

HB 431

2013

1 A bill to be entitled

2 An act relating to the development of oil and gas
3 resources; authorizing the Board of Trustees of the
4 Internal Improvement Trust Fund to enter into a
5 public-private partnership with a business entity to
6 develop oil and gas resources upon certain onshore
7 state lands if the development yields near-term
8 revenues for the state; providing that the financial,
9 technical, and operational risk of exploration,
10 development, and production of oil and gas resources
11 is the responsibility of the private business entity;
12 requiring that a business entity seeking a public-
13 private partnership contract submit a business
14 proposal to the board of trustees for review;
15 specifying the information to be included in the
16 business proposal; providing criteria for the board of
17 trustees to use in selecting the exploration proposal
18 by a business entity; requiring that the geophysical
19 data and the subsequent interpretation be made
20 available to the board of trustees or its
21 representative for review but remain in the possession
22 of the business entity; providing criteria for the
23 public-private partnership contract; providing for
24 applicability; providing an effective date.

25
26 WHEREAS, the exploration and development of oil and gas
27 deposits under onshore lands owned by a board, department, or
28 agency of the state may provide the opportunity to generate

29 | greater, near-term revenues to the state, and

30 | WHEREAS, the monetary reward for the discovery of new
31 | reserves of oil and gas deposits may be significant, and

32 | WHEREAS, the exploration for oil and gas deposits using
33 | modern three-dimensional, geophysical seismic methods and
34 | production, with its technological improvements, including
35 | directional and horizontal drilling, although costly, is more
36 | efficient and yields better results than older methods of
37 | exploration and production employed during the past 50 years,
38 | NOW, THEREFORE,

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

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42 | Section 1. (1) DUTIES; AUTHORITY.—Notwithstanding ss.
43 | 253.52, 253.53, and 253.54, Florida Statutes, if the Board of
44 | Trustees of the Internal Improvement Trust Fund determines that
45 | there is an opportunity to develop oil and gas resources under
46 | onshore lands owned by a board, department, or agency of this
47 | state to yield greater, near-term revenue returns for the state,
48 | the board of trustees may participate with a business entity
49 | authorized to conduct business in the state in a public-private
50 | partnership contract.

51 | (2) PRIVATE-PARTNER RESPONSIBILITIES.—The financial,
52 | technical, and operational risk of exploration, development, and
53 | production of oil and gas resources is the responsibility of the
54 | private business entity.

55 | (3) PROPOSAL SELECTION.—

56 | (a) A business entity seeking a public-private partnership

HB 431

2013

57 contract shall submit to the board of trustees a business
58 proposal that describes the exploration for oil or gas resources
59 and the development of state lands for those purposes. The
60 business entity may nominate state land that is to be explored
61 and developed under the public-private partnership contract. The
62 proposal shall provide an estimate of the revenues that the
63 project is expected to generate for the state. The proposal for
64 upland state lands must be consistent with approved land
65 management plans approved pursuant to s. 253.034, Florida
66 Statutes.

67 (b) The board of trustees shall review the business
68 proposal in a timely manner and in a manner that is consistent
69 with contemporary industry practices. The geophysical seismic
70 exploration, drilling, and production activities proposed must
71 be of a duration that is consistent with industry practices.

72 (c) The board of trustees shall select a private partner
73 based on the business proposal. The board of trustees'
74 consideration must include, but need not be limited to, the
75 technical quality of the exploration program proposed and the
76 proposed timetable of geophysical and drilling activities which
77 expedites the potential for generating revenues. If more than
78 one entity submits a proposal for a public-private partnership
79 for substantially the same area, the board of trustees shall
80 evaluate and select the single proposal that will provide the
81 best value for the state.

82 (d) The geophysical data acquired and the subsequent
83 interpretation shall be made available to the board of trustees
84 or its representatives for review during the period provided in

HB 431

2013

85 paragraph (4) (a), but shall remain in the sole possession of the
86 business entity until the business entity has selected the lease
87 areas.

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

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

94 (b) A selection process after geophysical operations are
95 concluded in which the private partner may select and lease
96 prospective parcels of state land for the purpose of exploration
97 and production;

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

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

102 (5) APPLICABILITY.—This section applies only to lands in
103 the Blackwater River State Forest.

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