

AB-1448 Coastal resources: oil and gas development.(2025-2026)

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BILL START

AMENDED
IN SENATE SEPTEMBER 05, 2025

AMENDED
IN SENATE AUGUST 29, 2025

AMENDED IN SENATE JUNE 25, 2025

AMENDED
IN ASSEMBLY APRIL 30, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 1448

Introduced by Assembly Member Hart
(Coauthor: Senator Stern)

February 21, 2025

An act to amend Sections 6245, 6804, and 30262 of the Public Resources Code, relating to coastal resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1448, as amended, Hart. Coastal resources: oil and gas development.

Existing law prohibits the State Lands Commission or a local trustee, as defined, of granted public trust lands from entering into a new lease or other conveyance authorizing 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. Existing law requires the commission or a local trustee when approving or disapproving a lease renewal, extension, amendment, or modification authorizing 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 follow a specified process. Existing law provides that these provisions do not prevent specified activities, including, among others, issuance by the commission of leases pursuant to exceptions applicable to the California Coastal Sanctuary.

This bill would specify that the requirement regarding approval or disapproval of a lease renewal, extension, amendment, or modification also applies to a lease assignment. The bill would additionally require the commission or the local trustee, in considering approval or disapproval, to consider additional factors, as specified. By imposing additional duties on local trustees in the consideration of a lease renewal, extension, amendment, assignment, or modification, this bill would impose a state-mandated local program.

The California Coastal Act of 1976 requires a person wishing to perform or undertake any development in the coastal zone to obtain a coastal development permit. The act encourages coastal-dependent industrial facilities to locate or expand within existing sites and requires that facilities be permitted reasonable long-term growth, as provided. The act specifies that new or expanded oil and gas development is not to be considered a coastal-dependent industrial facility and is to be permitted only if it is consistent with the act and meets certain requirements, including a requirement that oil produced offshore is to be transported onshore by pipeline using the best achievable technology, as defined, and onshore transport of the oil to processing and refining facilities by pipeline. The act applies the pipeline requirements on new or expanded oil extraction operations, and defines terms for these purposes, including the term “expanded oil extraction.” The act authorizes the transport of the oil by other modes of transportation if certain conditions are met.

This bill would require the onshore transportation of the oil to processing and refining facilities to use the best available technology, as provided. The bill would repeal authorization for the use of alternative modes of transportation. The bill would revise the definition of “expanded oil extraction” to include reactivation of a facility idled, inactive, or out of service for more than 5 years, or an increase in oil extraction from the use of hydraulic fracturing, extended reach drilling, acidization, or other unconventional technologies.

The act authorizes the repair and maintenance of an existing oil and gas facility to be permitted as a coastal-dependent industrial facility if certain requirements are met.

The bill would require a person to obtain a new coastal development permit for the repair, reactivation, and maintenance of an oil and gas ~~facility~~ facility, including an oil pipeline, that has been idled, inactive, or out of service for 5 years or more.

Because the bill would impose additional duties on a local government with a certified local coastal program in processing and reviewing an application for a coastal development permit, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

DIGEST KEY

Vote: MAJORITY Appropriation: NO Fiscal Committee: YES Local Program: YES

BILL TEXT

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS
FOLLOWS:

SECTION 1.

Section 6245 of the Public Resources Code is amended to read:

6245.

(a) Except as provided in subdivision (e), the commission or a local trustee shall not enter 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 Pacific Outer Continental Shelf leases issued after January 1, 2018.

(b) (1) Upon receipt of an application for a lease renewal, extension, amendment, assignment, 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, the commission or local trustee shall provide notice of this application by including it as a separate informational item on the agenda of the commission's or local trustee's next duly noticed public meeting. Summary information about the requested lease renewal, extension, amendment, assignment, or modification shall be included in the agenda summary.

(2) Notwithstanding the Permit Streamlining Act (Chapter 4.5 (commencing with Section 65920) of Division 1 of Title 7 of the Government Code), the commission or local trustee shall take no further action to approve the requested lease renewal, extension, amendment, assignment, or modification until 180 days after the notification required in paragraph (1).

(c) Before approving a lease renewal, extension, amendment, assignment, 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, the commission or local trustee shall consider, at a minimum, the following:

- (1) Whether the lease renewal, extension, amendment, **assignment**, or modification is necessary to protect the marine environment or to ensure human health and safety.
 - (2) Whether the lease renewal, extension, amendment, assignment, or modification provides a benefit to the state beyond additional lease revenues.
 - (3) Whether the lease renewal, extension, amendment, assignment, or modification will impact the volume of oil and gas that may be transported across state waters.
 - (4) Whether the lease renewal, extension, amendment, assignment, or modification may impact public trust resources and values.
 - (5) 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.
 - (6) 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.
 - (7) Whether the operator has provided finalized certificates of financial responsibility obtained from the Office of Spill Prevention and Response and has provided financial assurances required for decommissioning pursuant to subdivision (d) of Section 6829 and other applicable local or state laws.
- (d) (1) 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, shall not be approved at the same **properly noticed public meeting** at which the lease renewal, extension, amendment, or modification is first presented.
- (2) The commission or local trustee shall accept public comments at the same meeting at which it votes to approve or disapprove any 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. A lease subject to this section shall be approved by the commission or the governing board of the local trustee.
- (e) **This section does not prohibit any of the following:**
- (1) The commission from issuing leases pursuant to Section 6243 or 6244.
 - (2) Any activity undertaken to repair or maintain any pipeline or other infrastructure used to convey oil or natural gas or any other activity necessary to ensure the safe operation of infrastructure used in the exploration, development, or production of oil or natural gas.
 - (3) Any activity undertaken to convey oil or natural gas produced from state waters.
- (f) The commission may establish regulations for the implementation of this section.
- (g) For the purposes of this section, the following terms have the following meanings:
- (1) "Local trustee" means a local trustee of granted public trust lands that is a county, city, or district, including water, sanitary, regional park, port, or harbor districts, or any other local political or corporate subdivision that has been granted public trust lands through a legislative grant.
 - (2) "Pacific Outer Continental Shelf" means all submerged lands lying seaward of California, Hawaii, Oregon, and Washington and outside of the area of lands beneath navigable waters, as set forth by the federal Submerged Lands Act (43 U.S.C. Sec. 1331), and all of which appertain to the United States and are subject to its jurisdiction and control.
 - (3) "State waters" has the same meaning as defined in Section 36108.

SEC. 2.

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 the assignor, transferor, or sublessor has been, and, except as provided in subdivision (c), shall continue to be, 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 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, gas, or minerals are produced in paying quantities from the segregated lease lands, zones, or horizons.

(b) (1) In considering whether the approval of an assignment, transfer, or sublease of a lease or permit under subdivision (a) is in the best interest of the state under Section 6005, the commission may consider whether a proposed assignee is likely to comply with the terms of the lease or permit for the duration of both the primary term of the original lease or permit and any

extended term of the lease because of production, as determined by all of the following factors:

(A) The proposed assignee's experience with offshore or onshore oil or gas production or mineral extraction, 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 or permit.

(C) Any information concerning the proposed assignee's compliance or noncompliance with other contractual obligations to the state or other government agency.

(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 or permit will be held after assignment, transfer, or sublease of a lease or permit, or any person or entity that makes managerial decisions for or exercises managerial control over the assignee.

(c) An assignment, transfer, or sublease pursuant to subdivision (a), or a memorandum of the assignment, transfer, or sublease, shall be recorded in the office of the county recorder of the county in which the leased or permitted lands are located.

(d) The assignor, transferor, or sublessor of a lease or permit under subdivision (a) shall remain liable for, and shall not be released or discharged from, obligations under the lease or permit,

including requirements under state law to properly plug and abandon all wells, decommission all production facilities and related infrastructure, complete well site restoration and lease restoration, and remediate contamination at well and lease sites, except under either of the following circumstances:

- (1) The commission determines that all lease or permit obligations have been fulfilled.
- (2) The commission, in its sole discretion, approves the assignor's, transferor's, or sublessor's request for a waiver of liability and release from the lease or permit obligations pursuant to this paragraph. The commission may approve a waiver and release under the following conditions:
 - (A) The assignor, transferor, or sublessor provides the commission both of the following:
 - (i) An estimate, by an independent third party approved by the commission, of the costs of fulfilling outstanding lease or permit obligations.
 - (ii) A security in at least the amount estimated under clause (i), plus an additional 20 percent of that amount, to account for the time value of money and potential cost overruns. The security may be cash, a letter of credit, or a bond. If the assignor, transferor, or sublessor is already maintaining a bond pursuant to Section 6829, the commission shall deduct the amount of the existing bond from the amount of a security necessary to comply with the requirements of this clause.
 - (B) The commission determines that the waiver and release is in the best interests of the state.

SEC. 3.

Section 30262 of the Public Resources Code is amended to read:

30262.

(a) New or expanded oil and gas development shall not be considered a coastal-dependent industrial facility for the purposes of Section 30260, and may be permitted only if found to be consistent with all applicable provisions of this division and if all of the following conditions are met:

- (1) The development is performed safely and consistent with the geologic conditions of the well site.
- (2) Activities related to that development are consolidated, to the maximum extent feasible and legally permissible, unless consolidation will have adverse environmental consequences and will not significantly reduce the number of producing wells, support facilities, or sites required to produce the reservoir economically and with minimal environmental impacts.
- (3) The development will not cause or contribute to subsidence hazards unless it is determined that adequate measures will be undertaken to prevent damage from that subsidence.
- (4) All oilfield brines are reinjected into oil-producing zones unless the Geologic Energy Management Division of the Department of Conservation determines to do so would adversely affect production of the reservoirs and unless injection into other subsurface zones will reduce environmental risks. Exceptions to reinjections will be granted consistent with the California Ocean Plan of the State Water Resources Control Board and where adequate provision is made for the elimination of petroleum odors and water quality problems.
- (5) (A) All oil produced offshore California shall be transported onshore by pipeline only. The pipelines used to transport this oil shall utilize the best achievable technology to ensure maximum protection of public health and safety and of the integrity and productivity of terrestrial and marine ecosystems.
(B) Once oil produced offshore California is onshore, it shall be transported to processing and refining facilities by pipeline that uses the best available technology pursuant to Section 51013.1 of the Government Code.
- (C) The following guidelines shall be used when applying subparagraphs (A) and (B):
 - (i) "Best achievable technology," means the technology that provides the greatest degree of protection taking into consideration both of the following:

(I) Processes that are being developed, or could feasibly be developed, anywhere in the world, given overall reasonable expenditures on research and development.

(II) Processes that are currently in use anywhere in the world. This clause is not intended to create any conflicting or duplicative regulation of pipelines, including those governing the transportation of oil produced from onshore reserves.

(ii) "Oil" refers to crude oil before it is refined into products, including gasoline, bunker fuel, lubricants, and asphalt. Crude oil that is upgraded in quality through residue reduction or other means shall be transported as provided in subparagraphs (A) and (B).

(iii) Subparagraphs (A) and (B) shall apply only to new or expanded oil extraction operations.

"New extraction operations" means production of offshore oil from leases that did not exist or had never produced oil, as of January 1, 2003, or from platforms, drilling islands, subsea completions, or onshore drilling sites, that did not exist as of January 1, 2003. "Expanded oil extraction" means an increase in the geographic extent of existing leases or units, including lease boundary adjustments, an increase in the number of well heads, reactivation of a facility idled, inactive, or out of service for more than ~~three~~ five years, or an increase in oil extraction from the use of hydraulic fracturing, extended reach drilling, acidization, or other unconventional technologies, on or after January 1, 2003.

(6) If a state of emergency is declared by the Governor for an emergency that disrupts the transportation of oil by pipeline, oil may be transported by a waterborne vessel, if authorized by permit, in the same manner as required by emergency permits that are issued pursuant to Section 30624.

(7) In addition to all other measures that will maximize the protection of marine habitat and environmental quality, when an offshore well is abandoned, the best achievable technology shall be used.

(b) (1) Repair and maintenance of an existing oil and gas facility may be permitted in accordance with Section 30260 only if it does not result in expansion of capacity of the oil and gas facility, and if all applicable conditions of subdivision (a) are met.

(2) Repair, reactivation, and maintenance of an oil and gas ~~facility~~ facility, including an oil pipeline, that has been idled, inactive, or out of service for five years or more shall be considered a new or expanded development requiring a new coastal development permit consistent with this section.

(3) Development ~~for~~ 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 coastal development permit consistent with this section.

(4) The commission or local government with a certified local coastal program shall review and approve, modify, condition, or deny the permit based on the requirements of this section.

(c) Where appropriate, monitoring programs to record land surface and near-shore ocean floor movements shall be initiated in locations of new large-scale fluid extraction on land or near shore before operations begin and shall continue until surface conditions have stabilized. Costs of monitoring and mitigation programs shall be borne by liquid and gas extraction operators.

(d) This section does not affect the activities of any state agency that is responsible for regulating the extraction, production, or transport of oil and gas.

SEC. 4.

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs

shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.