

**STAFF REPORT
INFORMATIONAL
76**

A Statewide

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**LEGISLATIVE REPORT PROVIDING INFORMATION AND A STATUS UPDATE
CONCERNING STATE LEGISLATION RELEVANT TO THE COMMISSION**

SUMMARY:

On September 13, 2019, the California Legislature adjourned for its interim study recess. October 13, 2019, was the last day for the Governor to sign or veto bills. Key issues the Legislature addressed this year that are relevant to the Commission are oil and gas decommissioning, sea-level rise and climate change, marine invasive species prevention, reducing plastic waste, public access, granted lands, and oil spill prevention.

Another key issue was the Oakland Athletics' interest in developing a major league baseball ballpark and mixed-use development at the roughly 50-acre Howard Terminal site at the Port of Oakland. The City, acting by and through the Port, is a trustee on behalf of the State for the tidelands trust lands at Howard Terminal. The Commission oversees the Port's management of State-owned Public Trust lands along the Oakland Estuary.

This year, the Commission sponsored two bills and one resolution, and supported four bills. The sponsored bills are AB 585 (Limón) relating to oil and gas decommissioning and AB 912 (Muratsuchi) relating to marine invasive species prevention and the Commission's prevention program. The Governor signed both bills into law. The resolution, AJR 25 (Friedman), confirms California's commitment to protecting its waters from marine invasive species and memorializes California's objection to federal preemption of State authority to regulate vessel discharges in California waters. The Resolution also asks that the Legislature consider any appropriate actions to overturn federal preemption. The resolution is co-sponsored by Lieutenant Governor and Commission Chair Eleni Kounalakis and will be heard in the Environmental Safety and Toxic Materials Committee in January 2020.

AB 585 (Limón) clarifies the conditions the Commission should consider when assessing a request to transfer an existing oil or gas lease, and updates current law to minimize the State's future financial liability for decommissioning oil and gas infrastructure and to ensure that all lessees fulfill the contractual decommissioning obligations in their leases. AB 912 (Muratsuchi) changes the

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implementation date of California's ballast water discharge standards, authorizes the Commission to sample ballast water and biofouling for research, and modifies and improves California's Marine Invasive Species Act, which the Commission administers. Both bills take effect on January 1, 2020. Below are the bills the Commission supported this past year.

AB 467 (Boerner Horvath) Competitions on state property: prize compensation: gender equity.

Surfing is California's official state sport. The legendary epic swells of California's Pacific Ocean make for ideal and exhilarating surfing conditions. The Mavericks Challenge, a 1-day competition held annually, conditions permitting, near Half Moon Bay, is one of the most exciting surf competitions in the nation. Last year, the Commission approved a lease for the Mavericks Challenge that requires multiple heats in the women's division and equal prize money regardless of gender. AB 467 was introduced the following year to require equal prize money for men and women at any sporting event on land under the jurisdiction of the State Lands Commission, the California Coastal Commission, the Department of Parks and Recreation, the Department of Fish and Wildlife, and the Department of Transportation. This bill is intended to provide more pay equity for women by codifying a 2018 decision by the Commission and the California Coastal Commission to require equal prize pay for men and women athletes when competing on state property.

Status: Signed into law, Chapter 276, Statutes of 2019.

AB 552 (Stone) Coastal resources: Program for Coastal Resilience, Adaptation, and Access.

This bill would have established and funded, using tideland oil revenue, a sea-level rise and coastal climate change adaptation program. Climate change has been described as a near-existential threat to California. Climate adaptation is fundamental to climate resilience. AB 552 would have provided an ongoing funding source and a science-and-accountability based framework for California's coastal and public land management agencies, including the Commission, to implement climate adaptation resiliency projects.

Status: Held in the Senate Appropriations Committee.

AB 926 (O'Donnell) Oil Revenue: Oil Trust Fund.

This bill would have removed the \$300 million cap in the Oil Trust Fund, resuming deposits from the State's share of Long Beach oil operation revenues until the Oil Trust Fund reached a balance that would cover the State's

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abandonment liabilities. Existing law caps the Oil Trust Fund at \$300 million and requires subsequent interest earned to be transferred to the General Fund (currently about \$1.5 million per quarter). With this cap in place, the Fund balance will not cover the State's expected abandonment costs (spelled out contractually as the State's liability) of over \$905 million once Long Beach oil operations end (currently projected for the year 2036). The purpose of AB 926 was to ensure that the abandonment fund for the offshore Long Beach oil operations would cover the State's liability when the operations end.

Status: Held in the Senate Appropriations Committee.

AB 1680 (Limón) Coastal lands: Public Access Program: Hollister Ranch.

This bill is intended to provide public access to the coast at Hollister Ranch, a private, gated subdivision in Santa Barbara County. The bill requires the Coastal Commission, in collaboration with the Coastal Conservancy, State Parks, and the State Lands Commission, to develop a contemporary public access program for Hollister Ranch in Santa Barbara County by April 2021. It also increases the Hollister Ranch in-lieu public access fee from \$5,000 to \$33,000 for each permit and dedicates the in-lieu fee to implementing the Hollister Ranch public access program. This bill leverages the expertise of a quartet of state agencies to fashion a contemporary coastal access program that reflects stakeholder engagement. The bill is consistent with a recent collaboration agreement among the agencies that memorializes their commitment to work quickly and carefully to craft a meaningful and comprehensive coastal access program at Hollister Ranch.

Status: Signed into law.

Additional Legislation Relevant to the Commission

AB 1057 (Limón): Oil and gas: Geologic Energy Management Division: wells and facilities: disposition and acquisition notices: indemnity bonds and remediation: additional security: civil penalty.

This bill renames the Division of Oil, Gas, and Geothermal Resources the Geologic Energy Management Division and redefines the Division's mission to include protecting public health, safety, and environmental quality. It also authorizes the Oil and Gas Supervisor to require an operator to provide an additional security (bond) to cover the cost of plugging and abandoning an operator's wells.

Status: Signed into law.

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AB 1191 (Bonta) Public lands: State Lands Commission: exchange of trust lands: City of Oakland: Howard Terminal property: Oakland Waterfront Sports and Mixed-Use Project, Waterfront Access, Environmental Justice, and Revitalization Act.

This bill authorizes the Commission to exchange land at the Port of Oakland to facilitate a new major league ballpark and a mixed-use development, and to find that a ballpark is consistent with the public trust subject to specific enumerated findings. The ballpark would be the new home of the Oakland A's baseball team. This bill would authorize the Commission to establish the boundaries of any lands that are exchanged and would require the San Francisco Bay Conservation and Development Commission to take certain actions related to this project. This bill preserves the Commission's authority to decide whether to proceed with a land exchange and to make a trust consistency determination. The sponsor, the Oakland A's, worked collaboratively with the Commission on this bill during this past year. This bill reflects that collaborative process.

Status: Signed into law.

AB 1321 (Gipson) Public lands: State Lands Commission: coastal ports: automated technology.

This bill would have required the Commission, subject to the availability of resources and in collaboration with the Governor's Office of Business and Economic Development (GO-Biz), to hold a series of meetings at or near California ports that operate on granted public trust lands to consider the impacts of automated technology at ports. The bill would have required the Commission to submit two reports to the Legislature on its activities and would sunset in December 2023.

Status: Senate Inactive File.

AB 1392 (Mullin) Grant of public lands: City of Redwood City.

This bill grants and conveys in trust to the City of Redwood City all the right, title, and interest of the State, consistent with the Public Trust Doctrine and the terms and conditions in its statutory trust grant, land that the Commission acquired in a recent land exchange and title settlement agreement. This transfer would fulfill a requirement in a land exchange that the City and Commission approved last year. The Commission and the City of Redwood City supported this bill.

Status: Signed into law.

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SB 8 (Glazer) State parks: state beaches: smoking ban.

This bill bans smoking on state coastal beaches and in state parks or disposal of used cigar or cigarette waste unless it is in a trash receptacle. This bill makes it an infraction punishable by a fine of up to \$25 for a person to smoke on a state beach or in a unit of the state park system or to dispose of used cigar or cigarette waste on a state beach or in a unit of the state park system. This bill finds that this issue is a matter of statewide concern in recognition of the importance of public health and environmental quality for the people of California.

Status: Signed into law.

SB 507 (Atkins) San Diego Unified Port District: territory held in trust.

This bill would transfer the tide and submerged lands in the San Diego Bay, which the Commission owns and manages, to the San Diego Unified Port District to hold and manage in trust consistent with the terms and conditions of its existing statutory trust grant and the Port act. SB 507 would also grant in trust to the City of San Diego three parcels of land, known as the Famosa Slough Parcels, in conformance with a previously approved land exchange agreement between the City and the Commission. The Commission approved that land exchange agreement in 2011.

Status: Signed into law.

AB 342 (Muratsuchi) Public lands: leasing: oil and gas: prohibition.

This bill prohibits any state agency, department, commission, and certain local jurisdictions with leasing authority over public lands from issuing a lease that allows new construction of oil and gas infrastructure on public lands to support oil and natural gas production on federal lands that are designated as, or were previously designated as, federally protected. Federally protected land means a national monument, park, wilderness area, wildlife refuge, or wilderness study area. This bill does not preclude work undertaken to repair, maintain, or relocate a pipeline or infrastructure used to convey oil or gas or another activity necessary to ensure the safe operation of infrastructure used in the exploration, development, or production of oil or natural gas. It also does not preclude any activity undertaken to convey oil or gas produced from state lands or waters, allows the Commission to promulgate implementing regulations, and states that it does not affect existing leases.

Status: Signed into law.

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AB 1440 (Levine) State-owned lands: oil and gas production.

There is a provision in existing law, a finding enacted in 1961, that the people of California have a direct and primary interest in assuring the production of optimum quantities of oil and gas from state-owned lands and that a minimum of oil and gas be left wasted and unrecovered in these lands. AB 1440 deletes that finding. AB 1440 also revises the purposes of the State's Oil and Gas Supervisor to remove references encouraging oil production.

Status: Vetoed.

CONCLUSION:

The next several months are the window of time in which the Commission can develop legislation for introduction in 2020, the second half of the 2019-20 legislative session. The Legislature reconvenes on January 7, 2020. The bill introduction deadline is February 22, 2020.