

10. NEW BUSINESS

- a. Upcoming Legislation Session
 - iv. Currently Identified items for the Legislative Watch List
 - 2. Off-shore Drilling



MEMORANDUM

Date: October 05, 2009
To: City Councilmembers
From: Judie Zimomra, City Manager
RE: Off-shore Drilling

Please find attached a resolution adopted reportedly as a walk-on by the Lee County Board of Commissioners Tuesday, September 29th. To date, we have been unable to obtain an executed copy.

Additionally, a copy of House Bill 1219 and all amendments are attached, which was not adopted in the 2009 Legislative session. Representative Dean Cannon, District 35 was the sponsor of HB 1219. Representative Cannon is the in-coming Speaker of the House. This information is provided at the request of Councilmembers for the discussion on off-shore drilling.

If you have additional question please do not hesitate to contact me.

JAZ/ps

xc: Kenneth B. Cuyler, City Attorney
Dr. Robert Loflin, Natural Resources Director
Pamela Smith, City Clerk

Resolution No.

A resolution of the Lee County Board of Commissioners in opposition to offshore drilling in the Gulf of Mexico within twenty five miles of the Lee County coastline and opposition specifically to passage of the Florida House of Representatives Bill 1219 that would allow near-shore oil drilling three (3) miles off of the Florida coast and authorizing the County Commission Chairman to transmit this resolution to the Governor and the Florida Legislature.

WHEREAS, Florida's economy depends on its multi-billion dollar tourism industry, which resulted in more than 82 million visitors coming to Florida in 2008, during which period tourism generated over \$65 billion in taxable sales; and

WHEREAS, tax revenues from tourism for Lee County during 2008 generated a \$78 million direct impact on local government revenues and a \$212 million direct impact on state government revenues and approximately 44,000 people directly employed, receiving nearly \$900 million in tourism wages; and

WHEREAS, oil and gas drilling in waters off the coast of Florida will increase the risk of oil pollution on Florida Beaches; and

WHEREAS, the risk to Florida's economy posed by oil and natural gas drilling off of Florida's coasts is substantial and even a small oil spill in the Gulf of Mexico could be devastating to our most important visitor amenities; and

WHEREAS, tax revenues generated from Florida's growing tourism industry are critical to continued funding of essential governmental services, including transportation, schools and public safety; and

WHEREAS, HB 1219, if passed by the State Legislature, and signed and implemented by the Governor, would permit the installation of oil rigs, pipelines, and drilling near the beaches and in the shallow waters of the Gulf of Mexico and other areas of the Florida coastline; and

NOW THEREFORE, BE IT RESOLVED, THAT THE LEE COUNTY BOARD OF COMMISSIONERS opposes offshore drilling in the Gulf of Mexico within 25 miles of the coastline and opposes specifically the passage of HB 1219 during the 2009 Legislative Session which allows drilling three (3) miles off the coast.

BE IT FURTHER RESOLVED THAT THE CHAIRMAN OF THE BOARD OF LEE COUNTY COMMISSIONERS shall transmit a copy of this resolution to Governor Charlie Crist, Senate President Jeff Atwater, Speaker of the House, Larry Cretul, the Lee County legislative delegation and the Florida Association of Counties.

**ROBERT JANES
A. BRIAN BIGELOW
RAY JUDAH
TAMMARA HALL
FRANK MANN**

DULY PASSED AND ADOPTED THIS _____ DAY OF _____, 2009.

**ATTEST:
CHARLIE GREEN, CLERK**

**BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA**

By: _____
Deputy Clerk

By: _____
Chairman

APPROVED AS TO FORM:

By: _____
Office of the County Attorney

CS/CS/CS/HB 1219 - Regulation of State Lands and Oil and Gas Resources

GENERAL BILL by Policy Council and General Government Policy Council and Agriculture & Natural Resources Policy Committee and Van Zant and Cannon (CO-SPONSORS) Carroll; Dorworth; Drake; Evers; Fresen; Horner; Kelly; Mayfield; McKeel; Patterson; Wood; Zapata

Regulation of State Lands and Oil and Gas Resources: Authorizes Board of Trustees of the Internal Improvement Trust Fund to accept bids for oil & gas leases on specified submerged lands; provides location restrictions on refining & retail sale of oil & gas extracted pursuant to such leases; revises requirements for proof of financial responsibility by lessee prior to commencement of drilling on submerged lands; provides for distribution of royalties, cash considerations, annual rentals, or payments in lieu of royalties collected for oil & gas leases; provides for distribution of other state income from offshore oil & natural gas activities; provides exemptions from land leasing, permitting, & construction restrictions relating to leases on submerged lands; revises applicability provisions relating to surety for geophysical exploration, drilling, & production.

Effective Date: July 1, 2009

Last Event: 05/02/09 S Died in Messages on Saturday, May 02, 2009 12:01 AM

Date Available for Final Passage: Wednesday, April 29, 2009 2:56 PM

Referred Committees and Committee Actions:

- **Agriculture & Natural Resources Policy Committee**
 - On agenda for: 03/24/09 8:00 AM [Notice](#)
 - Favorable With Committee Substitute (*final action*) [See Votes](#)
- **General Government Policy Council**
 - On agenda for: 04/14/09 1:15 PM [Notice](#)
 - Favorable With Council Substitute (*final action*) [See Votes](#)
- **Policy Council**
 - On agenda for: 04/21/09 9:15 AM [Notice](#)
 - Favorable With Council Substitute (*final action*) [See Votes](#)

Related Bills:

(no related bills on record)

Bill Text:

Engrossed 1

Committee Substitute 3

A 865959 , Kiar	Date Filed: 04/26/09, Page#: 0, Line#: 0	House: Failed 04/27/09
A 837409 , Jenne	Date Filed: 04/27/09, Page#: 0, Line#: 0	House: Failed 04/27/09
A 330125 , Kiar	Date Filed: 04/26/09, Page#: 0, Line#: 97	House: Failed 04/27/09
A 705165 , Jenne	Date Filed: 04/27/09, Page#: 0, Line#: 140	House: Failed 04/27/09
A 173497 , Rehwinkel Vasilinda	Date Filed: 04/26/09, Page#: 0, Line#: 197	House: Adopted as Amended 04/27/09
AA 116311 (late), Van Zant	Date Filed: 04/27/09, Page#: 0, Line#: 8	House: Not Allowed for Consideration 04/27/09
AA 952475 (late), Rehwinkel Vasilinda	Date Filed: 04/27/09, Page#: 0, Line#: 8	House: Adopted 04/27/09
A 261751 , Rehwinkel Vasilinda, Rogers	Date Filed: 04/26/09, Page#: 0, Line#: 276	House: Adopted as Amended 04/27/09
AA 738071 , Rehwinkel Vasilinda	Date Filed: 04/26/09, Page#: 0, Line#: 7	House: Adopted 04/27/09
AA 671373 (late), Troutman	Date Filed: 04/27/09, Page#: 0, Line#: 38	House: Withdrawn 04/27/09
AA 048671 (late), Troutman	Date Filed: 04/27/09, Page#: 0, Line#: 38	House: Adopted 04/27/09
AA 056679 (late), Van Zant	Date Filed: 04/27/09, Page#: 0, Line#: 39	House: Not Allowed for Consideration 04/27/09
AA 754631 (late), Rehwinkel Vasilinda	Date Filed: 04/27/09, Page#: 0, Line#: 39	House: Not Allowed for Consideration 04/27/09

Committee Substitute 2 Laid on the Table

Committee Substitute 1 Laid on the Table

Original Filed Version

Staff Analysis:

Chamber	Committee
House	Policy Council 4/22/2009 9:58:51 PM
House	Policy Council 4/20/2009 8:43:38 PM
House	General Government Policy Council 4/15/2009 2:34:08 PM
House	General Government Policy Council 4/10/2009 4:05:27 PM
House	Agriculture & Natural Resources Policy Committee 3/27/2009 2:01:29 PM
House	Agriculture & Natural Resources Policy Committee 3/23/2009 10:12:04 AM

Vote History:

Chamber	Date	Yeas	Nays	Actions	Barcode
House	04/27/2009 02:42 PM	43	69	Vote [Seq# 311]	865959
House	04/27/2009 02:44 PM	41	73	Vote [Seq# 312]	837409
House	04/27/2009 02:46 PM	42	71	Vote [Seq# 313]	330125
House	04/27/2009 02:47 PM	41	72	Vote [Seq# 314]	705165
House	04/27/2009 04:39 PM	70	43	Passage Vote [Seq# 315]	

Bill History:

Event	Time	Member	Committee
05/02/09 S Died in Messages	Saturday, May 02, 2009		

	12:01 AM
05/02/09 S Indefinitely postponed and withdrawn from consideration	Saturday, May 02, 2009 12:00 AM
04/27/09 S In Messages	Monday, April 27, 2009 8:36 PM
Message sent to senate	Monday, April 27, 2009 8:32 PM
Passage on third reading	Monday, April 27, 2009 4:40 PM
CS passed as amended; YEAS 70, NAYS 43	Monday, April 27, 2009 4:39 PM
Amendment 261751 adopted as amended	Monday, April 27, 2009 2:59 PM
Amendment 754631 not allowed for consideration	Monday, April 27, 2009 2:59 PM
Amendment 056679 not allowed for consideration	Monday, April 27, 2009 2:58 PM
Amendment 048671 adopted	Monday, April 27, 2009 2:56 PM
Amendment 671373 withdrawn	Monday, April 27, 2009 2:54 PM
Amendment 738071 adopted	Monday, April 27, 2009 2:54 PM
Amendment 173497 adopted as amended	Monday, April 27, 2009 2:51 PM
Amendment 952475 adopted	Monday, April 27, 2009 2:51 PM
Amendment 116311 not allowed for consideration	Monday, April 27, 2009 2:50 PM
Amendment 705165 Failed	Monday, April 27, 2009 2:47 PM
Amendment 330125 Failed	Monday, April 27, 2009 2:46 PM
Amendment 837409 Failed	Monday, April 27, 2009 2:44 PM
Amendment 865959 Failed	Monday, April 27, 2009 2:42 PM
Read 3rd time	Monday, April 27, 2009 2:36 PM
Amendment 754631 filed late	Monday, April 27, 2009 2:23 PM
Amendment 952475 filed late	Monday, April 27, 2009 2:20 PM
Amendment 048671 filed late	Monday, April 27, 2009 1:48 PM
Amendment 671373 filed late	Monday, April 27, 2009 1:34 PM
Amendment 056679 filed late	Monday, April 27, 2009 12:03 PM
Amendment 116311 filed late	Monday, April 27, 2009

	10:35 AM	
Amendment 705165 filed	Monday, April 27, 2009 7:41 AM	
Amendment 837409 filed	Monday, April 27, 2009 7:40 AM	
Amendment 865959 filed	Sunday, April 26, 2009 8:53 PM	
Amendment 330125 filed	Sunday, April 26, 2009 8:51 PM	
Amendment 738071 filed	Sunday, April 26, 2009 6:33 PM	
Amendment 173497 filed	Sunday, April 26, 2009 6:27 PM	
Amendment 261751 filed	Sunday, April 26, 2009 3:40 PM	
Added to Third Reading Calendar	Friday, April 24, 2009 7:51 PM	
Read 2nd time	Friday, April 24, 2009 1:41 PM	
1st Reading	Wednesday, April 22, 2009 11:41 PM	
Bill added to Special Order Calendar (4/24/2009)	Wednesday, April 22, 2009 10:48 PM	
Bill referred to House Calendar	Wednesday, April 22, 2009 10:14 PM	
CS Filed	Wednesday, April 22, 2009 10:02 PM	
Laid on Table under Rule 7.20	Wednesday, April 22, 2009 10:02 PM	
Reported out of Policy Council	Wednesday, April 22, 2009 10:00 PM	Policy Council
Favorable with CS by Policy Council	Tuesday, April 21, 2009 12:00 PM	Policy Council
Added to Policy Council agenda	Monday, April 20, 2009 4:16 PM	Policy Council
Now in Policy Council	Monday, April 20, 2009 10:59 AM	Policy Council
Referred to Policy Council	Monday, April 20, 2009 10:59 AM	Policy Council
1st Reading	Wednesday, April 15, 2009 7:49 PM	
CS Filed	Wednesday, April 15, 2009 2:34 PM	
Laid on Table under Rule 7.20	Wednesday, April 15, 2009 2:34 PM	
Reported out of General Government Policy Council	Wednesday, April 15, 2009 2:31 PM	General Government Policy Council
Favorable with CS by General Government Policy Council	Tuesday, April 14, 2009 5:00 PM	General Government Policy Council
Added to General Government Policy Council	Friday, April 10, 2009 3:52	General Government Policy

agenda	PM	Council
Now in General Government Policy Council	Thursday, April 02, 2009 8:23 PM	General Government Policy Council
Referred to Natural Resources Appropriations Committee	Thursday, April 02, 2009 8:23 PM	Natural Resources Appropriations Committee
Referred to General Government Policy Council	Thursday, April 02, 2009 8:23 PM	General Government Policy Council
1st Reading	Friday, March 27, 2009 4:47 PM	
CS Filed	Friday, March 27, 2009 2:14 PM	
Laid on Table under Rule 7.20	Friday, March 27, 2009 2:14 PM	
Reported out of Agriculture & Natural Resources Policy Committee	Friday, March 27, 2009 2:03 PM	Agriculture & Natural Resources Policy Committee
Favorable with CS by Agriculture & Natural Resources Policy Committee	Tuesday, March 24, 2009 11:00 AM	Agriculture & Natural Resources Policy Committee
Added to Agriculture & Natural Resources Policy Committee agenda	Friday, March 20, 2009 4:17 PM	Agriculture & Natural Resources Policy Committee
Now in Agriculture & Natural Resources Policy Committee	Monday, March 09, 2009 9:47 PM	Agriculture & Natural Resources Policy Committee
Referred to Natural Resources Appropriations Committee	Monday, March 09, 2009 9:47 PM	Natural Resources Appropriations Committee
Referred to General Government Policy Council	Monday, March 09, 2009 9:47 PM	General Government Policy Council
Referred to Energy & Utilities Policy Committee	Monday, March 09, 2009 9:47 PM	Energy & Utilities Policy Committee
Referred to Agriculture & Natural Resources Policy Committee	Monday, March 09, 2009 9:47 PM	Agriculture & Natural Resources Policy Committee
1st Reading	Tuesday, March 03, 2009 10:03 PM	
Filed	Thursday, February 26, 2009 1:11 PM	Van Zant

Statutes Referenced by this Bill

253.52
253.571
253.585
253.61
377.24
377.242
377.2425

[^ back to top](#)

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1 A bill to be entitled

2 An act relating to environmental control; directing the
 3 Department of Environmental Protection to develop a plan
 4 for the implementation of an expedited permitting process
 5 for nuclear power plants; directing the department to
 6 develop a plan for the implementation of an offshore oil
 7 and natural gas drilling program; providing requirements
 8 for the plans; requiring the plans to be submitted to the
 9 Legislature by a specified date; providing an effective
 10 date.

11
 12 Be It Enacted by the Legislature of the State of Florida:

13
 14 Section 1. The Department of Environmental Protection is
 15 directed to develop a plan, including legislative
 16 recommendations, for the implementation of an expedited
 17 permitting process for the development and construction of
 18 nuclear power plants that reduces the amount of time for
 19 granting such a permit by half. The plan must be submitted to
 20 the President of the Senate and the Speaker of the House of
 21 Representatives no later than December 31, 2009.

22 Section 2. The Department of Environmental Protection is
 23 directed to develop a plan, including legislative
 24 recommendations, for the implementation of an offshore oil and
 25 natural gas drilling program. The plan for the program shall
 26 include an expedited permitting process for all offshore and
 27 onshore activities associated with the development and
 28 construction of facilities and the production, transportation,

1 A bill to be entitled
2 An act relating to environmental control; directing the
3 Department of Environmental Protection to develop a plan
4 for the implementation of an offshore oil and natural gas
5 drilling program; providing requirements for the plan;
6 requiring the plan to be submitted to the Legislature by a
7 specified date; providing an effective date.

8
9 Be It Enacted by the Legislature of the State of Florida:

10
11 Section 1. The Department of Environmental Protection is
12 directed to develop a plan, including legislative
13 recommendations, for the implementation of an offshore oil and
14 natural gas drilling program. The plan for the program shall
15 include an expedited permitting process for all offshore and
16 onshore activities associated with the development and
17 construction of facilities and the production, transportation,
18 and distribution of oil and natural gas products. The plan must
19 be submitted to the President of the Senate and the Speaker of
20 the House of Representatives no later than December 31, 2009.

21 Section 2. This act shall take effect July 1, 2009.

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A bill to be entitled
 An act relating to environmental control; directing the
 Department of Environmental Protection to develop a plan
 for the implementation of an offshore oil and natural gas
 drilling program; providing requirements for the plan;
 requiring the plan to be submitted to the Legislature by a
 specified date; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. The Department of Environmental Protection is
 directed to develop a plan, including legislative
 recommendations, for the implementation of an offshore oil and
 natural gas drilling program that provides protection to the
 state's environment while facilitating the recovery and
 distribution of offshore oil and natural gas reserves. The plan
 for the program shall include an expedited permitting process
 for all offshore and onshore activities associated with the
 development and construction of facilities and the production,
 transportation, and distribution of oil and natural gas
 products. The plan must be submitted to the President of the
 Senate and the Speaker of the House of Representatives no later
 than December 31, 2009.

Section 2. This act shall take effect July 1, 2009.

(LATE FILED FOR: APRIL 27 THIRD READING) HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

CHAMBER ACTION

Senate

House

1 Representative Rehwinkel Vasilinda offered the following:

2

3 **Amendment to Amendment (261751) (with title amendment)**

4 Remove line 39 and insert:

5 (3) In all leased locations, permitted locations, or both,
6 including locations where federally recognized military range
7 and activity

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T I T L E A M E N D M E N T

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Remove line 56 and insert:

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activities in certain locations; requiring each

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Approved For Filing: 4/27/2009 2:22:45 PM

Amendment No.

CHAMBER ACTION

Senate

House

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Representative Van Zant offered the following:

Amendment to Amendment (261751) (with title amendment)

Remove line 39 and insert:

(3) In all leased locations, permitted locations, or both,
including locations where federally recognized military range
and activity

T I T L E A M E N D M E N T

Remove line 56 and insert:

activities in certain locations; requiring each

056679

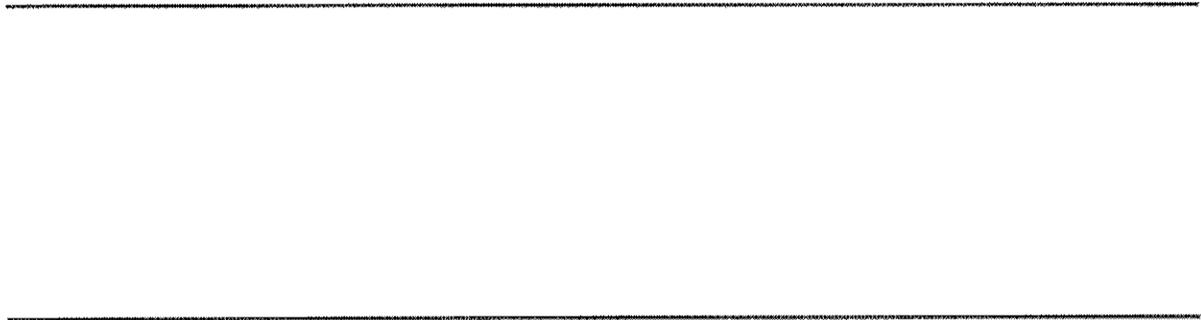
Approved For Filing: 4/27/2009 12:01:43 PM

Amendment No.

CHAMBER ACTION

Senate

House



1 Representative Troutman offered the following:

2
3 **Amendment to Amendment (261751)**

4 Between lines 38 and 39, insert:

5 (f) Notwithstanding the limitations on the maximum amount
6 of tax credits available each year contained in s.
7 220.193(3)(c), and consistent with the other provisions in s.
8 220.193, up to \$10 million shall be appropriated annually to
9 fund the Florida Renewable Energy Production Credit through the
10 year 2020 to encourage the development and expansion of
11 facilities that produce renewable energy in this state.

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Approved For Filing: 4/27/2009 1:47:16 PM

Amendment No.

CHAMBER ACTION

Senate

House

1 Representative Troutman offered the following:

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3 **Amendment to Amendment (261751)**

4 Remove lines 38-39 and insert:

5 (f) Notwithstanding the limitations on the maximum amount
6 of tax credits available each year contained in s.
7 220.193(3)(c), and consistent with the other provisions in s.
8 220.193, up to \$10 million shall be appropriated annually to
9 fund the Florida Renewable Energy Production Credit through the
10 year 2020 to encourage the development and expansion of
11 facilities that produce renewable energy in this state.

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Approved For Filing: 4/27/2009 1:32:45 PM

HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

CHAMBER ACTION

Senate

House

1 Representative Rehwinkel Vasilinda offered the following:

2
3 **Amendment to Amendment (261751)**

4 Remove lines 7-38 and insert:

5 \$150 million from state income from offshore oil and natural gas
6 activities shall be equally distributed as follows:

7 (a) Up to \$25 million annually shall be appropriated to
8 the Florida Energy and Climate Commission to be used for
9 enhancements to the Solar Energy System Incentives Program.

10 (b) Up to \$25 million annually shall be appropriated to
11 the Board of Governors of the State University System to fund
12 research and development of technologies, systems, and processes
13 to solve the nation's dependency on foreign fossil fuels and
14 expand the use of alternative, biomass, and renewable
15 alternative fuels through a peer-reviewed grant process.

738071

Approved For Filing: 4/26/2009 6:29:44 PM

HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

16 (c) Up to \$25 million annually shall be appropriated to
17 the Internal Improvement Trust Fund for enhanced funding of the
18 management of public lands and state parks or the funding of
19 beach nourishment, or both, as determined by the Board of
20 Trustees of the Internal Improvement Trust Fund.

21 (d) Up to \$25 million annually shall be appropriated to
22 fund environmental science programs in elementary and middle
23 schools in preparation for 10th grade and higher science testing
24 and for promoting science in high schools, to be spread
25 equitably between each school district.

26 (e) Up to \$25 million annually shall be appropriated in
27 equal amounts to establish hands-on oil and natural gas industry
28 training academies in 25 counties using current state-of-the-art
29 industry-provided materials, technological training, and
30 instructors. Up to \$15 million of the appropriation under this
31 paragraph shall be used to fund high school oil and natural gas
32 industry training academies. Up to \$10 million of the
33 appropriation under this paragraph shall be used to fund
34 community college oil and natural gas industry training
35 academies, spread as evenly as possible geographically across
36 the state.

37 (f) Up to \$25 million annually shall be appropriated to
38 veteran's programs to provide care and rehabilitation services
39 and educational opportunities for veterans and their dependents
40 who are residents of this state.

738071

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Page 2 of 2

HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

CHAMBER ACTION

Senate

House

1 Representatives Rehwinkel Vasilinda and Rogers offered the
2 following:

3
4 **Amendment (with title amendment)**

5 Remove line 276 and insert:

6 (2) After the distributions under subsection (1), the next
7 \$125 million from state income from offshore oil and natural gas
8 activities shall be equally distributed as follows:

9 (a) Up to \$25 million annually shall be appropriated to
10 the Florida Energy and Climate Commission to be used for
11 enhancements to the Solar Energy System Incentives Program.

12 (b) Up to \$25 million annually shall be appropriated to
13 the Board of Governors of the State University System to fund
14 research and development of technologies, systems, and processes
15 to solve the nation's dependency on foreign fossil fuels and

261751

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HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

16 expand the use of alternative, biomass, and renewable
17 alternative fuels through a peer-reviewed grant process.

18 (c) Up to \$25 million annually shall be appropriated to
19 the Internal Improvement Trust Fund for enhanced funding of the
20 management of public lands and state parks or the funding of
21 beach nourishment, or both, as determined by the Board of
22 Trustees of the Internal Improvement Trust Fund.

23 (d) Up to \$25 million annually shall be appropriated to
24 fund environmental science programs in elementary and middle
25 schools in preparation for 10th grade and higher science testing
26 and for promoting science in high schools, to be spread
27 equitably between each school district.

28 (e) Up to \$25 million annually shall be appropriated in
29 equal amounts to establish hands-on oil and natural gas industry
30 training academies in 25 counties using current state-of-the-art
31 industry-provided materials, technological training, and
32 instructors. Up to \$15 million of the appropriation under this
33 paragraph shall be used to fund high school oil and natural gas
34 industry training academies. Up to \$10 million of the
35 appropriation under this paragraph shall be used to fund
36 community college oil and natural gas industry training
37 academies, spread as evenly as possible geographically across
38 the state.

39 (3) Where federally recognized military range and activity
40 zones exist, each submitted proposal shall allow temporary
41 geological or drilling and equipment activities, or both, above
42 and below the surface of the water in order to establish pump

261751

Approved For Filing: 4/26/2009 3:23:29 PM

Page 2 of 3

HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

43 sites only, after which, no above-surface permanent placement of
44 equipment other than safety marker buoys is allowed.

45 (4) Each submitted proposal shall be presented with a
46 study that draws from existing state-of-the-art technology to
47 demonstrate that exploration for oil and gas is feasible in the
48 intended permit area.

49 (5) The Division of State Lands in the Department of
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T I T L E A M E N D M E N T

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Between lines 22 and 23, insert:

54

providing for distribution of other state income from offshore

55

oil and natural gas activities; providing limitations on

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activities in military range and activity zones; requiring each

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proposal to be presented with a specified study;

(LATE FILED FOR: APRIL 27 THIRD READING) HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

CHAMBER ACTION

Senate

House

1 Representative Rehwinkel Vasilinda offered the following:

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3 **Amendment to Amendment (173497)**

4 Remove line 8 and insert:

5 physically located within the

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952475

Approved For Filing: 4/27/2009 2:19:00 PM

Page 1 of 1

(LATE FILED FOR: APRIL 27 THIRD READING) HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

CHAMBER ACTION

Senate

House

1 Representative Van Zant offered the following:

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3 **Amendment to Amendment (173497)**

4 Remove line 8 and insert:

5 physically located within the

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116311

Approved For Filing: 4/27/2009 10:34:33 AM

HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

CHAMBER ACTION

Senate

House

1 Representative Rehwinkel Vasilinda offered the following:

2
3 **Amendment (with title amendment)**

4 Between lines 197 and 198, insert:

5 (8) To be eligible to bid on any oil or gas leases offered
6 within the territorial waters of the state, bidders must have
7 corporate headquarters, including senior management personnel,
8 and refinery facilities physically located within the
9 continental United States. Any oil or gas extracted pursuant to
10 such leases must be refined and sold at the retail level within
11 the continental United States.

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15 **T I T L E A M E N D M E N T**

16 Remove line 14 and insert:

173497

Approved For Filing: 4/26/2009 6:21:50 PM

HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

17 certain notice; providing bidder eligibility criteria
18 relating to location; providing location restrictions on
19 the refining and retail sale of oil and gas extracted
20 pursuant to such leases; amending s. 253.571, F.S. ;
21 providing

173497

Approved For Filing: 4/26/2009 6:21:50 PM

Page 2 of 2

Amendment No.

CHAMBER ACTION

Senate

House

1 Representative Jenne offered the following:

2
3 **Amendment (with title amendment)**

4 Between lines 140 and 141, insert:

5 (h) Prior to the award of any oil or gas lease, the board
6 shall obtain written approval from any affected local government
7 as determined by the Department of Environmental Protection.

8
9 -----
10 **T I T L E A M E N D M E N T**

11 Remove line 8 and insert:

12 submitting, reviewing, and awarding such bids; requiring
13 written approval from affected local governments;
14 providing

705165

Approved For Filing: 4/27/2009 7:39:28 AM

Amendment No.

CHAMBER ACTION

Senate

House

1 Representative Kiar offered the following:

2
3 **Amendment (with title amendment)**

4 Remove line 97 and insert:

5 state board, department, or agency, excluding any submerged
6 lands 5 miles north and 5 miles south of the mouth of the
7 Caloosahatchee River.

8
9 -----
10 **T I T L E A M E N D M E N T**

11 Remove line 7 and insert:

12 state; excluding certain lands from such leases; providing
13 requirements and procedures for

330125

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Page 1 of 1

HOUSE AMENDMENT

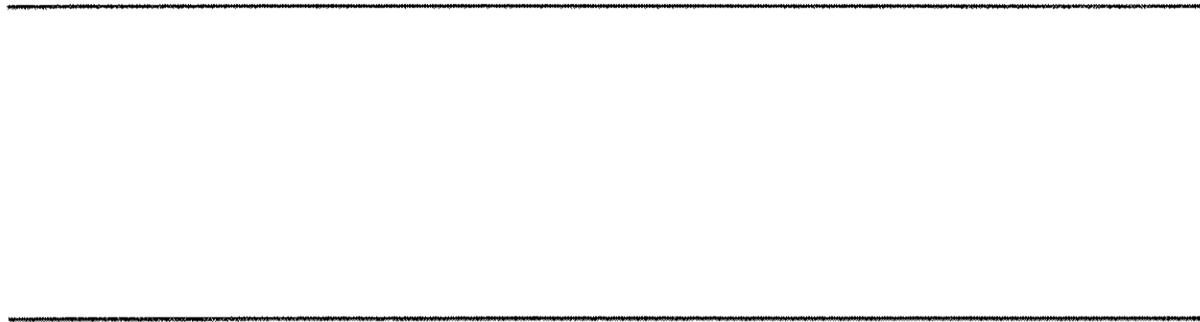
Bill No. CS/CS/CS/HB 1219

Amendment No.

CHAMBER ACTION

Senate

House



1 Representative Jenne offered the following:

2

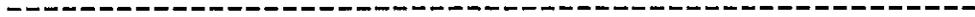
3 **Amendment (with title amendment)**

4 Between lines 140 and 141, insert:

5 (h) Prior to the award of any oil or gas lease, the
6 proposed location of any structures associated with the
7 development and production of oil and gas appurtenant to the
8 leased submerged lands must be approved by referendum of the
9 voters in any affected local government as determined by the
10 Department of Environmental Protection.

11

12



13

T I T L E A M E N D M E N T

14

Remove line 8 and insert:

15

submitting, reviewing, and awarding such bids; providing

16

for approval of the proposed location of structures

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HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

17 associated with the development and production of oil and
18 gas by referendum; providing

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Page 2 of 2

HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

CHAMBER ACTION

Senate

House

1 Representative Kiar offered the following:

2
3 **Amendment (with title amendment)**

4 Remove lines 405-420 and insert:

5 5. ~~Without exception, after July 1, 1989, No structure~~
6 ~~intended for the drilling for, or production of, oil, gas, or~~
7 ~~other petroleum products may be permitted or constructed within~~
8 ~~5 miles north and 5 miles south of the mouth of the~~
9 ~~Caloosahatchee River south of 26°00'00" north latitude off~~
10 ~~Florida's west coast and south of 27°00'00" north latitude off~~
11 ~~Florida's east coast, within the boundaries of Florida's~~
12 ~~territorial seas as defined in 43 U.S.C. s. 1301. After July 31,~~
13 ~~1990, no structure intended for the drilling for, or production~~
14 ~~of, oil, gas, or other petroleum products may be permitted or~~
15 ~~constructed north of 26°00'00" north latitude off Florida's west~~
16 ~~coast to the western boundary of the state bordering Alabama as~~

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HOUSE AMENDMENT

Bill No. CS/CS/CS/HB 1219

Amendment No.

17 ~~set forth in s. 1, Art. II of the State Constitution, or located~~
18 ~~north of 27°00'00" north latitude off Florida's east coast to~~
19 ~~the northern boundary of the state bordering Georgia as set~~
20 ~~forth in s. 1, Art. II of the State Constitution, within the~~
21 ~~boundaries of Florida's territorial seas as defined in 43 U.S.C.~~
22 ~~s. 1301.~~

23

24

25

T I T L E A M E N D M E N T

26

Remove line 32 and insert:

27

377.242, F.S.; revising a provision prohibiting the

A bill to be entitled

An act relating to the regulation of state lands and oil and gas resources; amending s. 253.52, F.S.; providing for the Board of Trustees of the Internal Improvement Trust Fund to accept and award bids for oil and gas leases on submerged lands underlying the territorial waters of the state; providing requirements and procedures for submitting, reviewing, and awarding such bids; providing for a nonrefundable bid submittal fee; providing for easements over sovereign submerged lands for the construction, installation, and maintenance of structures relating to the production of oil, gas, or other petroleum products; providing a fee for such easements; requiring certain notice; amending s. 253.571, F.S.; providing requirements for proof of financial responsibility by a lessee prior to the commencement of drilling on submerged lands underlying the territorial waters of the state; providing a limitation; creating s. 253.585, F.S.; providing for the distribution of royalties, cash considerations, annual rentals, or payments in lieu of royalties collected for oil and gas leases on submerged lands within the territorial waters of the state; providing for rulemaking; amending s. 253.61, F.S.; providing an exemption from land-leasing restrictions for leases on submerged lands within the territorial waters of the state; deleting a provision prohibiting leasing of specified lands; amending s. 377.24, F.S.; providing an exemption from permit restrictions relating to drilling

29 gas or oil wells for leases on submerged lands within the
 30 territorial waters of the state; deleting a provision
 31 prohibiting drilling in specified waters; amending s.
 32 377.242, F.S.; deleting a provision prohibiting the
 33 construction of specified structures; providing exemptions
 34 from restrictions relating to the permitting or
 35 construction of structures intended for the drilling for
 36 or production of oil, gas, or other petroleum products;
 37 amending s. 377.2425, F.S.; revising applicability
 38 provisions relating to surety for geophysical exploration,
 39 drilling, and production; exempting applicants for
 40 drilling or operating permits for operations planned in
 41 coastal waters; providing an effective date.

42
 43 Be It Enacted by the Legislature of the State of Florida:

44
 45 Section 1. Section 253.52, Florida Statutes, is amended to
 46 read:

47 253.52 Placing oil and gas leases on market by board.--

48 (1) Whenever in the opinion of the Board of Trustees of
 49 the Internal Improvement Trust Fund there shall be a demand for
 50 the purchase of oil and gas leases on any area, tract, or parcel
 51 of the land so owned, controlled, or managed, by any state
 52 board, department, or agency, then the board shall place such
 53 oil and gas lease or leases on the market in such blocks,
 54 tracts, or parcels as it may designate. The lease or leases
 55 shall only be made after notice by publication thereof has been
 56 made not less than once a week for 4 consecutive weeks in a

57 newspaper of general circulation published in Leon County, and
 58 in a similar newspaper for a similar period of time published in
 59 the vicinity of the lands offered to be leased, the last
 60 publication in both newspapers to be not less than 5 days in
 61 advance of the sale date. Such notice shall be to the effect
 62 that a lease or leases will be offered for sale at such date and
 63 time as may be named in said notice and shall describe the land
 64 upon which such lease, or leases, will be offered. This notice
 65 may be combined with the notice required pursuant to s. 253.115.
 66 Before any lease of any block, tract, or parcel of land,
 67 submerged, or unsubmerged, within a radius of 3 miles of the
 68 boundaries of any incorporated city, or town, or within such
 69 radius of any bathing beach, or beaches, outside thereof, such
 70 board, department, or agency, shall through one or more of its
 71 members hold a public hearing, after notice thereof by
 72 publication once in a newspaper of general circulation published
 73 at least 1 week prior to said hearing in the vicinity of the
 74 land, or lands, offered to be leased, of the offer to lease the
 75 same, calling upon all interested persons to attend said hearing
 76 where they would be given the opportunity to be heard, all of
 77 which shall be considered by the board prior to the execution of
 78 any lease or leases to said land, and the board may withdraw
 79 said land, or any part thereof, from the market, and refuse to
 80 execute such lease or leases if after such hearing, or
 81 otherwise, it considers such execution contrary to the public
 82 welfare. Before advertising any land for lease the form of the
 83 lease or leases to be offered for sale, not inconsistent with
 84 law, or the provisions of this section, shall be prescribed by

85 the board and a copy, or copies, thereof, shall be available to
 86 the general public at the office of the Board of Trustees of the
 87 Internal Improvement Trust Fund and the advertisements of such
 88 sale shall so state.

89 (2) (a) Notwithstanding subsection (1), the Board of
 90 Trustees of the Internal Improvement Trust Fund shall accept a
 91 nomination on or before September 1 of each year from a bidder
 92 or bidders for the purchase, in such blocks, tracts, or parcels
 93 as the bidder may designate, of oil and gas leases on any area,
 94 tract, or parcel of submerged land underlying the territorial
 95 waters of the state, as defined in the Submerged Lands Act, 43
 96 U.S.C. ss. 1301-1315, so owned, controlled, or managed by any
 97 state board, department, or agency.

98 (b) Within 14 days after receipt of a bid, the board shall
 99 give notice of same by publication in the Florida Administrative
 100 Weekly and in a newspaper of general circulation published in
 101 the vicinity of the proposed lease or leases. The publication
 102 may not include any reference to proprietary trade secrets or
 103 confidential or economic business information provided by the
 104 original bidder.

105 (c) The notice requirements under paragraph (b) shall
 106 apply in lieu of the requirements under subsection (1) and s.
 107 253.115 for a nomination for the purchase of an oil and gas
 108 lease pursuant to this subsection.

109 (d) Other interested parties shall have 90 days after the
 110 date of publication of the notice to submit a competing bid for
 111 the same blocks, tracts, or parcels as were designated in the
 112 original bid and published in the notice. The bid period shall

113 close on the 90th day.

114 (e) The board shall have no more than 30 days from the
 115 date the bid period closes to review all bids and determine
 116 whether or not each bid contains all of the information required
 117 under subsection (4). Any bid determined to not contain all of
 118 the information required under subsection (4) shall be returned
 119 to the bidder and may not be further considered.

120 (f) Following a determination that a bid or bids contain
 121 all of the information required under subsection (4), the board
 122 shall select the highest and best of such bids within 30 days,
 123 provided that if, in the reasonable judgment of the board, the
 124 bids submitted do not represent the reasonable fair value of
 125 such lease or leases, the execution of same is reasonably
 126 determined to be contrary to the public welfare, or, if the
 127 responsibility of the bidder offering the highest amount has not
 128 reasonably been established to the board's satisfaction, the
 129 board may in its discretion reject the bids. All information
 130 included in all bids not selected by the board shall be returned
 131 to the bidder, including all checks or other financial
 132 assurances, except for the \$1 million nonrefundable bid
 133 submittal fee.

134 (g) The board shall have no more than 90 days to negotiate
 135 any outstanding matters, including, but not limited to, definite
 136 rental payments or payments that may be made in lieu of royalty,
 137 with the winning bidder and award the lease or leases.
 138 Affirmative action by the board to approve any such lease shall
 139 require the approval of the Governor and at least two other
 140 members of the board.

141 (3) To the extent that any provision of the sealed bid
 142 requirements pursuant to s. 253.53 and the competitive bidding
 143 process pursuant to s. 253.54 may be in conflict with the
 144 nomination process provided under subsection (2), subsection (2)
 145 shall control the nomination for and the award of the purchase,
 146 in such blocks, tracts, or parcels as may be designated, of an
 147 oil and gas lease or leases on any area, tract, or parcel of
 148 submerged land underlying the territorial waters of the state.

149 (4) All bids submitted to the board for lands identified
 150 under subsection (2) shall include the following:

151 (a) A nonrefundable bid submittal fee of \$1 million in
 152 addition to and separate from any cash consideration that may be
 153 provided as part of the bid;

154 (b) Documentation stating that all equipment or structures
 155 above the surface of the water and related to the development
 156 and production of oil and gas within the territorial waters of
 157 the state shall be situated no closer than 3 miles from the
 158 coast as calculated from the line of mean high tide;

159 (c) A statement and map identifying the blocks, tracts, or
 160 parcels, as designated for the oil and gas lease or leases, on
 161 submerged land underlying the territorial waters of the state;

162 (d) A statement of a cash consideration; and

163 (e) A statement of a royalty, never less than one-eighth
 164 in kind or in value; provided, however, that up-front payments
 165 in lieu of royalties may be proposed and, if proposed, may
 166 reduce the minimum one-eighth royalty.

167 (5) All bids shall be accompanied by a separate cashier's
 168 check or certified check for the amount of the cash

169 consideration and application fee and shall be payable to the
 170 state board, department, or agency which holds title to or
 171 controls the land sought to be leased.

172 (6) For a bidder who obtains an oil and gas lease from a
 173 bid pursuant to subsection (2) and fails to be issued a permit,
 174 after a good faith effort to attain such a permit, for
 175 geophysical operations, drilling, or exploring and extracting
 176 through well holes or by other means pursuant to ss. 377.2408
 177 and 377.242 within 24 months after receiving the lease, the
 178 board shall refund the entire cash consideration with interest
 179 paid pursuant to s. 55.03(1), using the per annum rate for the
 180 year in which the bidder obtained the lease. The bidder may
 181 extend this time period upon receiving a written request showing
 182 good cause by the Department of Environmental Protection.

183 (7) If the board awards an oil and gas lease or leases
 184 issued pursuant to subsection (2), the lessee shall be entitled
 185 to obtain an easement or easements over sovereign submerged
 186 lands for the construction, installation, and maintenance of any
 187 pipeline or associated infrastructure that is an appurtenance to
 188 the transportation of oil and gas from the leased submerged
 189 lands to shore-based facilities. The fee for this easement shall
 190 be based on a cost per linear foot basis and may not exceed \$5
 191 per linear foot. Notwithstanding s. 253.115, within 14 days
 192 after receipt of an application for an easement or easements
 193 pursuant to this subsection, the board shall require the
 194 applicant for such easement or easements to give notice of the
 195 filing of such application or applications by publication, one

196 time only, in a newspaper of general circulation published in
 197 the vicinity of the proposed lease or leases.

198 Section 2. Section 253.571, Florida Statutes, is amended
 199 to read:

200 253.571 Proof of financial responsibility required of
 201 lessee prior to commencement of drilling.--

202 (1) The Board of Trustees of the Internal Improvement
 203 Trust Fund may require a surety or property bond, an irrevocable
 204 letter of credit, or other proof of financial responsibility
 205 from each lessee of public land or mineral interest prior to the
 206 time such lessee mines, drills, or extracts in any manner,
 207 petroleum, petroleum products, gas, sulphur, or any other
 208 mineral from such land. The surety bond or irrevocable letter of
 209 credit shall be from a surety company or bank authorized to do
 210 business in the state. The surety bond, irrevocable letter of
 211 credit, or other proof of financial responsibility shall serve
 212 as security and is to be forfeited to the board to pay for any
 213 damages caused by mining or drilling operations performed by the
 214 lessee. In the case of operations planned in the waters of the
 215 state or under other particular circumstances which, by their
 216 nature warrant greater security in view of possible damages, the
 217 board shall give special consideration to the extent of such
 218 possible damages and shall set the amount of an adequate and
 219 sufficient surety bond, irrevocable letter of credit, or other
 220 proof of financial responsibility accordingly. For the purposes
 221 of this section, damages shall include, but not be limited to,
 222 air, water, and ground pollution, destruction of wildlife or
 223 marine productivity and any other damage which impairs the

CS/CS/CS/HB 1219

2009

224 health and general welfare of the citizens of the state. The
 225 board shall require a lessee to provide proof of financial
 226 responsibility only once, irrespective of the number of
 227 different leases the lessee may have.

228 (2) A surety or property bond, an irrevocable letter of
 229 credit, or other proof of financial responsibility from each
 230 lessee of public land or mineral interest in submerged lands
 231 underlying the territorial waters of the state, as defined in
 232 the Submerged Lands Act, 43 U.S.C. ss. 1301-1315, shall not
 233 exceed the lesser amount of either:

234 (a) Five hundred million dollars; or

235 (b) A calculated cost estimate for potential damages
 236 related to, but not limited to, air, water, and ground
 237 pollution, destruction of wildlife or marine productivity, and
 238 any other damage that impairs the health and general welfare of
 239 the citizens of the state, as based on reasonably foreseeable
 240 accidents or occurrences associated with the particular oil and
 241 gas development or production activity within the immediate area
 242 of the oil and gas lease.

243 (3) A surety or property bond, an irrevocable letter of
 244 credit, or other proof of financial responsibility issued under
 245 subsection (2) shall be the only proof of financial
 246 responsibility a lessee must provide in lieu of any other proof
 247 of financial responsibility that may be required by any agency
 248 for any permit or authorization that must be obtained in
 249 connection with the development and production of oil and gas,
 250 including, but not limited to, oil and gas transportation
 251 infrastructure, such as pipelines, appurtenant to the leased

252 submerged lands.

253 Section 3. Section 253.585, Florida Statutes, is created to
 254 read:

255 253.585 Distribution of royalties, cash considerations,
 256 annual rentals, or payments in lieu of royalties collected for
 257 oil and gas leases on submerged lands within the territorial
 258 waters of the state.--

259 (1) Royalties, cash considerations, annual rentals, or
 260 payments in lieu of royalties collected for oil and gas leases
 261 on submerged lands within the territorial waters of the state
 262 shall be appropriated for the following purposes:

263 (a) To fund a bond initiative to provide up to \$300
 264 million per year for the Florida Forever land acquisition
 265 program, including up to an additional \$15 million for
 266 reasonable management costs for the administration of such
 267 lands, to the extent the Board of Trustees of the Internal
 268 Improvement Trust Fund determines such management costs are
 269 necessary.

270 (b) To provide up to \$20 million per year for local
 271 governments to support beach restoration and nourishment
 272 projects.

273 (c) To provide up to \$20 million per year to be
 274 distributed to coastal local governments within the county or
 275 counties within which the lease or leases are issued.

276 (2) The Division of State Lands in the Department of
 277 Environmental Protection, as staff to the Board of Trustees of
 278 the Internal Improvement Trust Fund, shall adopt rules as
 279 necessary to administer this section.

280 Section 4. Paragraphs (b), (c), and (d) of subsection (1)
 281 of section 253.61, Florida Statutes, are amended to read:

282 253.61 Lands not subject to lease.--

283 (1) Regardless of anything to the contrary contained in
 284 this law in any previous section or part thereof, no board or
 285 agency mentioned therein or the state shall have the power or
 286 authority to sell, execute, or enter into any lease of the type
 287 covered by this law relating to any of the following lands,
 288 submerged or unsubmerged, except under the circumstances and
 289 conditions as hereinafter set out in this section, to wit:

290 (b) No lease of the type covered by this law shall be
 291 granted, sold or executed covering any such lands in the tidal
 292 waters of the state, abutting on or immediately adjacent to the
 293 corporate limits of a municipality or within 3 miles of such
 294 corporate limits extending from the line of mean high tide into
 295 such waters, unless the governing authority of the municipality
 296 shall have first duly consented to the granting or sale of such
 297 lease by resolution. This paragraph does not apply to leases on
 298 submerged lands underlying the territorial waters of the state,
 299 as defined in the Submerged Lands Act, 43 U.S.C. ss. 1301-1315,
 300 where any structure or equipment above the surface of the water
 301 is more than 3 miles from such corporate limits.

302 (c) No lease of the type covered by this law shall be
 303 granted, sold or executed covering such lands on any improved
 304 beach, located outside of an incorporated town or municipality,
 305 or covering such lands in the tidal waters of the state abutting
 306 on or immediately adjacent to any improved beach, or within 3
 307 miles of an improved beach extending from the line of mean high

308 | tide into such tidal waters, unless the county commissioners of
 309 | the county in which such beach is located shall have first duly
 310 | consented to the granting or sale of such lease by resolution.
 311 | This paragraph does not apply to leases on submerged lands
 312 | underlying the territorial waters of the state, as defined in
 313 | the Submerged Lands Act, 43 U.S.C. ss. 1301-1315, where any
 314 | structure or equipment above the surface of the water is more
 315 | than 3 miles from such improved beach.

316 | ~~(d) Without exception, after July 1, 1989, no lease of the~~
 317 | ~~type covered by this law shall be granted, sold, or executed~~
 318 | ~~south of 26° north latitude off Florida's west coast and south~~
 319 | ~~of 27° north latitude off Florida's east coast, within the~~
 320 | ~~boundaries of Florida's territorial seas as defined in 43 U.S.C.~~
 321 | ~~1301. After July 31, 1990, no oil or natural gas lease shall be~~
 322 | ~~granted, sold, or executed covering lands located north of~~
 323 | ~~26°00'00" north latitude off Florida's west coast to the western~~
 324 | ~~boundary of the state bordering Alabama as set forth in s. 1,~~
 325 | ~~Art. II of the State Constitution, or located north of 27°00'00"~~
 326 | ~~north latitude off Florida's east coast to the northern boundary~~
 327 | ~~of the state bordering Georgia as set forth in s. 1, Art. II of~~
 328 | ~~the State Constitution, within the boundaries of Florida's~~
 329 | ~~territorial seas as defined in 43 U.S.C. 1301.~~

330 | Section 5. Subsections (6), (7), and (9) of section
 331 | 377.24, Florida Statutes, are amended to read:

332 | 377.24 Notice of intention to drill well; permits;
 333 | abandoned wells and dry holes.--

334 | (6) No permit to drill a gas or oil well shall be granted
 335 | at a location in the tidal waters of the state, abutting or

CS/CS/CS/HB 1219

2009

336 immediately adjacent to the corporate limits of a municipality
 337 or within 3 miles of such corporate limits extending from the
 338 line of mean high tide into such waters, unless the governing
 339 authority of the municipality shall have first duly approved the
 340 application for such permit by resolution. This subsection does
 341 not apply to leases on submerged lands underlying the
 342 territorial waters of the state, as defined in the Submerged
 343 Lands Act, 43 U.S.C. ss. 1301-1315, where any structure or
 344 equipment above the surface of the water is more than 3 miles
 345 from such corporate limits.

346 (7) No permit to drill a gas or oil well shall be granted
 347 on any improved beach, located outside of an incorporated town
 348 or municipality, or at a location in the tidal waters of the
 349 state abutting or immediately adjacent to an improved beach, or
 350 within 3 miles of an improved beach extending from the line of
 351 mean high tide into such tidal waters, unless the county
 352 commissioners of the county in which such beach is located shall
 353 have first duly approved the application for such permit by
 354 resolution. This subsection does not apply to leases on
 355 submerged lands underlying the territorial waters of the state,
 356 as defined in the Submerged Lands Act, 43 U.S.C. ss. 1301-1315,
 357 where any structure or equipment above the surface of the water
 358 is more than 3 miles from such improved beach.

359 ~~(9) Without exception, after July 1, 1989, no permit to~~
 360 ~~drill a well in search of oil or gas shall be granted south of~~
 361 ~~26°00'00" north latitude off Florida's west coast and south of~~
 362 ~~27°00'00" north latitude off Florida's east coast, within the~~
 363 ~~boundaries of Florida's territorial seas as defined in 43 U.S.C.~~

364 ~~1301. After July 31, 1990, no permit to drill a well in search~~
 365 ~~of oil or gas shall be granted north of 26°00'00" north latitude~~
 366 ~~off Florida's west coast to the western boundary of the state~~
 367 ~~bordering Alabama as set forth in s. 1, Art. II of the State~~
 368 ~~Constitution, or located north of 27°00'00" north latitude off~~
 369 ~~Florida's east coast to the northern boundary of the state~~
 370 ~~bordering Georgia as set forth in s. 1, Art. II of the State~~
 371 ~~Constitution, within the boundaries of Florida's territorial~~
 372 ~~seas as defined in 43 U.S.C. 1301.~~

373 Section 6. Section 377.242, Florida Statutes, is amended
 374 to read:

375 377.242 Permits for drilling or exploring and extracting
 376 through well holes or by other means.--The department is vested
 377 with the power and authority:

378 (1) (a) To issue permits for the drilling for, exploring
 379 for, or production of oil, gas, or other petroleum products
 380 which are to be extracted from below the surface of the land,
 381 including submerged land, only through the well hole drilled for
 382 oil, gas, and other petroleum products.

383 1. No structure intended for the drilling for, or
 384 production of, oil, gas, or other petroleum products may be
 385 permitted or constructed on any submerged land within any bay or
 386 estuary.

387 2. No structure intended for the drilling for, or
 388 production of, oil, gas, or other petroleum products may be
 389 permitted or constructed within 1 mile seaward of the coastline
 390 of the state.

391 3. No structure intended for the drilling for, or
 392 production of, oil, gas, or other petroleum products may be
 393 permitted or constructed within 1 mile of the seaward boundary
 394 of any state, local, or federal park or aquatic or wildlife
 395 preserve or on the surface of a freshwater lake, river, or
 396 stream.

397 4. No structure intended for the drilling for, or
 398 production of, oil, gas, or other petroleum products may be
 399 permitted or constructed within 1 mile inland from the shoreline
 400 of the Gulf of Mexico, the Atlantic Ocean, or any bay or estuary
 401 or within 1 mile of any freshwater lake, river, or stream unless
 402 the department is satisfied that the natural resources of such
 403 bodies of water and shore areas of the state will be adequately
 404 protected in the event of accident or blowout.

405 ~~5. Without exception, after July 1, 1989, no structure~~
 406 ~~intended for the drilling for, or production of, oil, gas, or~~
 407 ~~other petroleum products may be permitted or constructed south~~
 408 ~~of 26°00'00" north latitude off Florida's west coast and south~~
 409 ~~of 27°00'00" north latitude off Florida's east coast, within the~~
 410 ~~boundaries of Florida's territorial seas as defined in 43 U.S.C.~~
 411 ~~s. 1301. After July 31, 1990, no structure intended for the~~
 412 ~~drilling for, or production of, oil, gas, or other petroleum~~
 413 ~~products may be permitted or constructed north of 26°00'00"~~
 414 ~~north latitude off Florida's west coast to the western boundary~~
 415 ~~of the state bordering Alabama as set forth in s. 1, Art. II of~~
 416 ~~the State Constitution, or located north of 27°00'00" north~~
 417 ~~latitude off Florida's east coast to the northern boundary of~~
 418 ~~the state bordering Georgia as set forth in s. 1, Art. II of the~~

419 ~~State Constitution, within the boundaries of Florida's~~
 420 ~~territorial seas as defined in 43 U.S.C. s. 1301.~~

421 (b) Subparagraphs (a)1. and 4. do not apply to permitting
 422 or construction of structures intended for the drilling for, or
 423 production of, oil, gas, or other petroleum products pursuant to
 424 an oil, gas, or mineral lease of such lands by the state under
 425 which lease any valid drilling permits are in effect on the
 426 effective date of this act. In the event that such permits
 427 contain conditions or stipulations, such conditions and
 428 stipulations shall govern and supersede subparagraphs (a)1. and
 429 4.

430 (c) The prohibitions of subparagraphs (a)1.-4. ~~in this~~
 431 ~~subsection~~ do not include "infield gathering lines," or other
 432 pipelines for the purpose of transporting offshore production on
 433 shore, provided no other placement is reasonably available and
 434 all other required permits have been obtained.

435 (d) Subparagraphs (a)1.-3. do not apply to the permitting
 436 or construction of offshore structures intended for the
 437 exploration or production of oil, gas, or other petroleum
 438 products where any structure or equipment above the surface of
 439 the water is more than 3 miles seaward from the line of mean
 440 high tide.

441 (2) To issue permits to explore for and extract minerals
 442 which are subject to extraction from the land by means other
 443 than through a well hole.

444 (3) To issue permits to construct wells for the injection
 445 and recovery of any natural gas for temporary storage in
 446 subsurface reservoirs.

447
 448 Each permit shall contain an agreement by the permit holder that
 449 the permit holder will not prevent inspection by division
 450 personnel at any time. ~~The provisions of this section~~
 451 ~~prohibiting permits for drilling or exploring for oil in coastal~~
 452 ~~waters do not apply to any leases entered into before June 7,~~
 453 ~~1991.~~

454 Section 7. Subsection (1) of section 377.2425, Florida
 455 Statutes, is amended to read:

456 377.2425 Manner of providing security for geophysical
 457 exploration, drilling, and production.--

458 (1) Prior to granting a permit to conduct geophysical
 459 operations; drilling of exploratory, injection, or production
 460 wells; producing oil and gas from a wellhead; or transporting
 461 oil and gas through a field-gathering system, the department
 462 shall require the applicant or operator to provide surety that
 463 these operations will be conducted in a safe and environmentally
 464 compatible manner.

465 (a) The applicant for a drilling, production, or injection
 466 well permit or a geophysical permit may provide the following
 467 types of surety to the department for this purpose:

468 1. A deposit of cash or other securities made payable to
 469 the Minerals Trust Fund. Such cash or securities so deposited
 470 shall be held at interest by the Chief Financial Officer to
 471 satisfy safety and environmental performance provisions of this
 472 chapter. The interest shall be credited to the Minerals Trust
 473 Fund. Such cash or other securities shall be released by the
 474 Chief Financial Officer upon request of the applicant and

475 certification by the department that all safety and
 476 environmental performance provisions established by the
 477 department for permitted activities have been fulfilled.

478 2. A bond of a surety company authorized to do business in
 479 the state in an amount as provided by rule.

480 3. A surety in the form of an irrevocable letter of credit
 481 in an amount as provided by rule guaranteed by an acceptable
 482 financial institution.

483 (b) An applicant for a drilling, production, or injection
 484 well permit, or a permittee who intends to continue
 485 participating in long-term production activities of such wells,
 486 has the option to provide surety to the department by paying an
 487 annual fee to the Minerals Trust Fund. For an applicant or
 488 permittee choosing this option the following shall apply:

489 1. For the first year, or part of a year, of a drilling,
 490 production, or injection well permit, or change of operator, the
 491 fee is \$4,000 per permitted well.

492 2. For each subsequent year, or part of a year, the fee is
 493 \$1,500 per permitted well.

494 3. The maximum fee that an applicant or permittee may be
 495 required to pay into the trust fund is \$30,000 per calendar
 496 year, regardless of the number of permits applied for or in
 497 effect.

498 4. The fees set forth in subparagraphs 1., 2., and 3.
 499 shall be reviewed by the department on a biennial basis and
 500 adjusted for the cost of inflation. The department shall
 501 establish by rule a suitable index for implementing such fee
 502 revisions.

503 (c) This subsection does not apply to an applicant for a
 504 drilling or operating permit for operations planned in coastal
 505 waters ~~that by their nature warrant greater surety shall provide~~
 506 ~~surety only in accordance with paragraph (a), or similar proof~~
 507 ~~of financial responsibility other than as provided in paragraph~~
 508 ~~(b). For all such applications, including applications pending~~
 509 ~~at the effective date of this act and notwithstanding the~~
 510 ~~provisions of paragraph (b), the Governor and Cabinet in their~~
 511 ~~capacity as the Administration Commission, at the recommendation~~
 512 ~~of the Department of Environmental Protection, shall set a~~
 513 ~~reasonable amount of surety required under this subsection. The~~
 514 ~~surety amount shall be based on the projected cleanup costs and~~
 515 ~~natural resources damages resulting from a maximum oil spill and~~
 516 ~~adverse hydrographic and atmospheric conditions that would tend~~
 517 ~~to transport the oil into environmentally sensitive areas, as~~
 518 ~~determined by the Department of Environmental Protection.~~

519 Section 8. This act shall take effect July 1, 2009.

29 activity zones; requiring each proposal to be presented
 30 with a specified study; providing for rulemaking; amending
 31 s. 253.61, F.S.; providing an exemption from land-leasing
 32 restrictions for leases on submerged lands within the
 33 territorial waters of the state; deleting a provision
 34 prohibiting leasing of specified lands; amending s.
 35 377.24, F.S.; providing an exemption from permit
 36 restrictions relating to drilling gas or oil wells for
 37 leases on submerged lands within the territorial waters of
 38 the state; deleting a provision prohibiting drilling in
 39 specified waters; amending s. 377.242, F.S.; deleting a
 40 provision prohibiting the construction of specified
 41 structures; providing exemptions from restrictions
 42 relating to the permitting or construction of structures
 43 intended for the drilling for or production of oil, gas,
 44 or other petroleum products; amending s. 377.2425, F.S.;
 45 revising applicability provisions relating to surety for
 46 geophysical exploration, drilling, and production;
 47 exempting applicants for drilling or operating permits for
 48 operations planned in coastal waters; providing an
 49 effective date.

50
 51 Be It Enacted by the Legislature of the State of Florida:

52
 53 Section 1. Section 253.52, Florida Statutes, is amended to
 54 read:

55 253.52 Placing oil and gas leases on market by board.--
 56 (1) Whenever in the opinion of the Board of Trustees of

57 the Internal Improvement Trust Fund there shall be a demand for
58 the purchase of oil and gas leases on any area, tract, or parcel
59 of the land so owned, controlled, or managed, by any state
60 board, department, or agency, then the board shall place such
61 oil and gas lease or leases on the market in such blocks,
62 tracts, or parcels as it may designate. The lease or leases
63 shall only be made after notice by publication thereof has been
64 made not less than once a week for 4 consecutive weeks in a
65 newspaper of general circulation published in Leon County, and
66 in a similar newspaper for a similar period of time published in
67 the vicinity of the lands offered to be leased, the last
68 publication in both newspapers to be not less than 5 days in
69 advance of the sale date. Such notice shall be to the effect
70 that a lease or leases will be offered for sale at such date and
71 time as may be named in said notice and shall describe the land
72 upon which such lease, or leases, will be offered. This notice
73 may be combined with the notice required pursuant to s. 253.115.
74 Before any lease of any block, tract, or parcel of land,
75 submerged, or unsubmerged, within a radius of 3 miles of the
76 boundaries of any incorporated city, or town, or within such
77 radius of any bathing beach, or beaches, outside thereof, such
78 board, department, or agency, shall through one or more of its
79 members hold a public hearing, after notice thereof by
80 publication once in a newspaper of general circulation published
81 at least 1 week prior to said hearing in the vicinity of the
82 land, or lands, offered to be leased, of the offer to lease the
83 same, calling upon all interested persons to attend said hearing
84 where they would be given the opportunity to be heard, all of

85 | which shall be considered by the board prior to the execution of
86 | any lease or leases to said land, and the board may withdraw
87 | said land, or any part thereof, from the market, and refuse to
88 | execute such lease or leases if after such hearing, or
89 | otherwise, it considers such execution contrary to the public
90 | welfare. Before advertising any land for lease the form of the
91 | lease or leases to be offered for sale, not inconsistent with
92 | law, or the provisions of this section, shall be prescribed by
93 | the board and a copy, or copies, thereof, shall be available to
94 | the general public at the office of the Board of Trustees of the
95 | Internal Improvement Trust Fund and the advertisements of such
96 | sale shall so state.

97 | (2) (a) Notwithstanding subsection (1), the Board of
98 | Trustees of the Internal Improvement Trust Fund shall accept a
99 | nomination on or before September 1 of each year from a bidder
100 | or bidders for the purchase, in such blocks, tracts, or parcels
101 | as the bidder may designate, of oil and gas leases on any area,
102 | tract, or parcel of submerged land underlying the territorial
103 | waters of the state, as defined in the Submerged Lands Act, 43
104 | U.S.C. ss. 1301-1315, so owned, controlled, or managed by any
105 | state board, department, or agency.

106 | (b) Within 14 days after receipt of a bid, the board shall
107 | give notice of same by publication in the Florida Administrative
108 | Weekly and in a newspaper of general circulation published in
109 | the vicinity of the proposed lease or leases. The publication
110 | may not include any reference to proprietary trade secrets or
111 | confidential or economic business information provided by the
112 | original bidder.

113 (c) The notice requirements under paragraph (b) shall
114 apply in lieu of the requirements under subsection (1) and s.
115 253.115 for a nomination for the purchase of an oil and gas
116 lease pursuant to this subsection.

117 (d) Other interested parties shall have 90 days after the
118 date of publication of the notice to submit a competing bid for
119 the same blocks, tracts, or parcels as were designated in the
120 original bid and published in the notice. The bid period shall
121 close on the 90th day.

122 (e) The board shall have no more than 30 days from the
123 date the bid period closes to review all bids and determine
124 whether or not each bid contains all of the information required
125 under subsection (4). Any bid determined to not contain all of
126 the information required under subsection (4) shall be returned
127 to the bidder and may not be further considered.

128 (f) Following a determination that a bid or bids contain
129 all of the information required under subsection (4), the board
130 shall select the highest and best of such bids within 30 days,
131 provided that if, in the reasonable judgment of the board, the
132 bids submitted do not represent the reasonable fair value of
133 such lease or leases, the execution of same is reasonably
134 determined to be contrary to the public welfare, or, if the
135 responsibility of the bidder offering the highest amount has not
136 reasonably been established to the board's satisfaction, the
137 board may in its discretion reject the bids. All information
138 included in all bids not selected by the board shall be returned
139 to the bidder, including all checks or other financial
140 assurances, except for the \$1 million nonrefundable bid

141 submittal fee.

142 (g) The board shall have no more than 90 days to negotiate
143 any outstanding matters, including, but not limited to, definite
144 rental payments or payments that may be made in lieu of royalty,
145 with the winning bidder and award the lease or leases.

146 Affirmative action by the board to approve any such lease shall
147 require the approval of the Governor and at least two other
148 members of the board.

149 (3) To the extent that any provision of the sealed bid
150 requirements pursuant to s. 253.53 and the competitive bidding
151 process pursuant to s. 253.54 may be in conflict with the
152 nomination process provided under subsection (2), subsection (2)
153 shall control the nomination for and the award of the purchase,
154 in such blocks, tracts, or parcels as may be designated, of an
155 oil and gas lease or leases on any area, tract, or parcel of
156 submerged land underlying the territorial waters of the state.

157 (4) All bids submitted to the board for lands identified
158 under subsection (2) shall include the following:

159 (a) A nonrefundable bid submittal fee of \$1 million in
160 addition to and separate from any cash consideration that may be
161 provided as part of the bid;

162 (b) Documentation stating that all equipment or structures
163 above the surface of the water and related to the development
164 and production of oil and gas within the territorial waters of
165 the state shall be situated no closer than 3 miles from the
166 coast as calculated from the line of mean high tide;

167 (c) A statement and map identifying the blocks, tracts, or
168 parcels, as designated for the oil and gas lease or leases, on

169 submerged land underlying the territorial waters of the state;

170 (d) A statement of a cash consideration; and

171 (e) A statement of a royalty, never less than one-eighth
 172 in kind or in value; provided, however, that up-front payments
 173 in lieu of royalties may be proposed and, if proposed, may
 174 reduce the minimum one-eighth royalty.

175 (5) All bids shall be accompanied by a separate cashier's
 176 check or certified check for the amount of the cash
 177 consideration and application fee and shall be payable to the
 178 state board, department, or agency which holds title to or
 179 controls the land sought to be leased.

180 (6) For a bidder who obtains an oil and gas lease from a
 181 bid pursuant to subsection (2) and fails to be issued a permit,
 182 after a good faith effort to attain such a permit, for
 183 geophysical operations, drilling, or exploring and extracting
 184 through well holes or by other means pursuant to ss. 377.2408
 185 and 377.242 within 24 months after receiving the lease, the
 186 board shall refund the entire cash consideration with interest
 187 paid pursuant to s. 55.03(1), using the per annum rate for the
 188 year in which the bidder obtained the lease. The bidder may
 189 extend this time period upon receiving a written request showing
 190 good cause by the Department of Environmental Protection.

191 (7) If the board awards an oil and gas lease or leases
 192 issued pursuant to subsection (2), the lessee shall be entitled
 193 to obtain an easement or easements over sovereign submerged
 194 lands for the construction, installation, and maintenance of any
 195 pipeline or associated infrastructure that is an appurtenance to
 196 the transportation of oil and gas from the leased submerged

197 lands to shore-based facilities. The fee for this easement shall
 198 be based on a cost per linear foot basis and may not exceed \$5
 199 per linear foot. Notwithstanding s. 253.115, within 14 days
 200 after receipt of an application for an easement or easements
 201 pursuant to this subsection, the board shall require the
 202 applicant for such easement or easements to give notice of the
 203 filing of such application or applications by publication, one
 204 time only, in a newspaper of general circulation published in
 205 the vicinity of the proposed lease or leases.

206 (8) To be eligible to bid on any oil or gas leases offered
 207 within the territorial waters of the state, bidders must have
 208 corporate headquarters, including senior management personnel,
 209 physically located within the continental United States. Any oil
 210 or gas extracted pursuant to such leases must be refined and
 211 sold at the retail level within the continental United States.

212 Section 2. Section 253.571, Florida Statutes, is amended
 213 to read:

214 253.571 Proof of financial responsibility required of
 215 lessee prior to commencement of drilling.--

216 (1) The Board of Trustees of the Internal Improvement
 217 Trust Fund may require a surety or property bond, an irrevocable
 218 letter of credit, or other proof of financial responsibility
 219 from each lessee of public land or mineral interest prior to the
 220 time such lessee mines, drills, or extracts in any manner,
 221 petroleum, petroleum products, gas, sulphur, or any other
 222 mineral from such land. The surety bond or irrevocable letter of
 223 credit shall be from a surety company or bank authorized to do
 224 business in the state. The surety bond, irrevocable letter of

225 credit, or other proof of financial responsibility shall serve
 226 as security and is to be forfeited to the board to pay for any
 227 damages caused by mining or drilling operations performed by the
 228 lessee. In the case of operations planned in the waters of the
 229 state or under other particular circumstances which, by their
 230 nature warrant greater security in view of possible damages, the
 231 board shall give special consideration to the extent of such
 232 possible damages and shall set the amount of an adequate and
 233 sufficient surety bond, irrevocable letter of credit, or other
 234 proof of financial responsibility accordingly. For the purposes
 235 of this section, damages shall include, but not be limited to,
 236 air, water, and ground pollution, destruction of wildlife or
 237 marine productivity and any other damage which impairs the
 238 health and general welfare of the citizens of the state. The
 239 board shall require a lessee to provide proof of financial
 240 responsibility only once, irrespective of the number of
 241 different leases the lessee may have.

242 (2) A surety or property bond, an irrevocable letter of
 243 credit, or other proof of financial responsibility from each
 244 lessee of public land or mineral interest in submerged lands
 245 underlying the territorial waters of the state, as defined in
 246 the Submerged Lands Act, 43 U.S.C. ss. 1301-1315, shall not
 247 exceed the lesser amount of either:

- 248 (a) Five hundred million dollars; or
- 249 (b) A calculated cost estimate for potential damages
 250 related to, but not limited to, air, water, and ground
 251 pollution, destruction of wildlife or marine productivity, and
 252 any other damage that impairs the health and general welfare of

253 the citizens of the state, as based on reasonably foreseeable
 254 accidents or occurrences associated with the particular oil and
 255 gas development or production activity within the immediate area
 256 of the oil and gas lease.

257 (3) A surety or property bond, an irrevocable letter of
 258 credit, or other proof of financial responsibility issued under
 259 subsection (2) shall be the only proof of financial
 260 responsibility a lessee must provide in lieu of any other proof
 261 of financial responsibility that may be required by any agency
 262 for any permit or authorization that must be obtained in
 263 connection with the development and production of oil and gas,
 264 including, but not limited to, oil and gas transportation
 265 infrastructure, such as pipelines, appurtenant to the leased
 266 submerged lands.

267 Section 3. Section 253.585, Florida Statutes, is created to
 268 read:

269 253.585 Distribution of royalties, cash considerations,
 270 annual rentals, or payments in lieu of royalties collected for
 271 oil and gas leases on submerged lands within the territorial
 272 waters of the state.--

273 (1) Royalties, cash considerations, annual rentals, or
 274 payments in lieu of royalties collected for oil and gas leases
 275 on submerged lands within the territorial waters of the state
 276 shall be appropriated for the following purposes:

277 (a) To fund a bond initiative to provide up to \$300
 278 million per year for the Florida Forever land acquisition
 279 program, including up to an additional \$15 million for
 280 reasonable management costs for the administration of such

281 lands, to the extent the Board of Trustees of the Internal
 282 Improvement Trust Fund determines such management costs are
 283 necessary.

284 (b) To provide up to \$20 million per year for local
 285 governments to support beach restoration and nourishment
 286 projects.

287 (c) To provide up to \$20 million per year to be
 288 distributed to coastal local governments within the county or
 289 counties within which the lease or leases are issued.

290 (2) After the distributions under subsection (1), the next
 291 \$150 million from state income from offshore oil and natural gas
 292 activities shall be equally distributed as follows:

293 (a) Up to \$25 million annually shall be appropriated to
 294 the Florida Energy and Climate Commission to be used for
 295 enhancements to the Solar Energy System Incentives Program.

296 (b) Up to \$25 million annually shall be appropriated to
 297 the Board of Governors of the State University System to fund
 298 research and development of technologies, systems, and processes
 299 to solve the nation's dependency on foreign fossil fuels and
 300 expand the use of alternative, biomass, and renewable
 301 alternative fuels through a peer-reviewed grant process.

302 (c) Up to \$25 million annually shall be appropriated to
 303 the Internal Improvement Trust Fund for enhanced funding of the
 304 management of public lands and state parks or the funding of
 305 beach nourishment, or both, as determined by the Board of
 306 Trustees of the Internal Improvement Trust Fund.

307 (d) Up to \$25 million annually shall be appropriated to
 308 fund environmental science programs in elementary and middle

309 schools in preparation for 10th grade and higher science testing
 310 and for promoting science in high schools, to be spread
 311 equitably between each school district.

312 (e) Up to \$25 million annually shall be appropriated in
 313 equal amounts to establish hands-on oil and natural gas industry
 314 training academies in 25 counties using current state-of-the-art
 315 industry-provided materials, technological training, and
 316 instructors. Up to \$15 million of the appropriation under this
 317 paragraph shall be used to fund high school oil and natural gas
 318 industry training academies. Up to \$10 million of the
 319 appropriation under this paragraph shall be used to fund
 320 community college oil and natural gas industry training
 321 academies, spread as evenly as possible geographically across
 322 the state.

323 (f) Up to \$25 million annually shall be appropriated to
 324 veteran's programs to provide care and rehabilitation services
 325 and educational opportunities for veterans and their dependents
 326 who are residents of this state.

327 (g) Notwithstanding the limitations on the maximum amount
 328 of tax credits available each year contained in s.
 329 220.193(3)(c), and consistent with the other provisions in s.
 330 220.193, up to \$10 million shall be appropriated annually to
 331 fund the Florida Renewable Energy Production Credit through the
 332 year 2020 to encourage the development and expansion of
 333 facilities that produce renewable energy in this state.

334 (3) Where federally recognized military range and activity
 335 zones exist, each submitted proposal shall allow temporary
 336 geological or drilling and equipment activities, or both, above

337 and below the surface of the water in order to establish pump
 338 sites only, after which, no above-surface permanent placement of
 339 equipment other than safety marker buoys is allowed.

340 (4) Each submitted proposal shall be presented with a
 341 study that draws from existing state-of-the-art technology to
 342 demonstrate that exploration for oil and gas is feasible in the
 343 intended permit area.

344 (5) The Division of State Lands in the Department of
 345 Environmental Protection, as staff to the Board of Trustees of
 346 the Internal Improvement Trust Fund, shall adopt rules as
 347 necessary to administer this section.

348 Section 4. Paragraphs (b), (c), and (d) of subsection (1)
 349 of section 253.61, Florida Statutes, are amended to read:

350 253.61 Lands not subject to lease.--

351 (1) Regardless of anything to the contrary contained in
 352 this law in any previous section or part thereof, no board or
 353 agency mentioned therein or the state shall have the power or
 354 authority to sell, execute, or enter into any lease of the type
 355 covered by this law relating to any of the following lands,
 356 submerged or unsubmerged, except under the circumstances and
 357 conditions as hereinafter set out in this section, to wit:

358 (b) No lease of the type covered by this law shall be
 359 granted, sold or executed covering any such lands in the tidal
 360 waters of the state, abutting on or immediately adjacent to the
 361 corporate limits of a municipality or within 3 miles of such
 362 corporate limits extending from the line of mean high tide into
 363 such waters, unless the governing authority of the municipality
 364 shall have first duly consented to the granting or sale of such

365 lease by resolution. This paragraph does not apply to leases on
 366 submerged lands underlying the territorial waters of the state,
 367 as defined in the Submerged Lands Act, 43 U.S.C. ss. 1301-1315,
 368 where any structure or equipment above the surface of the water
 369 is more than 3 miles from such corporate limits.

370 (c) No lease of the type covered by this law shall be
 371 granted, sold or executed covering such lands on any improved
 372 beach, located outside of an incorporated town or municipality,
 373 or covering such lands in the tidal waters of the state abutting
 374 on or immediately adjacent to any improved beach, or within 3
 375 miles of an improved beach extending from the line of mean high
 376 tide into such tidal waters, unless the county commissioners of
 377 the county in which such beach is located shall have first duly
 378 consented to the granting or sale of such lease by resolution.
 379 This paragraph does not apply to leases on submerged lands
 380 underlying the territorial waters of the state, as defined in
 381 the Submerged Lands Act, 43 U.S.C. ss. 1301-1315, where any
 382 structure or equipment above the surface of the water is more
 383 than 3 miles from such improved beach.

384 ~~(d) Without exception, after July 1, 1989, no lease of the~~
 385 ~~type covered by this law shall be granted, sold, or executed~~
 386 ~~south of 26° north latitude off Florida's west coast and south~~
 387 ~~of 27° north latitude off Florida's east coast, within the~~
 388 ~~boundaries of Florida's territorial seas as defined in 43 U.S.C.~~
 389 ~~1301. After July 31, 1990, no oil or natural gas lease shall be~~
 390 ~~granted, sold, or executed covering lands located north of~~
 391 ~~26°00'00" north latitude off Florida's west coast to the western~~
 392 ~~boundary of the state bordering Alabama as set forth in s. 1,~~

393 ~~Art. II of the State Constitution, or located north of 27°00'00"~~
 394 ~~north latitude off Florida's east coast to the northern boundary~~
 395 ~~of the state bordering Georgia as set forth in s. 1, Art. II of~~
 396 ~~the State Constitution, within the boundaries of Florida's~~
 397 ~~territorial seas as defined in 43 U.S.C. 1301.~~

398 Section 5. Subsections (6), (7), and (9) of section
 399 377.24, Florida Statutes, are amended to read:

400 377.24 Notice of intention to drill well; permits;
 401 abandoned wells and dry holes.--

402 (6) No permit to drill a gas or oil well shall be granted
 403 at a location in the tidal waters of the state, abutting or
 404 immediately adjacent to the corporate limits of a municipality
 405 or within 3 miles of such corporate limits extending from the
 406 line of mean high tide into such waters, unless the governing
 407 authority of the municipality shall have first duly approved the
 408 application for such permit by resolution. This subsection does
 409 not apply to leases on submerged lands underlying the
 410 territorial waters of the state, as defined in the Submerged
 411 Lands Act, 43 U.S.C. ss. 1301-1315, where any structure or
 412 equipment above the surface of the water is more than 3 miles
 413 from such corporate limits.

414 (7) No permit to drill a gas or oil well shall be granted
 415 on any improved beach, located outside of an incorporated town
 416 or municipality, or at a location in the tidal waters of the
 417 state abutting or immediately adjacent to an improved beach, or
 418 within 3 miles of an improved beach extending from the line of
 419 mean high tide into such tidal waters, unless the county
 420 commissioners of the county in which such beach is located shall

421 have first duly approved the application for such permit by
 422 resolution. This subsection does not apply to leases on
 423 submerged lands underlying the territorial waters of the state,
 424 as defined in the Submerged Lands Act, 43 U.S.C. ss. 1301-1315,
 425 where any structure or equipment above the surface of the water
 426 is more than 3 miles from such improved beach.

427 ~~(9) Without exception, after July 1, 1989, no permit to~~
 428 ~~drill a well in search of oil or gas shall be granted south of~~
 429 ~~26°00'00" north latitude off Florida's west coast and south of~~
 430 ~~27°00'00" north latitude off Florida's east coast, within the~~
 431 ~~boundaries of Florida's territorial seas as defined in 43 U.S.C.~~
 432 ~~1301. After July 31, 1990, no permit to drill a well in search~~
 433 ~~of oil or gas shall be granted north of 26°00'00" north latitude~~
 434 ~~off Florida's west coast to the western boundary of the state~~
 435 ~~bordering Alabama as set forth in s. 1, Art. II of the State~~
 436 ~~Constitution, or located north of 27°00'00" north latitude off~~
 437 ~~Florida's east coast to the northern boundary of the state~~
 438 ~~bordering Georgia as set forth in s. 1, Art. II of the State~~
 439 ~~Constitution, within the boundaries of Florida's territorial~~
 440 ~~seas as defined in 43 U.S.C. 1301.~~

441 Section 6. Section 377.242, Florida Statutes, is amended
 442 to read:

443 377.242 Permits for drilling or exploring and extracting
 444 through well holes or by other means.--The department is vested
 445 with the power and authority:

446 (1)(a) To issue permits for the drilling for, exploring
 447 for, or production of oil, gas, or other petroleum products
 448 which are to be extracted from below the surface of the land,

449 including submerged land, only through the well hole drilled for
450 oil, gas, and other petroleum products.

451 1. No structure intended for the drilling for, or
452 production of, oil, gas, or other petroleum products may be
453 permitted or constructed on any submerged land within any bay or
454 estuary.

455 2. No structure intended for the drilling for, or
456 production of, oil, gas, or other petroleum products may be
457 permitted or constructed within 1 mile seaward of the coastline
458 of the state.

459 3. No structure intended for the drilling for, or
460 production of, oil, gas, or other petroleum products may be
461 permitted or constructed within 1 mile of the seaward boundary
462 of any state, local, or federal park or aquatic or wildlife
463 preserve or on the surface of a freshwater lake, river, or
464 stream.

465 4. No structure intended for the drilling for, or
466 production of, oil, gas, or other petroleum products may be
467 permitted or constructed within 1 mile inland from the shoreline
468 of the Gulf of Mexico, the Atlantic Ocean, or any bay or estuary
469 or within 1 mile of any freshwater lake, river, or stream unless
470 the department is satisfied that the natural resources of such
471 bodies of water and shore areas of the state will be adequately
472 protected in the event of accident or blowout.

473 ~~5. Without exception, after July 1, 1989, no structure~~
474 ~~intended for the drilling for, or production of, oil, gas, or~~
475 ~~other petroleum products may be permitted or constructed south~~
476 ~~of 26°00'00" north latitude off Florida's west coast and south~~

477 ~~of 27°00'00" north latitude off Florida's east coast, within the~~
478 ~~boundaries of Florida's territorial seas as defined in 43 U.S.C.~~
479 ~~s. 1301. After July 31, 1990, no structure intended for the~~
480 ~~drilling for, or production of, oil, gas, or other petroleum~~
481 ~~products may be permitted or constructed north of 26°00'00"~~
482 ~~north latitude off Florida's west coast to the western boundary~~
483 ~~of the state bordering Alabama as set forth in s. 1, Art. II of~~
484 ~~the State Constitution, or located north of 27°00'00" north~~
485 ~~latitude off Florida's east coast to the northern boundary of~~
486 ~~the state bordering Georgia as set forth in s. 1, Art. II of the~~
487 ~~State Constitution, within the boundaries of Florida's~~
488 ~~territorial seas as defined in 43 U.S.C. s. 1301.~~

489 (b) Subparagraphs (a)1. and 4. do not apply to permitting
490 or construction of structures intended for the drilling for, or
491 production of, oil, gas, or other petroleum products pursuant to
492 an oil, gas, or mineral lease of such lands by the state under
493 which lease any valid drilling permits are in effect on the
494 effective date of this act. In the event that such permits
495 contain conditions or stipulations, such conditions and
496 stipulations shall govern and supersede subparagraphs (a)1. and
497 4.

498 (c) The prohibitions of subparagraphs (a)1.-4. ~~in this~~
499 ~~subsection~~ do not include "infield gathering lines," or other
500 pipelines for the purpose of transporting offshore production on
501 shore, provided no other placement is reasonably available and
502 all other required permits have been obtained.

503 (d) Subparagraphs (a)1.-3. do not apply to the permitting
504 or construction of offshore structures intended for the

505 exploration or production of oil, gas, or other petroleum
 506 products where any structure or equipment above the surface of
 507 the water is more than 3 miles seaward from the line of mean
 508 high tide.

509 (2) To issue permits to explore for and extract minerals
 510 which are subject to extraction from the land by means other
 511 than through a well hole.

512 (3) To issue permits to construct wells for the injection
 513 and recovery of any natural gas for temporary storage in
 514 subsurface reservoirs.

515
 516 Each permit shall contain an agreement by the permitholder that
 517 the permitholder will not prevent inspection by division
 518 personnel at any time. ~~The provisions of this section~~
 519 ~~prohibiting permits for drilling or exploring for oil in coastal~~
 520 ~~waters do not apply to any leases entered into before June 7,~~
 521 ~~1991.~~

522 Section 7. Subsection (1) of section 377.2425, Florida
 523 Statutes, is amended to read:

524 377.2425 Manner of providing security for geophysical
 525 exploration, drilling, and production.--

526 (1) Prior to granting a permit to conduct geophysical
 527 operations; drilling of exploratory, injection, or production
 528 wells; producing oil and gas from a wellhead; or transporting
 529 oil and gas through a field-gathering system, the department
 530 shall require the applicant or operator to provide surety that
 531 these operations will be conducted in a safe and environmentally
 532 compatible manner.

533 (a) The applicant for a drilling, production, or injection
 534 well permit or a geophysical permit may provide the following
 535 types of surety to the department for this purpose:

536 1. A deposit of cash or other securities made payable to
 537 the Minerals Trust Fund. Such cash or securities so deposited
 538 shall be held at interest by the Chief Financial Officer to
 539 satisfy safety and environmental performance provisions of this
 540 chapter. The interest shall be credited to the Minerals Trust
 541 Fund. Such cash or other securities shall be released by the
 542 Chief Financial Officer upon request of the applicant and
 543 certification by the department that all safety and
 544 environmental performance provisions established by the
 545 department for permitted activities have been fulfilled.

546 2. A bond of a surety company authorized to do business in
 547 the state in an amount as provided by rule.

548 3. A surety in the form of an irrevocable letter of credit
 549 in an amount as provided by rule guaranteed by an acceptable
 550 financial institution.

551 (b) An applicant for a drilling, production, or injection
 552 well permit, or a permittee who intends to continue
 553 participating in long-term production activities of such wells,
 554 has the option to provide surety to the department by paying an
 555 annual fee to the Minerals Trust Fund. For an applicant or
 556 permittee choosing this option the following shall apply:

557 1. For the first year, or part of a year, of a drilling,
 558 production, or injection well permit, or change of operator, the
 559 fee is \$4,000 per permitted well.

560 2. For each subsequent year, or part of a year, the fee is
561 \$1,500 per permitted well.

562 3. The maximum fee that an applicant or permittee may be
563 required to pay into the trust fund is \$30,000 per calendar
564 year, regardless of the number of permits applied for or in
565 effect.

566 4. The fees set forth in subparagraphs 1., 2., and 3.
567 shall be reviewed by the department on a biennial basis and
568 adjusted for the cost of inflation. The department shall
569 establish by rule a suitable index for implementing such fee
570 revisions.

571 (c) This subsection does not apply to an applicant for a
572 drilling or operating permit for operations planned in coastal
573 waters that by their nature warrant greater surety shall provide
574 surety only in accordance with paragraph (a), or similar proof
575 of financial responsibility other than as provided in paragraph
576 (b). For all such applications, including applications pending
577 at the effective date of this act and notwithstanding the
578 provisions of paragraph (b), the Governor and Cabinet in their
579 capacity as the Administration Commission, at the recommendation
580 of the Department of Environmental Protection, shall set a
581 reasonable amount of surety required under this subsection. The
582 surety amount shall be based on the projected cleanup costs and
583 natural resources damages resulting from a maximum oil spill and
584 adverse hydrographic and atmospheric conditions that would tend
585 to transport the oil into environmentally sensitive areas, as
586 determined by the Department of Environmental Protection.

587 Section 8. This act shall take effect July 1, 2009.