

AMENDED IN ASSEMBLY APRIL 18, 2018

AMENDED IN ASSEMBLY MARCH 22, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1775

Introduced by Assembly Members Muratsuchi and Limón
(Principal coauthor: Senator Jackson)

January 4, 2018

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

LEGISLATIVE COUNSEL'S DIGEST

AB 1775, as amended, Muratsuchi. 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 ~~or from entering into any lease renewal, extension, or modification that authorizes a lessee to engage in any activity upon tidelands and submerged lands in the California Coastal Sanctuary that would result in the increase of oil or natural gas production from, or facilitate additional development of, or exploration for, oil or natural gas from, federal waters: authorizing new construction of oil- and gas-related infrastructure upon tidelands and submerged lands within state waters associated with Outer Continental Shelf leases issued after January 1, 2018.~~ 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.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

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

- 1 SECTION 1. Section 6245 is added to the Public Resources
- 2 Code, to read:
- 3 6245. (a) Except as provided in subdivision ~~(e)~~, (b), the
- 4 commission or a local trustee shall not enter into any new lease or
- 5 other conveyance *authorizing new construction of oil- and*
- 6 *gas-related infrastructure* upon tidelands and submerged lands ~~in~~
- 7 ~~the California Coastal Sanctuary that would result in the increase~~
- 8 ~~of oil or natural gas production from, or facilitate additional~~
- 9 ~~development of, or exploration for, oil or natural gas from, federal~~
- 10 ~~waters: within state waters associated with Outer Continental Shelf~~
- 11 ~~leases issued after January 1, 2018.~~
- 12 (b) ~~Except as provided in subdivision (e), the commission or a~~
- 13 ~~local trustee shall not enter into any lease renewal, extension, or~~
- 14 ~~modification that authorizes a lessee to engage in any activity upon~~

1 ~~tidelands and submerged lands in the California Coastal Sanctuary~~
2 ~~that would result in the increase of oil or natural gas production~~
3 ~~from, or facilitate additional development of, or exploration for,~~
4 ~~oil or natural gas from, federal waters.~~

5 (e)

6 (b) Nothing in this section shall ~~prevent~~ *prohibit* any of the
7 following:

8 (1) The commission from issuing leases pursuant to Section
9 6243 or 6244.

10 (2) Any activity undertaken to ~~repair, replace,~~ *repair* or maintain
11 any pipeline or other infrastructure used to convey oil or natural
12 gas or any other activity necessary to ensure the safe operation of
13 infrastructure used in the exploration, development, or production
14 of oil or natural gas.

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

17 (d)

18 (c) The commission may establish regulations for the
19 implementation of this section.

20 (e)

21 (d) For the purposes of this section, the following terms have
22 the following meanings:

23 (1) ~~“California Coastal Sanctuary” means the California Coastal~~
24 ~~Sanctuary described in Section 6242.~~

25 (2)

26 (1) “Commission” means the State Lands Commission.

27 (3) ~~“Development” means those activities taking place following~~
28 ~~the discovery of oil and natural gas, including geophysical activity,~~
29 ~~drilling, platform construction, pipeline construction, and operation~~
30 ~~of all onshore support facilities that are performed for the purpose~~
31 ~~of ultimately producing the resources discovered.~~

32 (4) ~~“Exploration” means the process of searching for oil and~~
33 ~~natural gas, including any drilling, whether on or off known~~
34 ~~geological structures, including the drilling of a well in which a~~
35 ~~discovery of oil or natural gas is made and the drilling of any~~
36 ~~additional delineation well after the discovery that is needed to~~
37 ~~delineate any reservoir and to enable a lessee to determine whether~~
38 ~~to proceed with the development and production.~~

39 (5) ~~“Federal waters” means those waters and submerged lands~~
40 ~~lying seaward of the three mile nautical limit, as set forth by the~~

1 federal Submerged Lands Act (43 U.S.C. Sec. 1301), that appertain
2 to the United States and are subject to federal jurisdiction and
3 control.

4 (6)

5 (2) “Local trustee” means a local trustee of granted public trust
6 lands that is a county, city, or district, including water, sanitary,
7 regional park, port, or harbor districts, or any other local political
8 or corporate subdivision that has been granted public trust lands
9 through a legislative grant.

10 (7) ~~“Production” means those activities that take place after the~~
11 ~~successful completion of any means for the removal of oil and~~
12 ~~natural gas, including that removal, field operations, transfer of~~
13 ~~resources to shore, operation monitoring, maintenance, and~~
14 ~~work-over drilling. “Producing” means undertaking those activities.~~

15 (3) “Outer Continental Shelf” means all submerged lands lying
16 seaward and outside of the area of lands beneath navigable waters,
17 as set forth by the federal Submerged Lands Act (43 U.S.C. Sec.
18 1331), and all of which appertain to the United States and are
19 subject to its jurisdiction and control.

20 (4) “State waters” has the same meaning as defined in Section
21 36108.