SB-834 State lands: leasing: oil and gas. (2017-2018)

Date Published: 09/10/2018 09:00 PM

Senate Bill No. 834

CHAPTER 309

An act to add Section 6245 to the Public Resources Code, relating to state lands.

[Approved by Governor September 08, 2018. Filed with Secretary of State September 08, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 834, Jackson. State lands: leasing: oil and gas.

Existing law vests exclusive jurisdiction over ungranted tidelands and submerged lands owned by the state to the State Lands Commission. Existing law confers the powers of the commission as to leasing or granting of rights or privileges to lands owned by the state upon a local trustee of granted public trust lands to which those lands have been granted. Existing law authorizes the commission to let leases for the extraction of oil and gas from coastal tidelands or submerged lands in state waters and beds of navigable rivers and lakes within the state in accordance with specified provisions of law.

Existing law, notwithstanding those provisions or any other provision of law, prohibits a state agency or state officer from entering into any new lease for the extraction of oil or gas from the California Coastal Sanctuary, which includes certain state waters subject to tidal influence, unless either (1) the President of the United States has found a severe energy supply interruption and has ordered distribution of the Strategic Petroleum Reserve, the Governor finds that the energy resources of the sanctuary will contribute significantly to the alleviation of that interruption, and the Legislature subsequently acts to amend the law to allow the extraction, or (2) the commission determines that the oil or gas deposits are being drained by means of producing wells upon adjacent federal lands and the lease is in the best interest of the state.

This bill would prohibit the commission or a local trustee, as defined, of granted public trust lands from entering into any new lease or other conveyance authorizing new construction of oil- and gas-related infrastructure upon tidelands and submerged lands within state waters associated with Pacific Outer Continental Shelf leases issued after January 1, 2018. The bill would require the commission or a local trustee when approving or disapproving any lease renewal, extension, amendment, or modification authorizing new construction of oil- and gas-related infrastructure upon tidelands and submerged lands within state waters associated with Pacific Outer Continental Shelf leases issued after January 1, 2018, to follow a specified process. The bill would provide that these provisions do not prevent specified activities, including, among others, issuance by the commission of leases pursuant to exceptions applicable to the California Coastal Sanctuary described above. The bill would authorize the commission to establish regulations for the implementation of these provisions. By adding to the duties of local agencies when approving or disapproving leases, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority   Appropriation: no   Fiscal Committee: yes   Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 6245 is added to the Public Resources Code, to read:

6245. (a) Except as provided in subdivision (e), the commission or a local trustee shall not enter into any new lease or other conveyance authorizing new construction of oil- and gas-related infrastructure upon tidelands and submerged lands within state waters associated with Pacific Outer Continental Shelf leases issued after January 1, 2018.

(b) (1) Upon receipt of an application for a lease renewal, extension, amendment, or modification to authorize new construction of oil- and gas-related infrastructure upon tidelands and submerged lands within state waters associated with Pacific Outer Continental Shelf leases issued after January 1, 2018, the commission or local trustee shall provide notice of this application by including it as a separate informational item on the agenda of the commission's or local trustee's next duly noticed public meeting. Summary information about the requested lease renewal, extension, amendment, or modification shall be included in the agenda summary.

(2) Notwithstanding the Permit Streamlining Act (Chapter 4.5 (commencing with Section 65920) of Division 1 of Title 7 of the Government Code), the commission or local trustee shall take no further action to approve the requested lease renewal, extension, amendment, or modification until 180 days after the notification required in paragraph (1).

(c) Prior to approving any lease renewal, extension, amendment, or modification to authorize new construction of oil- and gas-related infrastructure upon tidelands and submerged lands within state waters associated with Pacific Outer Continental Shelf leases issued after January 1, 2018, the commission or local trustee shall consider, at a minimum, the following:

(1) Whether the lease renewal, extension, amendment, or modification is necessary to protect the marine environment or to ensure human health and safety.

(2) Whether the lease renewal, extension, amendment, or modification provides a benefit to the state beyond additional lease revenues.

(3) Whether the lease renewal, extension, amendment, or modification will impact the volume of oil and gas that may be transported across state waters.

(d) (1) Any lease renewal, extension, amendment, or modification that will increase the volume of oil and gas conveyed across state waters shall not be approved at the same properly noticed public meeting at which the lease renewal, extension, amendment, or modification is first presented.

(2) The commission or local trustee shall accept public comments at the same meeting at which it votes to approve or disapprove any lease renewal, extension, amendment, or modification that will increase the volume of oil and gas conveyed across state waters. Any lease subject to this section shall be approved by a vote of the commission or the governing board of the local trustee.

(e) Nothing in this section shall prohibit any of the following:

(1) The commission from issuing leases pursuant to Section 6243 or 6244.

(2) Any activity undertaken to repair or maintain any pipeline or other infrastructure used to convey oil or natural gas or any other activity necessary to ensure the safe operation of infrastructure used in the exploration, development, or production of oil or natural gas.

(3) Any activity undertaken to convey oil or natural gas produced from state waters.

(f) The commission may establish regulations for the implementation of this section.

(g) For the purposes of this section, the following terms have the following meanings:

(1) "Local trustee" means a local trustee of granted public trust lands that is a county, city, or district, including water, sanitary, regional park, port, or harbor districts, or any other local political or corporate subdivision that has been granted public trust lands through a legislative grant.

(2) "Pacific Outer Continental Shelf" means all submerged lands lying seaward of California, Hawaii, Oregon, and Washington and outside of the area of lands beneath navigable waters, as set forth by the federal Submerged Lands Act (43 U.S.C. Sec. 1331), and all of which appertain to the United States and are subject to its jurisdiction and control.

(3) “State waters” has the same meaning as defined in Section 36108.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.