

AMENDED IN ASSEMBLY MAY 23, 2014
AMENDED IN ASSEMBLY APRIL 21, 2014
AMENDED IN ASSEMBLY MARCH 28, 2014
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2711

Introduced by Assembly Member Muratsuchi

February 21, 2014

An act relating to oil and gas, ~~and~~ making an appropriation therefor, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2711, as amended, Muratsuchi. Oil and gas: loan to City of Hermosa Beach.

Existing law requires the State Lands Commission to deposit in the General Fund all revenues, moneys, and remittances received by the commission, with certain exceptions. Existing law requires that the moneys be used for specified purposes, including refunds, commission expenses, and specified payments to cities and counties.

This bill would appropriate ~~\$17,500,000~~ \$11,500,000 from the General Fund, from certain oil and gas revenues deposited by the commission, to the Controller for a loan to the City of Hermosa Beach, to be made if the city is obligated to make payment pursuant to a specified settlement agreement. The bill would require the State Board of Equalization, if the city fails to make any payment on the loan when due and upon the order of the Controller, to deduct the amount of the payment from the sales and use taxes to be paid to the city. The bill would also require the Controller to deposit moneys received in repayment of the loan into the ~~State Coastal Conservancy~~ General Fund

to be used, upon appropriation, by the State Coastal Conservancy for expenses related to the conservancy’s Climate Ready Program.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. (a) The sum of ~~seventeen~~ *eleven* million five
2 hundred thousand dollars ~~(\$17,500,000)~~ *(\$11,500,000)* is hereby
3 appropriated from the General Fund, from the oil and dry gas
4 revenues paid to the state during the 2014–15 fiscal year and
5 deposited in the General Fund pursuant to Section 6217 of the
6 Public Resources Code, to the Controller for purposes of this act.
7 The Controller shall, upon agreement with the City of Hermosa
8 Beach, loan that sum, or a portion thereof, to the city if the city is
9 obligated to make payment pursuant to Section IV.4.6.c of “The
10 Settlement Agreement and Release” entered into on March 2, 2012,
11 between Macpherson Oil Company, Windward Associates, E&B
12 Natural Resources Management Corporation, and the City of
13 Hermosa Beach.

14 (b) A loan to the City of Hermosa Beach pursuant to subdivision
15 (a) shall be subject to the following terms:

16 (1) The city shall annually pay to the Controller, prior to June
17 30 of each year, not less than five hundred thousand dollars
18 (\$500,000) until the loan is paid in full.

19 (2) If the City of Hermosa Beach fails to make any payment
20 when due pursuant to paragraph (1) for any reason, the State Board
21 of Equalization, upon the order of the Controller, shall deduct the
22 amount of that payment from the sales and use taxes to be paid to
23 the city thereafter pursuant to Section 7204 of the Revenue and
24 Taxation Code and shall pay the amount so deducted to the
25 Controller.

26 (c) The Controller shall deposit all payments received pursuant
27 to subdivision (b) into the ~~State Coastal Conservancy Fund to be~~
28 ~~used, upon appropriation, by the State Coastal Conservancy for~~
29 ~~expenses related to the conservancy’s Climate Ready Program,~~
30 ~~authorized pursuant to Section 31113 of the Public Resources~~
31 ~~Code.~~ *General Fund.*

1 *SEC. 2. This act is an urgency statute necessary for the*
2 *immediate preservation of the public peace, health, or safety within*
3 *the meaning of Article IV of the Constitution and shall go into*
4 *immediate effect. The facts constituting the necessity are:*

5 *In order to facilitate the implementation of a loan of state*
6 *revenues to the City of Hermosa Beach as quickly as possible, it*
7 *is necessary that this act take effect immediately.*

O