

COUNTY OF SANTA BARBARA

LEGISLATIVE ANALYSIS FORM

This form is required for the Legislative Program Committee to consider taking an advocacy position on an issue or legislative item

BILL NUMBER: AB 1472	AUTHOR: Limon
INTRO/AMEND DATE: Introduced on 2/17/2017; Amended on 4/20/2017	AUTHOR'S POLITICAL PARTY: D
BILL STATUS: Referred to Assembly Committee on Appropriation	

1) BILL SUBJECT:

Public Lands: Assignment and transfers: oil, gas and mineral leases

2) FROM DEPARTMENT:

First District

3) IS THIS ITEM SPECIFICALLY REFERENCED IN THE LEGISLATIVE PLATFORM?

No

4) WHICH POLICY-RELATED MATTER IS OF CONCERN WITH THIS BILL?

Oil, gas and mineral leases

5) HOW WOULD THIS BILL IMPACT THE COUNTY? (Current practices, responsibility, authority, pros/cons, affected programs and/or services, etc.)

This bill would authorize the State Lands Commission, in considering an approval of an assignment, transfer, or sublet of a lease under those provisions, to consider whether the proposed assignee, as defined, is likely to comply with all provisions of the assigned lease for the duration of the lease term, as determined by specified factors.

6) IMPACT ON COUNTY PROGRAM:

- | | | |
|---|---|-------------------------------|
| <input type="checkbox"/> Major | <input checked="" type="checkbox"/> Minor | <input type="checkbox"/> None |
| <input type="checkbox"/> Major | <input checked="" type="checkbox"/> Minor | <input type="checkbox"/> None |
| <input checked="" type="checkbox"/> Major | <input type="checkbox"/> Minor | <input type="checkbox"/> None |

Explanation of Impacts:

7) WOULD THIS BILL IMPACT (Legislative Principles):

- | | | |
|---|---|--|
| a. Job growth and Economic Vitality? | <input checked="" type="checkbox"/> YES | <input type="checkbox"/> NO |
| b. Efficient service delivery and operations? | <input type="checkbox"/> YES | <input checked="" type="checkbox"/> NO |
| c. Fiscal stability? | <input type="checkbox"/> YES | <input checked="" type="checkbox"/> NO |
| d. Inter-agency cooperation? | <input checked="" type="checkbox"/> YES | <input type="checkbox"/> NO |
| e. Local control? | <input checked="" type="checkbox"/> YES | <input type="checkbox"/> NO |
| f. Health and human services? | <input type="checkbox"/> YES | <input checked="" type="checkbox"/> NO |
| g. Community sustainability and environmental protection? | <input checked="" type="checkbox"/> YES | <input type="checkbox"/> NO |

Additional Comments:



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8) FISCAL IMPACT ON THE COUNTY:

- | | | |
|---|---|--|
| <input type="checkbox"/> Revenue Increase | <input type="checkbox"/> Revenue Decrease | <input type="checkbox"/> Unfunded Mandate |
| <input type="checkbox"/> Cost Increase | <input type="checkbox"/> Cost Decrease | <input checked="" type="checkbox"/> Undetermined |
| <input type="checkbox"/> None | | |

Additional Comments:

9) OTHER AGENCIES THAT SHOULD REVIEW THIS BILL:

10) CSAC POSITION ON BILL:

- | | | |
|--|---|---|
| <input type="checkbox"/> Support | <input type="checkbox"/> Oppose | <input type="checkbox"/> Support if Amended |
| <input type="checkbox"/> Oppose unless Amended | <input checked="" type="checkbox"/> Watch | <input type="checkbox"/> No position taken |

11) OTHER LOCAL OR STATEWIDE ORGANIZATIONS THAT HAVE TAKEN A POSITION ON THIS BILL:

(Indicate support or opposition for each)

Support: State Controller Betty Yee, Sierra Club of California

12) PROPOSED AMENDMENTS: (Attach separate sheet)

13) RECOMMENDATION:

- | | | |
|----------------------------------|---|--|
| <input type="checkbox"/> Support | <input checked="" type="checkbox"/> Recommend Support to Board* | <input type="checkbox"/> Support if Amended |
| <input type="checkbox"/> Oppose | <input type="checkbox"/> Recommend Opposition to Board* | <input type="checkbox"/> Oppose unless Amended |
| <input type="checkbox"/> Watch | <input type="checkbox"/> Concerns (Why? Explain in #6) | <input type="checkbox"/> No Position (Why?) |

* Indicates that the department believes that the Board of Supervisors should take a formal position on this bill

Additional Comments:

14) LEGISLATIVE ANALYSIS FORM PREPARED BY: Dennis Bozanich

Telephone extension: 3403

E-mail address: dbozanich@countyofsb.org



AMENDED IN ASSEMBLY APRIL 20, 2017

AMENDED IN ASSEMBLY APRIL 4, 2017

AMENDED IN ASSEMBLY MARCH 14, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1472

Introduced by Assembly Member Limón

February 17, 2017

An act to amend Section 6804 of the Public Resources Code, relating to public lands.

LEGISLATIVE COUNSEL'S DIGEST

AB 1472, as amended, Limón. Public lands: assignments and transfers: oil, gas, and mineral leases.

Existing law vests with the State Lands Commission control over certain public lands. Existing law authorizes, with respect to oil, gas, and mineral leases, the assignment, transfer, or sublet as to all or any part of certain leased or permitted lands, as prescribed, subject to approval by the commission, to any person, association of persons, or corporation, who at the time of the proposed assignment, transfer, or sublease, possesses certain qualifications.

This bill would authorize the commission, in considering an approval of an assignment, transfer, or sublet of a lease under those provisions, to consider whether the proposed assignee, as defined, is likely to comply with all provisions of the assigned lease for the duration of the lease term, as determined by specified factors.

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 6804 of the Public Resources Code is
2 amended to read:
3 6804. (a) A lease or permit issued under this chapter may be
4 assigned, transferred, or sublet as to all or any part of the leased
5 or permitted lands, and as to either a divided or undivided interest
6 therein, or as to any separate and distinct zone or geological horizon
7 or portion thereof, subject to approval by the commission, to any
8 person, association of persons, or corporation, who at the time of
9 the proposed assignment, transfer, or sublease, possesses the
10 qualifications provided in this chapter. Any assignment, transfer,
11 or sublease shall take effect as of the first day of the month
12 following the approval by the commission and filing with the
13 commission of an executed counterpart thereof, together with any
14 required bond and proof of the qualification, under this act and the
15 rules and regulations of the commission, of the assignee, transferee,
16 or sublessee to take or hold that lease, permit, or interest therein.
17 Unless approved by the commission no assignment, transfer, or
18 sublease shall be of any effect. Upon approval of any assignment,
19 transfer, or sublease the assignee, transferee, or sublessee shall be
20 bound by the terms of the lease or permit to the same extent as if
21 that assignee, transferee, or sublessee were the original lessee or
22 permittee, any conditions in the assignment, transfer, or sublease
23 to the contrary notwithstanding. Any assignment or transfer of a
24 separate portion of any lease or permit or of a separate and distinct
25 zone or geological horizon, or a portion thereof, shall segregate
26 the assigned, transferred, or subleased portion thereof from the
27 retained portion thereof, and that approval shall release and
28 discharge the assignor or transferor from all obligations thereafter
29 accruing under that lease or permit with respect to the assigned or
30 transferred lands, zones, or horizons, and those segregated leases
31 or permits shall continue in full force and effect for the primary
32 term of the original lease or permit, but, in the case of any lease,
33 for not less than two years after the date of discovery of oil or gas
34 in paying quantities, or commercially valuable deposit of minerals,
35 upon any segregated portion of the lands, zones, or horizons
36 originally subject to that lease, and so long thereafter as oil or gas
37 is produced in paying quantities. Assignments or transfers under
38 this section may also be made with the approval of the commission

1 of parts of leases that are in their extended term because of
2 production, and the segregated lease of any undeveloped lands,
3 zones, or horizons shall continue in full force and effect for two
4 years and so long thereafter as oil or gas or minerals are produced
5 in paying quantities from the segregated lease lands, zones, or
6 horizons.

7 (b) (1) In considering the approval of an assignment, transfer,
8 or sublet of a lease under subdivision (a), the commission may
9 consider whether a proposed assignee is likely to comply with the
10 provisions of the assigned, transferred, or sublet lease for the
11 duration of the lease term, as determined by all of the following
12 factors:

13 (A) The proposed assignee's prior experience with ~~offshore oil~~
14 ~~production.~~ *offshore or onshore oil or gas production or mineral*
15 *extraction, as applicable.*

16 (B) Any financial or economic considerations that may affect
17 a proposed assignee and its ability to comply with the terms of a
18 lease.

19 (C) Any information concerning the proposed assignee's
20 compliance or noncompliance with other contractual obligations
21 to the state or any other party.

22 (D) Any record of noncompliance with any other laws or
23 regulations.

24 (2) For purposes of this section, "proposed assignee" means the
25 person or entity in whose name the lease will be held after
26 assignment, transfer, or sublet of a lease, or any person or entity
27 that makes managerial decisions for or exercises managerial control
28 over the assignee.