



City of Culver City

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Staff Report

File #: 24-885, **Version:** 1

Item #: A-5.

CC - ACTION: (1) Consideration of Adoption of a Position to Oppose the Referendum Challenging the 2022 Law Prohibiting New Oil and Gas Wells Near Homes, Schools, and Hospitals, which Appears on the November 5, 2024 Ballot; (2) Direction to the City Manager to Disseminate Information about the City Council's Position on the Referendum across the City's Communications Channels; and/or (3) Other Direction to the City Manager as Deemed Appropriate.

Meeting Date: June 10, 2024

Contact Person/Dept: Shelly Wolfberg/City Manager's Office

Phone Number: (310) 253-6000

Fiscal Impact: Yes No

General Fund: Yes No

Attachments: Yes No

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/06/2024)

Department Approval: John M. Nachbar (05/29/2024)

RECOMMENDATION

Staff recommends the City Council (1) consider adopting a position to oppose the referendum challenging the 2022 law prohibiting new oil and gas wells near homes, schools, and hospitals, which appears on the November 5, 2024 ballot; (2) provide direction to the City Manager to disseminate information about the City Council's position on the Referendum across the City's communications channels; and/or (3) provide other direction to the City Manager as deemed appropriate.

BACKGROUND/DISCUSSION

At the March 18, 2024 City Council Meeting, there was a majority consensus by the City Council to agendize a discussion of adopting a position opposing the California Oil and Gas Well Regulations Referendum (2024). (Attachment 1)

Senate Bill 1137 (SB 1137) is at the center of this referendum. A vote to "keep the law" supports SB 1137, which would prohibit new oil and gas wells within 3,200 feet of homes, schools, nursing homes, and hospitals. It would also require companies to adopt health, safety, and environmental

requirements. Alternatively, a vote to “overturn the law” aims to repeal SB 1137, effectively preventing it from taking effect. (Attachment 2)

SB 1137, passed during the 2022 legislative session, introduces several new regulations for the oil and gas industry in California. These include compliance requirements for facilities within a health protection zone (defined as areas within 3,200 feet of sensitive receptors like residences, schools, and healthcare facilities). Operators would need to develop leak detection systems and detailed response plans for certain chemicals.

The California Independent Petroleum Association (CIPA) leads the “Stop the Energy Shutdown” campaign, advocating for a ‘no’ vote on the Referendum. CIPA has received endorsements from various organizations and has raised campaign contributions. The California Oil and Gas Well Regulations Referendum is slated to appear on the ballot in California as a veto referendum on November 5, 2024.

Summary of Estimate by Legislative Analyst and Director of Finance of Fiscal Impact on State and Local Governments Subject to this Referendum:

If voters uphold the restrictions on certain oil drilling permits subject to referendum, this measure generally will not have any additional fiscal effects. If voters reject the restrictions on certain oil drilling subject to referendum, this measure likely would:

- Decrease state revenues by tens of millions of dollars annually,
- Decrease revenues for local governments by tens of millions of dollars annually, and
- Increase state costs in the low tens of millions of dollars annually.

A “YES” vote to "overturn the law" is to repeal SB 1137, thus keeping the law from taking effect.

A “NO” vote to "keep the law" is to uphold SB 1137, which would prohibit new oil and gas wells within 3,200 feet of homes, schools, nursing homes, and hospitals and require companies to adopt health, safety, and environmental requirements.

Fiscal Impact: Increased property taxes on commercial properties worth more than \$3 million providing \$6.5 billion to \$11.5 billion in new funding to local governments and schools.

Consistency with the City’s Legislative and Policy Platform

The City’s Legislative and Policy Platform supports efforts to:

- Ensure that air quality, groundwater and public health are protected during oil and gas drilling.
- Prevent enhanced oil drilling recovery technologies such as hydraulic fracturing, and the disposal of fracking wastewater by injection wells, until the State Department of Conservation, Division of Oil, Gas and Geothermal Resources takes all necessary and appropriate actions to adopt, implement, and enforce comprehensive regulations concerning the practice of these techniques that will ensure that public health and safety and the environment will be adequately protected.

Historically, the City Council has taken positions on ballot measures during a City Council meeting.

FISCAL ANALYSIS

There is no fiscal impact for the City Council to adopt a position on the California Oil and Gas Well Regulations Referendum, which appears on the November 5, 2024 ballot.

ATTACHMENTS

1. 2024-06-10__ATT__Referendum to Overturn SB 1137
2. 2024-06-10__ATT__ SB 1137 (2022) Chaptered

MOTION

That the City Council:

1. If desired, adopt a "NO" position on the Referendum to Overturn SB 1137; and
2. Provide direction to the City Manager to disseminate information about the City Council's position on the Referendum across the City's communications channels; and/or
3. Provide additional or alternate direction to the City Manager as deemed appropriate.