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## CALIFORNIA STATE SENATE

COMMITTEE ON BUDGET AND FISCAL REVIEW

LEGISLATIVE OFFICE BUILDING – ROOM 502  
SACRAMENTO, CA 95814



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## Agenda

**August 29, 2024**

**9:00 a.m. – 1021 O Street, Room 1200**

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<u>BILL</u>	<u>AUTHOR</u>	<u>SUBJECT</u>
1. AB 180	Gabriel	Budget Act of 2024
2. AB 218	Committee on Budget	Oil and Gas: Trailer Bill

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

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**Bill No:** AB 180 **Hearing Date:** August 29, 2024  
**Author:** Gabriel  
**Version:** August 27, 2024 Amended  
**Urgency:** Yes **Fiscal:** Yes  
**Consultant:** Joanne Roy

**Subject:** Budget Act of 2024

**Summary:** This is a Budget Bill Junior associated with the Budget Act of 2024. This bill makes substantive changes to the Budget Act.

**Background:** On June 26, 2024, the Governor signed AB 107 (Gabriel), which represented the Legislature's budget, and on June 29, 2024, the Governor signed SB 108 (Wiener), a Budget Bill Junior, which made changes to AB 107. This bill makes changes to the 2024-25 budget represented in AB 107 and AB 108. This bill adds two appropriations, however these appropriations do not change the overall level of state General Fund expenditures reflected in the June budget agreement.

**Proposed Law:** Specifically, this bill:

- 1) Appropriates \$9.9 million, from the Oil, Gas, and Geothermal Administrative Fund (OGGAF) to the Department of Conservation, for purposes of implementing provisions of SB 1137 (Gonzalez), Chapter 365, Statutes of 2022, which established health protection zones that are 3,200 feet from sensitive receptors; and established additional monitoring and leak detection plans for oil and gas operations, as specified.
- 2) Appropriates \$2.32 million OGGAF to the California Air Resources Board for purposes of implementing SB 1137.

**Fiscal Effect:** This bill adds two appropriations totaling \$12.22 million from OGGAF.

**Support:** None on file.

**Opposed:** None on file.

**Comments:** The accompanying trailer bill to this Budget Bill Junior includes an appropriation of \$2.65 million from OGGAF to the State Water Resources Control Board for purposes of implementing SB 1137.

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# SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair

2023 - 2024 Regular

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<b>Bill No:</b>	AB 218	<b>Hearing Date:</b>	August 29, 2024
<b>Author:</b>	Committee on Budget		
<b>Version:</b>	August 27, 2024 Amended	<b>Fiscal:</b>	Yes
<b>Urgency:</b>	Yes		
<b>Consultant:</b>	Joanne Roy		

**Subject:** Oil and gas: trailer bill

**Summary:** This bill is an omnibus Resources budget trailer bill. It contains provisions necessary to implement the 2024 Budget Act.

**Proposed Law:** This bill:

- 1) Extends several deadlines related to the implementation of SB 1137 (Gonzalez), Chapter 365, Statutes of 2022, which established health protection zones that are 3,200 feet from sensitive receptors; prohibited the Geologic Energy Management Division (CalGEM) in the Department of Conservation (DOC) from approving the drilling of new oil or gas wells or the reworking of existing oil or gas wells within a health protection zone with certain exceptions, and established additional monitoring and other requirements for existing oil and gas operations in a health protection zone. Among some of the deadlines that are extended are the following:
  - a. Extending the time, which requires operators with a wellhead or other production facilities in a health protection zone to provide specified information relating to leaks to CalGEM, from January 1, 2027, to July 1, 2030.
  - b. Extending the deadline, which requires CalGEM to provide a legislative report regarding the implementation of health protection zones, from July 1, 2027, to July 1, 2030.
- 2) Authorizes DOC to assess and levy a supplemental assessment on oil and gas production to ensure funds are available for the full amount of the adjusted cost estimate, as specified; and repeals this authorization on January 1, 2027. This bill specifies that DOC may continue to pursue the collection of unpaid supplemental assessments, penalties, and interest after the supplemental assessment provisions are repealed.
- 3) Appropriates \$2.646 million from the Oil, Gas, and Geothermal Administrative Fund for the 2024-25 fiscal year to the State Water Resources Control Board to support implementation of SB 1137.

**Fiscal Effect:** The funding related to the changes in this bill is contained in the 2024 Budget Act.

**Support:** None on file.

**Opposed:** None on file.

**Comments:** SB 1137 was enacted in 2022, imposing new restrictions on oil and gas wells. An initiative was placed on the November 2024 ballot proposing to repeal SB 1137, but was withdrawn in June 2024. As a result of SB 1137 being in limbo for approximately 18 months, several deadlines in the original bill need extensions to ensure proper implementation in reasonable and pragmatic timeframes.

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