

Staff Report 62

INTRODUCTION

The 2026 legislative session is approaching its final two and a half months. Several seminal committee deadlines have passed and the number of remaining bills advancing through the process, while still high, has decreased. Several bills tracked by staff have been amended substantively since the Commission's April legislative update and additional amendments are anticipated in the coming months. Staff continue to monitor legislation relevant to the Commission's mission, vision, and statutory responsibilities, including management of sovereign lands and waterways, ports and maritime infrastructure, marine invasive species prevention, renewable energy, environmental protection, climate resilience, tribal consultation, and public access to California's waterways and coastline. In particular, staff is monitoring legislation that would establish new working groups that involve Commission participation, facilitate waterfront redevelopment in the City of Martinez, and the Commission's offshore oil and gas leasing authorities.

This informational report summarizes legislation staff is monitoring that could affect the Commission's authorities, programs, or areas of interest. The content and potential impacts of these bills may change as the legislative session progresses.

Staff recommends that the Commission direct staff to work with Assemblymember Hart's office on amendments to AB 1448 to facilitate implementation of the bill. AB 1448 is summarized on page 7 of this staff report under oil and gas. Additional information to support the staff recommendation for AB 1448 is at the end of this staff report, beginning on page 15 after the tracked bill summaries.

TRACKED BILLS

30 x 30 CALIFORNIA

AB 946 (BRYAN D) NATURAL RESOURCES: EQUITABLE OUTDOOR ACCESS: 30X30 GOAL: URBAN NATURE-BASED PROJECTS.

Status: Senate Rules Committee

Summary: This bill would require the Governor's office, state agencies, and the Legislature, when distributing resources, to aspire to recognize the coequal goals and benefits of the 30 x 30 goal and the Outdoors for All initiative, and, to the extent practical, maximize investment in historically underserved urban communities consistent with those initiatives. According to the author, California has made a strong commitment to protect and preserve its natural lands, but it is just as important to ensure that densely populated and underserved communities are not overlooked in this work. By urging the state to focus on greening and restoring land in heavily urbanized areas, this bill will ensure we take a comprehensive approach to environmental protection that supports vulnerable communities and expands access to nature throughout California.

While this bill would not assign the Commission new duties, the shift in statewide investment priorities could influence Commission planning, funding alignment, and coordination on conservation and public access projects in urbanized areas.

SB 1394 (LIMÓN D) ENVIRONMENTAL PROTECTION: LANDS AND COASTAL WATERS: CONSERVATION GOALS: REPORTS.

Status: Senate Natural Resources and Water Committee

Summary: This bill would require the state's annual 30 x 30 goal report to include sufficient information to accurately quantify and identify the acreage reported to be newly conserved and distinguish it from acreage previously reported as conserved. The bill would require the Secretary to post the report on the Natural Resources Agency's website. More detailed state reporting on conserved acreage may indirectly affect Commission project documentation and coordination with the California Natural Resources Agency as it relates to Commission managed lands that qualify as conserved or newly conserved.

CALIFORNIA COASTAL COMMISSION

SB 1229 (ALLEN D) COASTAL RESOURCES: COASTAL DEVELOPMENT PERMITS: DISASTER EXEMPTION.

Status: Senate Natural Resources and Water Committee

Summary: This bill would limit an existing coastal development permit exemption enacted following last year's fires in southern California to the replacement of a structure by the property owner of record for the property who was listed as the property owner of record immediately preceding the disaster. Although this bill focuses on disaster-related coastal permit exemptions, narrowing eligibility could affect inquiries or workload related to Commission jurisdictional questions.

GENERAL

AB 2360 (ARAMBULA D) STATE AGENCIES: GOVERNMENTAL LINGUISTICS.

Status: Assembly Governmental Organization Committee

Summary: Current law requires each department, commission, office, or other administrative agency of state government to write each document that it produces in plain, straightforward language, avoiding technical terms as much as possible, and using a coherent and easily readable style. This bill would specify that the plain, straightforward language requirement applies to both digital and printed documents and would define "plain language". The bill would require each state agency to create, adopt, and post on its website a plain language policy that identifies how the agency will incorporate or strengthen plain language writing and design principles and practices. This bill would likely require the Commission to develop and post a plain-language policy and ensure all digital and print documents adhere to expanded plain-language standards, creating administrative work for staff.

SB 1337 (RICHARDSON D) TRANSPORTATION FUELS: INTERAGENCY WORKING GROUP.

Status: Senate Energy, Utilities, and Commerce Committee

Summary: This bill would establish an interagency workgroup led by the California Energy Commission and consisting of the State Lands Commission, air districts, local governments, airports, and ports to strengthen coordination and establish clear lines of communication to prioritize critical energy policies and regulations and to

propose opportunities for partnership between the Governor's office, state agencies, boards, commissions, offices, and other entities, as necessary, and the Legislature to advance solutions to strategically align regulations and permitting processes across all levels of government that could best support achievement of state policy goals. This bill names the Commission as a member of a new statewide fuels-related interagency working group, adding new interagency coordination responsibilities and participation requirements relating to energy policy, permitting, and port infrastructure.

GRANTED LANDS

AB 2312 (ÁVILA FARÍAS D) STATE PROPERTY: TIDELANDS TRANSFER: CITY OF MARTINEZ: LEASES.

Status: Senate Natural Resources and Water Committee – Hearing on June 23

Summary: This bill would extend the lease on the public trust lands for the City of Martinez from 49 years to 66 years or, subject to State Lands Commission approval, for a term longer than 66 years if the Commission finds that a longer lease term is in the best interest of the state.

AB 2525 (WARD D) SURPLUS LANDS: MISSION BAY PARK.

Status: Assembly Local Government Committee

Summary: Current law requires a local agency, before disposing or negotiating to dispose of surplus land, to provide a written notice of the availability of the surplus land to specified entities and housing sponsors. Under current law, land declared by an agency of the state or any local agency as “exempt surplus land” is not subject to these requirements. This bill would exempt land that comprises Mission Bay Park in the City of San Diego from these requirements. While the Commission is not responsible for surplus land decisions in Mission Bay Park, changes to exempt surplus land designations may affect Commission coordination with local grantees and local agencies on land uses adjacent to state tidelands.

SB 1317 (ARREGUÍN D) EXEMPT SURPLUS LAND: LOCALLY OWNED LAND

Status: Senate Local Government Committee

Summary: This bill would define “exempt surplus land” to include surplus land that is owned by a local agency and is located within a property and business

improvement district designated under the Property and Business Improvement District Law of 1994 and a disadvantaged community identified by the California Environmental Protection Agency under the above-referenced provisions. Expanding the definition of exempt surplus land in disadvantaged communities could affect the Commission's planning or interagency collaboration where local land-use decisions intersect with Commission managed lands or lands managed by a local grantee of public trust lands.

LOS ANGELES RIVER

[SB 832](#) (ALLEN D) UPPER LOS ANGELES RIVER AND TRIBUTARIES WORKING GROUP:

MEMBERSHIP: REVITALIZATION PLAN.

Status: Senate Rules Committee

Summary: This bill would add an additional member to the Upper Los Angeles River and Tributaries Working Group and require one member to represent the city council district in the City of Los Angeles with the most Upper Los Angeles River miles. The bill would require the working group to meet at least annually to evaluate and report on implementation of the revitalization plan and propose amendments to it. The bill would require any amendments to be submitted to the Assembly Water Parks, and Wildlife Commission and the Senate Natural Resources and Water Committee. Changes to membership and annual reporting could indirectly influence the Commission's coordination on river-related land use, access, or habitat projects where the Commission has jurisdiction.

MARINE INVASIVE SPECIES PREVENTION

[AB 1691](#) (DIXON R) MARINE RESOURCES: COPPER-BASED ANTIFOULING PAINT:

STANDARDS, STUDIES, AND BEST METHODS.

Status: Assembly Environmental Safety and Toxic Materials Committee

Summary: This bill would require the Department of Pesticide Regulation to reevaluate copper-based antifouling boat paint products and decide whether to retain, modify, or suspend its standards or to place new standards on the chemical composition or use of copper-based antifouling paints. The bill would require CalEPA and other agencies to collaborate on studies related to the effectiveness of low-leach-rate paint and elevated copper concentrations in saltwater harbors, bays, and marines that are primarily a result of the use of copper-based antifouling

paint. The bill would also require CalEPA, the State Water Board, and the Department of Pesticide Regulation to determine the best way to address elevated copper concentrations in saltwater harbors, bays, and marinas that are a result of the use of this paint.

The Commission administers the state's Marine Invasive Species Program. Expanded studies and possible regulatory shifts relating to antifouling paints could affect Commission rulemaking and coordination with other state agencies.

AB 1772 (PAPAN D) FISH AND WILDLIFE: AQUATIC INVASIVE SPECIES: INVASIVE MUSSELS

Status: Senate Natural Resources and Water Committee – Hearing on June 23

Summary: This bill would authorize the Department of Fish and Wildlife to prohibit watercraft and other conveyances from launching into state waters until they have completed a required drying period, authorize the Department of Fish and Wildlife to decontaminate conveyances that may harbor aquatic invasive species, and establish decontamination and disposal protocols and standards, among other things. This bill contains intent language to identify and implement alternative and equitable funding sources beyond recreational boating fees, such as assessments on commercial activities, including on international cargo shipping operations.

SB 1428 (COMMITTEE ON NATURAL RESOURCES AND WATER) PUBLIC LANDS: MARINE INVASIVE SPECIES: WILDFIRE AND FOREST RESILIENCE TASK FORCE.

Status: Assembly Natural Resources Committee

Summary: This bill would make statutory changes to ensure that the State Lands Commission has authority to revise existing regulations to align with federal regulations and comply with the federal Vessel Incidental Discharge Act. Existing law authorizes the Commission to adopt federally consistent ballast water discharge standards and specifically points to federal standards and an implementation schedule contained in Title 33, section 151.025 and 151.030 of the Code of Federal Regulations. Those sections will become defunct once regulations adopted by the U.S. EPA and U.S. Coast Guard to implement the Vessel Discharge Act become effective, likely in late 2026 or early 2027. The changes will redirect the Commission's authority away from the soon-to-be defunct sections and toward the regulations adopted by the U.S. EPA and to-be adopted by the U.S. Coast Guard.

OCEAN PROTECTION

AB 1744 (ADDIS D) ENVIRONMENTAL ADVERTISING: SUNSCREEN.

Status: Senate Rules Committee

Summary: This bill would make it illegal for a person to represent in advertising or on the label or container of a sunscreen product sold in the state that the product is “reef safe,” “reef friendly,” “ocean safe,” “marine safe,” or any term implying the product does not harm marine ecosystems unless the product is free of chemical ultraviolet filters. Misleading standards for sunscreen products related to reef and ocean safety could harm coastal and ocean lands managed by the Commission.

OIL AND GAS

AB 1448 (HART D) COASTAL RESOURCES: CALIFORNIA COASTAL SANCTUARY: TIDELANDS AND SUBMERGED LANDS: OIL AND GAS DEVELOPMENT.

Status: Senate Appropriations Committee

Summary: This bill would eliminate the State Lands Commission’s authority to issue a lease for offshore oil and gas development if the state’s minerals are being drained by federal production. The bill also prohibits the use of existing state leases and infrastructure (including pipelines) to support new offshore oil and gas production in federal waters and requires the State Lands Commission to consider additional factors before approving an offshore oil and gas lease renewal, assignment, amendment, or modification.

AB 1536 (ADDIS D) OFFSHORE OIL.

Status: Assembly Rules Committee

Summary: This bill would provide that it is the intent of the Legislature to enact legislation addressing the legal authority of entities relating to offshore oil permitting and regulation and to establish or uphold local and state protections for communities impacted by the transportation and procurement of offshore oil.

Although only a statement of intent, subsequent legislation could directly affect the Commission’s leasing authority, permitting responsibilities, and regulatory oversight of offshore oil and gas infrastructure.

AB 2461 (HART D) OIL AND GAS: BONDING REQUIREMENTS.

Status: Senate Rules Committee

Summary: This bill would expand oil and gas well transfer and bonding requirements administered by CalGEM and broaden the scope of transactions that trigger regulatory review and financial assurance requirements. The bill would also remove an exemption for certain higher-producing wells. The changes may affect operators of offshore oil and gas leases overseen by the State Lands Commission.

AB 2716 (ÁVILA FARÍAS D) OIL AND GAS: BONDING REQUIREMENTS.

Status: Senate Rules Committee

Summary: This bill would amend the bonding requirements for a person who acquires the right to operate a well or production facility by repealing the exclusion of self-insurance or corporate guarantee, and authorize an operator to, in lieu of the bonding requirement and with the written approval of the supervisor, provide the required security through a specified means of financial assurance.

Changes to acceptable financial assurance mechanisms may affect lessees operating on Commission-managed lands, requiring staff to update review processes and ensure compliance with revised bonding frameworks.

PLASTIC POLLUTION

AB 2226 (RUBIO, BLANCA D) REUSABLE GROCERY BAGS.

Status: Assembly Natural Resources Committee

Summary: This bill would repeal requirements governing the types of bags that stores may provide to customers and remove requirements that bags be compostable or made of recycled paper.

Changes to plastic bag rules could be detrimental to beaches and waterways under the Commission's jurisdiction.

SB 1180 (ALLEN D) PLASTIC POLLUTION PREVENTION AND PACKAGING PRODUCER RESPONSIBILITY ACT: CALIFORNIA PLASTIC POLLUTION MITIGATION FUND.

Status: Assembly Natural Resources Committee

Summary: This bill would add further guidance to state agencies in allocating money from the California Plastic Pollution Mitigation Fund and expand the list of

entities eligible for those funds. Expanding eligibility and guidance for mitigation funding could result in new opportunities for projects addressing shoreline pollution and marine debris.

PUBLIC LANDS

AB 1548 (PELLERIN D) THE MONTEREY BAY AREA STEWARDSHIP AUTHORITY.

Status: Senate Rules Committee

Summary: This bill would establish the Monterey Bay Area Stewardship Authority to raise and allocate funds to restore, enhance, protect, steward, and improve access to natural and working lands in Monterey, San Benito, and Santa Cruz counties. The creation of a new stewardship authority could affect the Commission's coordination on public land management and restoration projects in the tri-county region.

AB 1624 (ZBUR D) PUBLIC LANDS PROTECTION ACT.

Status: Assembly Rules Committee

Summary: This bill, the Public Lands Protection Act, would establish new rules governing the land-use designation and development of certain federal lands transferred to private or nonfederal entities in California after January 1, 2025. The bill is intended to preserve conservation uses for lands that were previously publicly owned by applying protective zoning designations to transferred land to limit future development. Protective zoning for transferred federal lands could influence land use patterns and require enhanced intergovernmental coordination.

AB 2216 (AGUIAR-CURRY D) SACRAMENTO-SAN JOAQUIN DELTA CONSERVANCY.

Status: Senate Rules Committee

Summary: This bill would expand the geographic area covered by the Sacramento-San Joaquin Delta Conservancy beyond the Delta to include the Sacramento valley, rename the conservancy the Valley and Delta Conservancy and make other changes and authorize the conservancy to partner with and award grants and loans to tribal organizations. Expanding the Conservancy's geographic scope to the Sacramento Valley may increase collaboration demands for the Commission on Delta projects, including abandoned vessel removal.

AB 2566 (SORIA D) HURON HAWK CONSERVANCY.

Status: Assembly Appropriations Committee – Held on Suspense

Summary: This bill would establish the Huron Hawk Conservancy in the Natural Resources Agency to acquire, manage, and restore land in the Huron Hawk area for conservation, recreation, and educational purposes. Implementation would be contingent on legislative appropriation or approval of a general obligation bond. The Executive Officer of the State Lands Commission would be a member of the new Conservancy's governing board, creating additional workload for Commission staff.

SB 949 (BECKER D) ENVIRONMENTAL PROTECTION: NATURAL RESOURCES AGENCY: LANDSCAPE OF STATEWIDE SIGNIFICANCE: SANTA CRUZ MOUNTAINS

Status: Assembly Natural Resources Committee

Summary: This bill would designate the Santa Cruz Mountains as a landscape of statewide significance that requires special protection. The bill would require the Natural Resources Agency and its boards, departments, and conservancies, to encourage collaborative stewardship approaches that support the protection, restoration, and preservation of the Santa Cruz Mountains. Designation of the Santa Cruz Mountains as a landscape of statewide significance could influence the Commission's stewardship priorities or involvement in regional collaboration and collaboration with relevant grantees of public trust lands.

RENEWABLE ENERGY

AB 2234 (PAPAN D) CALIFORNIA ENVIRONMENTAL QUALITY ACT: GEOTHERMAL EXPLORATORY PROJECTS.

Status: Senate Rules Committee

Summary: This bill would change provisions of CEQA that apply to geothermal exploratory projects regulated by CalGEM. The bill would clarify and expand the definition of a geothermal exploratory project for CEQA purposes and adjust certain siting restrictions to better accommodate interrelated exploration activities. Broader definitions and eased siting restrictions for geothermal exploration may increase CEQA-related coordination when exploratory projects intersect with Commission managed lands and resources.

AB 2464 (WICKS D) ENERGY: FIRM ZERO-CARBON RESOURCES.

Status: Senate Rules Committee

Summary: This bill would require the California Energy Commission, working with the California Public Utilities Commission, to complete a statewide assessment on the role and necessity of firm zero-carbon resources and report findings to the Legislature by January 2028. Although this bill does impose additional responsibilities on the Commission, the statewide assessment could shape future energy policies affecting Commission managed lands, offshore energy planning, or permitting frameworks.

SEA LEVEL RISE AND CLIMATE CHANGE

AB 2051 (WICKS D) PUBLIC RESOURCES: COASTAL RESILIENCE PERMITTING WORKING GROUP.

Status: Senate Natural Resources and Water Committee

Summary: This bill would require the Secretary of the Natural Resources Agency, in consultation with the Secretary for Environmental Protection, to convene a Coastal Resilience Permitting Working Group to develop a permitting roadmap for coastal resilience projects. The bill would designate members of a Coastal Resilience Permitting Working Group and include the State Lands Commission as a member.

AB 2184 (WILSON D) CAP-AND-INVEST PROGRAM: NATURE-BASED CLIMATE SOLUTIONS: FUNDING.

Status: Assembly Appropriations Committee – Held on Suspense

Summary: This bill would annually appropriate up to \$300 million from the Greenhouse Gas Reduction Fund in the annual Budget Act, until fiscal year 2045-46, to achieve nature-based climate solutions, including \$150 million to the Natural Resources Agency for nature-based climate solutions. Should funding be appropriated, Commission related restoration, climate resilience, or land stewardship projects may become eligible, potentially expanding capacity and funding for nature-based climate solutions on Commission managed lands.

SB 1048 (BECKER D) STATE SEAL OF CLIMATE LITERACY.

Status: Assembly Education Committee

Summary: This bill would establish the State seal of Climate Literacy to recognize high school graduates who have mastered climate literacy disciplines and attained green or technical green skills. Although there is no direct impact on the Commission, increased climate literacy among Californians could enhance engagement with the Commission's coastal resiliency work and raise awareness about Commission managed land and resources.

TIJUANA RIVER

SB 58 (PADILLA D) AIR QUALITY: STANDARD: HYDROGEN SULFIDE.

Status: Assembly Natural Resources Committee

Summary: This bill would require the Office of Environmental Health Hazard Assessment to develop health-based threshold levels for hydrogen sulfide and authorize the Office to develop threshold levels for additional air pollutants to better protect public health, particularly in sensitive and overburdened communities. The bill would require the Office to conduct at least three public workshops, including one in the Tijuana River Valley region. While focused on air quality, new thresholds could influence environmental oversight or collaborative efforts involving the Commission related to the Tijuana River transboundary pollution crisis.

TRIBAL ISSUES

AB 2115 (RAMOS D) CALIFORNIA NATIVE AMERICANS: FORMAL APOLOGY.

Status: Senate Rules Committee

Summary: This bill would provide that the State of California recognizes and accepts responsibility for all of the harms and atrocities committed by its representatives who promoted, permitted, facilitated, and enforced policies of violence against California Native Americans. The bill would provide that the State of California apologizes for perpetuating the harms California Native Americans as a result of policies enacted, sanctioned, or tolerated by the Legislature. The bill would require a plaque memorializing this apology to be publicly and conspicuously installed and maintained in the State Capitol Building. This action

may strengthen expectations for culturally informed engagement and may indirectly influence Commission consultation practices with tribes.

AB 1881 (RAMOS D) CALIFORNIA INDIAN FREEDOM ACT OF 2026.

Status: Senate Rules Committee

Summary: This bill would enact the California Indian Freedom Act of 2026 that would prohibit a government agency from substantially burdening a California Native American tribe from exercising religious beliefs or spiritual practices on state lands unless it is in the furtherance of a compelling government interest and by the least restrictive means. Restricting state agencies from burdening tribal spiritual practices on state lands and requiring agencies to seek and document written consent of any affected tribes before undertaking a project that may pose a risk to sacred sites may impact the Commission's decision-making process.

AB 2507 (NGUYEN D) OFFICE OF TRIBAL AFFAIRS.

Status: Senate Rules Committee

Summary: This bill would establish the Office of Tribal Affairs in the Governor's Office headed by a Secretary of Tribal Affairs. The bill would require each state agency that engages, or has programs, services, or responsibilities affecting tribal governments to designate a tribal liaison. The bill would require the office to be advised by a Tribal Advisory Committee that would provide recommendations and tribal perspectives to strengthen government-to-government engagement and improve the design, access, and implementation of state programs and services affecting tribal governments. This bill would require the Commission to designate a tribal liaison (which it already has done) and engage with a new statewide tribal advisory committee, increasing coordination responsibilities and standardizing tribal engagement practices.

SB 1322 (RICHARDSON D) GOVERNMENT-TO-GOVERNMENT CONSULTATION ACT:

STATE-TRIBAL CONSULTATION.

Status: Assembly Rules Committee

Summary: This bill amends the state's Government-to-Government Consultation Act to require state agencies to consult with a California tribe or a federally recognized tribe on certain agency actions if requested. The bill would also remove references to non-federally recognized tribes and tribal organizations and apply it to California tribes and federally recognized tribes. Increased tribal consultation requirements

may increase the Commission's consultation workload and timelines for actions involving tribes or tribal lands.

SB 1326 (WAHAB D) CALIFORNIA ENVIRONMENTAL QUALITY ACT: TRIBAL CULTURAL RESOURCES: MITIGATION MEASURES.

Status: Assembly Rules Committee

Summary: This bill would modify the definition of tribal cultural resource for purposes of CEQA to include a site, feature, place, cultural landscape, sacred place, or object with cultural value to a California Native American tribe that is identified by the Native American Heritage Commission as a sacred place or included in a local tribal register. Changing the definition of tribal cultural resources could increase CEQA obligations for Commission projects, leading to additional review, consultation, and mitigation requirements.

STAFF ANALYSIS AND RECOMMENDATION FOR AB 1448 (HART)

AB 1448 would eliminate the State Lands Commission's authority to issue a lease for offshore oil and gas development if the state's minerals are being drained by federal production. The bill would also prohibit the use of existing state leases and infrastructure (including pipelines) to support new offshore oil and gas production in federal waters and would require the State Lands Commission to consider additional factors before approving an offshore oil and gas lease renewal, assignment, amendment, or modification.

The purpose of the bill is to strengthen environmental protections, oversight, and safety requirements for offshore oil and gas drilling and ensure that California is doing everything possible to prevent the Trump Administration from expanding offshore oil and gas drilling off California's coast.

During the first Trump Administration, the California Legislature enacted legislation imposing additional conditions on the Commission and certain local governments when considering leasing actions related to offshore oil and gas and production in federal waters. That legislation banned the State Lands Commission and certain local governments from issuing a lease authorizing new construction of oil- and gas-related infrastructure in state waters associated with federal leases issued after January 2018. The bill also imposed three conditions on the Commission and certain local governments before they could approve or disapprove a lease renewal,

extension, amendment, or modification that would authorize new construction of oil- and gas-related infrastructure associated with new federal leases.

The second Trump Administration, during its first week, issued an Executive Order calling for increased offshore oil and gas production in federal waters. Last November, the Trump Administration proposed six oil and gas lease sales along the Pacific Coast: three in Southern California, two in Central California, and one in Northern California.

AB 1448 builds on the previous legislation and, according to the author and sponsors, responds to the new proposed leasing in federal waters offshore California by adding a prohibition on the use of existing infrastructure or leases for new federal oil and gas leases and by imposing additional conditions on the State Lands Commission or a local trustee before they can amend, modify, renew, assign, or extend an offshore oil and gas lease. AB 1448 also eliminates the State Lands Commission's ability to issue a lease for offshore oil and gas development if the state's minerals are being drained by adjacent federal production.

ELIMINATION OF THE COMMISSION'S AUTHORITY TO ISSUE DRAINAGE LEASES

The California Coastal Sanctuary Act banned new offshore oil and gas leases but left intact the State Lands Commission's authority to issue an oil and gas lease if it finds that the state's minerals are being drained from development in federal waters. The author of the California Coastal Sanctuary Act, aware of the potential for development in federal waters to drain state minerals, included this deliberate exception to prevent uncompensated resource losses. The Commission can issue a lease under this provision if it finds there is drainage of the state's oil and gas from a federal lease and that the lease is in the best interest of the state.

The State Lands Commission has never issued a lease using the drainage authorization. The closest it came to doing so was in 2009 when it considered a proposal by PXP to lease submerged lands at Tranquillon Ridge for slant drilling from federal platform Irene. The State Lands Commission denied the lease based on environmental risks and the California Coastal Sanctuary Act.

EXPANDED CONDITIONS FOR LEASE RENEWALS, AMENDMENTS, ASSIGNMENTS, OR MODIFICATIONS

The Commission manages 11 offshore oil and gas production leases that were issued decades ago. These leases lack end dates and may continue as long as it is economical to do so. The Commission also manages about a dozen pipeline right-

of-way leases that support state and federal offshore oil and gas production. The Commission can amend leases to extend or modify their terms, it can assign a lease to another entity, and, for its infrastructure-related oil and gas leases (like its pipeline right-of-way leases), it can grant new leases when a lease expires. Before taking any action, the Commission must find that doing so is in the state's best interests. In addition to a state's best interest finding, The Commission must consider: 1. Whether the action is necessary to protect the marine environment or ensure human health and safety. 2. Whether the action benefits the state beyond additional lease revenue. And 3. Whether the action will impact the volume of oil and gas that can be transported across state waters.

This bill would apply the existing three criteria to a lease assignment and require the Commission to consider four additional criteria for any action. This means that the Commission would have to consider seven criteria for any lease renewal, extension, amendment, modification, or assignment. The four additional criteria are: 1. The impact on public trust resources and values. 2. Whether the assignment involves infrastructure that has experienced an oil spill. 3. Whether the assignment is related to well stimulation treatments or other unconventional drilling and production techniques for resource extraction, and 4. Whether the operator has provided financial certification certificates from the Office of Spill Prevention and Response and decommissioning financial assurances.

Existing law prohibits the Commission from approving a lease renewal, extension, amendment, or modification that will increase the volume of oil and gas conveyed across state waters at the same Commission meeting that the action is first presented. This bill would extend those criteria to a lease assignment and specify that increased volume conveyance includes commencing, increasing, intensifying, or restarting production from federal waters. The bill also requires the Commission and local governments to accept public comments at the same meeting at which it votes to approve or deny a lease extension, amendment, assignment, or modification that will increase the volume of oil and gas conveyed across state waters.

PROHIBITION ON USE OF STATE LEASES OR INFRASTRUCTURE FOR NEW FEDERAL OFFSHORE DEVELOPMENT

Offshore pipelines often start in federal waters and come through state waters to shore. A portion of a federal pipeline is in state waters and a portion is in federal waters. If the state banned use of a segment in state waters that would affect the entire pipeline's service to a federal operation, it could put California on a path to

even more litigation with the federal Administration. The Commission's leases are contracts and if a statute purports to override a lease, it could result in litigation that the state may lose.

Support: Center for Biological Diversity (co-sponsor), Environmental Defense Center (co-sponsor), Oceana (co-sponsor), 7th Generation Advisors, 350 Bay Area Action, 350 Hawaii, 350 Humboldt, 350 Sacramento, 350 Santa Barbara, 417 Poplar, LLC, Alliance of Nurses for a Healthy Environment, Amazon Watch, Amy Jeske Homes, Inc., Animals Are Sentient Beings, Inc., Azul, Ban SUP (Single Use Plastics), Between the Waters, Bixby Residential Border Grill Restaurants and Truck, Burea, Inc., Business Alliance for Protecting the Pacific Coast, California Coastal Protection Network, California Coastkeeper Alliance, California Environmental Voters, California Land Watch, California Legislative Central Coast Caucus, California Marine Sanctuary Foundation, California Nurses for Environmental Health and Justice, California Outdoor Recreation Partnership, Center for Environmental Health Center on Race, Poverty, and the Environment, Cerca Cultivation, Charlie Hong Kong, Citizens Planning Association, City of Goleta, CleanEarth4Kids.org, Clean Water Action, Climate Action, California Climate First: Replacing Oil and Gas, Climate Hawks Vote, Climate Health Now Action Fund, Climate Reality Project, San Diego, Central Coast Climate Justice Network, CLUE-SB Environmental Justice Group, Coastal Band of the Chumash Nation, Contra Costa MoveOn, Dana Wharf Sportfishing and Whale Watching, Dayenu: A Jewish Call to Climate Action, Defenders of Wildlife, E2, Earthwell Refill, Elected Officials to Protect America Code Blue, Environmental Law Club at UCSB, Environmental Action Committee of West Marin, Environmental Center of San Diego, Environmental Protection Information Center (EPIC), EOPA Code Blue, Families Advocating for Chemical and Tech Safety (FACTS), Field + Form, Fish On, Food & Water Watch, Friends Committee on Legislation of California, Friends of the Earth, FutureSwell, Get Oil Out!, Greenpeace USA, GreenLatinos, Green Policy Initiative, Groundzero, Heal the Bay, Heal the Ocean, Hubble Daily Architecture + Design, Humboldt Waterkeeper, Indivisible CA Green Team, Indivisible Santa Cruz County Environmental Issues Team, International Marine Mammal Project, Earth Island Institute, Long Beach Alliance for Clean Energy, Los Angeles Waterkeeper, Los Padres ForestWatch, Mako Strategies, Media Alliance, Mercury Press, Inc., Midsomman, LLC, Modo Yoga San Diego, Monterey Bay Aquarium, Monterey Waterkeeper, My Zero Waste Store, Nassau Hiking & Outdoor Club, Natural Resources Defense Council, North American Climate Conservation and Environment (NACCE), Ocean Conservation Research, Oil and Gas Action Network, Orange County Coastkeeper, Pacific Catch, Pacific Coast Hidaway, LLC,

Paddle for Peace, Page Events, Patagonia, Pesticide Action and Agroecology Network, Physicians for Social Responsibility, Los Angeles, Physicians for Social Responsibility, San Francisco Bay Chapter, Progressives for Climate, Project Kolika, Protect Ballona Wetlands, PuraVida Surf Shop, Inc., Quabajai Coastal Chumash Keeper of the Western Gate, Resources Renewal Institute, Root Utility Network, Sacred Places Institute for Indigenous Peoples, Salt + Noelle, San Diego 350, San Diego Coastkeeper, San Francisco Baykeeper, Santa Barbara Channelkeeper, Santa Barbara County Action Network, Santa Barbara Sportfishing, Santa Cruz Waves, Save Our Shores, Sea Forager, Sereia, Sierra Club California, Sierra Club, Santa Barbara Group Sierra Club, Santa Lucia Chapter (San Luis Obispo County), Sisters of Mercy of the Americas in California, SoCal 350 Climate Action, Society of Fearless Grandmothers of Santa Barbara, Soichi Sushi, Solano County Democratic Central Committee, Stardust Sportfishing, Sunflower Alliance, Surfrider Foundation, Surfrider Foundation – Isla Vista Club, Surfrider Foundation, Santa Barbara Chapter, Sustainable Rossmoor, The Climate Center, The Fund for Santa Barbara, The Green Room, The Refill Shoppe, Third Act SoCal, Transformative Wealth Management, Turtle Island Restoration Network, UCSB Environmental Affairs Board, United Nations Association – California, Ventura Coastkeeper, Vote Solar, West Coast Paddle Sports, Wild Beacon Consulting, Wishtoyo Chumash Foundation Zero Hour, and Hundreds of individuals.

Opposition: Central Valley Business Federation, IEEP, Kern Citizens of Energy, Kern County Economic Development Corporation, Kern County Taxpayers Association, Long Beach Area Chamber of Commerce, Los Angeles County Business Federation, Sable Offshore Corporation, SAGE Monterey, Santa Maria Valley Chamber, SBCTAC, SLO COLAB, South County Chamber, State Building and Construction Trades Council, Tri-County Chamber Alliance, and VC Taxpayers Association.

Status: On June 9, the Senate Natural Resources and Water Committee approved AB 1448 on a 5 – 2 vote. The bill is now in the Senate Appropriations Committee

RECOMMENDED ACTION:

It is recommended that the Commission direct staff to work with Assemblymember Hart's office on amendments to AB 1448 to facilitate implementation of the bill.