

AMENDED IN ASSEMBLY JUNE 29, 2016

AMENDED IN SENATE MAY 31, 2016

AMENDED IN SENATE APRIL 26, 2016

AMENDED IN SENATE MARCH 28, 2016

SENATE BILL

No. 1363

**Introduced by Senator Monning
(Coauthor: Senator Pavley)**

February 19, 2016

An act to amend Section 35650 of, and to add Sections 35630 and 35631 to, the Public Resources Code, relating to coastal resources.

LEGISLATIVE COUNSEL'S DIGEST

SB 1363, as amended, Monning. Ocean Protection Council: Ocean Acidification and Hypoxia Reduction Program.

The California Ocean Protection Act establishes the Ocean Protection Council and requires the council, among other things, to coordinate activities of state agencies that are related to the protection and conservation of coastal waters and ocean ecosystems, and to establish policies to coordinate the collection and sharing of scientific data related to coastal and ocean resources among agencies. The act creates the California Ocean Protection Trust Fund in the State Treasury and authorizes moneys deposited in the fund, upon appropriation by the Legislature, to be expended by the council for projects and activities authorized by the council consistent with the purposes of the act.

This bill would require the council, in consultation with the State Coastal Conservancy and other relevant entities, to establish and administer the Ocean Acidification and Hypoxia Reduction Program for the purposes of achieving specified goals. The bill would authorize

moneys in the trust fund to be expended for grants or loans for projects or activities that further public purposes consistent with the Ocean Acidification and Hypoxia Reduction 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. Section 35630 is added to the Public Resources
2 Code, to read:

3 35630. The Legislature finds and declares all of the following:

4 (a) Ocean acidification and hypoxia, an abnormal deficiency of
5 oxygen in marine environments, are two major threats to ocean
6 and coastal ecosystems globally, and west coast states are
7 particularly vulnerable, according to the April 2016 findings of
8 the West Coast Ocean Acidification and Hypoxia Science Panel.

9 (b) Ocean acidification is caused primarily by global carbon
10 dioxide emissions. Local carbon dioxide emissions and local
11 nutrient inputs can intensify the effects of ocean acidification.

12 (c) The West Coast Ocean Acidification and Hypoxia Science
13 Panel recommends that California and other west coast states
14 actively employ strategies that address local factors that can reduce
15 ocean acidification and hypoxia exposure, including protecting
16 and restoring critical coastal and aquatic habitats.

17 (d) Eelgrass ecosystems are among the most diverse and
18 productive ecosystems in the world, with particular importance to
19 farmed shellfish aquaculture and other forms of sustainable
20 aquaculture and to commercially and recreationally valuable
21 species, including shellfish, crabs, finfish, waterfowl, and
22 shorebirds.

23 (e) Eelgrass protection and restoration efforts help promote a
24 healthier ocean for ecosystems and industry.

25 (f) Since the 1850s, 90 percent of California’s eelgrass acreage
26 has been destroyed, and the remaining 10 percent is continuously
27 exposed to multiple stressors and threats.

28 (g) Scientific research has shown that eelgrass habitat provides
29 multiple benefits, including the following:

30 (1) Providing essential fish habitat for salmon, groundfish, and
31 Pacific herring, providing Dungeness crab nurseries, and supporting
32 commercial fisheries important to California’s coastal economy.

1 (2) Improving water quality by filtering polluted runoff and by
2 absorbing excess nutrients.

3 (3) Helping to mitigate hypoxia.

4 (4) Sequestering carbon in the underlying sediments.

5 (5) Protecting the shoreline from erosion by absorbing wave
6 energy and helping to mitigate the impacts of sea level rise.

7 (h) Advancing the protection and restoration of eelgrass beds
8 in California’s coastal environments, based on scientific and
9 evidence-based approaches, is a critical strategy in enhancing
10 California’s ability to cope with ocean acidification and hypoxia.

11 SEC. 2. Section 35631 is added to the Public Resources Code,
12 to read:

13 35631. (a) To the extent funds are available from bonds or
14 other sources, the council, in consultation with the State Coastal
15 Conservancy and other relevant entities, shall establish and
16 administer the Ocean Acidification and Hypoxia Reduction
17 Program for the purposes of achieving the following goals:

18 (1) Developing demonstration projects to research how
19 important environmental and ecological factors interact across
20 space and time to influence how geographically dispersed eelgrass
21 beds function for carbon dioxide removal and hypoxia reduction.

22 (2) Generating an inventory of locations where conservation or
23 restoration of aquatic habitats, including eelgrass, can be
24 successfully applied to mitigate ocean acidification and hypoxia.

25 (3) Incorporating consideration of carbon dioxide removal *for*
26 *eelgrass restoration projects* during the habitat restoration planning
27 process in order to fully account for the benefits of long-term
28 carbon storage of habitat restoration in addition to the habitat value.

29 (4) Supporting science, monitoring, and coordination to ensure
30 that ocean and coastal policy and management in California reflect
31 best readily available science on strategies to reduce ocean
32 acidification and hypoxia.

33 (b) In advancing approaches in the program to remove carbon
34 dioxide from seawater, the council shall consider approaches that
35 provide multiple cobenefits, including, but not limited to, providing
36 essential fish and bird habitat, improving water quality, and
37 mitigating sea level rise.

38 SEC. 3. Section 35650 of the Public Resources Code is
39 amended to read:

1 35650. (a) The California Ocean Protection Trust Fund is
2 established in the State Treasury.

3 (b) Moneys deposited in the fund may be expended, upon
4 appropriation by the Legislature, for both of the following:

5 (1) Projects and activities authorized by the council consistent
6 with Chapter 3 (commencing with Section 35600).

7 (2) Upon authorization by the council, for grants or loans to
8 public agencies, nonprofit corporations, or private entities for, or
9 direct expenditures on, projects or activities that do one or more
10 of the following:

11 (A) Eliminate or reduce threats to coastal and ocean ecosystems,
12 habitats, and species.

13 (B) Improve the management of fisheries through grants or
14 loans for the development and implementation of fishery
15 management plans pursuant to Part 1.7 (commencing with Section
16 7050) of Division 6 of the Fish and Game Code, a part of the
17 Marine Life Management Act of 1998, that promote long-term
18 stewardship and collaboration with fishery participants to develop
19 strategies that increase environmental and economic sustainability.
20 Eligible projects and activities include, but are not limited to,
21 innovative community-based or cooperative management and
22 allocation strategies that create incentives for ecosystem
23 improvement. Eligible expenditures include, but are not limited
24 to, costs related to activities identified in subdivisions (a), (b), and
25 (d) of Section 7075 of the Fish and Game Code, fishery research,
26 monitoring, data collection and analysis to support adaptive
27 management, and other costs related to the development and
28 implementation of a fishery management plan developed pursuant
29 to this subparagraph.

30 (C) Foster sustainable fisheries, including grants or loans for
31 one or more of the following:

32 (i) Projects that encourage the development and use of more
33 selective fishing gear.

34 (ii) The design of community-based or cooperative management
35 mechanisms that promote long-term stewardship and collaboration
36 with fishery participants to develop strategies that increase
37 environmental and economic sustainability.

38 (iii) Collaborative research and demonstration projects between
39 fishery participants, scientists, and other interested parties.

- 1 (iv) Promotion of value-added wild fisheries to offset economic
- 2 losses attributable to reduced fishing opportunities.
- 3 (v) The creation of revolving loan programs for the purpose of
- 4 implementing sustainable fishery projects.
- 5 (D) Improve coastal water quality.
- 6 (E) Allow for increased public access to, and enjoyment of,
- 7 ocean and coastal resources, consistent with sustainable, long-term
- 8 protection and conservation of those resources.
- 9 (F) Improve management, conservation, and protection of
- 10 coastal waters and ocean ecosystems.
- 11 (G) Provide monitoring and scientific data to improve state
- 12 efforts to protect and conserve ocean resources.
- 13 (H) Protect, conserve, and restore coastal waters and ocean
- 14 ecosystems, including any of the following:
- 15 (i) Acquisition, installation, and initiation of monitoring and
- 16 enforcement systems.
- 17 (ii) Acquisition from willing sellers of vessels, equipment,
- 18 licenses, harvest rights, permits, and other rights and property, to
- 19 reduce threats to ocean ecosystems and resources.
- 20 (I) Address coastal water contamination from biological
- 21 pathogens, including collaborative projects and activities to identify
- 22 the sources of pathogens and develop detection systems and
- 23 treatment methods.
- 24 (J) (i) Provide funding for adaptive management, planning,
- 25 coordination, monitoring, research, and other necessary activities
- 26 to minimize the adverse impacts of climate change on California's
- 27 ocean ecosystem, including, but not limited to, the effects of sea
- 28 level rise, changes in ocean productivity, and ocean acidification
- 29 on coastal and ocean habitat, wildlife, fisheries, chemistry, and
- 30 other key attributes of ocean ecosystems and to increase the state's
- 31 understanding of the ocean's role in carbon sequestration. Adaptive
- 32 management strategies, planning, research, monitoring, or other
- 33 activities shall be designed to improve the management of coastal
- 34 and ocean resources or aid the state to adapt to climate change
- 35 impacts.
- 36 (ii) Information or activities developed under clause (i), to the
- 37 extent appropriate, shall provide guidance to the State Air
- 38 Resources Board for the adoption of early action measures for the
- 39 elimination or reduction of emissions from sources or categories
- 40 of sources pursuant to the California Global Warming Solutions

1 Act of 2006 (Division 25.5 (commencing with Section 38500) of
2 the Health and Safety Code).

3 (c) Grants or loans may be made to a private entity pursuant to
4 this section only for projects or activities that further public
5 purposes consistent with Sections 35510, 35515, 35617, ~~35630,~~
6 and 35631.

7 (d) Consistent with the purposes specified in Section 35515,
8 and in furtherance of the findings in Sections 7059 and 7060 of
9 the Fish and Game Code, the council, in authorizing grants or loans
10 for projects or expenditures pursuant to this section, shall promote
11 coordination of state programs and activities that protect and
12 conserve ocean resources to avoid redundancy and conflicts to
13 ensure that the state's programs and activities are complementary.