~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

February 4, 2020

**S. 870**

Introduced by Senators Campsen, Setzler, J. Matthews, Reese, Jackson, Rankin, Alexander, Hutto, Grooms, Cromer, Sheheen, Davis, Nicholson, Gregory, Johnson, Hembree, McElveen, Shealy, Turner, Young, Sabb, Kimpson, Gambrell, Fanning, McLeod, Senn, Talley, Harpootlian, Malloy, Allen, M.B. Matthews, Williams and Rice

S. Printed 2/4/20--S.

Read the first time January 14, 2020.

**THE COMMITTEE ON**

**AGRICULTURE AND NATURAL RESOURCES**

To whom was referred a Bill (S. 870) to amend Article 2, Chapter 43, Title 48 of the 1976 Code, relating to oil and gas exploration and production, by adding Section 48‑43‑300, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/SECTION 1. Article 2, Chapter 43, Title 48 of the 1976 Code is amended by adding:

“Section 48‑43‑300. (A) For the purposes of this section:

(1) ‘Crude oil’ means any naturally occurring, unrefined petroleum liquid.

(2) ‘Development’ means the design, planning, permitting, licensing, or construction of infrastructure for which the principal purpose is to prepare for the production of crude oil or natural gas.

(3) ‘Exploration’ means any activity for which the principal purpose is to define, characterize, test for, or evaluate crude oil or natural gas resources for possible commercial development or production.

(4) ‘Natural gas’ means a naturally occurring mixture of hydrocarbon and nonhydrocarbon gases found in geologic formations beneath the earth’s surface.

(5) ‘Production’ means any activity for which the principal purpose is to engage in, monitor, or conduct operations or maintenance related to the active extraction of crude oil or natural gas.

(6) ‘Territorial waters of South Carolina’ means waters located within the State of South Carolina and waters extending out to three nautical miles from the mean low‑water mark of South Carolina’s naturally occurring coastline.

(7) ‘Waters of the Atlantic Ocean’ means Atlantic coast waters from the northeast boundary of Maine through the southern boundary of Florida extending to the eastern limits of the United States Exclusive Economic Zone.

(B) Notwithstanding any other provision of law, the department is prohibited from approving a plan, permit, or license application for:

(1) the construction or use of infrastructure for which the principal purpose is to facilitate the transportation of crude oil or natural gas into the territorial waters of South Carolina, or onto the lands of South Carolina, from offshore crude oil and natural gas production platforms or related infrastructure in the waters of the Atlantic Ocean;

(2) activities for which the principal purpose is the exploration, development, or production of crude oil or natural gas from within the territorial waters of South Carolina; or

(3) activities for which the principal purpose is the exploration, development, or production of crude oil or natural gas in the waters of the Atlantic Ocean.”

SECTION 2. Section 48‑43‑310 of the 1976 Code is amended to read:

“Section 48‑43‑310. (A) Subject to the provisions contained in Section 48‑43‑300, the ~~The~~ department shall require that all persons who explore for oil or gas within the jurisdiction of the State of South Carolina obtain an exploration permit from the department. The department may include in the permits such conditions and restrictions as the department deems to be desirable or necessary and may charge a reasonable fee for the issuance of the permit.

(B) All monies collected by the department pursuant to this section shall be forwarded to the State Treasurer who shall place such monies in an account for the department and such monies shall be used by the department in carrying out its duties imposed by this chapter.”

SECTION 3. Section 48‑43‑390(H) of the 1976 Code is amended to read:

“(H)(a) Subject to the provisions contained in Section 48‑43‑300, any ~~Any~~ person as defined herein who intends to construct a deep water port facility within the territorial jurisdiction of the State of South Carolina for the purpose of loading or unloading oil, gas, or other products as defined by this chapter shall apply for and obtain a permit to construct such facility from the department prior to the commencement of construction.”

SECTION 4. Article 1, Chapter 1, Title 6 of the 1976 Code is amended by adding:

“Section 6‑1‑190. (A) For the purposes of this section:

(1) ‘Crude oil’ means any naturally occurring, unrefined petroleum liquid.

(2) ‘Development’ means the design, planning, permitting, licensing, or construction of infrastructure for which the principal purpose is to prepare for the production of crude oil or natural gas.

(3) ‘Exploration’ means any activity for which the principal purpose is to define, characterize, test for, or evaluate crude oil or natural gas resources for possible commercial development or production.

(4) ‘Natural gas’ means a naturally occurring mixture of hydrocarbon and nonhydrocarbon gases found in geologic formations beneath the earth’s surface.

(5) ‘Production’ means any activity for which the principal purpose is to engage in, monitor, or conduct operations or maintenance related to the active extraction of crude oil or natural gas.

(6) ‘Territorial waters of South Carolina’ means waters located within the State of South Carolina and waters extending out to three nautical miles from the mean low‑water mark of South Carolina’s naturally occurring coastline.

(7) ‘Waters of the Atlantic Ocean’ means Atlantic coast waters from the northeast boundary of Maine through the southern boundary of Florida extending to the eastern limits of the United States Exclusive Economic Zone.

(B) A city, county, municipality, or other local government or political subdivision is prohibited from approving a plan, permit, or license application for:

(1) the construction or use of infrastructure for which the principal purpose is to facilitate the transportation of crude oil or natural gas into the territorial waters of South Carolina, or onto the lands of South Carolina, from offshore crude oil and natural gas production platforms or related infrastructure in the waters of the Atlantic Ocean;

(2) activities for which the principal purpose is the exploration, development, or production of crude oil or natural gas from within the territorial waters of South Carolina; or

(3) activities for which the principal purpose is the exploration, development, or production of crude oil or natural gas in the waters of the Atlantic Ocean.”

SECTION 5. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, then such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 6. This act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

PAUL G. CAMPBELL, JR. for Committee.

**A** **BILL**

TO AMEND ARTICLE 2, CHAPTER 43, TITLE 48 OF THE 1976 CODE, RELATING TO OIL AND GAS EXPLORATION AND PRODUCTION, BY ADDING SECTION 48‑43‑300, TO PROVIDE THAT THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL IS PROHIBITED FROM APPROVING A PLAN, LICENSE, OR PERMIT APPLICATION FOR INFRASTRUCTURE USED TO FACILITATE THE TRANSPORTATION OF CRUDE OIL OR NATURAL GAS FROM THE ATLANTIC OCEAN INTO THIS STATE, OR FOR THE EXPLORATION, DEVELOPMENT, OR PRODUCTION OF OFFSHORE CRUDE OIL OR NATURAL GAS; TO AMEND SECTION 48‑43‑310 OF THE 1976 CODE, RELATING TO THE REQUIREMENT FOR AN EXPLORATION PERMIT AND THE DISPOSITION OF FUNDS COLLECTED, TO MAKE CONFORMING CHANGES; TO AMEND SECTION 48‑43‑390(H) OF THE 1976 CODE, RELATING TO PERMITS TO CONSTRUCT DEEP WATER PORT FACILITIES, TO MAKE CONFORMING CHANGES; TO AMEND ARTICLE 1, CHAPTER 1, TITLE 6 OF THE 1976 CODE, RELATING TO PROVISIONS APPLICABLE TO SPECIAL PURPOSE DISTRICTS AND OTHER POLITICAL SUBDIVISIONS, BY ADDING SECTION 6‑1‑190, TO PROHIBIT THE APPROVAL OF A PLAN, LICENSE, OR PERMIT APPLICATION BY A CITY, COUNTY, MUNICIPALITY, OR OTHER LOCAL GOVERNMENT OR POLITICAL SUBDIVISION FOR INFRASTRUCTURE USED TO FACILITATE THE TRANSPORTATION OF CRUDE OIL OR NATURAL GAS FROM THE ATLANTIC OCEAN INTO THIS STATE, OR FOR THE EXPLORATION, DEVELOPMENT, OR PRODUCTION OF OFFSHORE CRUDE OIL OR NATURAL GAS; AND TO DEFINE NECESSARY TERMS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 2, Chapter 43, Title 48 of the 1976 Code is amended by adding:

“Section 48‑43‑300. (A) For the purposes of this section:

(1) ‘Crude oil’ means any naturally occurring, unrefined petroleum liquid.

(2) ‘Development’ means the design, planning, permitting, licensing, or construction of infrastructure for which the principal purpose is to prepare for the production of crude oil or natural gas.

(3) ‘Exploration’ means any activity for which the principal purpose is to define, characterize, test for, or evaluate crude oil or natural gas resources for possible commercial development or production.

(4) ‘Natural gas’ means a naturally occurring mixture of hydrocarbon and nonhydrocarbon gases found in geologic formations beneath the earth’s surface.

(5) ‘Production’ means any activity for which the principal purpose is to engage in, monitor, or conduct operations or maintenance related to the active extraction of crude oil or natural gas.

(6) ‘Territorial waters of South Carolina’ means waters located within the State of South Carolina and waters of the Atlantic Ocean extending out to three nautical miles from the mean low‑water mark of South Carolina’s naturally occurring coastline.

(B) Notwithstanding any other provision of law, the department is prohibited from approving a plan, permit, or license application for:

(1) the construction or use of infrastructure for which the principal purpose is to facilitate the transportation of crude oil or natural gas into the territorial waters of South Carolina, or onto the lands of South Carolina, from offshore crude oil and natural gas production platforms or related infrastructure in the Atlantic Ocean;

(2) activities for which the principle purpose is the exploration, development, or production of crude oil or natural gas from within the territorial waters of South Carolina; or

(3) activities for which the principle purpose is the exploration, development, or production of crude oil or natural gas in the Atlantic Ocean.”

SECTION 2. Section 48‑43‑310 of the 1976 Code is amended to read:

“Section 48‑43‑310. (A) Subject to the provisions contained in Section 48‑43‑300, the ~~The~~ department shall require that all persons who explore for oil or gas within the jurisdiction of the State of South Carolina obtain an exploration permit from the department. The department may include in the permits such conditions and restrictions as the department deems to be desirable or necessary and may charge a reasonable fee for the issuance of the permit.

(B) All monies collected by the department pursuant to this section shall be forwarded to the State Treasurer who shall place such monies in an account for the department and such monies shall be used by the department in carrying out its duties imposed by this chapter.”

SECTION 3. Section 48‑43‑390(H) of the 1976 Code is amended to read:

“(H)(a) Subject to the provisions contained in Section 48‑43‑300, any ~~Any~~ person as defined herein who intends to construct a deep water port facility within the territorial jurisdiction of the State of South Carolina for the purpose of loading or unloading oil, gas, or other products as defined by this chapter shall apply for and obtain a permit to construct such facility from the department prior to the commencement of construction.”

SECTION 4. Article 1, Chapter 1, Title 6 of the 1976 Code is amended by adding:

“Section 6‑1‑190. (A) For the purposes of this section:

(1) ‘Crude oil’ means any naturally occurring, unrefined petroleum liquid.

(2) ‘Development’ means the design, planning, permitting, licensing, or construction of infrastructure for which the principal purpose is to prepare for the production of crude oil or natural gas.

(3) ‘Exploration’ means any activity for which the principal purpose is to define, characterize, test for, or evaluate crude oil or natural gas resources for possible commercial development or production.

(4) ‘Natural gas’ means a naturally occurring mixture of hydrocarbon and nonhydrocarbon gases found in geologic formations beneath the earth’s surface.

(5) ‘Production’ means any activity for which the principal purpose is to engage in, monitor, or conduct operations or maintenance related to the active extraction of crude oil or natural gas.

(6) ‘Territorial waters of South Carolina’ means waters located within the State of South Carolina and waters of the Atlantic Ocean extending out to three nautical miles from the mean low‑water mark of South Carolina’s naturally occurring coastline.

(B) A city, county, municipality, or other local government or political subdivision is prohibited from approving a plan, permit, or license application for:

(1) the construction or use of infrastructure for which the principal purpose is to facilitate the transportation of crude oil or natural gas into the territorial waters of South Carolina, or onto the lands of South Carolina, from offshore crude oil and natural gas production platforms or related infrastructure in the Atlantic Ocean;

(2) activities for which the principle purpose is the exploration, development, or production of crude oil or natural gas from within the territorial waters of South Carolina; or

(3) activities for which the principle purpose is the exploration, development, or production of crude oil or natural gas in the Atlantic Ocean.”

SECTION 5. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, then such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 6. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑