## SENATE RULES COMMITTEE

Office of Senate Floor Analyses

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## THIRD READING

Bill No: AB 1448

Author: Hart (D), et al. Amended: 9/5/25 in Senate

Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 4-3, 7/8/25

AYES: Limón, Allen, Laird, Stern NOES: Seyarto, Grove, Hurtado

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/29/25 AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 42-26, 6/4/25 - See last page for vote

**SUBJECT:** Coastal resources: oil and gas development

**SOURCE:** Center for Biological Diversity

**Environmental Defense Center** 

**DIGEST:** This bill expands upon existing requirements for the transfer or modification of leases for oil and gas-related infrastructure upon tidelands and submerged lands within state waters associated with Pacific Outer Continental Shelf leases to include lease assignments, and requires a new coastal development permit (CDP) be obtained for the repair, reactivation, or maintenance of an oil pipeline or oil and gas facility that has been idled, inactive, or out of service for five or more years, as provided, among other provisions.

Senate Floor Amendments of 9/5/25 clarify the definition of "expanded oil extraction," and "facility" and make a technical change.

#### **ANALYSIS:**

Existing law:

- 1) Establishes the California Coastal Commission (Coastal Commission), pursuant to the California Coastal Act of 1976 (Coastal Act)(Public Resources Code (PRC) §§30000 et seq.), and the State Lands Commission in the California Natural Resources Agency. (Public Resources Code (PRC) §30300, §6101)
- 2) Defines, pursuant to the federal Outer Continental Shelf Lands Act, the outer continental shelf (OCS) as all submerged lands lying between the seaward extent of the state jurisdiction and the seaward extent of federal jurisdiction. (43 United States Code §§1331 *et seq.*)
- 3) Provides the State Lands Commission with exclusive jurisdiction over all ungranted tidelands and submerged lands owned by the state which have been or may be acquired by the state, as provided. All jurisdiction and authority remaining in the state as to tidelands and submerged lands as to which grants have been or may be made is vested in the State Lands Commission. (PRC §6301)
- 4) Prohibits the State Lands Commission or a local trustee from entering into any new lease or other conveyance authorizing new construction of oil- and gas-related infrastructure upon tidelands and submerged lands within state waters associated with OCS leases issued after January 1, 2018, with limited exceptions. (PRC §6245)
- 5) Requires the State Lands Commission or local trustee, prior to approving any lease renewal, extension, amendment, or modification to authorize new construction of oil- and gas-related infrastructure upon tidelands and submerged lands within state waters associated with Pacific Outer Continental Shelf leases issued after January 1, 2018, to consider whether the lease renewal, extension, amendment, or modification is necessary to protect the marine environment or to ensure human health and safety; and other factors, as provided. (PRC §6245)
- 6) Authorizes the State Lands Commission, in considering whether the approval of an assignment, transfer, or sublease of a lease or permit, to consider whether a proposed assignee is likely to comply with the terms of the lease or permit, as provided. (PRC §6804)
- 7) Prohibits new or expanded oil and gas development from being considered a coastal-dependent industrial facility, and may be permitted only if found to be consistent with all applicable provisions and if all of the specified following conditions are met. (PRC §30262)
- 8) Requires all oil produced offshore California to be transported onshore by pipeline only. Requires the pipelines used to transport this oil to use the best

achievable technology to ensure maximum protection of public health and safety and of the integrity and productivity of terrestrial and marine ecosystems. (PRC §30262 (a)(5)(A))

### This bill:

- 1) Adds an application for a lease assignment for oil and gas-related infrastructure upon tidelands and submerged lands within state waters associated with Pacific Outer Continental Shelf leases issued after January 1, 2018, to existing State Lands Commission or local trustee public notice requirements, as provided.
  - a) Removes the requirement that the application is to authorize only new construction of oil and gas-related infrastructure.
  - b) Requires the State Lands Commission or local trustee to take no further action to approve the requested lease assignment until 180 days after public notification, as provided.
- 2) Adds lease assignment to the existing process the State Lands Commission or local trustee undertake before approving a lease renewal, extension, amendment, or modification for oil- and gas-related infrastructure upon tidelands and submerged lands within state waters associated with Pacific Outer Continental Shelf leases issued after January 1, 2018. Removes the requirement that the application is to authorize new construction of oil and gas-related infrastructure. Requires the State Lands Commission or local trustee to additionally consider, at a minimum:
  - a) Whether the lease renewal, extension, amendment, assignment, or modification may impact public trust resources and values.
  - b) Whether the lease renewal, extension, amendment, assignment, or modification is for, or connected to, infrastructure that has experienced a reportable incident, such as an oil spill.
  - c) Whether the lease renewal, extension, amendment, assignment, or modification is related to the use of well stimulation treatments, extended reach drilling and production, horizontal drilling and production, or other unconventional drilling and production techniques for resource extraction.
  - d) Whether the operator has provided finalized certificates of financial responsibility obtained from OSPR and has provided financial assurances required for decommissioning, as specified.
- 3) Prohibits the approval of a lease renewal, extension, amendment, assignment, or modification that will increase the volume of oil and gas conveyed across state waters, including by commencing, increasing, intensifying, or restarting production from the Pacific Outer Continental Shelf at the same properly noticed public meeting it is first presented at. Requires the State Lands Commission or local trustee to accept public comments at the meeting it votes

- to approve or disapprove the lease assignment. Requires that the approval of an assignment, transfer, or sublease of a lease or permit is in the best interest of the state, as provided.
- 4) Clarifies in the Coastal Act that oil onshore is transported by pipeline that uses the best available technology, as specified. Expands the Coastal Act definition of "expanded oil extraction" to include the reactivation of a facility idled, inactive, or out of service for more than five years, or an increase in oil extraction from the use of hydraulic fracturing, extended reach drilling, acidization, or other unconventional technologies, as provided. Prohibits the transport of oil over land by other methods, as provided.
- 5) Clarifies in the Coastal Act that the repair, reactivation, and maintenance of an oil and gas facility that has been idled, inactive, or out of service for five years or more is considered a new or expanded development requiring a new CDP. Clarifies in the Coastal Act that development associated with the repair, reactivation, or maintenance of an oil pipeline that has been idled, inactive, or out of service for five years or more requires a new CDP, as provided.
- 6) Requires the Coastal Commission or local government with a certified local coastal program to review and approve, modify, condition, or deny the CDP, as provided.
- 7) Makes various technical changes, and provides that no reimbursement is required to a local agency or school district, except in specified circumstances.

[NOTE: See the Senate Natural Resources and Water Committee analysis for additional information.]

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: Yes According to the Senate Appropriations Committee:

- Potential loss in annual rental revenue of an unknown amount, potentially in excess of \$150,000, from offshore oil- and gas-related infrastructure leases to the extent the State Lands Commission (SLC) or a local trustee denies one or more applications for a lease renewal, extension, amendment, assignment, or modification, as a result of the bill's requirements and conditions (General Fund). SLC collected approximately \$949,000 in rental revenue from its approximately one dozen pipeline right-of-way leases in fiscal year 2023-24.
- By imposing additional duties on local trustees in the consideration of a lease renewal, extension, amendment, assignment, or modification, and by imposing additional duties on a local government with a certified LCP in processing and

reviewing an application for a CDP, this bill imposes a state-mandated local program. These costs are potentially reimbursable by the state, subject to a determination by the Commission on State Mandates (General Fund).

**SUPPORT:** (Verified 8/29/25)

Center for Biological Diversity (co-source)

Environmental Defense Center (co-source)

7th Generation Advisors

350 Bay Area Action

350 Humboldt

350 Santa Barbara

Azul

Ballona Wetlands Institute

Ban SUP (Single Use Plastics)

Business Alliance for Protecting the Pacific Coast

California Coastal Protection Network

California Environmental Voters

California Legislative Central Coast Caucus

Center on Race, Poverty, and the Environment

Central Coast Climate Justice Network

Citizens Planning Association

City of Goleta

CleanEarth4Kids.org

Clean Water Action

Climate Action California

Climate First: Replacing Oil and Gas

Climate Hawks Vote

Climate Reality Project, San Diego

CLUE-SB Environmental Justice Group

Coastal Band of the Chumash Nation

Coastal Lands Action Network

Defend Ballona Wetlands

Defenders of Wildlife

Elected Officials to Protect America Code Blue

Environmental Law Club at UCSB

Environmental Action Committee of West Marin

Food & Water Watch

Friends Committee on Legislation of California

Friends of the Earth

Get Oil Out!

Green Policy Initiative

Indivisible CA Green Team

International Marine Mammal Project, Earth Island Institute

Los Padres ForestWatch

Monterey Bay Aquarium

Natural Resources Defense Council

Ocean Conservation Research

Oceana

Oil and Gas Action Network

Patagonia

Pesticide Action and Agroecology Network

Physicians for Social Responsibility, San Francisco Bay Chapter

Progressive Democrats of America

Quabajai Coastal Chumash Keeper of the Western Gate

Sacred Places Institute for Indigenous Peoples

San Diego 350

San Francisco Baykeeper

Santa Barbara Channelkeeper

Santa Barbara County Action Network

Save Our Shores

Sierra Club California

Sierra Club, Santa Barbara Group

Sierra Club, Santa Lucia Chapter (San Luis Obispo County)

SoCal 350 Climate Action

Society of Fearless Grandmothers of Santa Barbara

Solano County Democratic Central Committee

Sunflower Alliance

Surfrider Foundation

Surfrider Foundation, Santa Barbara Chapter

Surfrider Foundation, San Luis Obispo

The Climate Center

UCSB Environmental Affairs Board

Ventura Coastkeeper

Vote Solar

WILDCOAST

Wishtoyo Chumash Foundation

**OPPOSITION:** (Verified 8/29/25)

California Independent Petroleum Association Central Valley Business Federation DCOR, LLC

**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 of California

Tri-County Chamber Alliance

VC Taxpayers Association

Western States Petroleum Association

**ARGUMENTS IN SUPPORT:** According to the author, "AB 1448 aims to enhance the California State Lands Commission's authority to protect designated lands from the expansion of oil- and gas- related infrastructure. This bill requires additional environmental and safety factors to be considered by the Commission before making any changes to existing leases [...]."

"Furthermore, AB 1448 does not create new permitting requirements under the Coastal Act- the Coastal Commission has been regulating oil and gas development for 50 years. The bill simply confirms and clarifies which regulatory pathway applies to a previously idled oil and gas facility, including pipelines, under the Coastal Act."

"Until 2023, the Coastal Commission authorized a wide variety of oil and gasrelated development. Under PRC Section 30260, the Commission could make special allowances to allow coastal-dependent industrial uses (including offshore oil and gas facilities and pipelines) to go forward."

"In 2023, SB 704 (Min, Ch. 292, Stats. 2023) amended PRC Section 30262 to require all new or expanded oil and gas development to fully comply with all Chapter 3 policies of the Coastal Act, while still allowing for some types of repair and maintenance to be considered under the more lenient PRC Section 30260. However, SB 704 did not consider which regulatory pathway would apply to repair, maintenance or reactivation of *previously idled* oil and gas facilities. AB 1448 clarifies that question by specifying that the repair, maintenance, and restart

of an idled oil and gas facility, including pipelines, and all associated development activities require a coastal development permit consistent with PRC Section 30262, as opposed to PRC Section 30260. AB 1448 builds on the policy established in SB 704 by eliminating confusion about what regulatory standards apply to the permitting of idled oil and gas facilities in the coastal zone."

ARGUMENTS IN OPPOSITION: The Western States Petroleum Association (WSPA) in a joint sign-on letter writes, "We believe that AB 1448 would significantly expand regulatory barriers on offshore oil and gas operations, particularly within state waters associated with Pacific Outer Continental Shelf (OCS) leases. While we support reasonable environmental safeguards, this bill overreaches by broadening the scope of activities requiring new approvals, introducing operational uncertainty, and discouraging investment in California's existing offshore infrastructure."

WSPA continues that "A major concern is the bill's extension to lease assignments," and additionally expresses concern over the broader definition of "expanded oil and gas development," and the fiscal implications of the potential loss of revenues to the state and local jurisdictions from offshore oil and gas production, among other concerns."

The State Building and Construction Trades Council cites concerns that "this bill seeks to cut off yet another source of domestic crude oil to our in-state refineries," and argue that this bill makes "it increasingly difficult and prohibitively expensive to operate refineries in-state."

# ASSEMBLY FLOOR: 42-26, 6/4/25

AYES: Addis, Ahrens, Arambula, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Connolly, Elhawary, Fong, Gabriel, Garcia, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Papan, Pellerin, Celeste Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Stefani, Ward, Wicks, Zbur, Rivas

NOES: Alanis, Ávila Farías, Bains, Carrillo, Castillo, Chen, DeMaio, Dixon, Ellis, Flora, Gallagher, Gipson, Jeff Gonzalez, Hadwick, Hoover, Lackey, Macedo, Patterson, Ransom, Michelle Rodriguez, Blanca Rubio, Sanchez, Soria, Ta, Tangipa, Wallis

NO VOTE RECORDED: Aguiar-Curry, Alvarez, Davies, Nguyen, Pacheco, Patel, Petrie-Norris, Quirk-Silva, Ramos, Valencia, Wilson

Prepared by: Katharine Moore / N.R. & W. / (916) 651-4116 9/8/25 21:44:05

\*\*\*\* END \*\*\*\*