#### HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HJR 631 Drilling for Oil or Natural Gas within Coastal Waters Prohibited

**SPONSOR(S):** Brandenburg and others

TIED BILLS: IDEN./SIM. BILLS: SJR 436

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Committee on Energy		Grabb	Collins
2) Environment & Natural Resources Council			
3) Policy & Budget Council	<u> </u>		
4)			
5)			

### **SUMMARY ANALYSIS**

This joint resolution proposes an amendment to Section 7, Article II of the Florida Constitution to prohibit drilling for oil and natural gas within 250 miles of Florida's coastline or to the fullest extent allowed by the laws of the United States.

On December 20, 2006, the Gulf of Mexico Energy Security Act of 2006 (HR 6111) was signed into law by President George W. Bush. This law prohibits drilling within 125 miles of the Florida coastline in the Eastern Planning Area and 100 miles from the Florida coastline in the Lease Area 181 of the Central Planning Area. Further, it prohibits drilling in all areas east of the Military Mission Line. The jurisdiction of the United States into the Gulf of Mexico OCS Region can range from 200 miles away from the United States coast up to 350 miles away from the United States coast. These prohibitions expire on June 30, 2022.

Article VI, Section 2 of United States Constitution provides that:

This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

Thus, because the federal government has retained its authority on this issue, current federal laws will preempt this amendment if it is passed. However, when the federal prohibitions expire in 2022, the federal government may give Florida jurisdiction over a greater area of the state's coastal waters. If the federal government were to give Florida this authority, this amendment would ban drilling within any jurisdiction that Florida is given up to a maximum distance of 250 miles.

Currently, the Florida Constitution is silent regarding drilling for oil or natural gas within sovereign submerged lands, and Florida's authority over sovereign submerged lands only extends approximately nine nautical miles from Florida's western coast. However, ss. 253.61 and 377.24, Florida Statutes, do provide some prohibitions against drilling off of Florida's coastline.

This legislation places a potential amendment to the Florida Constitution on the next general or special election ballot. Further, because it is a joint resolution, Section 1, Article XI of the Florida Constitution requires that this resolution be "agreed to by three-fifths of the membership of each house of the legislature" before taking effect.

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#### **FULL ANALYSIS**

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any of the House Principles.

#### B. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

The Outer Continental Shelf [OCS] (consisting of the submerged lands, subsoil, and seabed, lying between the seaward extent of the states' jurisdiction and the seaward extent of federal jurisdiction) is a significant source of oil and gas for the nation's energy supply. The OCS supplies more than 25 percent of the country's natural gas production and more than 30 percent of total domestic oil production. The offshore areas of the United States contain the majority of future oil and gas resources. It is estimated that 60 percent of the oil and 59 percent of the gas yet to be discovered in the United States are located in the OCS. The OCS consists of four separate regions: the Gulf of Mexico OCS Region, the Atlantic OCS Region, the Pacific OCS Region, and the Alaskan OCS Region.

The Gulf of Mexico OCS Region is currently divided into three separate offshore drilling areas: the Western Planning Area, the Central Planning Area, and the Eastern Planning Area. The Eastern Planning Area starts on the western coastline of Florida and extends west to a line that is approximately south of Pensacola, Florida into the Gulf.<sup>2</sup> Estimates suggest that 6.95 to 9.22 trillion cubic feet of natural gas and 1.57 to 2.78 billion barrels of oil and condensate are in the Eastern Planning Area.<sup>3</sup>

Because the federal government has retained its authority for the use of these regions, the Supremacy Clause of the United States Constitution prevents Florida from interfering with this prohibition. The Supremacy Clause provides that "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding." Thus, Florida's authority to regulate offshore drilling in the Gulf of Mexico OCS Region is limited by the authority designated to it by Congress. Under current law, this means that Florida's authority to regulate waters in the Gulf of Mexico only extends to approximately 9 nautical miles.

The Gulf of Mexico Energy Security Act of 2006 (HR 6111) was passed by the United States Congress and signed into law by President George W. Bush on December 20, 2006. This law temporarily forbids leasing for oil or natural gas drilling in any Gulf of Mexico region east of the Military Mission Line (86 degrees and 41 minutes W. longitude). Further, it also prohibits drilling in any region of the Eastern Planning Area within 125 miles of the Florida coast or any region that is within the Central Planning Area, Lease Area 181, and also within 100 miles of the Florida coastline. The jurisdiction of the United States for the Gulf of Mexico extends from 200 miles up to a possible length of 350 miles offshore.

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<sup>1</sup> http://www.mms.gov/offshore/.

<sup>&</sup>lt;sup>2</sup> See Figure 1.

<sup>&</sup>lt;sup>3</sup> U.S. Department of the Interior, Minerals Management Service, http://www.gomr.mms.gov/homepg/offshore/egom/eastern.html.

<sup>&</sup>lt;sup>4</sup> United States Constitution, Article VI, Section 2.

<sup>&</sup>lt;sup>5</sup> U.S. Department of the Interior, Minerals Management Service, http://www.gomr.mms.gov/homepg/whoismms/whatsocs.html.

<sup>&</sup>lt;sup>6</sup> U.S. HR 6111. Also See Figure 1.

<sup>&</sup>lt;sup>7</sup> U.S. Department of the Interior, Minerals Management Service, http://www.gomr.mms.gov/homepg/whoismms/whatsocs.html. **STORAGE NAME**: h0631.EN.doc **PAGE**: 2

This prohibition is set to expire on June 30, 2022. This means that Lease Area 181 is the closest active drilling region to Florida that is also under the jurisdiction of the United States.

Currently, the Florida Constitution is silent regarding drilling for oil or natural gas within sovereign submerged lands. However, under the provisions of Chapter 253, F.S., the Governor and Cabinet sitting as the Trustees of the Internal Improvement Trust Fund have been granted the powers and duties with regard to the control of private uses of state-owned submerged lands. These state-owned submerged lands extend waterward from the shoreline for approximately 9 miles into the Gulf of Mexico OCS Region.<sup>8</sup> Section 253.61, F.S., prohibits the Trustees from granting any "oil or natural gas lease" on state-owned submerged lands off the State's west coast. A similar provision in s. 377.24, F.S., prohibits the Department of Environmental Protection from issuing a permit to drill a well in search of oil or gas on the on the same state-owned submerged lands. If an oil spill were to occur in Lease Area 181, there is less than a 5% chance that the damage would reach the Florida coastline.<sup>9</sup>

# **Proposed Changes**

HJR 631 proposes an amendment to Section 7, Article II of the Florida Constitution to prohibit drilling for oil or natural gas on the sovereign submerged lands within 250 miles of the Florida coastline or "to the maximum extent allowed by laws of the United States."

This legislation places a potential amendment to the Florida Constitution on the next general or special election ballot. Further, because it is a joint resolution, Section 1, Article XI of the Florida Constitution requires that this resolution be "agreed to by three-fifths of the membership of each house of the legislature" before taking effect.

Because the federal government has retained its authority to limit or allow drilling within the Gulf of Mexico OCS Region, this bill is not likely to affect current drilling off of the Florida coastline. However, when the federal prohibitions expire in 2022, the federal government may give Florida jurisdiction over a greater area of the state's coastal waters. If the federal government were to give Florida this authority, this amendment would ban drilling within any jurisdiction that Florida is given up to a maximum distance of 250 miles. A 250 mile range would likely include all of Lease Area 181 as shown in Figure 1.

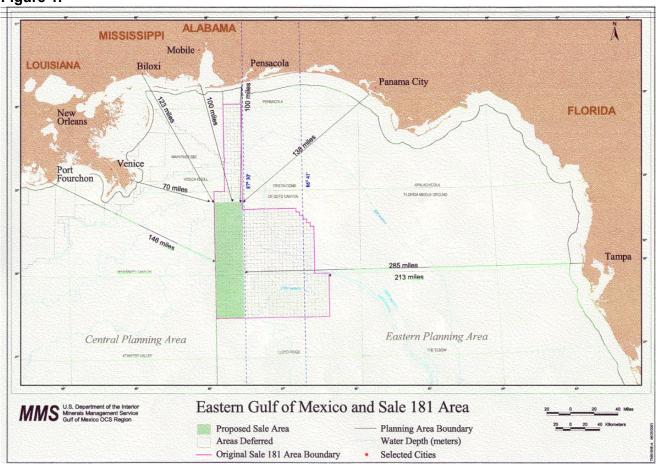
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<sup>&</sup>lt;sup>8</sup> Section 1, Article II, Florida Constitution.

<sup>&</sup>lt;sup>9</sup> Phone conversation with Phil Wiecynski, Emergency Response Chief for DEP Law Enforcement (March 12, 2007). Also see <u>Oil-Spill Risk Analysis</u>: <u>Gulf of Mexico Outer Continental Shelf (OCS) Lease Sales, Eastern Planning Area, 2003-2007 and Gulfwide OCS Program, 2003-2042.</u> U.S. Department of the Interior, Minerals Management Service. September, 2002.

Figure 1. 10



### C. SECTION DIRECTORY:

HJR 631 proposes an amendment to Section 7, Article II of the Florida Constitution to prohibit drilling for oil or natural gas on the sovereign submerged lands within 250 miles of the Florida coastline or to the maximum extent allowed by the laws of the United States.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

 $^{10}$  U.S. Department of the Interior, http://www.doi.gov/news/map10.jpg h0631.EN.doc 3/12/2007

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

This bill does not appear to have a fiscal impact on state or local governments.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

This bill requires an amendment to the Florida Constitution be placed on the next general or special election ballot. If adopted, this amendment would use the fullest extent of Florida's authority to prevent drilling within 250 miles of Florida's coastline. Article VI, Section 2 of the United States Constitution, also known as the Supremacy Clause, states that:

This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

Thus, because current federal laws cover this subject matter, the Supremacy Clause of the United States Constitution will preempt the legal effects of this legislation.

**B. RULE-MAKING AUTHORITY:** 

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

"The Sponsor will provide a statement when the bill is on the agenda for consideration."

# IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

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