monthly report showing those cases approved in a given month.

Resolution 3 - Elimination of One Way Fee Adjustment for Licenses/Leases

The current residential *license* policy reads:

Minimum Fee:

Any license renewed for which the fee calculated under the new methodology results in a figure lower than its pre-existing fee would remain fixed at the previous fee. The fee would remain the same until the re-calculated fee under the new system exceeds the pre-existing fee.

In addition, all *leases* have standard language in them that dictates no reduction in the lease even if re-valuation determines that the fair market value has decreased.

In both cases, this is just fundamentally unfair. The School Fund should be entitled to fair market value and no more. Licenses that are already issued can be adjusted at their five year adjustment period OR at renewal. The Bureau of Tidelands Management does not have the resources to open up licenses for modification across the board. For leases, the specific language will be removed from the lease at the five year adjustment period or during the renewal.

From this point forward, for new rentals, and for re-evaluations upon renewal dates, the rental will be allowed to go down or up, as long as it is linked to fair market value.