

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Energy & Utilities
2 Subcommittee

3 Representative Ford offered the following:

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

6 Remove everything after the enacting clause and insert:

7 Section 1. (1) DUTIES; AUTHORITY.—Notwithstanding the
8 provisions in chapter 253, Florida Statutes, if a land
9 management agency determines that there is an opportunity to
10 develop oil and gas resources under onshore lands owned by a
11 board, department, or agency of this state to yield greater,
12 near-term revenue returns for the state, the land management
13 agency may participate with a business entity authorized to
14 conduct business in the state in a public-private partnership
15 contract.

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

Amendment No.

20 (3) PROPOSAL SELECTION.—

21 (a) A business entity seeking a public-private partnership
22 contract shall submit a business proposal that describes the
23 exploration for oil or gas resources and the development of
24 state lands for those purposes. The business entity may nominate
25 state land that is to be explored and developed under the
26 public-private partnership contract. The proposal shall provide
27 an estimate of the revenues that the project is expected to
28 generate for the state.

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

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

44 (d) The geophysical data acquired and the subsequent
45 interpretation shall be made available to the land management
46 agency or its representatives for review during the period
47 provided in paragraph (4) (a), but shall remain in the sole

Amendment No.

48 possession of the business entity until the business entity has
49 selected the lease areas.

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

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

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

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

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

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

69 Section 2. This act shall take effect upon becoming a law.
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73 **T I T L E A M E N D M E N T**

74 Remove the entire title and insert:

Amendment No.

75 An act relating to the development of oil and gas resources;
76 authorizing a land management agency to enter into a public-
77 private partnership with a business entity to develop oil and
78 gas resources upon onshore state lands if the development yields
79 near-term revenues for the state; providing that the financial,
80 technical, and operational risk for the exploration,
81 development, and production of oil and gas resources is the
82 responsibility of the private business entity; requiring that a
83 business entity seeking a public-private partnership contract
84 submit a business proposal to the agency for review; specifying
85 the information to be included in the business proposal;
86 providing criteria for the agency to use in selecting the
87 exploration proposal by a business entity; requiring that the
88 geophysical data and the subsequent interpretation be made
89 available to the agency or its representative for review but
90 remain in the possession of the business entity; providing
91 criteria for the public-private partnership contract; requiring
92 a proposed public-private partnership contract to be approved by
93 the Governor and Cabinet sitting as the Board of Trustees of the
94 Internal Improvement Trust Fund; providing an effective date.

95 WHEREAS, the exploration and development of oil and gas deposits
96 under onshore lands owned by a board, department, or agency of
97 the state may provide the opportunity to produce higher, near-
98 term revenues to the state, and

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

101 WHEREAS, the exploration for oil and gas deposits via
102 modern three-dimensional, geophysical seismic methods and

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 695 (2012)

Amendment No.

103 production, with its technological improvements, including
104 directional and horizontal drilling, although costly, is more
105 efficient and yields better results than older methods of
106 exploration and production employed during the past 50 years,
107 NOW, THEREFORE,