



132080

LEGISLATIVE ACTION

| Senate | . | House |
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The Committee on Environmental Preservation and Conservation (Latvala) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. (1) DUTIES; AUTHORITY.—Notwithstanding the provisions in chapter 253, Florida Statutes, if a land management agency determines that there is an opportunity to develop oil and gas resources under onshore lands west of the Tallahassee Meridian, longitude 84°16'37.59" west, owned by a board, department, or agency of this state to yield greater, near-term revenue returns for the state, the land management agency may participate with a business entity authorized to



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13 conduct business in the state in a public-private partnership
14 contract.

15 (2) PRIVATE-PARTNER RESPONSIBILITIES.—The financial,
16 technical, and operational risk for the exploration,
17 development, and production of oil and gas resources is the
18 responsibility of the private business entity.

19 (3) PROPOSAL SELECTION.—

20 (a) A business entity seeking a public-private partnership
21 contract shall submit a business proposal that describes the
22 exploration for oil or gas resources and the development of
23 state lands for those purposes. The business entity may nominate
24 state land that is to be explored and developed under the
25 public-private partnership contract. The proposal shall provide
26 an estimate of the revenues that the project is expected to
27 generate for the state. The proposal for upland state lands must
28 be consistent with approved land management plans approved
29 pursuant to s. 253.034, Florida Statutes.

30 (b) The land management agency shall review the business
31 proposal in a timely manner and in a manner that is consistent
32 with contemporary industry practices. The geophysical seismic
33 exploration, drilling, and production activities proposed shall
34 be of a duration consistent with industry practices.

35 (c) The land management agency shall select a private
36 partner based on the business proposal. The land management
37 agency's consideration must include, but need not be limited to,
38 the technical quality of the exploration program proposed and
39 the proposed timetable of geophysical and drilling activities
40 which expedites the potential for generating revenues. If more
41 than one entity submits a proposal for a public-private



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42 partnership for substantially the same area, the land management
43 agency shall evaluate and select the single proposal that will
44 provide the best value for the state.

45 (d) The geophysical data acquired and the subsequent
46 interpretation shall be made available to the land management
47 agency or its representatives for review during the period
48 provided in paragraph (4) (a), but shall remain in the sole
49 possession of the business entity until the business entity has
50 selected the lease areas.

51 (4) PUBLIC-PRIVATE PARTNERSHIP CONTRACT.—The public-private
52 partnership contract shall provide for:

53 (a) A period of 3 years or longer during which the private
54 partner may explore specified state lands by geophysical seismic
55 methods for the feasibility of oil and gas resource development
56 and production;

57 (b) A selection process after geophysical operations are
58 concluded in which the private partner may select and lease
59 prospective parcels of state land for the purpose of exploration
60 and production;

61 (c) The leasing of state lands identified as a result of
62 the geophysical seismic operations, which shall be for a term of
63 at least 5 years; and

64 (d) Negotiated royalty rates and a lease bonus.

65 (5) APPROVAL OF CONTRACT.—The proposed public-private
66 partnership contract must be approved by the Governor and
67 Cabinet sitting as the Board of Trustees of the Internal
68 Improvement Trust Fund in order to be legally binding on the
69 State of Florida.

70 Section 2. This act shall take effect upon becoming a law.



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

And the title is amended as follows:

Delete everything before the enacting clause
and insert:

A bill to be entitled
An act relating to the development of oil and gas
resources; authorizing a land management agency to
enter into a public-private partnership with a
business entity to develop oil and gas resources upon
certain onshore state lands if the development yields
near-term revenues for the state; providing that the
financial, technical, and operational risk for the
exploration, development, and production of oil and
gas resources is the responsibility of the private
business entity; requiring that a business entity
seeking a public-private partnership contract submit a
business proposal to the agency for review; specifying
the information to be included in the business
proposal; providing criteria for the agency to use in
selecting the exploration proposal by a business
entity; requiring that the geophysical data and the
subsequent interpretation be made available to the
agency or its representative for review but remain in
the possession of the business entity; providing
criteria for the public-private partnership contract;
requiring a proposed public-private partnership
contract to be approved by the Governor and Cabinet
sitting as the Board of Trustees of the Internal



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100 Improvement Trust Fund; providing an effective date.

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102 WHEREAS, the exploration and development of oil and gas
103 deposits under onshore lands owned by a board, department, or
104 agency of the state may provide the opportunity to produce
105 higher, near-term revenues to the state, and

106 WHEREAS, the monetary reward for discovering new reserves
107 of oil and gas deposits may be significant, and

108 WHEREAS, the exploration for oil and gas deposits via
109 modern three-dimensional, geophysical seismic methods and
110 production, with its technological improvements, including
111 directional and horizontal drilling, although costly, is more
112 efficient and yields better results than older methods of
113 exploration and production employed during the past 50 years,
114 NOW, THEREFORE,