

AMENDED IN ASSEMBLY AUGUST 19, 2016

AMENDED IN ASSEMBLY AUGUST 17, 2016

AMENDED IN SENATE MAY 31, 2016

AMENDED IN SENATE MARCH 9, 2016

SENATE BILL

No. 900

Introduced by Senator Jackson

(Principal coauthor: Assembly Member Williams)

(Coauthor: Senator Pavley)

January 21, 2016

An act to amend Section 6217 of, and to add Section 6212 to, the Public Resources Code, relating to state lands.

LEGISLATIVE COUNSEL'S DIGEST

SB 900, as amended, Jackson. State lands: coastal hazard removal and remediation program.

(1) Existing law establishes the State Lands Commission in the Natural Resources Agency and prescribes the functions and duties of the commission. Under existing law, the commission has jurisdiction over various state lands, including coastal lands.

This bill would, upon appropriation of moneys by the Legislature, require the commission to, within 2 years, administer a coastal hazard removal and remediation program, as specified. The bill would authorize the commission to seek and accept on behalf of the state any gift, bequest, devise, or donation whenever the gift and the terms and conditions thereof will aid in actions undertaken to administer that program. The bill would authorize the commission to seek to abandon, in cooperation with the Division of Oil, Gas, and Geothermal Resources, legacy oil and gas wells, as defined, that present a hazard to the public

health and safety and the environment. The bill would require the commission to annually report to the Legislature the activities and accomplishments of the program.

(2) Existing law, with specified exceptions, generally requires the State Lands Commission, on and after July 1, 2006, to deposit all revenue, money, and remittances, derived from mineral extraction leases on state tide and submerged lands, including tideland oil revenue, into the General Fund, to be available upon appropriation by the Legislature for specified purposes. Existing law establishes the Land Bank Fund, a continuously appropriated fund, from which the commission may expend moneys for management and improvement of real property held by the commission, as trustee, to provide open space, habitat for plants and animals, and public access.

This bill would require that, for the 2017–18 fiscal year, out of those funds deposited into the General Fund by the commission, the sum of \$500,000 be transferred to the Land Bank Fund and be available, upon appropriation in the annual Budget Act, for the purpose of implementing the coastal hazard removal and remediation program. The bill would require that, commencing with the 2018–19 fiscal year and each fiscal year thereafter, an amount sufficient to bring the unencumbered balance of the Land Bank Fund available for the purpose of implementing the program to \$500,000 be transferred to that fund and be available, upon an appropriation in the annual Budget Act, for the purpose of implementing the program.

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

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Scattered along the California coastline are the remnants of
- 4 many old, human-made structures including abandoned oil and
- 5 gas wells, groins, jetties, piers, pilings, and seawalls.
- 6 (b) These remnants, often covered and uncovered by tides, are
- 7 the legacy of the rapid commercial development along the coastline
- 8 that began just before the turn of the 20th century.
- 9 (c) Most legacy oil and gas wells were abandoned in the early
- 10 1900s when there was little or no oversight of the abandonment
- 11 and removal, if any, varied from well to well. Some legacy oil and

1 gas wells, therefore, may seep oil into the surf zone impacting
2 swimmers, surfers, and other recreational users, and causing
3 environmental degradation.

4 (d) The State Lands Commission has primary jurisdiction over
5 sovereign lands along the California coastline that are held in trust
6 for statewide public purposes, including, commerce, navigation,
7 fishing, recreation, and open space and habitat preservation.

8 (e) The State Lands Commission has long recognized the serious
9 and perennial health concerns and safety hazards that coastal
10 hazards and legacy oil and gas wells pose.

11 (f) There is a critical need for adequate funding to inventory
12 coastal hazards, including legacy oil and gas wells and related
13 infrastructure, along the California coastline in order to begin
14 determining how to remove coastal hazards and to identify and
15 remediate leaking legacy oil and gas wells.

16 (g) With adequate funding, the State Lands Commission can
17 inventory coastal hazards, legacy oil and gas wells and other oil
18 and gas related hazards along the California coastline, including
19 determining GPS locations, assessing entitlement requirements,
20 preparing preliminary engineering requirements and removal cost
21 estimates for each hazard, and removing and remediating hazards
22 that are a significant risk to public health and safety and the
23 environment. Adequate funding will also enable the State Lands
24 Commission to survey and monitor oil seepage in state waters
25 under its jurisdiction and on tidelands, and to request studies to
26 determine oil seepage locations, rates, environmental impacts, and
27 mitigation measures.

28 SEC. 2. Section 6212 is added to the Public Resources Code,
29 to read:

30 6212. (a) Upon appropriation of moneys by the Legislature
31 for the purposes of this section, the commission shall, within two
32 years, administer a coastal hazard removal and remediation
33 program to do all of the following:

34 (1) Complete an in-depth inventory of legacy oil and gas wells
35 and other coastal hazards along the California coastline, including
36 conducting field surveys and determining high-priority hazards
37 and legacy oil and gas wells to remediate.

38 (2) Survey, study, and monitor oil seepage in state waters and
39 tidelands under its jurisdiction to determine oil seepage locations,

1 rates, and environmental impacts. The study information can
2 facilitate possible mitigation measures.

3 (3) Begin the process of remediating improperly abandoned
4 legacy oil and gas wells that have a high risk of leaking oil and,
5 with any remaining funds, remove other identified coastal hazards.

6 (b) Notwithstanding Section 11005 of the Government Code
7 and any other law requiring approval by a state officer of gifts,
8 bequests, devises, or donations, the commission may seek and
9 accept on behalf of the state any gift, bequest, devise, or donation
10 whenever the gift and the terms and conditions thereof will aid in
11 actions undertaken pursuant to subdivision (a).

12 (c) In cooperation with the Division of Oil, Gas, and Geothermal
13 Resources, the commission may seek to abandon legacy oil and
14 gas wells that present a hazard to the public health and safety and
15 the environment.

16 (d) The commission shall annually report to the Legislature the
17 activities and accomplishments of the program. The commission
18 may include this information in the annual report it submits
19 pursuant to Section 8618.

20 (e) The commission shall prioritize ~~it~~ *its* activities under this
21 section based on available resources.

22 (f) For purposes of this section the following definitions apply:

23 (1) ~~“Coastal hazards,” include, but are not limited to, hazards”~~
24 ~~are~~ legacy oil and gas wells and human-made ~~structures,~~ *structures*
25 *that have been orphaned*, including piers, jetties, groins, seawalls,
26 and facilities associated with past oil extraction and other
27 ~~commercial~~ operations, that pose a hazard to the public health and
28 safety. Coastal hazards may ~~include~~ *include, but are not limited*
29 *to*, wood or steel piles or piling, sheet metal pilings, H piles and
30 H beams, well casings, well caissons, railroad irons, cables, angle
31 bars, pipes, pipelines, rip rap, and wood beams and structures.

32 (2) “Legacy oil and gas wells” are wells drilled near shore,
33 before current abandonment standards, where there is little or no
34 information on the well’s abandonment procedure and there is no
35 viable company with the responsibility to reabandon the well
36 should it start leaking or pose a threat to the environment or the
37 public health and safety.

38 SEC. 3. Section 6217 of the Public Resources Code is amended
39 to read:

1 6217. With the exception of revenue derived from state school
2 lands and from sources described in Sections 6217.6, 6301.5,
3 6301.6, 6855, and Sections 8551 to 8558, inclusive, and Section
4 6404 (insofar as the proceeds are from property that has been
5 distributed or escheated to the state in connection with unclaimed
6 estates of deceased persons), the commission shall deposit all
7 revenue, money, and remittances received by the commission
8 under this division, and under Chapter 138 of the Statutes of 1964,
9 First Extraordinary Session, in the General Fund. Out of those
10 funds deposited in the General Fund, sufficient moneys shall be
11 made available each fiscal year for the following purposes:

12 (a) Payment of refunds, authorized by the commission, out of
13 appropriations made for that purpose.

14 (b) Payment of expenditures of the commission as provided in
15 the annual Budget Act.

16 (c) Payments to cities and counties of the amounts specified in
17 Section 6817 for the purposes specified in that section, out of
18 appropriations made for that purpose.

19 (d) Payments to cities and counties of the amounts agreed to
20 pursuant to Section 6875, out of appropriations made for that
21 purpose.

22 (e) (1) For the 2017–18 fiscal year, the sum of five hundred
23 thousand dollars (\$500,000) shall be transferred to the Land Bank
24 Fund and, notwithstanding Section 8610, shall be available, upon
25 appropriation in the annual Budget Act, for the purpose of
26 implementing the commission’s coastal hazard removal and
27 remediation program provided in Section 6212.

28 (2) Commencing with the 2018–19 fiscal year, and each fiscal
29 year thereafter, an amount sufficient to bring the unencumbered
30 balance of the Land Bank Fund available for the purpose of
31 implementing the commission’s coastal hazard removal and
32 remediation program provided in Section 6212 to five hundred
33 thousand dollars (\$500,000) shall be transferred to the Land Bank
34 Fund and, notwithstanding Section 8610, shall be available, upon
35 appropriation in the annual Budget Act, for the purpose of
36 implementing the commission’s coastal hazard removal and
37 remediation program provided in Section 6212.

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