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

<table>
<thead>
<tr>
<th>BILL NUMBER:</th>
<th>AUTHOR:</th>
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<tbody>
<tr>
<td>AB 1472</td>
<td>Limon</td>
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<tr>
<th>INTRO/AMEND DATE:</th>
<th>AUTHOR’S POLITICAL PARTY:</th>
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<tr>
<td>Introduced on 2/17/2017; Amended on 4/20/2017</td>
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<th>BILL STATUS:</th>
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<td>Referred to Assembly Committee on Appropriation</td>
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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:
   □ Major  ☒ Minor  □ None
   □ Major  □ Minor  □ None
   ☒ Major  ☒ Minor  □ None

   SANTA BARBARA COUNTY IMPACT:  
   STATEWIDE IMPACT:  

   Explanation of Impacts:

7) WOULD THIS BILL IMPACT (Legislative Principles):
   a. Job growth and Economic Vitality?  
      ☒ YES  □ NO
   b. Efficient service delivery and operations?  
      □ YES  ☒ NO
   c. Fiscal stability?  
      ☒ YES  □ NO
   d. Inter-agency cooperation?  
      □ YES  ☒ NO
   e. Local control?  
      ☒ YES  □ NO
   f. Health and human services?  
      □ YES  ☒ NO
   g. Community sustainability and environmental protection?  
      ☒ YES  □ NO

   Additional Comments:
8) FISCAL IMPACT ON THE COUNTY:
☐ Revenue Increase ☐ Revenue Decrease ☐ Unfunded Mandate
☐ Cost Increase ☐ Cost Decrease ☐ Undetermined
☐ None

Additional Comments:

9) OTHER AGENCIES THAT SHOULD REVIEW THIS BILL:

10) CSAC POSITION ON BILL:
☐ Support ☐ Oppose ☐ Support if Amended
☐ Oppose unless Amended ☐ Watch ☐ Oppose unless Amended
☐ Support if Amended
☐ 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:
☐ Support ☐ Recommend Support to Board* ☐ Support if Amended
☐ Oppose ☐ Recommend Opposition to Board* ☐ Oppose unless Amended
☐ Watch ☐ Concerns (Why? Explain in #6) ☐ 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 Bozanic
Telephone extension: 3403
E-mail address: dbozanic@countyofsb.org
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


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.

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

SECTION 1. Section 6804 of the Public Resources Code is amended to read:

6804. (a) A lease or permit issued under this chapter may be assigned, transferred, or sublet as to all or any part of the leased or permitted lands, and as to either a divided or undivided interest therein, or as to any separate and distinct zone or geological horizon or portion thereof, 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 the qualifications provided in this chapter. Any assignment, transfer, or sublease shall take effect as of the first day of the month following the approval by the commission and filing with the commission of an executed counterpart thereof, together with any required bond and proof of the qualification, under this act and the rules and regulations of the commission, of the assignee, transferee, or sublessee to take or hold that lease, permit, or interest therein. Unless approved by the commission no assignment, transfer, or sublease shall be of any effect. Upon approval of any assignment, transfer, or sublease the assignee, transferee, or sublessee shall be bound by the terms of the lease or permit to the same extent as if that assignee, transferee, or sublessee were the original lessee or permittee, any conditions in the assignment, transfer, or sublease to the contrary notwithstanding. Any assignment or transfer of a separate portion of any lease or permit or of a separate and distinct zone or geological horizon, or a portion thereof, shall segregate the assigned, transferred, or subleased portion thereof from the retained portion thereof, and that approval shall release and discharge the assignor or transferor from all obligations thereafter accruing under that lease or permit with respect to the assigned or transferred lands, zones, or horizons, and those segregated leases or permits shall continue in full force and effect for the primary term of the original lease or permit, but, in the case of any lease, for not less than two years after the date of discovery of oil or gas in paying quantities, or commercially valuable deposit of minerals, upon any segregated portion of the lands, zones, or horizons originally subject to that lease, and so long thereafter as oil or gas is produced in paying quantities. Assignments or transfers under this section may also be made with the approval of the commission.
of parts of leases that are in their extended term because of
production, and the segregated lease of any undeveloped lands,
zones, or horizons shall continue in full force and effect for two
years and so long thereafter as oil or gas or minerals are produced
in paying quantities from the segregated lease lands, zones, or
horizons.
(b) (1) In considering the approval of an assignment, transfer,
or sublet of a lease under subdivision (a), the commission may
consider whether a proposed assignee is likely to comply with the
provisions of the assigned, transferred, or sublet lease for the
duration of the lease term, as determined by all of the following
factors:
(A) The proposed assignee’s prior experience with offshore oil
production. offshore or onshore oil or gas production or mineral
eextraction, as applicable.
(B) Any financial or economic considerations that may affect
a proposed assignee and its ability to comply with the terms of a
lease.
(C) Any information concerning the proposed assignee’s
compliance or noncompliance with other contractual obligations
to the state or any other party.
(D) Any record of noncompliance with any other laws or
regulations.
(2) For purposes of this section, “proposed assignee” means the
person or entity in whose name the lease will be held after
assignment, transfer, or sublet of a lease, or any person or entity
that makes managerial decisions for or exercises managerial control
over the assignee.