

Staff Report 78

DISCUSSION

Legislators introduced 2,159 bills so far this year, 1,520 in the Assembly and 639 in the Senate. Sixty-one percent of the Assembly bills passed off the Assembly floor by the end of May house of origin deadline, and 75 percent of the Senate bills passed off the Senate floor. July 3 is the last day for policy committees to meet and report bills before a month-long summer recess begins. August 31 is the last day for each house to pass bills and the last day of the legislative session. September 30 is the last day for the Governor to sign or veto bills. Below are summaries and statuses of bills affecting the State Lands Commission or issue areas relevant to its mission, vision, and responsibilities.

Staff recommends that the Commission adopt a support position on [SB 1425](#) (Gonzalez) relating to the state's Oil Trust Fund. SB 1425 is summarized on Page 12 of this staff report under the Oil and Gas category. Additional analysis to support the staff recommendation for SB 1425 is at the end of this staff report, beginning on Page 19—after the tracked bills.

TRACKED BILLS

30 x 30 GOAL

[AB 2440 \(REYES D\)](#) 30X30 GOAL: PARTNERING STATE AGENCIES: DEPARTMENT OF PARKS AND RECREATION.

Status: Senate Rules Committee

Summary: This bill would require the Natural Resources Agency to prioritize promoting and supporting partnering state agencies and departments in the acquisition and responsible stewardship of state land. This bill would also require that a portion of an Agency report on California's 30x30 goal concerning state funding to include information on the amount of funding expended by each partnering state agency and department for land and water conservation, science

and research, public outreach and engagement, and managing, monitoring, and restoring conserved lands and water.

[AB 2285](#) ([RENDON](#) D) *NATURAL RESOURCES: EQUITABLE OUTDOOR ACCESS: 30x30*

GOAL: URBAN NATURE-BASED PROJECTS.

Status: Senate Rules Committee

Summary: This bill would provide that the Governor’s Office, state agencies, and the Legislature, when distributing resources, shall aspire to recognize the coequal goals and benefits of California’s 30x30 goal and Outdoors for All and maximize investment in urban communities consistent with those initiatives.

[AB 2320](#) ([IRWIN](#) D) *WILDLIFE CONNECTIVITY AND CLIMATE ADAPTATION ACT OF 2024:*

WILDLIFE CORRIDORS.

Status: Senate Rules Committee

Summary: This bill declares it a state policy to increase connectivity between habitat areas to protect wildlife and requires California’s annual 30x30 report to outline progress in protecting wildlife corridors.

[SB 1402](#) ([MIN](#) D) *30x30 GOAL: STATE AGENCIES: ADOPTION, REVISION, OR*

ESTABLISHMENT OF PLANS, POLICIES, AND REGULATIONS.

Status: Assembly Rules Committee

Summary: This bill would require all state agencies, departments, boards, offices, commissions, and conservancies to consider California’s 30x30 goal when adopting, revising, or establishing plans, policies, and regulations.

AQUACULTURE

[AB 3162](#) ([BENNETT](#) D) *OCTOPUS: AQUACULTURE: SALE: PROHIBITION.*

Status: Senate Natural Resources and Water Committee

Summary: This bill would prohibit a person from engaging in octopus aquaculture for human consumption and prohibit the sale of octopus that is known to be the result of aquaculture.

[AB 3220](#) ([PAPAN D](#)) *MARINE RESOURCES: DEPARTMENT OF FISH AND WILDLIFE:*

AUTHORITY: MARICULTURE.

Status: Senate Rules Committee

Summary: This bill would require the Department of Fish and Wildlife to consider and, if appropriate, investigate whether and how to seek state verification authority from the United States Army Corps of Engineers and any other appropriate federal agencies that offer state verification authority in order to streamline the review and approval of federal permits issued by the United States Army Corps of Engineers or another federal agency that may be required by a mariculture project that intends to operate within California.

BLUE CARBON

[AB 1992](#) ([BOERNER D](#)) *COASTAL RESOURCES: COASTAL DEVELOPMENT PERMITS: BLUE CARBON DEMONSTRATION PROJECTS.*

Status: Senate Rules Committee

Summary: This bill would enable the California Coastal Commission to authorize blue carbon demonstration projects to assess their carbon sequestration potential to help inform the state's natural and working lands and climate resilience strategies. The bill would authorize the California Coastal Commission to require an applicant with a nonresidential project that impacts coastal wetland, subtidal, intertidal, or marine habitats or ecosystems to build or contribute to a blue carbon demonstration project.

BONDS

[AB 1567](#) ([GARCIA D](#)) *SAFE DRINKING WATER, WILDFIRE PREVENTION, DROUGHT PREPARATION, FLOOD PROTECTION, EXTREME HEAT MITIGATION, CLEAN ENERGY, AND WORKFORCE DEVELOPMENT BOND ACT OF 2024.*

Status: Senate Natural Resources and Water Committee

Summary: This bill would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize a nearly \$16 billion dollar bond to finance projects for safe drinking water,

wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs.

[SB 638](#) ([EGGMAN D](#)) *CLIMATE RESILIENCY AND FLOOD PROTECTION BOND ACT OF 2024.*

Status: Assembly Water, Parks, and Wildlife Committee

Summary: This bill would enact the Climate Resiliency and Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize a \$6 billion dollar bond for flood protection and climate resiliency projects.

[SB 867](#) ([ALLEN D](#)) *DROUGHT, FLOOD, AND WATER RESILIENCE, WILDFIRE AND FOREST RESILIENCE, COASTAL RESILIENCE, EXTREME HEAT MITIGATION, BIODIVERSITY AND NATURE-BASED CLIMATE SOLUTIONS, CLIMATE SMART AGRICULTURE, PARK CREATION AND OUTDOOR ACCESS, AND CLEAN ENERGY BOND ACT OF 2024.*

Status: Assembly Natural Resources and Water Committee

Summary: This bill would enact the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024, which, if approved by the voters, would authorize a \$15.5 billion bond to finance projects for drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate smart agriculture, park creation and outdoor access, and clean energy programs.

CALIFORNIA COASTAL COMMISSION

[AB 1881](#) ([DAVIES R](#)) *CALIFORNIA COASTAL COMMISSION: SCIENTIFIC PANEL EXPERTISE: COASTAL EROSION.*

Status: Senate Natural Resources and Water Committee

Summary: The bill would require that any scientific panel established by the Coastal Commission, under its existing authority, include persons with expertise and training on coastal erosion.

AB 2560 (ALVAREZ D) DENSITY BONUS LAW: CALIFORNIA COASTAL ACT OF 1976.

Status: Assembly Floor

Summary: This bill would provide that any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which an applicant is entitled under the Density Bonus Law, be permitted notwithstanding the California Coastal Act.

EQUITY AND ENVIRONMENTAL JUSTICE

ACA 16 (BRYAN D) ENVIRONMENTAL RIGHTS.

Status: Assembly Floor

Summary: This measure would amend the California Constitution to declare that people have a right to clean air and water and a healthy environment.

SB 1050 (BRADFORD D) CALIFORNIA AMERICAN FREEDMEN AFFAIRS AGENCY: RACIALLY MOTIVATED EMINENT DOMAIN.

Status: Assembly Rules Committee

Summary: This bill would establish a procedure by which the rightful owners of property that was taken as a result of racially motivated eminent domain may apply for the return of property, property of equal value, or compensation from the Reparations and reparative Justice Fund.

SB 1403 (BRADFORD D) CALIFORNIA AMERICAN FREEDMEN AFFAIRS AGENCY.

Status: Assembly Rules Committee

Summary: This bill would establish the California American Freedmen Affairs Agency in state government and require the agency to implement recommendations from the Task Force to Study and Develop Reparation Proposals for African Americans Who are Descendants of Persons Enslaved in the United States. The bill would require proof of an individual's descendant status to be a qualifying criterion for benefits authorized by the state for descendants. The bill would require the agency to oversee and monitor existing state agencies and departments tasked with engaging in direct implementation of the policies that fall within the scope of the agencies and departments' authority, including policies related to reparations.

GENERAL

[AB 2916](#) ([FRIEDMAN D](#)) *ENVIRONMENTAL HEALTH: FLOATING DEVICES: EXPANDED POLYSTYRENE.*

Status: Held in the Assembly Appropriations Committee

Summary: This bill would have prohibited a buoy, dock, pier, or other floating device that is comprised of expanded polystyrene from being installed, placed into, or used in state waters, except when encased in another material that prevents the release of the expanded polystyrene into state waters or the environment. The bill would require a buoy, dock, pier, or other floating device that is installed, placed into, or used in state waters before January 2026, and that is repaired or maintained after that date, to comply with this requirement.

[AB 3036](#) ([RENDON D](#)) *LOS ANGELES RIVER: RIVER RANGER PROGRAM.*

Status: Held in the Assembly Appropriations Committee

Summary: This bill would have required the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy and the Santa Monica Mountains Conservancy to collaborate with the Department of Parks and Recreation, the California Conservation Corps, and the State Lands Commission to develop a river ranger program to provide a network of river rangers who assist the public at sites along the Los Angeles River and its tributaries.

[AB 3040](#) ([BOERNER D](#)) *LIABILITY POLICIES: LAWSUITS.*

Status: Assembly Insurance Committee

Summary: This bill would clarify that environmental regulatory orders can trigger coverage under historic insurance liability policies, helping to fund and expedite legacy pollution caused by past industrial development.

GRANTED LANDS

[AB 2393](#) ([DIXON R](#)) *TIDELANDS AND SUBMERGED LANDS: COUNTY OF ORANGE AND NEWPORT BAY: FRANCHISES OR LEASES.*

Status: Senate Natural Resources and Water Committee

Summary: Current law grants Orange County all the right, title, and interest of the State of California in and to certain tide and submerged lands in Newport Bay, in trust, for certain purposes and subject to the Commission's oversight. Current law prohibits the county from granting franchises or leases for those tide and submerged lands for periods that exceed 50 years. This bill would extend to 66 years the maximum period for which the county may grant franchises or leases for the use of tide and submerged lands for trust purposes.

[AB 2760](#) ([MURATSUCHI D](#)) *LOWER EMISSIONS EQUIPMENT AT SEAPORTS AND INTERMODAL YARDS PROGRAM.*

Status: Held in the Assembly Appropriations Committee

Summary: This bill would have enacted the Lower Emissions Equipment at Seaports and Intermodal Yards Program and required the Air Resources Board to administer it. The bill would require the Board to approve as covered equipment certain cargo handling equipment that will reduce emissions at seaports and intermodal yards. The bill would require the Board to establish an application fee, with the revenue deposited in the Air Pollution Control Fund and allow the Legislature to appropriate revenue in the Fund to the Board.

[AB 2783](#) ([ALVAREZ D](#)) *SAN DIEGO UNIFIED PORT DISTRICT.*

Status: Senate Rules Committee

Summary: The bill would make various changes related to the San Diego Unified Port District. The bill would require the Port to establish a board of ethics, a lobbyist registry, and a maritime industrial impact fund to address maritime impacts off of port tidelands. The bill would require the City of San Diego to try to appoint one commissioner residing in an underserved neighborhood and one commissioner that is a current or former member of the maritime and cargo handling industry. The bill would also prohibit a commissioner from lobbying the port for a year after their terms end and require at least 72 hours' notice before the Port censures a commissioner or strips them of their duties.

[SB 951](#) ([WIENER D](#)) *CALIFORNIA COASTAL ACT OF 1976: COASTAL ZONE: COASTAL DEVELOPMENT.*

Status: Assembly Rules Committee

Summary: This bill would amend state Housing Element Law to require any local government in the coastal zone, as part of updating its housing element, to complete all necessary local coastal program amendments by the applicable deadline for rezones. This would sync up coastal jurisdictions' housing element updates and any associated Local Coastal Permit amendments, helping prevent a situation where a local government's housing element and its Local Coastal Permit are inconsistent about whether or how a site should be developed for housing. The bill would also significantly limit one of the categories of county Coastal Development Permit actions that can be appealed to the Commission.

MARINE INVASIVE SPECIES

[AB 2509](#) ([KALRA D](#)) *INTEGRATED PEST MANAGEMENT: INVASIVE SPECIES: DEFINITIONS.*

Status: Senate Rules Committee

Summary: This bill would define integrated pest management for purposes of the Food and Agricultural Code to mean, among other things, a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, and environmental risks.

[AB 2827](#) ([REYES D](#)) *INVASIVE SPECIES: PREVENTION.*

Status: Senate Rules Committee

Summary: This bill would declare it a state goal to prevent the introduction, and suppress the spread, of invasive species. The bill would require state agencies to develop and implement strategies to detect, control, monitor, and eradicate invasive species to protect the state's agriculture, environment, and natural resources. The bill would require the Department of Food and Agriculture, in consultation with relevant state agencies, to allocate funds, if available, to implement and enforce these provisions.

OFFSHORE WIND ENERGY

AB 80 (ADDIS D) COASTAL RESOURCES: OCEAN RESEARCH: WEST COAST OFFSHORE WIND SCIENCE ENTITY.

Status: Senate Appropriations Committee

Summary: This bill, which the Commission has a support position on, would require the Ocean Protection Council to oversee the establishment of a nonprofit West Coast Offshore Wind Science Entity for the purpose of directing comprehensive baseline and ongoing monitoring of California's ocean ecosystem as well as targeted research, and ensure that the research is available and used to inform state and federal decisions. The bill would require the entity to perform specified functions, including reviewing and incorporating existing research, monitoring, data standardization methods, and data portals.

AB 2208 (ZBUR D) CALIFORNIA PORTS DEVELOPMENT AND OFFSHORE WIND INFRASTRUCTURE BOND ACT OF 2024.

Status: Assembly Natural Resources Committee and Assembly Utilities and Commerce Committee

Summary: This bill would enact the California Ports Development and Offshore Wind Infrastructure Bond Act of 2024, which, if approved by the voters, would authorize a \$1 billion dollar bond to support offshore wind energy generation.

AB 2212 (LOWENTHAL D) ENERGY: WORKFORCE SAFETY TRAINING FACILITIES.

Status: Held in the Assembly Appropriations Committee

Summary: This bill, the Offshore Wind Training Facility Development Act, would have required the Energy Commission to oversee the allocation and use of funds allocated to develop training facilities and standardized training for the offshore wind industry.

AB 2235 (LOWENTHAL D) PUBLIC CONTRACTS: LOCAL AGENCIES: WIND INFRASTRUCTURE.

Status: Senate Rules Committee

Summary: This bill would authorize the City of Long Beach to procure contracts for its Pier Wind Project and to use any alternative project delivery method, including progressive design-build, for purposes of any contract related to this project. The bill

would authorize the city to perform various duties regarding the procurement and administration of these contracts.

AB 2537 (ADDIS D) ENERGY: OFFSHORE WIND GENERATION: GRANT PROGRAM.

Status: Senate Rules Committee

Summary: This bill would create an Offshore Wind Community Capacity Building Fund Grant Account and continuously appropriate money in the account to the California Energy Commission to award local communities, California tribes, and nonprofit organizations grants to engage in the offshore wind energy development process. This bill would also require California offshore wind leaseholders to provide financial assistance to fund the capacity building grants for the three year period after the leaseholder executes an offshore wind energy lease.

AB 3006 (ZBUR D) ENERGY: OFFSHORE WIND GENERATION: WORKFORCE NEEDS.

Status: Senate Rules Committee

Summary: This bill would amend the definition of “infrastructure” as it relates to the Governor’s annual 5-year infrastructure plan to the Legislature, to include port infrastructure for offshore wind energy development and would require the plan to assess port infrastructure funding needs for offshore wind energy development. The bill would require the Governor, in consultation with specified entities, including the State Lands Commission, to assess funding opportunities to help build port infrastructure for offshore wind energy development. This bill would require the Energy Commission and the California Workforce Development Board to jointly determine the immediate and long-term workforce needs for offshore wind generation. After the determination is made, the bill would require the Energy Commission and the Board to develop targeted and equitable hiring standards.

SB 1085 (NGUYEN R) OFFSHORE ENERGY PRODUCTION: WILDLIFE IMPACTS: REPORT.

Status: Senate Natural Resources and Water Committee

Summary: This bill would require the Department of Fish and Wildlife to prepare and submit a report to the Legislature regarding the environmental impact on marine mammals and wildlife from offshore energy production off the California coast.

OIL AND GAS

AB 1866 (HART D) OIL AND GAS: IDLE WELLS.

Status: Senate Rules Committee

Summary: This bill would eliminate the schedule of fees for idle wells and would instead require an idle well operator to file a plan with the supervisor to provide for the management and elimination of all idle wells. The bill would require the plan to require the operator to consider specified factors when prioritizing idle wells for testing or plugging and abandonment. The bill would also require operators to restore the surface of the wellpad to as near a natural state as practicable if there are no remaining unplugged wells on the wellpad, or to a condition suitable for alternative use. The bill would make an operator who fails to comply with the plan subject to an additional civil penalty equivalent to the average cost to plug a well, multiplied by the number of wells that the operator failed to plug.

AB 2716 (BRYAN D) OIL AND GAS: LOW-PRODUCTION WELLS: SENSITIVE RECEPTORS.

Status: Senate Rules Committee

Summary: This bill would require CalGEM to identify all low-production wells located within 3,200 feet of a sensitive receptor and determine the length of time each well has continuously been a low-production well. This bill would prohibit a well located within 3,200 feet of a sensitive receptor from being a low production well for more than 24 months and authorize the State Oil and Gas Supervisor to penalize low-production well owners who violate the prohibition a \$10,000 per day penalty. The bill would define a low-production well as a well that averages fewer than 15 barrels of oil a day during 12 consecutive months or a natural gas well whose maximum daily average production does not exceed 60,000 cubic feet of gas, per day during 12 consecutive months.

AB 3019 (BAINS D) OIL AND GAS WELLS: HAZARDOUS AND IDLE-DESERTED WELL

ABATEMENT FUND:

Status: Held in the Assembly Appropriations Committee

Summary: This bill would have required CalGEM to make funding available to a county in which there are at least 100 orphaned or deserted oil and gas wells and that attests that the county can plug and abandon the wells quicker than CalGEM.

[AB 3155](#) ([FRIEDMAN D](#)) *OIL AND GAS WELLS: HEALTH PROTECTION ZONES: CIVIL LIABILITY.*

Status: Assembly Floor

Summary: This bill would make an operator or owner of an oil or gas production facility or well with a wellhead presumptively, jointly and severally liable for a respiratory ailment in a senior or child, a preterm birth or high-risk pregnancy, and a person's cancer diagnosis if specified requirements are met, including that the person lived more than 24 months in a health protection zone and was diagnosed after January 2025.

[AB 3233](#) ([ADDIS D](#)) *OIL AND GAS: OPERATIONS: RESTRICTIONS: LOCAL AUTHORITY.*

Status: Senate Rules Committee

Summary: This bill would authorize a local jurisdiction to enact an ordinance that prohibits oil and gas operations or development within its jurisdiction or to impose regulations, limits, or prohibitions on oil and gas development that are more protective of public health, the climate, or the environment than those prescribed by a state law.

[SB 1304](#) ([LIMÓN D](#)) *UNDERGROUND INJECTION CONTROL: AQUIFER EXEMPTION.*

Status: Assembly Rules Committee

Summary: This bill would require a proposed aquifer exemption to meet criteria ensuring that fluid injection will not be in an area at risk for drinking water or groundwater threats. The bill would require the State Water Board to conduct an environmental review of a proposed aquifer exemption and establish associated public comment and hearing requirements.

[SB 1425](#) ([GONZALEZ D](#)) *OIL REVENUE: OIL TRUST FUND.*

Status: Assembly Rules Committee

Summary: This bill, an urgency measure, would increase the state's monthly contribution to the Oil Trust Fund from \$2 million to \$5 million or 50 percent of remaining oil revenue, whichever is greater, to help fund the state's share of liability for oil and gas operations in the City of Long Beach. Staff recommends that the Commission adopt a support position on this bill.

[SB 1433](#) ([LIMÓN D](#)) **GRAVITY-BASED ENERGY STORAGE WELL PILOT PROGRAM.**

Status: Assembly Rules Committee

Summary: This bill would establish a Gravity-Based Energy Storage Well Pilot Program and authorize the Oil and Gas Supervisor to convert idle and orphan wells to gravity-based energy storage wells, evaluate their use, and establish operating conditions and physical parameters to safely generate energy. The bill would require idle wells that are authorized for use as gravity-based energy storage wells to be identified as gravity-based energy storage wells in a plan or updates to the plan filed with the supervisor. The bill would require CalGEM to assess the mechanical integrity of gravity-based energy storage wells annually and impose requirements on their operation.

[SJR 12](#) ([MIN D](#)) **OIL AND GAS LEASES: BANKRUPTCY.**

Status: Assembly Rules Committee

Summary: This resolution would urge the President of the United States and the United States Congress to modify bankruptcy rules to provide, in the event of liquidation and termination of oil and gas leases under the United States Bankruptcy Code, that priority is given to plug and abandonment and restoration obligations, to protect the environment, over all secured creditor claims. The Commission adopted a [support position](#) on SJR 12 at its February 2024 meeting.

PLASTIC POLLUTION

[AB 2214](#) ([BAUER-KAHAN D](#)) **OCEAN PROTECTION COUNCIL: MICROPLASTICS.**

Status: Senate Rules Committee

Summary: This bill would require the Ocean Protection Council to establish and lead an interagency coordination group to identify and recommend statutory changes to implement recommendations in the statewide microplastics strategy. The bill would require the Council, in coordination with the interagency coordination group, to adopt a workplan and submit it to the Legislature. The Commission would be part of the interagency coordination group.

AB 2236 (BAUER-KAHAN D) SOLID WASTE: REUSABLE GROCERY BAGS: STANDARDS: PLASTIC FILM PROHIBITION.

Status: Senate Rules Committee

Summary: This bill would revise the single-use carryout bag exception to include a bag provided before a customer reaches the point of sale that is designed to protect a purchased item from damaging or contaminating other purchased items in a checkout bag or to contain an unwrapped food item. This bill would revise the definition of recycled paper bag to require it be made from a minimum of 50 percent postconsumer recycled materials after January 2028. The bill would also require a reusable grocery bag sold by a store to a customer at the point of sale to meet different requirements than under existing law. Item 76 on the agenda recommends that the Commission adopt a support position on this bill.

SB 1053 (BLAKESPEAR D) SOLID WASTE: REUSABLE GROCERY BAGS: STANDARDS: PLASTIC FILM PROHIBITION

Status: Assembly Rules Committee

Summary: This bill would revise the single-use carryout bag exception to include a bag used solely to contain or wrap specified uncooked foods and other specified items to avoid contamination, prevent damage from moisture, or for sanitary, public health, or environmental protection purposes. The bill would revise the definition of recycled paper bag to require it be made from a minimum of 50 percent postconsumer recycled materials after January 2028. Item 76 on the agenda recommends that the Commission adopt a support position on this bill.

SB 1231 (ALLEN D) PLASTIC POLLUTION PREVENTION AND PACKAGING PRODUCER RESPONSIBILITY ACT: ENVIRONMENTAL ADVERTISING.

Status: Assembly Rules Committee

Summary: The Plastic Pollution Prevention and Packaging Producer Responsibility Act covers certain single-use packaging and plastic single-use food service ware. The Act requires producers of those covered materials to reduce and recycle the covered plastic material and to ensure that covered materials that are offered for sale, distributed, or imported in or into the state on or after January 1, 2032, are recyclable or compostable. The act authorizes the Department of Resources Recycling and Recovery to identify materials that are trending toward meeting specified requirements and criteria to be considered recyclable and requires those

material types and forms to be considered and labeled as recyclable if the material types and forms meet certain requirements. This bill would instead authorize a producer or group of producers of products using covered materials to petition the department to identify material types and forms that meet those specified requirements and criteria to be considered as recyclable in the state.

PUBLIC LANDS

[AB 2196](#) ([CONNOLLY D](#)) *BEAVER RESTORATION.*

Status: Senate Rules Committee

Summary: This bill would require the Department of Fish and Wildlife to consult with beaver restoration program partners to develop a beaver restoration program. Item 75 on the agenda recommends that the Commission adopt a support position on this legislation.

[AB 2197](#) ([ADDIS D](#)) *PERSONAL INCOME TAXES: PROTECT OUR COAST AND OCEANS VOLUNTARY TAX CONTRIBUTION FUND.*

Status: Senate Revenue and Taxation Committee

Summary: This bill would extend California's beach and coastal access voluntary tax contribution fund until January 2032. Item 77 on the agenda recommends that the Commission adopt a support position on this legislation.

[AB 2298](#) ([HART D](#)) *COASTAL RESOURCES: PROTECTING BLUE WHALES AND BLUE SKIS PROGRAM.*

Status: Senate Rules Committee

Summary: This bill would require the Ocean Protection Council to participate as a stakeholder, and in an advisory capacity, in the *Protecting Blue Whales and Blue Skies Program* with air pollution control districts and air quality management districts along the coast to support coastal air districts in their efforts to implement a statewide voluntary vessel speed reduction and sustainable shipping program to reduce air pollution, the risks of fatal vessel strikes on whales, and harmful underwater acoustic impacts. The bill would expand the program and limit it to vessels that are 300 gross tons or greater.

[SB 1226](#) ([CORTESE D](#)) *HUNTING: NAVIGABLE WATERS.*

Status: Assembly Water, Parks, and Wildlife Committee

Summary: This bill would modify a section of the Fish and Game Code that prohibits the use of certain temporarily inundated lands for hunting without permission to clarify that this applies to non-navigable waters only, and authorize the use of navigable waters for hunting, fishing, or other public purposes.

RENEWABLE ENERGY

[SB 974](#) ([GROVE R](#)) *LITHIUM EXTRACTION TAX: FUND DISTRIBUTION.*

Status: Assembly Rules Committee

Summary: This bill would amend the lithium extraction tax law to provide that 20 percent of the revenues collected in a county other than Imperial County is instead retained by the county where the extraction occurred for distribution to certain communities instead of being allocated to the Salton Sea Lithium Fund.

SALTON SEA

[AB 2757](#) ([GARCIA D](#)) *SOUTHEAST CALIFORNIA ECONOMIC REGION.*

Status: Senate Rules Committee

Summary: This bill would designate a southeast California economic region to better align state and federal programs, services, and funding in communities impacted by the extraction and processing of lithium and other minerals from the Salton Sea and clean energy development in the surrounding areas. The bill would require an inter-agency leadership team to prepare a list of state programs that use the southeast California economic region designation for planning and funding purposes.

SEA LEVEL RISE AND CLIMATE CHANGE

[SB 1497](#) ([MENJIVAR D](#)) *POLLUTERS PAY CLIMATE COST RECOVERY ACT OF 2024.*

Status: Senate Inactive File

Summary: This bill would enact the Polluters Pay Climate Cost Recovery Act of 2024 and would establish the Pollutes Pay Climate Cost Recovery Program to be administered by CalEPA to require fossil fuel polluters to pay their fair share of the damaged caused by the sale of their products between 2000 and 2020.

TIJUANA RIVER

[AJR 12](#) ([ALVAREZ D](#)) *TIJUANA RIVER: CROSS-BORDER POLLUTION.*

Status: Senate Environmental Quality Committee

Summary: This resolution would urge Congress to support President Biden’s \$310 million supplemental funding request for the United States Section of the International Boundary and Water Commission owing to the ongoing impacts on public health, the environment, and the local economy caused by cross-border pollution in the Tijuana River Valley and would urge President Biden to declare a national emergency. The Commission adopted a [support position](#) on this resolution at its February 2024 public meeting.

[SB 1178](#) ([PADILLA D](#)) *CALIFORNIA WATER QUALITY AND PUBLIC HEALTH PROTECTION ACT.*

Status: Assembly Rules Committee

Summary: This bill would require the State Water Board to establish regulations regarding water discharge compliance and reporting. The bill would require the Board to quantify the cost of mitigating contamination from a water discharge and notify compliance entities of these costs. The bill would establish mechanisms for mitigating compliance and create a water quality and public health impact fund to collect revenue from a new surcharge authorized by the bill. The money in the fund could be used to mitigate contamination on state waters caused by reported water discharges.

[SB 1208 \(PADILLA D\)](#) WASTE DISCHARGE PERMITS: LANDFILLS.

Status: Assembly Rules Committee

Summary: This bill would prohibit a regional water board from issuing a waste discharge permit for a new landfill that is used to dispose of nonhazardous solid waste if the land is in the Tijuana River National Estuarine Research Reserve or a tributary to the Tijuana River.

[SB 1342 \(ATKINS D\)](#) CALIFORNIA ENVIRONMENTAL QUALITY ACT: INFRASTRUCTURE PROJECTS: COUNTY OF SAN DIEGO.

Status: Assembly Rules Committee

Summary: Current law authorizes the Governor to certify projects meeting certain requirements as infrastructure projects and provides those certified projects with CEQA streamlining benefits. This bill would include the San Vicente Energy Storage Facility project proposed by the San Diego County Water Authority and a project for the repair, rehabilitation, or replacement of the South Bay Sewage Treatment Plant, operated by the International Boundary and Water Commission, as infrastructure projects, providing CEQA streamlining benefits to those projects.

TRIBAL CONSULTATION

[AB 1284 \(RAMOS D\)](#) TRIBAL ANCESTRAL LANDS AND WATERS: COGOVERNANCE AND COMANAGEMENT AGREEMENTS.

Status: Senate Natural Resources and Water Committee

Summary: This bill would establish the Tribal Cogovernance and Comanagement of Ancestral Lands and Waters Act to encourage the state to enter into agreements with federally recognized tribes for the purposes of shared responsibility, decision-making, and partnership in resource management and conservation within a tribe's ancestral lands and waters.

[AB 3183 \(ALVAREZ D\)](#) PUBLIC RESOURCES: NATIVE AMERICAN HERITAGE COMMISSION.

Status: Assembly Natural Resources and Water Committee

Summary: This bill would revise the Native American Heritage Commission composition to require at least five of the nine members to be elders, traditional people, or spiritual leaders of California Native American tribes that are federally

recognized or that are actively seeking federal recognition, nominated by Native American organizations or tribes within the state.

WETLANDS

[AB 2875](#) ([FRIEDMAN D](#)) *WETLANDS: STATE POLICY.*

Status: Senate Rules Committee

Summary: This bill would declare that it is a state policy to ensure no net loss and long-term gain in the quantity, quality, and permanence of wetlands acreage and values in California.

STAFF ANALYSIS AND RECOMMENDATION FOR SB 1425 (GONZALEZ)

SUMMARY:

SB 1425 (Gonzalez) would increase the monthly revenue contribution into the state's Oil Trust Fund from \$2 million (or 50 percent of the remaining revenue from the City of Long Beach, whichever is less) to \$5 million or 50 percent of the remaining oil revenue, whichever is greater.

SB 1425 relates to the future abandonment of oil operations in the city of Long Beach. The bill is intended to remedy a roughly \$700 million shortfall in the state's Oil Trust Fund and ensure that the state's abandonment fund for the Long Beach oil operations will cover the state's liability when the operations end. Existing law establishes an Oil Trust Fund to fund the state's cost to remove the oil and gas facilities and plug and abandon hundreds of wells when the oil operations end. The field contractor for the oil and gas operations estimates that the end of field economic life for the Long Beach Unit and Tidelands is 2066 and 2041, respectively.

The state's share of the liability is currently \$1.046 billion dollars. The Oil Trust Fund balance is about \$330 million, leaving a roughly \$700 million shortfall. The Oil Trust Fund, until 2022, was capped at \$300 million. In 2023, legislation took effect to remove the cap and resume monthly \$2 million contributions into the fund to address the state's unfunded liability. SB 1425 would increase the monthly contribution to \$5 million or 50 percent of the remaining oil revenue the Commission receives from the City, whichever is greater, and that is deposited into the General Fund. The remaining revenue each month varies from \$700,000 to \$16.5 million. The average is \$7,899,765.

BACKGROUND AND ANALYSIS:

A large portion of the Wilmington Oil Field, one of the largest oil fields in the country, is beneath the Long Beach tidelands. The Legislature granted these lands and their minerals to the city in the early 1900s. The Wilmington Oil Field was discovered in 1937, and soon after, the city began oil development and extraction in the tidelands. The oil operations include the Long Beach Unit and the West Wilmington Units established in the early and mid-1960s. The city is the unit operator and California Resources Corporation is the contractor responsible for day-to-day production, operation, and maintenance. Even though the minerals are granted, the state receives a share of the net profits. The state's revenue share is deposited into the General Fund, save for \$2 million per month that is deposited into the state's Oil Trust Fund. Various statutes and unit and production agreements control the character of the oil operations, including the liability associated with abandoning oil and gas wells and facilities. The state's share of liability is apportioned based on its net profit interest, among other factors. The state retains a large majority of the total abandonment liability at the end of the oil operations.

While oil and gas wells are abandoned as a normal course of oil field operations, those costs are deducted as unit expenses and are paid before net profits are calculated. Once operations cease and revenue is no longer generated, the Oil Trust Fund will be the primary source to fund the substantial abandonment and decommissioning work that will be required to remove oil and gas facilities related to the oil operations.

In 2005, legislation was enacted creating the Oil Trust Fund to fund abandonment costs when unit operations end, i.e., when oil revenue generation is insufficient to cover those costs. The purpose of the legislation was to create an abandonment fund for the Long Beach operations. The legislation authorized monthly deposits (\$2 million or 50 percent of monthly revenue, whichever is less) from the state's share of oil revenues until the Fund reached \$300 million. The cap was reached in 2014.

The Commission may spend money in the Oil Trust Fund for well abandonment, pipeline removal, facility removal, remediation and other costs to remove oil and gas facilities from the Long Beach tidelands that are not the responsibility of other parties. Money in the Oil Trust Fund can be used only after the City determines that oil revenue is insufficient to cover abandonment and decommissioning work—an event likely associated with the end of the oil field's productive life. The abandonment costs for oil operations have increased considerably in recent years

because of updated market costs for abandonment work and reduced production forecasts from low oil prices.

In 2018, and for several years thereafter, the Legislature proposed legislation to resume the monthly \$2 million contributions to address the ballooning state abandonment liability. In 2022, the Governor signed [legislation](#) to resume the monthly \$2 million contribution.

In 2021, the Governor asked the California Air Resources Board to analyze pathways to phase out oil extraction across the state by 2045. The Board intends to evaluate how to phase out oil extraction through the climate change scoping plan. The Commission, separately, is in the midst of preparing a cost study to assess the fiscal impact of a voluntary buy-out of the state's remaining offshore oil and gas leases. And while the Commission's cost study does not apply to the City of Long Beach's oil and gas operations, it is aligned with California's goal to phase out oil extraction by 2045. In 2022, the City of Long Beach announced that it planned to end its offshore oil and gas operations by 2035. At the current rate, the state's Oil Trust Fund will not have enough money for the state's liability costs until 2050— notwithstanding that the state's estimate liability will grow during that time—as it has and continues to do over the years.

According to the author, “For close to a century, the state of California and the City of Long Beach have engaged in a unique profit sharing and ownership relationship related to the extraction of oil resources from the Long Beach Coastline and tidelands. As a result, the state has earned billions of dollars in profit, including \$5.75 billion in the last 20 years alone. However, as part of this arrangement, the state is also obligated to fund a proportional share of the liability for closing down oil wells, based on the profit it has received. The Oil Trust Fund is the primary funding source to cover this liability.”

SB 1425 is supported by the City of Long Beach and the Center for Biological Diversity and has not received any opposition. The bill passed the Senate on a 38-0 vote and is in the Assembly Rules Committee awaiting referral.

FEDERAL GRANT TO REDUCE METHANE OPERATIONS FROM OIL AND GAS OPERATIONS

In December 2023, the federal government awarded the State Lands Commission a nearly \$22 million grant to reduce methane emissions from certain oil and gas wells. The grant is part of \$350 million in funding under the Inflation Reduction Act to mitigate methane emissions from marginal oil and gas wells. Marginal wells are

outsized contributors to methane pollution. They account for only six percent of oil and gas production in the U.S. but over half of well site methane emissions.

The grant funding will enable the State Lands Commission to work with oil and gas operators to plug and abandon marginal conventional wells on non-federal lands, measure and monitor methane emissions, and restore well sites. The Commission will identify wells that have the most liabilities to the state, especially those on public lands, and prioritize wells by location and proximity to disadvantaged communities. The grant requires a minimum of 40 percent of the funding to be used to implement the program in low-income and disadvantaged communities in compliance with the federal government's Justice 40 Initiative.

Commission staff are working with the City of Long Beach to identify wells in Long Beach to plug and abandon using the grant funding. As part of that, the City of Long Beach is looking at its well inventory to determine which wells meet the grant criteria. The Commission hopes to have an initial inventory soon and to abandon 70 West Wilmington (Tidelands) wells over five years. The state's liability of \$1,046 billion (total for Long Beach Unit and Tidelands) should be reduced by this amount when the well abandonment work associated with grant funding is done.

RECOMMENDED ACTION:

It is recommended that the Commission adopt a support position on SB 1425 (Gonzalez).