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# California State Assembly

## NATURAL RESOURCES



**ISAAC G BRYAN**  
CHAIR

### AGENDA

Monday, April 20, 2026  
2:30 p.m. -- State Capitol, Room 437

**Chief Consultant**  
Lawrence Lingbloom

**Principal Consultant**  
Elizabeth MacMillan

**Senior Consultant**  
Paige Brokaw

**Committee Secretary**  
Martha Gutierrez

## BILLS HEARD IN SIGN-IN ORDER

**\*\* = Bills Proposed for Consent**

- |     |                  |                    |   |
|-----|------------------|--------------------|---|
| 1.  | AB 1577          | Bauer-Kahan        | Data centers: reporting.  |
| 2.  | AB 1666          | Rogers             | Forest management: biomass innovation parks.  |
| 3.  | AB 1808          | Carrillo           | Western Joshua Tree Conservation Act: industrial projects and commercial projects: single-family residences: public works projects. |
| 4.  | AB 2026          | Aguiar-Curry       | Water diversion: groundwater recharge: permit.  |
| 5.  | AB 2059          | Wilson             | California Environmental Quality Act: transportation impacts: vehicle miles traveled: mitigation.                                   |
| 6.  | AB 2074          | Haney              | Regional transit hub districts: downtown housing developments.  |
| 7.  | <b>**AB 2112</b> | <b>Bains</b>       | Greenhouse gases: soil carbon sequestration.  |
| 8.  | AB 2118          | Hoover             | Affordable Housing and High Road Jobs Act of 2022: use by right: objective standards.   |
| 9.  | AB 2170          | Boerner            | California Environmental Quality Act: overburdened communities: documents and information: translations.                            |
| 10. | AB 2182          | Irwin              | Electrical corporations: Industrial Decarbonization and Energy Efficiency Program.  |
| 11. | AB 2231          | Ahrens             | California Environmental Quality Act: hospital projects.  |
| 12. | AB 2245          | Michelle Rodriguez | Lubricants waste: packaging: producer responsibility.   |
| 13. | AB 2373          | Dixon              | The California Coastal Act: local coastal program: sea level rise plan: neighborhood-scale adaptation approach.                     |
| 14. | AB 2390          | Schiavo            | Streamlined housing approvals: objective standards: review and modifications.   |
| 15. | AB 2410          | Ellis              | Wildfire safety: fuels reduction projects: California Environmental Quality Act: California Coastal Act.                            |
| 16. | AB 2433          | Alvarez            | Housing development: density bonus.   |
| 17. | AB 2461          | Hart               | Oil and gas: bonding requirements.  |
| 18. | AB 2549          | Zbur               | Electronic Waste Recycling Act of 2003: manufacturer notices.   |
| 19. | AB 2606          | Ellis              | Oil and gas: subsurface energy transition research and demonstration projects: California State University, Bakersfield.            |

- |     |                  |                          |   |
|-----|------------------|--------------------------|---|
| 20. | AB 2635          | Celeste Rodriguez        | Air pollution: small off-road engines: voucher programs: local regulation.  |
| 21. | AB 2647          | Calderon                 | Energy: nuclear facilities: advanced nuclear reactors.  |
| 22. | AB 2711          | Ellis                    | Oil and gas: notice of intention.   |
| 23. | AB 2716          | Ávila Farías             | Oil and gas: bonding requirements.  |
| 24. | AB 2734          | Hart                     | Vehicles: special interest license plates.  |
| 25. | AB 2752          | Ávila Farías             | Bay Area Air Quality Management District and South Coast Air Quality Management District: policies: oil refineries. |
| 26. | <b>**AB 2791</b> | <b>Natural Resources</b> | Public resources.   |

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 1577 (Bauer-Kahan) – As Amended April 13, 2026

**SUBJECT:** Data centers: reporting

**SUMMARY:** Requires the owners of data centers to report monthly energy usage and efficiency information to the California Energy Commission (CEC). Requires CEC to integrate this data into the Integrated Energy Policy Report (IEPR) and annually publish the data in an anonymized and aggregated format on its website. Additionally, requires the owners of data centers to submit specified information to local agencies when requesting authorization to construct or operate a data center.

**EXISTING LAW:**

- 1) Requires CEC to develop energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety. (Public Resources Code (PRC) 25301)
- 2) Requires CEC to generate the IEPR every two years, which includes, among other things, an assessment of resources and a forecast of reliability and energy usage. (PRC 25302)
- 3) Authorizes CEC to hold public hearings and stakeholder processes to best assess the necessary reporting and efficiency standards for buildings. (PRC 25402)
- 4) Requires each petroleum refiner and major marketer to submit monthly information to CEC, including, but not limited to, volume, price, and type of petroleum product, including the sources of those receipts, inventories of products, and exports of finished products from the state. (PRC 25354)

**THIS BILL:**

- 1) Defines terms used in the bill, including:
  - a) “Cooling degree day” as the number of degrees by which the average outdoor air temperature for a given day exceeds 65 degrees Fahrenheit, as specified.
  - b) “Data center” as a facility, or part of a facility, that houses computing infrastructure, including graphics and central processing units, servers, storage devices, networking equipment, and associated power and cooling systems, for the primary purpose of processing, storing, or distributing electronic data. Specifies that “data center” does not include a facility with an installed information technology equipment electrical capacity of less than 500 kilowatts.
  - c) “Power usage effectiveness” as a ratio of the total energy consumption of a data center to the energy specifically used by the information technology equipment housed in that data center.

- 2) Requires CEC to establish a process for the owner of a data center to submit all of the following information to CEC upon energization of the data center and following any substantive change to information previously submitted pursuant to the bill:
  - a) The name of the data center;
  - b) Any physical addresses associated with the operation of the data center;
  - c) The name of, and contact information for, the owner and operator of the data center;
  - d) The year and month that the data center began operating;
  - e) The total square footage of the data center;
  - f) The total square feet of the data center occupied by information technology equipment;
  - g) The anticipated electrical peak capacity of the data center, as submitted per the load interconnection request; and,
  - h) The anticipated quantity of electricity generated and consumed onsite, separated by generation type.
- 3) Requires, following energization, CEC to establish a process for the owner of a data center to submit all of the following information to CEC on a monthly basis:
  - a) The maximum electrical load of the data center;
  - b) The installed information technology electrical capacity of the data center;
  - c) The total energy consumption of the data center;
  - d) The power usage effectiveness of the data center;
  - e) Whether the data center participated in any demand flexibility programs, and the name and level of participation in each program;
  - f) The quantity of waste heat reused by the data center;
  - g) The average waste heat temperature of the data center;
  - h) The average intake air temperature setpoint for information technology equipment;
  - i) Which types of refrigerants are used to cool information technology equipment;
  - j) Cumulative cooling degree days for the data center;
  - k) The quantity of electricity generated and consumed onsite;
  - l) The quantity of fuel consumed by onsite generators or other fuel-based systems, separated by fuel type;
  - m) The energy storage type, capacity, and chemistry, if any, used onsite; and,
  - n) The quantity of electricity associated with renewable energy credits, as specified.
- 4) Requires the owner of a data center to submit the required information to CEC in a manner specified by CEC. Directs CEC to aim to establish reporting requirements that reduce duplicate filings and facilitate the submission of substantially similar information.
- 5) Requires CEC, beginning with the 2029 edition of the IEPR, to include an assessment of electrical load trends for data centers, including:
  - a) A projection of future load trends from data centers;
  - b) Identification of potential net peak load demands; and,
  - c) Recommendations for mitigating data center electricity consumption impacts on grid capacity, grid reliability, and greenhouse gas emissions, including any recommended energy efficiency and demand response measures.

- 6) Requires CEC to annually publish the information submitted in an anonymized and aggregated format on its website.
- 7) Requires the owner or developer of a data center, upon applying for a discretionary permit, entitlement, or land use authorization, to submit to the applicable local agency an estimate of the following:
  - a) The expected annual energy consumption of the data center;
  - b) The expected annual total water consumption of the data center;
  - c) The expected annual potable water consumption of the data center;
  - d) The expected annual quantity of electricity generated onsite, separated by generation type; and,
  - e) The expected average and maximum sound levels attributable to the operation of the data center, as specified.
- 8) Requires that the information submitted to the local agency be based on the best available estimates at the time of submission.
- 9) Authorizes a local agency to use the information submitted by the data center for various purposes, including, but not limited to, land use planning, infrastructure planning, energy and water supply assessment, and environmental review.
- 10) Prohibits CEC or a local agency from disclosing information submitted in a manner that would result in the disclosure of identifiable information or energy consumption data for a specific data center customer, as specified.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Data centers.** Data centers are facilities that house information technology (IT) infrastructure, including high-performance computers, servers, data storage systems, and networking equipment. They are crucial for maintaining internet-based communications and providing services such as cloud-based computing, training and inference of artificial intelligence algorithms, and more.

Continued growth in AI-computing is driving data center development and construction. Generating more sophisticated AI models requires increases in the size of the datasets and demand for computational resources. For example, GPT- 4 – the large language model embedded in ChatGPT 4 – is reported to have been trained on roughly 10 trillion words of text. Adjusting the model’s 1.8 trillion parameters continuously as it was exposed to this vast corpus required trillions upon trillions of computations, which were performed by running approximately 25,000 expensive, energy-consuming microchips for nearly 100 days nonstop, at an estimated cost of \$63 million. It is estimated that this training consumed 50 gigawatt-hours (GWhs) of energy, enough to power San Francisco continuously for three days.

The explosive growth in AI is creating new demands for data center development and construction. California is home to more than 270 data centers, concentrated largely around Santa Clara, close to the headquarters of Alphabet, Apple, and Meta. Data centers are

already the single largest load for the municipal utility, Silicon Valley Power. Pacific Gas and Electric (PG&E), which provides distribution service in Santa Clara County, is expected to add 3.5 GW of new load attributed to data centers in the next four years, equivalent to adding approximately 2-3 million new homes on to the grid. As of 2023, 4.4% of all energy used in the United States is consumed by data centers. A study from Lawrence Berkeley National Laboratory predicted that by 2028, data centers would use between 6.7% and 12% of the country's electricity.

The speed at which the data center growth has led to unpredictability in the energy market. This growth is occurring alongside other changes to electricity demand, such as enhanced electrification in the building and transportation sectors and climate change induced extreme events. There is little transparency into data center energy usage, which makes it challenging to predict energy demands. There are ongoing efforts to mandate transparency across the United States and Europe.

In addition to high energy demands, data centers can have substantial and sometimes irregular demand for water. Computer chips produce heat as waste energy from the electricity flowing through them. While this heat is minimal in the context of a personal computer, data centers with thousands of servers produce immense amounts of heat that need to be removed from the facility to maintain safety, performance, and the equipment. To manage this heat, data centers use a variety of cooling technologies, including:

- Air-based cooling, in which chilled air is circulated through server racks using computer room air conditioners or air handlers to remove heat from equipment;
- Chilled water systems, in which mechanical chillers produce chilled water that absorbs heat from servers through heat exchangers before the heat is rejected outdoors;
- Evaporative cooling systems, which use cooling towers or evaporative coolers use the evaporation of water to remove heat, which can significantly reduce electricity use but increases water consumption;
- Liquid cooling, in which coolant is delivered directly to server components or through cold plates and immersion systems, allowing heat to be removed more efficiently than with air cooling; and
- Economization technologies, in which air-side or water-side economizers take advantage of cool outdoor air or water temperatures to reduce the need for mechanical cooling when environmental conditions allow.

Many data centers combine technologies either sequentially or depending on weather conditions and server load. The blend of possible technologies introduces tradeoffs between electricity and water use. Switching between technologies can result in irregular water use patterns. Research shows that the “peaking factor” (the factor of the peak use over average use) for data centers can be double or more than the peaking factor for other large water users. Shifting between cooling technologies can result in large surges in demand that need to be accommodated by water distribution infrastructure, even if the average demand is far lower.

Without reliable information about expected energy and water usage, it is challenging to make accurate infrastructure decisions. This bill is intended to ensure that state and local agencies have access to accurate information about projected energy and water needs for data centers.

2) **Author's statement:**

The rapid growth of the artificial intelligence (AI) industry is driving the construction of large, energy-intensive data centers across California. Increased energy demand, combined with grid infrastructure development needed to serve these facilities, risks increasing energy costs for Californians. At present, California lacks accurate statewide information on how many data centers exist, where they are located, how much energy they consume, how efficiently they operate, and how they affect California's power grid. This limits the ability of state and local agencies to plan infrastructure, evaluate efficiency opportunities, and protect ratepayers. AB 1577 closes this information gap by requiring data centers to report specified energy usage and efficiency information to the California Energy Commission on a monthly basis, and requiring proposed data centers to provide estimated information to local agencies prior to beginning construction.

3) **Double referral.** This bill passed the Assembly Utilities and Energy Committee 13-5 on April 8, 2026.

4) **Related legislation.**

AB 222 (Bauer-Kahan, 2025) would have required the California Public Utilities Commission (CPUC) to establish a process for the owner of a data center, as defined, to submit the power usage effectiveness ratio for the data center to the CPUC, as provided. The bill would have also required the CPUC to assess the extent to which electrical corporation costs associated with new loads from data centers result in cost shifts to other electrical corporation customers, as specified. This bill was held in the Senate Appropriations Committee.

AB 93 (Papan, 2025) would have required a data center operator to provide its estimated or actual water use to its water supplier as a condition of obtaining or renewing a business license issued by a city or county. This bill was vetoed by the Governor.

SB 57 (Padilla), Chapter 647, Statutes of 2025, authorizes the California Public Utilities Commission (CPUC) to conduct a specified assessment of electrical corporations' potential costs and rate impacts associated with serving new electrical loads from data centers.

AB 2619 (Papan) requires the owner of a data center to submit expected water use, anticipated source of water, and the data center's projected water use volume when applying to a city for license or permitting. This bill has been referred to the Assembly Local Government Committee.

AB 2469 (Papan) requires commercial, industrial, institutional, and large landscape water users, including data centers, to submit water use assessments and water scarcity plan to the Department of Water Resources. This bill has been referred to the Assembly Local Government Committee.

SB 886 (Padilla) requires the California Public Utilities Commission (CPUC) to establish an electrical corporation tariff that addresses costs associated with transmission, distribution, and generation services for data center customers that interconnect at the transmission level and have peak electricity demands of at least 25 MW. This bill has been referred to the Senate Appropriations Committee.

SB 887 (Padilla) specifies that development and operation of a data center is not eligible for a California Environmental Quality Act (CEQA) categorical exemption unless the data center meets specified criteria, such as using onsite zero-carbon energy storage. If the data center meets the specified criteria, it would be eligible for the “environmental leadership development” program, which would provide CEQA judicial streamlining, among other changes. This bill has been referred to the Senate Energy, Utilities, and Communications Committee.

SB 978 (Pérez) requires the CPUC to create a special rate structure for data centers with an estimated capacity of at least 75 MW. This bill also expands existing CPUC reporting requirements about large loads to include a specified assessment about increased load impacts on renewable procurement goals. This bill has been referred to the Senate Appropriations Committee.

SB 1168 (McNerney) sets a surcharge for natural gas and electricity consumed or purchased for a data center in California. These charges would be used to establish the Data Center Excess Energy Usage Surcharge Fund to provide rate assistance programs for low-income customers. This bill has been referred to the Senate Revenue and Taxation Committee.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Brightline Action (if amended)  
California Environmental Voters (if amended)  
California Initiative for Technology & Democracy, a Project of California Common CAUSE  
Center for Biological Diversity (if amended)  
Climate Reality Project, California Coalition  
Leadership Counsel for Justice & Accountability (if amended)  
League of California Cities  
Sierra Club, California  
Sustainable Rossmoor  
USGBC California

### **Opposition**

Bay Area Council  
Building Owners and Managers Association of California

Calasian Chamber of Commerce  
Calbroadband  
California African American Chamber of Commerce  
California Business Properties Association  
California Chamber of Commerce  
California Hispanic Chambers of Commerce (CHCC)  
California Manufacturers & Technology Association (CMTA)  
CTIA  
Data Center Coalition  
Naiop California  
Silicon Valley Leadership Group  
United States Telecom Association  
Techca  
Technet

**Analysis Prepared by:** Elizabeth MacMillan / NAT. RES. /



Date of Hearing: April 20, 2026

**ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

Isaac G. Bryan, Chair

AB 1666 (Rogers) – As Amended March 19, 2026

**SUBJECT:** Forest management: biomass innovation parks

**SUMMARY:** Establishes the Biomass Innovation Parks Act to be administered by the California Natural Resources Agency (NRA) to identify biomass innovation parks to process wood waste, as defined, that originates in California to convert wood waste into carbon-beneficial products or end uses.

**EXISTING LAW:**

- 1) Requires the Secretary of the Natural Resources Agency (NRA) to establish a working group on expanding wood product markets that can utilize woody biomass, especially biomass removed from high fire hazard zones, as determined by the Department of Forestry and Fire Protection (CAL FIRE). (Public Resources Code (PRC) 717)
- 2) Requires the Air Resources Board (ARB) to establish a Carbon Capture, Removal, Utilization, and Storage Program to, among other things, evaluate the efficacy, safety, and viability of carbon capture and storage and carbon dioxide removal (CDR) technologies and facilitate the capture and sequestration of carbon dioxide from these technologies, where appropriate. (Health and Safety Code (HSC) 39741.1)
- 3) Authorizes ARB to establish an embodied carbon trading system in compliance with specified requirements. (HSC 38561.6)
- 4) Authorizes, pursuant to the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Proposition 4), \$50 million to be available, upon appropriation by the Legislature, to the Department of Conservation or State Energy Resources Conservation and Development Commission for projects in California that provide long-term capital infrastructure to use forest and other vegetative waste removed for wildfire mitigation for noncombustible uses that maximize reductions in greenhouse gas emissions, provide local air quality benefits, and increase local community resilience against climate change impacts. (PRC 91530)

**THIS BILL:**

- 1) Defines the following terms:
  - a) “Agricultural biomass residues” as crop, orchard, vineyard, or other agricultural residues, and excludes dairy manure and crops grown for the primary purpose of producing energy;
  - b) “Eligible applicant” includes, but is not limited to, state or local agencies, California Indian tribes, nongovernmental organizations, joint powers authorities, or special districts;

- c) “Forest biomass residues” means material removed for wildfire mitigation, forest restoration projects, or the protection of public safety and infrastructure, and excludes trees grown for the primary purpose of producing energy; and,
  - d) “Wood waste” as forest biomass residues or agricultural biomass residues.
- 2) Requires NRA, in coordination with California Department of Food and Agriculture (CDFA), to identify one or more biomass innovation parks pursuant to developed guidelines.
- 3) Requires NRA to develop guidelines and facilitate a planning process for purposes of identifying parks and guidelines for purposes of soliciting proposals from eligible applicants to develop, operate, and manage a park. Requires the guidelines to include all of the following requirements:
- a) Each park shall only process wood waste that originated in California;
  - b) Each park shall only host projects that use a noncombustion technology to convert wood waste into carbon-beneficial products or end uses, including, but not limited to, engineered wood products, biomethane, clean hydrogen, and CDR.
  - c) Each park shall require its facilities to use the best available control technologies in order to minimize air pollution; and,
  - d) Each park shall establish a community benefits program.
- 4) Authorizes NRA to establish additional requirements that are related to the planning and solicitation process at its discretion.
- 5) Authorizes NRA to perform additional activities to facilitate park identification and early-stage development, including, but not limited to, coordinating stakeholders, engaging communities, providing technical assistance, and reporting to the Legislature.
- 6) Requires NRA, in coordination with the Office of Land Use and Climate Innovation, to do all of the following:
- a) Develop regional wood waste availability assessments;
  - b) Develop new, or support existing, public agencies to facilitate long-term forest biomass residues feedstock supply from federal government and nonindustrial private lands; and,
  - c) Adopt a tracking system to trace and authenticate forest biomass origins.
- 7) Requires ARB to do both of the following:
- a) Publish on its internet website an assessment of life-cycle emissions from alternative uses of California-sourced wood waste; and,
  - b) Ensure that engineered wood products, including, but not limited to, mass timber, are included in the embodied carbon trading system.

- 8) Requires the Strategic Growth Council and the Department of Housing and Community Development to consider incorporating the use of engineered wood products in housing grant programs.
- 9) Requires the California Building Standards Commission to identify and adopt new measures that incentivize engineered wood products.
- 10) Establishes the Biomass Innovation Park Grants and Financing Program to be administered by NRA.
- 11) Requires NRA to deliver a report to the Legislature on or before December 31, 2027, containing information pertaining to the biomass innovation park. Sunsets this requirement on December 31, 2031.
- 12) Appropriates an unspecified amount of funds from the \$50 million authorized in Proposition 4 for the Biomass Innovation Park Grants and Financing Program.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

1) **Author's statement:**

California has come a long way in the response and management of large scale wildfires. We have developed a robust and well funded response system. Local communities have stepped up to increase safety by doing more vegetation management and prescribed burns, while also conducting community preparedness exercises. But one area that hasn't received as much attention is the management of the woody waste that often serves as fuel for wildfires. This bill addresses a growing need to manage this wood waste biomass in a sustainable and economically beneficial manner. It centers California in the developing industries of utilizing wood waste for engineered wood products, green hydrogen production, and encourages consolidation of currently disparate efforts. We know there is too much biomass in our natural landscapes and this bill starts us on a path to finally do something about it.

- 2) **Biomass.** California covers about 100 million acres and approximately 40% of the state is forest. State, federal, and private forest operations such as logging, thinning, fuels reduction programs, and ecosystem restoration create a huge amount of woody biomass. Some of this is brought out of the forest for use, but as much as half of the biomass is left in the forest. When residues from mastication and slash from timber harvests are left scattered throughout the forest, they act as additional dry surface fuel and serve to increase intensity and severity if a wildfire burns through the area. Often woody biomass materials are piled and burned creating air pollution, such as black carbon, or left to decay, creating methane, which has a global warming potential 28 times more powerful than carbon dioxide.

California's forestry waste has increased as drought and tree die-off have provided large amounts of fuel for forest fires. According to the California Energy Commission (CEC), there are approximately 47 million bone dry tones (BDT) of biomass resource potential in

California. According to the Board of Forestry, state requirements to remove forest fuels on a combined one million acres per year will lead to 10 to 15 million BDT of forest waste biomass annually.

Implementing innovative and recommended strategies for forest fuel load reduction and creating end-use markets for biomass can encourage and ideally accelerate healthy forest management to prevent wildfire spread while ideally reducing greenhouse gas (GHG) emissions.

- 3) **Biomass markets.** Biomass piles reflect the severely underdeveloped forest biomass supply chain in California. One key obstacle to effectively using them is the cost of loading and transportation, since forested areas tend to be rural, mountainous, and remote. The main use of biomass today is as a fuel for California's existing biomass power plants. Currently, there are about 30 direct-combustion biomass facilities in operation with a capacity of 640 megawatts. These biomass plants use about five million BDT of biomass per year – or about 10% of the total BDT biomass resource potential.

SB 859 (Committee on Budget), Chapter 368, Statutes of 2016, directed NRA to establish a working group on expanding wood product markets. The working group focused on the development of markets for biomass, such as biochar, cross-laminated timber, mulch, and veneer, particularly from high-hazard zones. The working group's October 2017 report, *Recommendations to Expand Wood Products in California*<sup>1</sup>, noted that increased forest management and associated wood and biomass processing infrastructure is needed in every forest-dependent region of the state. Expanding markets for higher-value wood products and promoting localized manufacturing would help serve parts of the Sierra hardest hit by tree mortality and other forested regions where limited wood processing infrastructure exist.

According to the CEC's September 2020 report *Utility-Scale Renewable Energy Generation Technology Roadmap*, forest fire prevention through bioenergy systems is limited by cost. While wood residue and thinning collection is one of the most noticeable and currently relevant aspects of bioenergy conversion, the cost of collecting and delivering distributed wood resources remains prohibitively expensive. Air quality presents another challenge. Biomass conversion systems produce air emissions due to the combustion of biomass or through production of syngas or biogas followed by their combustion, and California's air quality standards can be prohibitive to the location and permitting of these facilities.

In its 2022 Scoping Plan Resolution 22-21, ARB stated that "expansion of biomass combustion for energy production should not be pursued and opportunities for non-combustion biomass solutions should be prioritized".<sup>1</sup> ARB modeled a series of advanced end-uses for woody biomass, consistent with International Panel on Climate Change science,<sup>2</sup> that play a key role in the state achieving its greenhouse gas and air pollution mitigation goals, including biomass-wood products to be used in building materials and biomass-fuels, such as hydrogen,

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<sup>1</sup> CARB, 2022 Scoping Plan – Resolution 22-21: <https://ww2.arb.ca.gov/sites/default/files/barcu/board/res/2022/res22-21.pdf>.

<sup>2</sup> IPCC, Working Group III, Mitigation of Climate Change: <https://www.ipcc.ch/working-group/wg3/>.

- 4) **Biomass Business Parks.** AB 1666 directs NRA to identify at least one biomass innovation park that processes wood waste that originated in California. Any biomass innovation park identified by the state would be required to use best available control technologies and limited to hosting projects that use a noncombustion technology to convert wood waste into carbon-beneficial products or end uses, including, but not limited to, engineered wood products, biomethane, clean hydrogen, and carbon dioxide removal.
- 5) **Understanding biomass.** The bill further establishes a number of targeted policies to incubate and scale a sustainable, non-combustion, wood waste bioeconomy in California, including:
- Directing NRA, among others, to address barriers to long-term forest biomass feedstock supply from federal and non-industrial private lands.
  - Directing ARB to develop a lifecycle assessment of alternative uses of California-sourced wood waste as well as incorporate wood products into the new Embodied Carbon program.
  - Directing the Strategic Growth Council and other agencies to incorporate the use of wood products in state grant programs.
  - Directing the Building Standards Commission to identify and adopt new measures that incentivize wood products.
- 6) **Proposition 4.** Proposition 4 authorizes \$50 million to be available to the Department of Conservation or State Energy Resources Conservation and Development Commission for projects in California that provide long-term capital infrastructure to use forest and other vegetative waste removed for wildfire mitigation for noncombustible uses that maximize reductions in greenhouse gas emissions, provide local air quality benefits, and increase local community resilience against climate change impacts.

AB 1666 creates the Biomass Innovation Park Grants and Financing Program at NRA and appropriates an unspecified amount of funds from the \$50 million authorized in Proposition 4 for the Biomass Innovation Park Grants and Financing Program. Notably, Proposition 4 authorized the funding for the Department of Conservation and CEC.

Appropriations for state funds are adopted through the annual State Budget Act. The Legislative Budget Committees are currently considering Proposition 4 allocations for the fiscal year 2026-27 Budget. The author may wish to work with the Assembly Appropriations and Budget Committees on proposed priorities for Proposition 4 funding for biomass purposes, and ensure any appropriation is consistent with the voter's intent for Proposition 4 funding.

7) **Related legislation:**

AB 998 (Conolly, 2023) requires the CEC to report on the utility-scale biomass combustion facilities still in operation as of January 1, 2024, and specifies information the report must contain. This bill was held in the Senate Appropriations Committee.

AB 625 (Aguiar Curry) establishes the Forest Waste Biomass Utilization Program to develop an implementation plan to meet the goals and recommendations of the state's wood utilization policies and priorities and focused market strategy of specified statewide forest management plans, and to develop a workforce training program to complement the workforce needs associated with the implementation plan. This bill was held in the Senate Appropriations Committee.

- 8) **Committee amendments.** The *committee may wish to consider* amending the bill to:
- a) Require NRA to coordinate with CAL FIRE on the selection of the biomass innovation parks and the development of the guidelines.
  - b) Require all biomass parks to comply with state and regional air quality laws and regulations.
  - c) Provide direction to NRA, in coordination with CAL FIRE, on how to facilitate planning for biomass parks.
  - d) Change the term “engineered wood products” to “innovative wood products.”
  - e) Prioritize wood products produced in California.
  - f) Ensure Proposition 4 allocation is consistent with the intent of the bond as approved by the voters.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

3point.xyz  
 Charm Industrial  
 Environmental Defense Fund  
 Life Cycle Associates  
 Mariposa County Resource Conservation District  
 Mote Hydrogen  
 Net-zero California  
 Northern Sonoma County Air Pollution Control District  
 Placer County Air Pollution Control District  
 RNG Coalition  
 Sierra Business Council  
 Sierra Institute for Community and Environment  
 Watershed Center  
 World Resources Institute

##### **Opposition**

350 Bay Area Action  
 Biofuelwatch  
 Center for Biological Diversity  
 Forests Forever

Little Manila Rising  
Mount Shasta Bioregional Ecology Center  
Santa Cruz Climate Action Network  
Sierra Club California  
Sonoma County Climate Activist Network (SOCOCAN!)  
Sunflower Alliance  
Valley Improvement Projects  
We Advocate Thorough Environmental Review

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

<sup>i</sup> [Recommendations to Expand Wood Products Markets in California](#)



Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 1808 (Carrillo) – As Amended April 16, 2026

**SUBJECT:** Western Joshua Tree Conservation Act: industrial projects and commercial projects: single-family residences: public works projects

**SUMMARY:** Authorizes the Department of Fish and Wildlife (CDFW) to enter into an agreement with any city to delegate to the city the taking of a western Joshua tree (WJT) associated with commercial and industrial projects and authorizes CDFW to permit, without payment of fees or other mitigation, the removal or trimming of a WJT by the owner of an existing single-family residence or by the proponent of a public works project, under certain circumstances.

**EXISTING LAW:**

- 1) Pursuant to the California Environmental Quality Act (CEQA) (Public Resources Code 21000 *et seq.*):
  - a) Requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect.
  - b) Requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.
  - c) Defines “project” as an activity that may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.
- 2) Pursuant to the Western Joshua Tree Conservation Act (Act) (Fish and Game Code 1927.3):
  - a) Authorizes CDFW to authorize, by permit, the taking of a WJT if all of the specified conditions are met.
  - b) Requires, by July 1, 2024, CDFW to adopt guidelines and relocation protocols, based on the best available science, to relocate WJTs successfully.
  - c) Provides that each WJT stem or trunk arising from the ground is considered an individual tree requiring mitigation, regardless of its proximity to any other WJT stem or trunk.
  - d) Provides that CEQA does not apply to CDFW’s use of fees deposited into the Western Joshua Tree Conservation Fund (Fund) for the purpose of addressing threats to the western Joshua tree, including, but not limited to, acquiring, conserving, and managing WJT conservation lands.

**THIS BILL:**

- 1) Authorizes, if all of the conditions of the Act are met, CDFW to enter into an agreement with any county to delegate to the county the ability to authorize the taking of a WJT associated with developing any one or more of the following projects concurrent with the county's approval of the project:
  - a) Single-family residences;
  - b) Multifamily residences;
  - c) Accessory structures; and,
  - d) Public works projects.
- 2) Authorizes CDFW to enter into an agreement with any city to delegate to the city the ability to authorize the taking of a WJT associated with developing any one or more of the projects listed in (a)-(d) above, plus commercial projects and industrial projects, concurrent with the city's approval of the project.
- 3) Provides that the delegation of authority to counties and cities is subject to all of the specified conditions under current law.
- 4) Authorizes CDFW to authorize, by permit, without payment of fees or other mitigation, both of the following:
  - a) The removal of no more than 10 WJTs or trimming by an owner of an existing single-family residence of a WJT that is either of the following:
    - i) Within 30 feet of the existing single-family residence or within 15 feet of an existing accessory structure; or,
    - ii) Within the construction footprint, or within 15 feet of the construction footprint, of a new accessory structure that is proposed to be constructed for the single-family residence.
  - b) The removal of up to 40 WJTs or trimming by a proponent of a public works project of a WJT that is within the construction footprint, or within 15 feet of the construction footprint, of the public works project to repair, rehabilitate, replace, or maintain an existing structure.
- 5) Requires a property owner or public works project proponent seeking a permit to submit a request to CDFW on a form to be provided by CDFW that requires the following information:
  - a) The name, telephone number, mailing address, and email address of the property owner or public works project proponent seeking the permit;
  - b) The street address of the single-family residence or public works project on which each WJT requested to be removed or trimmed is located. If a street address is not available,

- the property owner or public works project proponent shall include the assessor's parcel number;
- c) A statement as to whether each WJT requested to be removed or trimmed meets the described conditions;
  - d) The size class of each WJT requested to be removed or trimmed;
  - e) The distance of each WJT requested to be removed or trimmed from the single-family residence, existing accessory structure, or construction footprint of a new accessory structure that is proposed to be constructed or of the public works project; and,
  - f) Photographs of each WJT requested to be removed or trimmed that depict its location relative to the single-family residence, existing accessory structure, or construction footprint of a new accessory structure that is proposed to be constructed or of the public works project.
- 6) Requires, within 60 days of receipt of a request for a permit, CDFW to do either of the following:
- a) Notify the property owner or public works project proponent that the department will issue a permit for the removal or trimming of the WJT; or,
  - b) Deny the request if it does not demonstrate a permit can be issued pursuant to this section.
- 7) Exempts from CEQA a permit for the removal or trimming of a WJT by an owner of an existing single-family residence.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Western Joshua Tree.** The WJT (*Yucca brevifolia*) is an iconic species that live across a large portion of California's desert region. Once classified as a giant lily, modern DNA research has placed it in the Agave family and is in the same botanical group that includes grasses and orchids. Growth is slow—they grow about ½ inch to 3 inches per year. The tallest WJTs stretch taller than 40 feet, and while the average lifespan is thought to be around 150 years, some may be far older.

WJT populations within the state declined following European settlement of the Mojave Desert region, primarily due to habitat loss and degradation related to agricultural conversion and development. CDFW estimates that approximately 30% of the habitat occupied by WJT in California may have been modified between European settlement and the present. Species distribution models suggest that by the end of the 21st century, much of the species' range may no longer be viable habitat.

The WJT is currently a candidate for listing as threatened or endangered under the California Endangered Species Act (CESA). As a candidate, it is afforded all the protections of a listed species under CESA while awaiting a final listing decision by the California Fish and Game Commission.

- 2) **WJTs Conservation Act.** The Act, adopted pursuant to SB 122 (Committee on Budget) Chapter 51, Statutes of 2023, conserves WJTs and its habitat while providing pathways for development with appropriate permitting and mitigation, including payment of fees for take of WJTs. The Act prohibits the importation, export, take, possession, purchase, or sale of any WJT in California unless authorized by CDFW.

The Act authorizes CDFW to issue permits for the incidental take of one or more WJTs if the permittee meets certain conditions. Permittees may pay specified fees in lieu of conducting mitigation activities. The Act also authorizes CDFW to issue permits for the removal of dead WJTs and the trimming of live WJTs under certain circumstances. Further, CDFW may enter into an agreement with any county or city to delegate limited authority to permit the taking of WJT associated with developing single-family residences, multifamily residences, accessory structures and public works projects.

Over fiscal year 2023-24, CDFW developed two permitting programs and issued 258 permits pursuant to the Act<sup>1</sup>. CDFW authorized the lethal removal of 2,188 living WJT during that same time period. This number does not include dead removed WJT, relocated WJT, or encroached upon WJT that are not removed, which are considered toward total ‘take’ projects authorized under these permits and resulted in the development of 2,888.3 acres of WJT woodland.

- 3) **Issue.** The author states that commercial and industrial projects are unable to move forward because of years long wait times to get approval from CDFW. This halts expansion in the high desert and other regions with WJTs.

Last year, AB 1089 (Carillo) proposed authorizing CDFW under the Act to enter into an agreement with any city to delegate to the city the ability to authorize the taking of WJTs associated with developing commercial and industrial projects. The governor vetoed it, stating, “[the Act] of 2023 was carefully crafted to balance the need to develop housing and clean energy projects in the Mojave Desert region, while creating a robust but practical permitting process aimed at protecting one of California's most iconic species. The Act currently authorizes CDFW to enter into an agreement with any county or city and delegate limited authority to permit the taking of a WJT associated with developing single-family residences, multifamily residences, accessory structures, and public works projects.” The governor acknowledged the desire to expand delegated authority to include the taking of these trees where commercial and industrial projects are sited, but disagreed with the approach in the bill.

As a follow up, this bill provides that, if specified conditions are met, CDFW can enter into an agreement with any county to delegate the ability to authorize the taking of a WJT associated with developing single-family, multifamily, accessory project, or public works projects, and delegate to cities through an agreement for those same projects plus commercial and industrial projects. The conditions include a limit of taking 10 individual trees on a project site for a single-family residence, multifamily residence, or accessory structure, and a limit of 40 individual trees on the project site for a commercial or industrial project or public agency proposes to undertake a public works project.

- 4) **CEQA.** This bill exempts any CDFW permit for the removal or trimming of a WJT by an owner of an existing single-family residence from CEQA.

Removal of a WJT requires an incidental take permit because it is a CESA-listed species. CDFW's issuance of an incidental take permit is considered a discretionary action as defined in California Code of Regulations 15357; therefore, before CDFW can issue the permit, the applicant must have completed the necessary steps under CEQA.



According to the Assembly Water, Parks and Wildlife Committee analysis, CDFW acknowledges that new regulatory requirements and associated costs can be particularly burdensome on project proponents and property owners seeking individual incidental take permits for small-scale projects with limited impacts to WJTs. CDFW is currently drafting a Programmatic Environmental Impact Report (PEIR) that is intended to provide a streamlined mechanism of CEQA compliance for property owners or land managers engaging in actions that have potential to result in limited take of WJT<sup>ii</sup>, as authorized under the Act. The PEIR also includes coverage of actions by CDFW on its own properties. On November 18, 2025, CDFW noticed its preparation of the PEIR and expects to release the document by fall with certification by early 2027.

Dr. Suess's the Lorax said, "I am the Lorax who speaks for the trees, which you seem to be chopping as fast as you please!" The intent of the Act is to prove the Lorax wrong as it relates to the WJT, and the intent of this bill is to thread the needle between appropriately enabling development while protecting the survival of this special species.

5) **Author's statement:**

The WJT is an iconic symbol of the High Desert region, and I support the preservation of this species. Although the state has been moving in the right direction to protect this iconic species while meeting our state's goals, we need to address the burden on single family homeowners and public works, as well as the need to streamline permitting for projects vital to economic development. Single family homeowners who love the WJT struggle as they are expected to spend tens of thousands of dollars on fees to upgrade from a septic tank or build a shed. Local governments that represent historically disenfranchised areas are expected to spend millions of additional dollars on upgrading infrastructure, some of which haven't been upgraded since the 19th century. All the while these same governments are unable to permit vital economic development projects, as their constituency grows rapidly due to lack of space and affordability in the LA Metropolitan area. We must strike a balance between conservation and the needs of an increase in population.

- 6) **Double referral.** This bill was heard in the Assembly Water Parks and Wildlife Committee on April 14 and approved 12-0.

- 7) **Committee amendments.** The *Committee may wish to consider* amending the bill to provide that the CEQA exemption pursuant to this bill shall only remain in effect until CDFW has approved a PEIR that covers permits for existing single-family residences.
- 8) **Related legislation.** AB 1089 (Carillo, 2025) amends the Act to authorize CDFW to enter into an agreement with any city to delegate to the city the ability to authorize the taking of WJTs associated with developing commercial and industrial projects. This bill was vetoed.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Associated General Contractors, California Chapters  
California Association of Realtors  
California Building Industry Association  
Community Water Systems Alliance  
Palmdale Water District  
San Bernardino County

**Opposition**

California Desert Land Conservancy DbA Mojave Desert Land Trust  
California Native Plant Society  
Center for Biological Diversity  
Defenders of Wildlife  
Native American Land Conservancy  
Sierra Club

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

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<sup>i</sup> <https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=230989&inline>

<sup>i</sup> Photo of WJT adjacent to existing single-family residence: provided by Tamara Sheridan

<sup>ii</sup> [CEQA Notices | Western Joshua Tree Conservation Act \(WJTCA\) Permitting Program](#)

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2026 (Aguiar-Curry) – As Amended April 16, 2026

**SUBJECT:** Water diversion: groundwater recharge: permit

**SUMMARY:** Codifies five exemptions from the California Environmental Quality Act (CEQA), based on existing practice under executive orders, for specified actions to divert surface water for groundwater recharge that do not involve construction. Adds tribal consultation requirements for each of these exemptions consistent with existing CEQA requirements.

*Note this analysis focuses on the CEQA provisions of this bill. For a full analysis of this bill's amendments to existing authority and permitting processes for groundwater recharge projects, refer to the Water, Parks and Wildlife Committee analysis.*

**EXISTING LAW:**

- 1) Requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration (ND), mitigated negative declaration (MND), or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Requires a lead agency to determine whether a project is exempt from CEQA and whether an EIR, MND, or ND is required. (PRC 21080.1)
- 3) Requires the CEQA Guidelines to include a list of classes of projects that have been determined by the Secretary of the Natural Resources Agency to not have a significant effect on the environment and that shall be exempt from CEQA. (PRC 21084)
- 4) Defines “project” as an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, including an activity that involves the issuance of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies. (PRC 21065)
- 5) Defines “tribal cultural resources” as either sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe, a resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to specified criteria. Requires the lead agency to consider the significance of the resource to a California Native American tribe. (PRC 21074)
- 6) Requires, prior to the release of an EIR, MND, or ND for a project, the lead agency to begin consultation with a California Native American tribe that is traditionally and culturally affiliated with the geographic area of the proposed project if: (1) the California Native American tribe requested to the lead agency, in writing, to be informed by the lead agency through formal notification of proposed projects in the geographic area that is traditionally and culturally affiliated with the tribe, and (2) the California Native American tribe responds, in writing, within 30 days of receipt of the formal notification, and requests the consultation. (PRC 21080.3.1)

- 7) Requires, as a part of the consultation, the parties may propose mitigation measures, including, but not limited to, those recommended capable of avoiding or substantially lessening potential significant impacts to a tribal cultural resource or alternatives that would avoid significant impacts to a tribal cultural resource. If the California Native American tribe requests consultation regarding alternatives to the project, recommended mitigation measures, or significant effects, the consultation shall include those topics. (PRC 21080.3.2)

**THIS BILL:**

- 1) Codifies CEQA exemptions for:
  - a) The diversion of floodflow for groundwater recharge commenced before January 1, 2034.
  - b) State Water Resources Control Board issuance of a permit for specified water diversions through existing diversion infrastructure or temporary facilities.
  - c) Adoption of emergency regulations for temporary urgency permits and for temporary permits for diversion to underground storage.
- 2) For each of these exemptions, requires the lead agency to provide notice to and consult with California Native American tribes in accordance with existing provisions of CEQA, and confirms that a lead agency may impose conditions of approval on the project to avoid or mitigate potential impacts to tribal cultural resources.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Background.** To take advantage of the wet conditions in winter 2023 and capture high water flows for groundwater recharge, Governor Newsom issued Executive Order (EO) N-4-23 which, among other provisions, authorized diverters to temporarily take “floodflows” off streams and rivers for groundwater recharge without obtaining a water right, complying with CEQA, or obtaining a lake and streambed alteration agreement (LSAA). The authority in EO N-4-23 was modified and extended through EO N-7-23 and then codified into law with the passage of SB 122 (Committee on Budget and Fiscal Review), Chapter 51, Statutes of 2023. SB 122 makes various changes to the EOs, including adding a requirement that a local or regional agency must rely upon a local plan of flood control or a county general plan that considers flood risk in order for an unpermitted diversion of floodflows to occur within the agency’s territory. Further, the diverted water cannot be applied to certain types of land (e.g., where manure has been applied in the previous 45 days) and the diversion must meet the following criteria:
  - Use existing diversion infrastructure or temporary pumps;
  - Use existing groundwater recharge locations;
  - Not use new permanent infrastructure or permanent construction; and
  - Use protective screens on temporary pumps to protect fish and other aquatic life when water is diverted directly from a river or stream.

Governor Newsom issued EO N-16-25 in January 2025 that waived the requirement under SB 122 that flood thresholds that trigger conditions for diversion be defined in a local plan of flood control or general plan. This bill codifies this waiver.

2) **Author's statement:**

California's largest reservoirs are naturally-occurring groundwater aquifers, making recharge the most effective tool California has to secure its water future. As the climate changes, California's water storage strategy must also change to adapt to a more extreme water future. Groundwater recharge creates environmental and public benefits by preventing land subsidence, creating flood protection by safely diverting excess flows, and helping communities meet their Sustainable Groundwater Management Act (SGMA) goals affordably. AB 2026 modernizes California's groundwater recharge policy by improving permitting processes, making it easier to safely capture flood flows, and maintaining strong safeguards for water right holders. Although California has the infrastructure and ability to divert excess water, operators struggle to recharge beneficial amounts for reasons including cost, time of year, and regulatory hurdles. When California can take advantage of its natural capacity to store groundwater during intense wet intervals, communities and the environment benefit. Adapting our groundwater recharge strategy will help provide stability for California in a time of water extremes

3) **Double referral.** This bill was heard and approved by the Water, Parks and Wildlife Committee, with the amendments now in print, by a vote of 11-0 on April 14.

4) **Suggested amendment.** *The author and the committee may wish to consider the following clarifying amendments to the CEQA exemption for floodwater diversion:*

(h) The diversion of floodflow for groundwater recharge pursuant to this section shall be exempt from the requirements of Division 13 (commencing with Section 21000) of the Public Resources Code and Chapter 6 (commencing with Section 1600) of Division 2 of the Fish and Game Code, *provided the diversion does not otherwise require a discretionary permit and is carried out consistent with all requirements of this section, including no permanent construction.* Notwithstanding any other law, and regardless of whether a project ~~described in an action authorized by this subdivision~~ is exempt from environmental review under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) or any other law, a lead agency shall provide notice to and consult with California Native American tribes in accordance with Sections 21074, 21080.3.1, 21080.3.2, 21082.3, 21084.2, and 21084.3 of the Public Resources Code before approving or carrying out a project described in this subdivision, and a lead agency may impose conditions of approval on the project to avoid or mitigate potential impacts to tribal cultural resources.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Water Association  
Northern California Water Association  
Regional Water Authority  
Self-help Enterprises

**Opposition**

Defenders of Wildlife (unless amended)

Friends of the River

Golden State Salmon Association

San Francisco Baykeeper

San Joaquin Tributaries Authority (unless amended)

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2059 (Wilson) – As Amended March 19, 2026

**SUBJECT:** California Environmental Quality Act: transportation impacts: vehicle miles traveled: mitigation

**SUMMARY:** Caps the cost of California Environmental Quality Act (CEQA) mitigation measures for significant transportation impacts of a transportation project located within a county under 200,000 population at 5% of the estimated total project cost.

**EXISTING LAW:**

- 1) Requires lead agencies with the principal responsibility for carrying out or approving a proposed discretionary project to prepare a negative declaration (ND), mitigated negative declaration (MND), or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Requires the Office of Land Use and Climate Innovation (LCI) to prepare and develop proposed guidelines for the implementation of CEQA by public agencies. Requires the guidelines to include objectives and criteria for the orderly evaluation of projects and the preparation of EIRs and NDs. Also requires the guidelines to include criteria for public agencies to follow in determining whether a proposed project may have a significant effect on the environment. (PRC 21083)
- 3) Requires LCI to prepare proposed revisions to the CEQA Guidelines establishing criteria for determining the significance of transportation impacts within transit priority areas (TPAs). Requires the criteria to promote the reduction of greenhouse gas (GHG) emissions, the development of multimodal transportation networks, and a diversity of land uses. (PRC 21099)
- 4) Authorizes LCI to adopt CEQA Guidelines establishing alternative metrics to traffic “levels of service” (LOS) for transportation impacts outside of TPAs. Authorizes the alternative metrics to include the retention of LOS, where appropriate and as determined by LCI. Pursuant to this authority, LCI (under its former name, Office of Planning and Research) revised the CEQA Guidelines to identify vehicle miles traveled (VMT) as the most appropriate metric to evaluate a project’s transportation impacts and to apply VMT statewide. (PRC 21099)
- 5) Prohibits a lead agency from approving a project for which an EIR has been certified which identifies one or more significant effects on the environment unless both of the following occur:
  - a) The agency makes one or more of the following findings with respect to each significant effect:

- i. Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.
    - ii. Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.
  - b) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR, and the agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment.  
(PRC 21081)
- 6) Defines “feasible” as capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

**THIS BILL:**

- 1) Prohibits, notwithstanding any other law, for a transportation project located within a rural county, the total cost of mitigation measures required to address a significant transportation impact as determined by the VMT metric from exceeding 5% of the estimated total project cost.
- 2) Requires any VMT mitigation measure that exceeds the 5% cap to be deemed economically infeasible.
- 3) Provides that the 5% cap does not apply to a transportation project that adds one or more general purpose lanes to the state highway system unless there is a demonstrated safety or evacuation need for the project.
- 4) Declares that the bill does not prohibit a lead agency from approving a project with significant and unavoidable impacts, if the agency adopts a statement of overriding considerations.
- 5) Defines the following terms:
  - a) “Demonstrated evacuation need” means a project is necessary to increase the capacity and speed of traffic flow during emergency evacuations, to implement physical or operational improvements to reduce fatalities and injuries during a disaster, to provide safe evacuation options for individuals with access or functional needs, to ensure a transportation facility remains functional during disasters, or to provide alternative routes, particularly in rural or high-vulnerability areas.
  - b) “Demonstrated safety need” means a project is necessary to reduce the number and severity of collisions, to upgrade infrastructure to meet current, safer design standards, or to improve safety for all users, including specific risks to vulnerable road users.

- c) “Estimated total project cost” means the total capital construction cost of the transportation project, as estimated for purposes of the environmental review document prepared pursuant to this division.
- d) “Rural county” means a county with a population of less than 200,000 persons, as determined by the most recent federal decennial census or the most recent population estimates published by the Department of Finance.
- e) “Transportation project” means a project undertaken by a public agency that consists of the planning, design, construction, reconstruction, rehabilitation, improvement, expansion, or operation of a highway, road, bridge, transit facility, rail facility, bicycle or pedestrian facility, or other public transportation infrastructure.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **From LOS to VMT.** Level of service (LOS) is a measure used by traffic engineers to determine the effectiveness of elements of transportation infrastructure. LOS measures the presence of traffic and how quickly cars can move through a street. LOS was used for decades to analyze transportation impacts under CEQA. However, several years ago LOS became regarded as outdated, based on concerns it neglects transit, pedestrian crossings, and bicycles. Critics contended that an over-reliance on LOS considerations by planners had led to widening intersections and roadways to move automobile traffic faster at the expense of other, less polluting modes of transportation.

In response, SB 743 (Steinberg), Chapter 386, Statutes of 2013, required LCI to update the criteria for analyzing transportation impacts of projects to replace LOS in TPAs (areas within a one-half mile of a major transit stop). According to SB 743, “(n)ew methodologies under (CEQA) are needed for evaluating transportation impacts that are better able to promote the state’s goals of reducing (GHG) emissions and traffic-related air pollution, promoting the development of multimodal transportation system, and providing clean, efficient access to destinations.” Under SB 743, the criteria were required to promote the reduction of GHG emissions, the development of multimodal transportation networks, and a diversity of land uses. For areas outside of a TPA, LCI was authorized to adopt guidelines that would establish alternative metrics to LOS. Additionally, LCI could retain LOS as a part of those alternative metrics outside of a TPA, if and where LCI deemed appropriate.

Pursuant to SB 743, LCI proposed changes to the CEQA Guidelines that identify VMT as the most appropriate metric to evaluate a project’s transportation impacts and to apply VMT statewide. VMT measures the amount and distance of automobile travel attributable to a project. The Guidelines took effect July 2020 and agencies are now required to analyze the transportation impacts of a project using a VMT metric instead of LOS.

According to LCI’s *Technical Advisory on Evaluating Transportation Impacts in CEQA*, published in December 2018:

The transportation sector has three major means of reducing GHG emissions: increasing vehicle efficiency, reducing fuel carbon content, and reducing the amount of vehicle travel. The California Air Resources Board (CARB) has provided a path forward for achieving these emission reductions from the transportation sector in its 2016 Mobile Source Strategy. CARB determined that it will not be possible to achieve the State's 2030 and post-2030 emission goals without reducing VMT growth. Further, in its 2018 Progress Report on California's Sustainable Communities and Climate Protection Act, CARB found that despite the State meeting its 2020 climate goals, 'emissions from statewide passenger vehicle travel per capita (have been) increasing and going in the wrong direction,' and 'California cannot meet its (long-term) climate goals without curbing growth in single-occupancy vehicle activity.' CARB also found that '(w)ith emissions from the transportation sector continuing to rise despite increases in fuel efficiency and decreases in the carbon content of fuel, California will not achieve the necessary (GHG) emissions reductions to meet mandates for 2030 and beyond without significant changes to how communities and transportation systems are planned, funded, and built.'

Thus, to achieve the state's long-term climate goals, California needs to reduce per capita VMT. This can occur under CEQA through VMT mitigation. Half of California's GHG emissions come from the transportation sector, therefore, reducing VMT is an effective climate strategy, which can also result in co-benefits. Furthermore, without early VMT mitigation, the state may follow a path that meets GHG targets in the early years, but finds itself poorly positioned to meet more stringent targets later.

[https://lci.ca.gov/docs/20190122-743\\_Technical\\_Advisory.pdf](https://lci.ca.gov/docs/20190122-743_Technical_Advisory.pdf)

## 2) **Author's statement:**

California's transition to a VMT framework under CEQA, implemented pursuant to SB 743, was intended to better align transportation and land use decisions with the state's climate goals. While that objective remains important, the current, project-level application of VMT mitigation has created unintended consequences that are undermining the delivery of critical transportation infrastructure, particularly in rural communities.

Under existing practice, transportation projects are frequently required to mitigate increases in VMT even when those projects are designed to improve safety, enhance emergency evacuation routes, or support goods movement. In many cases, these mitigation requirements lack a clear nexus to the project, rely on measures that are infeasible in rural or low-density areas, and are based on methodologies that cannot reliably demonstrate actual reductions in driving behavior. As a result, project sponsors are often left with costly and uncertain mitigation obligations that do not meaningfully advance the state's environmental goals.

These challenges are especially acute in rural regions, where residents have fewer transportation options and must rely on driving to access jobs, education, and healthcare. In these communities, transportation investments that increase mobility can improve quality of life and economic opportunity, yet they are often penalized under the current

framework. Moreover, the high and unpredictable cost of VMT mitigation has delayed or jeopardized projects that are essential for public safety, including those that serve as key evacuation routes during wildfires and other emergencies.

AB 2059 addresses these issues by establishing a reasonable and predictable cap on VMT mitigation costs for transportation projects in rural counties. By limiting mitigation requirements to a defined percentage of total project cost, the bill ensures that environmental considerations remain part of project development while preventing disproportionate burdens that can stall or cancel critical investments.

AB 2059 strikes a balanced path forward – maintaining California’s commitment to reducing greenhouse gas emissions while restoring the state’s ability to deliver safe, reliable, and resilient transportation infrastructure in all communities. For these reasons, AB 2059 is a necessary and timely reform.

**3) The 5% cap may cut potential funding for local public transit and affordable housing.**

This bill’s proposed cap based on estimated construction cost undermines the incentive to design projects to avoid VMT, and provides the greatest financial benefit to the highest VMT projects. The cap severs mitigation from impact, contrary to basic CEQA principles. It also creates a perverse incentive to underestimate construction costs, which are seldom accurate for highway projects. Estimated construction costs also bears no direct relationship to long-term costs, as well as revenues, of a highway project over its lifetime. VMT impacts and mitigation occur over the life of the project. Likewise, the cost of VMT mitigation is paid over time, not entirely up front.

For example, the I-5 Managed Lanes project in Orange County, which is forwarded as an example of the excesses of VMT mitigation, has a total VMT mitigation cost of \$441 million against a project construction cost of \$432 million. The VMT mitigation funds are going to be paid over time, from project toll revenues, to fund affordable housing, increased public transit service, and added bike lanes. Under this bill, the project’s contribution to these local amenities could be reduced by \$420 million, to just \$21.6 million, while the project will generate hundreds of millions in toll revenues.

**4) Projects are not required to implement mitigation unless it’s feasible, which considers economics, and projects can override significant effects under well-established and commonly used provisions of CEQA, which also includes economic considerations.**

Highway projects commonly override significant impacts, including VMT. The Yolo 80 Corridor Improvement, an estimated \$800 million project, spent \$55 million to mitigate 50% of its VMT impact, and overrode the balance of VMT impacts. According to the UC Institute for Transportation Studies, only six highway expansion projects have undergone CEQA review since Caltrans adopted VMT analysis in 2020. Of the six, just three projects that have a VMT mitigation cost exceeding 5% of project cost: The Orange County and Yolo County projects, along with the I-680 express lane project in Contra Costa County, which has an outsized mitigation price tag primarily because the lead agency approved a plan to implement an expensive hydrogen fuel cell bus service, which is relying on future grant awards to pencil out.

- 5) **The rural dilemma.** Notwithstanding the above, there are legitimate and unique challenges when it comes to mitigating VMT in rural communities, where there may be a lack of practical alternatives to driving. These communities may be isolated from public transit, have little demand for development of multi-family affordable housing, and have weather, topography, and/or commute distances that make active transportation an unrealistic option. While the new AB 130 VMT mitigation program provides an available and certain VMT mitigation option for any project anywhere, for some rural projects, the benefits of the affordable housing funded may be far removed from the project area. At the same time, it is unlikely there will be many highway expansion projects with significant VMT mitigation obligations in small rural counties, so the problem is likely limited.
- 6) **Suggested amendments.** *The author and the committee may wish to consider* amending this bill to revise the definitions of safety and evacuation need and replace the 5% cap with direct relief from VMT mitigation for highway projects in small counties, using the Tax Credit Allocation Committee's definition of non-metropolitan counties.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

Transportation California

##### **Opposition**

350 Bay Area Action

ActiveSGV

Center for Biological Diversity

ClimatePlan

Coalition for Clean Air

Leadership Council for Justice and Accountability

MoveLA

Planning and Conservation League

San Diego 350

Sierra Club

Streets for All

Transform

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2074 (Haney) – As Amended April 9, 2026

**SUBJECT:** Regional transit hub districts: downtown housing developments

**SUMMARY:** Requires major transit cities to designate high-density downtown transit hub districts where qualifying housing developments are allowed by right, subject to specified labor and affordability standards, and establishes a state revolving loan fund to support their construction.

**EXISTING LAW:**

- 1) The California Environmental Quality Act (CEQA) requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. CEQA statute and guidelines provide multiple exemptions for residential projects. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Requires ministerial approval (i.e., not subject to CEQA or other discretionary review by the relevant city or county) of both affordable and market-rate multifamily housing projects until 2036, provided specified construction labor requirements are met, while excluding the following 11 categories of environmentally sensitive sites.
  - a) Coastal zone, with specified exceptions.
  - b) Prime farmland or farmland of statewide importance.
  - c) Wetlands.
  - d) Very high fire hazard severity zones, with specified exceptions.
  - e) Hazardous waste site.
  - f) Delineated earthquake fault zone.
  - g) Special flood hazard area.
  - h) Regulatory flood way.
  - i) Lands identified for conservation.
  - j) Habitat for protected species.
  - k) Lands under conservation easement.

(Government Code (GC) 65913.4)

- 3) Requires ministerial approval of housing development projects within a specified distance of major transit stops. (GC65912.157)
- 4) Requires ministerial approval of certain infill multifamily affordable housing projects that are located on land that is zoned for retail, office, or parking. (GC 65912.100-65912.140)
- 5) Requires ministerial approval for certain office-to-housing development projects. (GC 51299 *et seq.*)

**THIS BILL:**

- 1) Defines for purposes of the bill:
  - a) “Downtown housing development” means a housing development project within a regional transit hub district.
  - b) “Fund” means the Downtown Revitalization Loan Fund.
  - c) “Major transit city” means a city with a population of at least 400,000 in the most recent decennial census that contains at least two transit-oriented development stops.
  - d) “Regional transit hub district” (district) means a district of a minimum size, as specified by 2), surrounding a transit stop designated by a city.
- 2) Requires each major transit city to comply with the applicable of the following:
  - a) A major transit city with a population of at least 400,000 and less than 1,000,000 in the most recent decennial census shall designate at least one district with a total area of at least 0.5 square miles.
  - b) A major transit city with a population of at least 1,000,000 and less than 2,000,000 in the most recent decennial census shall designate at least one district with a total area of at least 1 square mile.
  - c) A major transit city with a population of at least 2,000,000 in the most recent decennial census shall designate at least one district with a total area of at least 1.5 square miles.
- 3) Provides that a city that is not a major transit city may designate a district.
- 4) Provides that designation of a district pursuant to this bill shall not be considered a “project” for purposes of CEQA.
- 5) Requires districts to be a contiguous area of at least .25 square miles containing at least one transit-oriented development stop.
- 6) Requires that a downtown housing development be an allowable use in a district. Provides that a downtown housing development in a district is subject to all of the following:

- a) Prohibits a city from setting a maximum height limit lower than 150 feet.
  - b) Requires at least 25% of the total area of all districts within a city to allow a maximum height of 450 feet.
  - c) Prohibits a city from setting a maximum floor area ratio lower than 6.
  - d) Requires at least 25% of the total area of all districts within a city to allow a maximum floor area ratio of at least 12.
  - e) Prohibits a city from setting a maximum density of less than 200 dwelling units per acre.
  - f) Prohibits at least 25% of the total area of all districts in a city from having a maximum density limit.
- 7) Allows a city to set other objective zoning standards, objective subdivision standards, and object design review standards related to a downtown housing development within a district that are consistent the requirement of 6).
- 8) Applies the following to a downtown housing development:
- a) Labor Standards pursuant to SB 423 (Wiener), Chapter 778, Statutes of 2023 (SB 423).
  - b) Ability to qualify for a density bonus, incentives or concessions, waivers or reductions of development standards, or parking ratios pursuant to Density Bonus Law (DBL) or a local density bonus, using the requirements of the bill as the base density.
  - c) Provides eligibility for streamlined ministerial approval pursuant to SB 423 without meeting the standards for a project under SB 423, except that the downtown housing development project is still restricted from using the ministerial process in SB 423 if the project is on an environmentally sensitive site.
  - d) Requires the local government to, as a condition of approval, require the development proponent to complete a phase I environmental assessment.
  - e) Requires a minimum density of 60 dwelling units per acre.
  - f) Meets the affordability requirements established in SB 79 (Wiener), Chapter 512, Statutes of 2025, for projects containing more than 10 units or the local inclusionary housing requirement, whichever has a higher percentage of affordable units or deeper level of affordability.
  - g) Requires the development proposed pursuant to the bill to comply with any applicable local demolition and anti-displacement standards established through a local ordinance.
  - h) Prohibits the downtown housing development from being located on either of the following:

- i) A site with more than two units of housing subject to any form of rent or price control, was occupied by tenants within the past seven years, and the development would require the demolition of those housing units.
  - ii) A site that was previously used for more than two units of housing that was subject to rent or price control and the units were demolished within 7 years before the development proponent submitted an application.
  - i) Prohibits the demolition of any individually landmarked property on a local, state, or federal historic register.
  - j) Requires consistency with the height, noise, and safety standards of an adopted airport land use compatibility plan or Department of Defense Air Installation Compatible Use Zone, as specified.
- 9) Establishes the Fund within the State Treasury:
- a) Provides that moneys deposited and maintained in the Fund are continuously appropriated without regard to fiscal year to the California Housing Finance Agency (CalHFA).
  - b) Provides that moneys in the Fund may be loaned to an applicant to develop a downtown housing development, subject to all of the following conditions:
    - i) The loan shall be a simple-interest loan at an interest rate that is the same or less than the rate of interest earned on moneys in the Pooled Money Investment Account, determined as of the date of disbursement of the loan.
    - ii) The amount loaned shall not exceed 30% of the project cost.
    - iii) The applicant shall repay the loan, including interest, after completion of the development, as specified in the terms of the loan.
  - c) Provides that moneys received from repayments of loans shall be deposited into the Fund and shall be available to make new loans.
  - d) Allows CalHFA to adopt necessary rules and regulations to create and administer the Fund, including, but not limited to, rules or regulations governing the issuance or timing of loans from the Fund.
  - e) Allows CalHFA to adopt those regulations as emergency regulations under the Administrative Procedures Act.
- 10) Finds and declares that this bill serves a public purpose of helping to address the statewide housing crisis and loans issued pursuant to this subdivision do not constitute a gift of public funds within the meaning of Section 6 of Article XVI of the California Constitution.

**FISCAL EFFECT:** Unknown

**COMMENTS:****1) Author's statement:**

California's downtowns are at a crossroads. In the wake of the pandemic, many of our city centers are struggling with high vacancy rates, declining foot traffic, and reduced economic activity. At the same time, we continue to face a severe housing shortage, especially in the very places where housing makes the most sense: near jobs, transit, and existing infrastructure. AB 2074 responds to both of these challenges by creating a clear, statewide framework to support high-density housing in our downtown cores while ensuring that the jobs created are high-quality, family-supporting jobs.

This bill establishes regional transit hub districts in major cities and sets baseline zoning standards that allow for meaningful mixed-use and residential high-rise development, while providing a streamlined approval pathway for projects that meet affordability and strong labor standards. It also creates a revolving loan fund through CalHFA to help address one of the most significant barriers to building housing today: access to early-stage financing. By pairing housing production with robust labor protections and financial tools, AB 2074 is designed to unlock housing, support good-paying jobs, and bring new life to our downtowns.

- 2) **Triple referral.** This bill was approved by the Housing and Community Development Committee by a vote of 10-1 on April 8, and by the Local Government Committee by a vote of 8-1 on April 15.

**REGISTERED SUPPORT / OPPOSITION:****Support**

Anthony Tordillos, Councilmember, City of San Jose  
California YIMBY  
Circulate Planning & Policy  
State Building & Construction Trades Council of California

**Opposition**

Equitable Land Use Alliance  
Families and Homes San Jose (unless amended)  
Mission Street Neighbors

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. / , Paige Brokaw / NAT. RES. /



Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2112 (Bains) – As Amended April 13, 2026

**SUBJECT:** Integrated waste management plans: annual report

**SUMMARY:** Establishes the Climate-smart Organics Management for Protecting Our Soil and Terrain (COMPOST) Act of 2026 (Act), which requires the Natural Resources Agency (NRA), on or before January 1, 2028, in collaboration with specified entities, to develop an integrated nature-based climate strategy (strategy) to link waste diversion goals with soil health practices on natural and working lands. Requires the strategy to include multiagency recommendations and incentives to increase climate-friendly on-farm compost production and use, including compost application on grasslands and priority rangeland for improved vegetation and carbon storage.

**EXISTING LAW:**

- 1) Requires the California Department of Food and Agriculture (CDFA) to establish and oversee a Healthy Soils Program, which seeks to optimize climate benefits while supporting the economic viability of California's agriculture by providing incentives and educational materials and outreach to farmers whose management practices contribute to healthy soils and result in net long-term on-farm greenhouse gas (GHG) benefits. (Food and Agriculture Code 569)
- 2) Requires the Air Resources Board (ARB) to develop a Scoping Plan to achieve the maximum technologically feasible and cost-effective GHG emissions reductions. Requires the Scoping Plan to be developed in consultation with relevant state agencies. Requires the Scoping Plan to identify and make recommendations on direct emissions reduction measures, alternative compliance mechanisms, market-based compliance mechanisms, and potential monetary and non-monetary incentives for sources that ARB finds necessary or desirable to facilitate the achievement of the maximum feasible and cost-effective GHG emissions reductions. (Health and Safety Code (HSC) 38561)
- 3) Requires NRA and ARB to jointly establish an expert advisory committee of university researchers, technical assistance providers, practitioners and other experts in the field of climate change, soil carbon sequestration, and natural and working lands science and management, and Indigenous and environmental justice representatives, to inform and review modeling and analysis for natural working lands, to advise state agencies on implementation strategies and standardized accounting, and to provide recommendations on addressing barriers to efficient implementation of the targets for natural carbon sequestration and nature-based climate solutions. (HSC 38561.5)
- 4) Requires NRA, in collaboration with ARB, the California Environmental Protection Agency (CalEPA), CDFA, the advisory committee, and other relevant state agencies, to determine an ambitious range of targets for natural carbon sequestration and for nature-based climate solutions that reduce GHG emissions for 2030, 2038, and 2045 to support the state's goals to achieve carbon neutrality and foster climate adaptation and resilience. Requires the targets to be integrated into the Scoping Plan and other state policies. (HSC 38561.5)

- 5) Requires NRA, in collaboration with CalEPA, ARB, CDFA, and other relevant state agencies, to establish the Natural and Working Lands Climate Smart Strategy (Climate Smart Strategy) to create a framework to advance the state's climate goals, consider how climate impacts affect carbon sequestration on natural and working lands, support the economic resource value of the lands, and support pathways to transition to a carbon neutral economy. (HSC 39740.2)
- 6) Establishes pathogen reduction requirements for the production of compost in the state. (California Code of Regulations 17868.3)

**THIS BILL:**

- 1) Establishes the Act, which requires NRA, on or before January 1, 2028, in collaboration with CDFA, CalEPA, ARB, the Department of Resources Recycling and Recovery (CalRecycle), the advisory committee, and other relevant state agencies, including the Wildlife Conservation Board and the Department of Conservation, to develop the strategy to link waste diversion goals with soil health practices on natural and working lands. Requires the strategy to include multiagency recommendations and incentives to increase climate-friendly on-farm compost production and use, including compost application on grasslands and priority rangeland for improved vegetation and carbon storage.
- 2) Requires that the recommendations in the strategy include:
  - a) The targets for natural carbon sequestration and nature-based solutions for natural and working lands;
  - b) NRA's Climate Smart Strategy;
  - c) CDFA's Climate Resilience Strategy for California Agriculture and the Healthy Soils Program;
  - d) Reduction of at least 5 million metric tons of GHG emissions in the state annually;
  - e) NRA's 2022 report entitled *Pathways to 30x30 California: Accelerating Conservation of California's Nature*;
  - f) The Scoping Plan; and,
  - g) CalRecycle's pathogen reduction standard for compost.
- 3) Requires the Secretary for the NRA to use the best available science, mapping, and land management planning tools to support prioritization, siting, and deployment of soil amendment strategies to maximize climate benefits.
- 4) Requires NRA to publish the strategy on its website on or before January 1, 2028, and to publish annual updates on implementation progress.
- 5) Adds practitioners and experts in "soil carbon sequestration" to the types of practitioners and experts included on the advisory committee.

**FISCAL EFFECT:** Unknown**COMMENTS:**

- 1) **Organic waste recycling.** Nearly 40 million tons of waste are disposed of in California's landfills annually. Nearly half of those materials are organics (~48%). Organic waste

includes food, yard, paper, and other organic materials. As that material decomposes in landfills, it generates significant amounts of methane, a potent GHG with 84 times the climate impact as carbon dioxide. The ARB states that about 20% of methane emissions in California comes from landfills.

SB 1383 (Lara), Chapter 395, Statutes of 2016, requires ARB to approve and implement a comprehensive short-lived climate pollutant (SLCP) strategy to achieve, from 2013 levels, a 40% reduction in methane, a 40% reduction in hydrofluorocarbon gases, and a 50% reduction in anthropogenic black carbon, by 2030. In order to accomplish these goals, the law specifies that the methane emission reduction goals include targets to reduce the landfill disposal of organic waste, including food, 50% by 2020 and 75% by 2025 from the 2014 level. SB 1383 also requires that 20% of edible food that would otherwise be sent to landfills is redirected to feed people by 2025.

To achieve this, California's waste management infrastructure is going to have to process and recycle much greater quantities of organic materials, involving significant investments in additional processing infrastructure. Organic waste is primarily recycled by composting the material, which generates compost that can be used in gardening and agriculture as a soil amendment and engineering purposes for things like slope stabilization. Composting operations in California range from large-scale commercial operations to onsite agricultural composting activities to backyards. Anaerobic digestion is also widely used to recycle organic wastes. This technology uses bacteria to break down the material in the absence of oxygen and produces biogas, which can be used as fuel, and digestate, which can also be used as a soil amendment. Tree trimmings and prunings can also be chipped or mulched and applied to agricultural land for beneficial use, known as land application.

- 2) **Healthy Soils.** The Healthy Soils Program supports farmers and ranchers to help them incorporate new sustainable agricultural practices into their systems. These practices build organic carbon both above- and below-ground while reducing land-based GHG emissions. Improving soil health, and often providing physical soil protection and habitat, increases the resilience of California's farms and surrounding ecosystems to climate challenges. The program supports practices including organic soil amendments (compost, mulch, etc.), annual plantings, permanent plantings, and decreased tillage. According to CDFR, farmers and ranchers who implement soil health practices improve crop nutrition, soil structure, water infiltration and storage, biodiversity, pollinator habitat, pest control, carbon sequestration, and human and animal nutrition while reducing soil erosion and GHG emissions.
- 3) **Compost.** In addition to providing a critical management option for organic waste, compost has innumerable benefits when used as a soil amendment. Compost reduces both the need for synthetic fertilizers and reduces water use and improves water retention in the soil. According to the California Farm Bureau, when compost is used as a soil conditioner, it sustainably improves the "physical, chemical, and biological health of the soil, which leads to stronger crops and higher yields." The Marin Carbon Project calls compost a "triple win." It increases carbon sequestration in the soil, mitigates emissions from other sources, and enhances the land's resilience to extreme weather, such as flooding and drought. One application of compost to soil increases carbon sequestration for at least 30, and possibly up to 70, years.

4) **This bill.** The state has recognized the importance of both soil health and organic waste management, but efforts to address these issues have not been effectively integrated. The compost and other soil amendments produced by the recycling of organic waste can be used to dramatically improve soil health throughout the state. This bill seeks to link these efforts by requiring NRA, on or before January 1, 2028, in collaboration with CDFA, CalEPA, ARB, CalRecycle, the advisory committee, and other relevant state agencies, to develop the strategy to link waste diversion goals with soil health practices on natural and working lands.

5) **Author's Statement:**

Composting is a vital climate solution that turns organic waste into a nutrient-rich soil amendment, reducing landfill methane emissions—a potent greenhouse gas. It improves soil structure, boosts water retention to combat droughts, and sequesters carbon in the ground, fostering healthier plant growth while restoring depleted soil ecosystems.

To date, California's compost policies are disconnected and scattered throughout state government. This bill builds upon existing policies for natural and working lands to deliver a comprehensive compost strategy for the state.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

7th Generation Advisors  
 California Association of Winegrape Growers  
 California Compost Coalition  
 Californians Against Waste  
 Center for Environmental Health  
 Citizens Climate Lobby  
 Clean Earth 4 Kids  
 Climate Action California  
 Climate Action Campaign At the Humboldt Uu Fellowship  
 Climate Reality Project, Los Angeles Chapter  
 Community Environmental Council  
 Earth-Riders  
 People Food and Land Foundation  
 People, Food and Land Foundation  
 Santa Cruz Climate Action Network  
 Silicon Valley Youth Climate Action  
 Tree People  
 Zero Foodprint

**Opposition**

None on file

**Analysis Prepared by:** Elizabeth MacMillan / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2118 (Hoover) – As Introduced February 18, 2026

**SUBJECT:** Affordable Housing and High Road Jobs Act of 2022: use by right: objective standards

**SUMMARY:** Expands the scope of actions covered by the ministerial approval process for affordable housing projects in commercial zones established by AB 2011 (Wicks), Chapter 647, Statutes of 2022, to explicitly include a “state permit or approval.”

**EXISTING LAW:**

- 1) CEQA requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. CEQA statute and guidelines provide multiple exemptions for residential projects. (Public Resources Code 21000 *et seq.*)
- 2) AB 2011 establishes a ministerial approval process (i.e., not subject to CEQA or other discretionary review by the relevant city or county) for affordable housing projects in commercial zones. AB 2011:
  - a) Requires 28-100% of project units to be affordable, depending on project type.
  - b) Requires projects to be multi-family housing of at least five units.
  - c) Requires projects to be equal to or greater than the “Mullin” densities.
  - d) Permits residential projects in areas zoned for office, retail, or parking.
  - e) Requires projects to be adjacent to existing commercial corridors.
  - f) Prohibits projects on or adjacent to industrial uses.
  - g) Requires hazardous substances to be mitigated to a level of insignificance.
  - h) Prohibits projects that would demolish registered historic structures, as well as affordable, rent-controlled, or other existing rental housing.
  - i) Excludes vacant sites within very high fire hazard severity zones (VHFHSZs).
  - j) For projects within 500 feet of a freeway, imposes conditions to limit residents’ exposure to air pollution.
  - k) Prohibits projects within 3,200 feet of oil or natural gas extraction or refining.

- l) Requires developers to pay prevailing wages to construction workers, and for projects with 50 or more units, requires apprenticeship programs and healthcare contributions.
- m) Sunsets January 1, 2033.

(Government Code (GC) 65912.100 *et seq.*)

- 3) SB 423 (Wiener), Chapter 778, Statutes of 2023, requires ministerial approval of both affordable and market-rate multifamily housing projects until 2036, provided specified construction labor requirements are met, while excluding the following 11 categories of environmentally sensitive sites, which are incorporated into AB 2011 with some additional exceptions:
  - a) Coastal zone, with specified exceptions.
  - b) Prime farmland or farmland of statewide importance.
  - c) Wetlands.
  - d) Very high fire hazard severity zones, with specified exceptions.
  - e) Hazardous waste site.
  - f) Delineated earthquake fault zone.
  - g) Special flood hazard area.
  - h) Regulatory flood way.
  - i) Lands identified for conservation.
  - j) Habitat for protected species.
  - k) Lands under conservation easement.

(GC 65913.4)

**THIS BILL:**

- 1) Expands the scope of actions considered “use by right” and exempt from CEQA to include a “state permit or approval.”
- 2) Prohibits AB 2011’s objective standards from prohibiting or otherwise limiting mixed-use development in a housing development project.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Background.** CEQA includes various statutory exemptions, as well as categorical exemptions in the CEQA Guidelines, for a wide range of residential projects. Since 1978, CEQA has included statutory exemptions for housing. There are now more than 15 distinct CEQA exemptions for housing projects. The majority of residential projects are approved via exemption or negative declaration under CEQA, or through ministerial permits where CEQA does not apply.

A few existing CEQA exemptions are specific to projects with an affordable housing fraction, the rest are available to affordable and market-rate projects alike. Each exemption includes a range of conditions, including requirements for prior planning-level review, as well as limitations on the location and characteristics of the site. These conditions are intended to guard against the approval of projects with significant environmental impacts that go undisclosed and unmitigated – endangering workers, residents and the greater environment.

More recently, bills such as SB 423 and AB 2011 have required ministerial approval for multifamily housing projects, where local discretionary review, including CEQA, is replaced with construction labor requirements, exclusion of specified sensitive sites, and a checklist of “objective standards.”

- 2) **Author’s statement:**

California continues to face a severe housing crisis with soaring home prices and rents making it increasingly difficult for residents to find affordable and safe housing. Despite ongoing efforts to develop affordable and mixed-income housing, developers still face regulatory hurdles that slow the construction of new units. Building on the pathway created by AB 2011, AB 2118 clarifies existing statute to allow for mixed-use projects and ensure both local and state permits are subject to streamlined approval. With added clarity we promote the development of new units and provide more opportunities for affordable housing.

- 3) **Is “use by right” intended to permit developers to avoid subjective requirements imposed by intransigent, anti-development cities, or is it intended to avoid state agency CEQA review of every potential discretionary action?** Ministerial review of housing projects that might otherwise be subject to CEQA was established by SB 35 (Wiener), Chapter 366, Statutes of 2017. A key element of SB 35 and subsequent ministerial approval bills, including AB 2011, is that a development qualifies as a “use by right” if it meets pre-determined “objective” development standards. These standards cover a range of conditions and requirements within the scope of local government land use review, including density, height, zoning, design review, and location relative to existing development. If a developer meets these “objective” local standards, along with other requirements particular to each of these bills, including construction labor requirements, environmental site exclusions, tribal consultation, and affordability standards, the local government must issue a ministerial permit, which is not subject to CEQA.

Separate and apart from this local process to confirm objective standards, state laws and regulations may, in some cases, require discretionary action by a state agency. While the “SB

423” site exclusions in GC 65913.4(a)(6) disqualify categories of sites that may pose a risk to the environment, they do not cover every conceivable state agency determination. Indeed, some of the conditions in the SB 423 list may require a state agency determination that includes CEQA review. Once any necessary state agency review is complete, a project would be eligible for ministerial approval by the local government.

The most common anecdotal example on this point is when a development is proposed on a site identified as contaminated with hazardous waste by a former use, such as a leaking underground storage tank or above-ground storage or disposal of toxic materials. These sites may require a determination from the State Water Resources Control Board, Department of Toxic Substances Control (DTSC), or Department of Public Health that contamination of the site has been remediated and the site is suitable for residential use. These agency actions may be subject to CEQA, even if only a brief review and negative declaration.

Neither the section added by SB 35, as amended by SB 423, nor AB 2011, as amended by AB 2243 (Wicks), Chapter 272, Statutes of 2024, exempts these state agency actions from CEQA. This fact is evident by a plain reading of the bills, which do not include the range of potential state agency actions in the list of “objective standards,” as well as the fact that GC 65913.4 includes a much narrower CEQA exemption for state agency actions, applying only actions to lease, convey, or encumber public land.

State agency actions that otherwise may be subject to CEQA are not wrapped into the local “use by right” permit.

- 4) **In the 90210.** To demonstrate the need for this bill, the author’s office offered one project example – in Beverly Hills.

The City of Beverly Hills is currently processing two AB 2011 projects. The project referenced by the author’s office is a mixed-income housing development located on a former railroad right-of-way at 9220 North Santa Monica Boulevard. The other project is a 34-story high-rise replacing a one-story shopping center at 8300 Wilshire Boulevard. The Wilshire project would include 179 for-sale condominiums and 32 deed-restricted affordable rental units.

According to the City’s project description, the 9220 North Santa Monica Boulevard project consists of four residential buildings arranged in a linear configuration across the site. Collectively, the project would provide a total of 217 dwelling units, consisting of 191 for-sale condominiums and 26 deed-restricted affordable rental units. Building 2 would also include approximately 2,585 square feet of ground-floor restaurant space. The proposed buildings range in height from 112 to 191 feet. The project includes two levels of subterranean parking extending beneath all four buildings, providing up to 378 parking spaces.

According to Maher Commercial Realty:

The site at 9220 Santa Monica Boulevard, controlled by BH Gateway, LLC, had previously been envisioned for office development. That plan has now given way to a residential proposal leveraging AB 2011... This is not incremental density. It is skyline-altering scale in a city historically defined by strict height controls and a guarded

approach to vertical growth. AB 2011 changes the risk calculus...In a market such as Beverly Hills, where political friction has traditionally constrained supply, that certainty carries material value...For capital, the signal is clear. When state law supersedes local hesitation, underutilized commercial land along primary corridors becomes a residential land bank...The project's scale also reflects confidence in top-of-market renter demand. Plans call for more than 370 parking spaces, multiple courtyards, an indoor pool, fitness facilities, and spa amenities. This is positioned as a resort-caliber rental environment rather than workforce housing in a traditional sense. Even with an affordability component, the economic engine of the project will be luxury and upper-tier market-rate units.

According to the project developer's attorney:

Our client's site has areas of arsenic impacted soils from prior railroad operations that will be removed as part of the excavation of the subterranean garage. This will require approval from DTSC to confirm that the site is safe for residential use. Our client originally proposed a commercial project for the site. DTSC adopted a short mitigated negative declaration (MND) and approved a remedial action workplan (RAW) for commercial use. The City opposed DTSC's approval of the RAW, but did not file a CEQA lawsuit. We believe that the City will once again oppose DTSC's approval of the clean up plan for the residential project, but will file a CEQA lawsuit with the intent of derailing the project. This could tie up the AB 2011 project for years. As written, AB 2118 will prevent the City from misusing CEQA to stop the project, without constraining DTSC's discretion over the residential cleanup plan.

- 5) **Double referral.** This bill was approved by the Housing and Community Development Committee by a vote of 12-0 on April 8.
- 6) **Suggested amendments.** "State permit or approval" includes a wide range of potential state agency actions that aren't appropriate to delegate to a city or county and shouldn't be wrapped into a CEQA-exempt local ministerial permit.

*The author and the committee may wish to consider amending the bill to strike the sweeping inclusion of any state permit or approval.*

If the committee is compelled to address the Beverly Hills example offered by the author, *the author and the committee may wish to consider adding the following provision to the "use by right" definition:*

*(3) The local government determines that the project has obtained all state agency permits or approvals, if any, that are required for the development project. In making this determination, the local government shall defer to the state agency regarding the necessity and validity of the state agency permit or approval.*

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Student Homes Coalition (sponsor)  
Abundant Housing Los Angeles  
California YIMBY  
Circulate Planning & Policy  
Housing Action Coalition  
Inner City Law Center  
Monterey Bay Economic Partnership  
San Diego Housing Federation  
Spur  
The Two Hundred for Homeownership

**Opposition**

Equitable Land Use Alliance  
Families and Homes San Jose (unless amended)

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2170 (Boerner) – As Amended March 19, 2026

**SUBJECT:** California Environmental Quality Act: overburdened communities: documents and information: translations

**SUMMARY:** Prohibits the approval of certain industrial use projects via exemption under the California Environmental Quality Act (CEQA) if the project is located in an “overburdened community,” as defined. Requires translation of specified CEQA documents into all threshold languages in the community where a proposed project is located, and imposes related public meeting requirements.

**EXISTING LAW:**

- 1) Requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration (ND), mitigated negative declaration (MND), or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Requires a lead agency to determine whether a project is exempt from CEQA and whether an EIR, MND, or ND is required. (PRC 21080.1)
- 3) Defines “project” as an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, including an activity that involves the issuance of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies. (PRC 21065)
- 4) Requires the CEQA Guidelines to include a list of classes of projects that have been determined by the Secretary of the Natural Resources Agency to not have a significant effect on the environment and that shall be exempt from CEQA. (PRC 21084)
- 5) Requires a lead agency to prepare and file, with either the Office of Land Use and Climate Innovation (LCI) or the county clerk having jurisdiction over the project, the following notices:
  - a) A notice of intent (NOI) when the lead agency decides to adopt a negative declaration or a mitigated negative declaration;
  - b) A notice of determination (NOD) when the lead agency decides to carry out or approve a project for which it has adopted a negative declaration or mitigated negative declaration, or certified an EIR;
  - c) A notice of preparation (NOP) when the lead agency decides to prepare a negative declaration, a mitigated negative declaration, or an EIR for the project; and
  - d) A notice of completion (NOC) when the draft EIR is complete.

- 6) Requires a lead agency to call at least one scoping meeting for a proposed project of statewide, regional, or area-wide significance. Notice of at least one scoping meeting must be provided to specified agencies, as well as any organization or individual who has filed a written request for notice.
- 7) Requires a lead agency to mail specified notices to any person who has filed a written request for notices with either the governing body clerk or the agency director. The agency may require requests for notices to be annually renewed and may charge a fee for providing the service.
- 8) Requires the California Environmental Protection Agency (CalEPA) to identify disadvantaged communities (DACs) based on geographic, socioeconomic, public health, and environmental hazard criteria, which may include either of the following:
  - a) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public effects, exposure, or environmental degradation; and,
  - b) Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.

(Health and Safety Code 39711)

**THIS BILL:**

- 1) Requires an EIR, MND, or ND be prepared for the development, operation, substantial modification to, or substantial expansion of, a project on land that is zoned to allow industrial uses and is in or within one-half mile of an overburdened community, and overrides any existing CEQA exemption or ministerial review processes that such projects may otherwise be eligible for.
- 2) Defines “overburdened community” as a DAC, a disadvantaged unincorporated community as defined in Section 65302.10 of the Government Code, or a census tract that has a pollution burden score that is within the highest 15% of CalEnviroScreen pollution burden scores.
- 3) Requires, on and after July 1, 2027, the following categories of CEQA documents and information to be translated into all threshold languages in the city or county where the project is located:
  - a) Executive summaries of environmental review documents.
  - b) Initial studies.
  - c) Mitigation and monitoring requirements.
  - d) Cumulative impacts analysis.
  - e) Notices of public hearings or informational meetings regarding a proposed project, including, but not limited to, scoping meetings.

- f) Notices of exemption.
  - g) Notices of preparation.
  - h) Notices of availability.
  - i) Notices of completion.
  - j) Notices of determination.
  - k) Statements of overriding considerations.
- 4) Defines “threshold languages” as all languages spoken jointly by 5% or more of the population within the jurisdiction of the lead agency who do not speak English, or who are unable to effectively communicate in English because it is not their native language, consistent with the Dymally-Alatorre Bilingual Services Act.
  - 5) Requires LCI, on or before July 1, 2027, to develop guidelines to implement these translation requirements, including guidelines for the availability of timely requested translation equipment or services at any public hearing or meeting for which a notice is required to be translated. Requires these guidelines to allow lead agencies to develop a procedure for an interested party to request that interpretation services be made available at hearings or meetings and, if the lead agency develops that procedure, the lead agency may require mandatory interpretation services only when a request has been made in advance of the hearing or meeting.
  - 6) Requires the lead agency shall provide a specified notice of public hearings regarding CEQA projects to owners and occupants of property located within one-half mile of any parcel or parcels, and to any school located within one mile of any parcel or parcels, of a project site, not less than 60 days before the public hearing. Requires the notice to include translations for all threshold languages spoken in the city or county.
  - 7) Provides that a minor inaccuracy in the translation of a document shall not be a basis for invalidation of a public agency decision, unless the inaccuracy is found to preclude informed decisionmaking or informed public participation.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Background.** CEQA provides a process for evaluating the environmental effects of applicable projects undertaken or approved by public agencies. If a project is not exempt from CEQA, an initial study is prepared to determine whether the project may have a significant effect on the environment. If the initial study shows that there would not be a significant effect on the environment, the lead agency must prepare a negative declaration. If the initial study shows that the project may have a significant effect on the environment, the lead agency must prepare an EIR.

CEQA generally applies to discretionary actions by public agencies. Therefore, ministerial actions, whether by nature, local rule, or statute, are not subject to CEQA. In addition, CEQA includes layers of exemptions, including statutory exemptions for specific projects and categories of projects, “regulatory” categorical exemptions in the CEQA Guidelines, and temporary exemptions commonly included in executive orders.

CEQA review involves a variety of public documents, ranging from simple notices to EIRs running thousands of pages, chock full of technical and legal jargon. Generally, an EIR must accurately describe the proposed project, identify and analyze each significant environmental impact expected to result from the proposed project, identify mitigation measures to reduce those impacts to the extent feasible, and evaluate a range of reasonable alternatives to the proposed project. If mitigation measures are required or incorporated into a project, the agency must adopt a reporting or monitoring program to ensure compliance with those measures.

Once a lead agency has approved a project, the agency must file a notice of determination. State agencies are required to file notice with LCI, which is then posted on LCI’s CEQAnet website. Local agencies are required to file notice within five working days with the county clerk of each county in which the project will be located. CEQA also requires notices to be sent upon request to any interested person.

Generally, CEQA actions taken by local public agencies can be challenged in Superior Court once the agency approves or determines to carry out the project. CEQA appeals are subject to unusually short statutes of limitations, which are tied to the date the notice was filed. Under current law, court challenges of CEQA decisions generally must be filed within 30-35 days, depending on the type of decision. Failure to file a required notice in time may increase the statute of limitations to 180 days.

2) **Author’s statement:**

California is facing a public health and environmental crisis, and some communities are unfairly bearing the brunt of pollution. Disadvantaged communities continue to be at risk of health problems like asthma, cancer, and heart disease due to high pollution levels. Californians deserve greater transparency to advocate for safer, cleaner development in our state. No matter your income or first language, everyone has the right to know about project proposals in their neighborhoods and the opportunity to comment on that project, especially when their health and safety are at risk. AB 2170 would increase transparency for all Californians and protect our most vulnerable communities, our health, and the environment.

3) **Section 1 appears to invalidate a wide range of existing CEQA exemptions, including for routine and environmentally beneficial projects.** As noted above, CEQA is replete with a broad and increasing range of exemptions, including maintenance of public infrastructure, housing, clean transportation, and ill-defined “advanced manufacturing” projects. This bill invalidates both statutory CEQA exemptions and ministerial review processes that may apply to these projects if they are located on land zoned to allow industrial uses, which may include land zoned commercial or agricultural, and located within one-half mile of an overburdened community, which includes most of the San Joaquin Valley, large swaths of Imperial County, industrial areas around the San Francisco Bay, and more than half of the Los Angeles metropolitan area.

For example, investor-owned electric utilities are required to obtain a discretionary permit to construct (PTC) from the Public Utilities Commission (PUC) for electrical power line projects between 50-200 kV. A PTC may be exempt from CEQA pursuant to PUC General Order (GO) 131-E and existing provisions of CEQA. Only larger, high-voltage projects over 200 kV are consistently subject to complete CEQA review, including an EIR. According to 2025 PUC data, from 2012 to 2023, 608 electric transmission projects have been exempted from CEQA, 29 projects have been approved via negative declaration, and 27 have required an EIR.

- 4) **The environmental regulation example.** Not all “projects” under CEQA involve construction on a specific site. For example, state agency actions that apply statewide are subject to CEQA, and air districts and regional water boards routinely adopt rules that apply regionwide. Some of these actions may be eligible for exemption under existing statute, regulation, and/or executive order. However, this bill may invalidate exemptions for these actions to the extent their scope involves industrial uses in overburdened communities, even if the purpose of the agency action is to reduce pollution.
- 5) **Who is required to translate?** The translation requirements of this bill are ambitious, technically challenging, and likely expensive. The bill doesn’t say who the translation requirements fall on, but presumably it will be the lead agency. Lead agencies include public agencies of all types – state, regional, and local – from large to small. Some of the largest agencies may have existing capacity to meet translation requirements, indeed some larger cities with significant planning staff translate CEQA documents now. However, most agencies likely do not have existing capacity for translation. Some projects may have an applicant who can potentially pay for translation of documents, while others may not.
- 6) **Prior legislation.** In 2014, the Legislature passed AB 543 (Campos), which initially required lead agencies to translate CEQA notices when a group of non-English-speaking people comprises at least 25% of the population within a lead agency's jurisdiction. The bill was later amended to require the CEQA Guidelines to include criteria for a lead agency to assess the need for translating notices into non-English languages. AB 543 was vetoed.

In 2018, the Legislature passed AB 2447 (Reyes), which established additional CEQA notice and consultation requirements for classes of industrial or similar projects located within one-half mile of a DAC. AB 2447 was vetoed.

- 7) **Suggested amendments.** To limit the technical and financial challenges with document translation, *the author and the committee may wish to consider* amending the bill to require translation of required CEQA notices only.

To limit the scope of existing CEQA exemptions invalidated by this bill, *the author and the committee may wish to consider* amending the bill to state that the mandatory EIR/MND/ND provision does not apply to projects eligible for a categorical exemption or to utility projects eligible for approval under GO 131-E.

## REGISTERED SUPPORT / OPPOSITION:

### Support

350 Bay Area Action  
Asian Pacific Environmental Network Action  
Building Healthy Communities - Kern  
California Coastkeeper Alliance  
California Environmental Justice Alliance (CEJA) Action  
Californians Against Waste  
Catholic Charities of Stockton  
Center for Biological Diversity  
Center for Environmental Health  
Center for Food Safety  
Center for Public Environmental Oversight  
Center on Race, Poverty, & the Environment  
Central California Environmental Justice Network  
Central Coast Alliance United for a Sustainable Economy  
Clean Water Action  
Cleaneearth4kids.org  
Committees for Land, Air, Water and Species  
Communities for a Better Environment  
Community Interventions  
Earthjustice  
Environmental Defense Center  
Environmental Health Coalition  
Esperanza Community Housing  
Facts: Families Advocating for Chemical & Toxics Safety  
Food & Water Watch  
Fossil Free California  
Friends of the River  
Green Foothills  
Greenpeace USA  
Jakara Movement  
Leadership Counsel for Justice and Accountability  
Little Manila Rising  
Natural Resources Defense Council  
Physicians for Social Responsibility - Los Angeles  
Planning and Conservation League  
Poder  
Public Interest Law Project  
Regional Asthma Management and Prevention (RAMP)  
Restore the Delta  
San Francisco Baykeeper  
Sierra Club California  
T.r.u.s.t. South LA  
Todec Legal Center  
Unidos Network INC  
Vision Y Compromiso  
Western Center on Law and Poverty  
Young Community Developers  
Youth Leadership Institute

**Opposition**

California Building Industry Association  
California Business Properties Association  
California Chamber of Commerce  
California Manufacturers & Technology Association  
California State Association of Counties (CSAC)  
Chemical Industry Council of California  
League of California Cities  
NAIOP SoCal  
Orange County Business Council  
Rural County Representatives of California (RCRC)  
Streets for All (unless amended)  
Supply Chain Federation  
Urban Counties of California (UCC)

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /



Date of Hearing: April 20, 2026

**ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

Isaac G. Bryan, Chair

AB 2182 (Irwin) – As Amended April 13, 2026

**SUBJECT:** Electrical corporations: Industrial Decarbonization and Energy Efficiency Program

**SUMMARY:** Requires each large electrical corporation, on or before August 1, 2027, to file a Tier 2 advice letter with the California Public Utilities Commission (CPUC) to establish an Industrial Decarbonization and Energy Efficiency Program (Program) with funding from energy efficiency charges collected from eligible facilities to fund eligible projects, including, energy efficiency projects, industrial process heat recovery, and carbon capture technologies.

**EXISTING LAW:**

- 1) Requires California Air Resources Board (ARB) to prepare and approve a Scoping Plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas (GHG) emissions and to update the Scoping Plan at least every five years. (Health and Safety Code (HSC) 38561)
- 2) Vests the CPUC with regulatory authority over public utilities, including electrical corporations. (California Constitution, Article XII)
- 3) Requires the CPUC to administer ratepayer-funded energy efficiency programs and authorizes the collection of funds through a separate rate component. (Public Utilities Code (PUC) 381)
- 4) Authorizes third parties to administer energy efficiency programs, subject to CPUC approval. (PUC 381.1)
- 5) Requires the California Energy Commission to establish various clean energy programs, including the industrial grid support and decarbonization program, to provide financial incentives for the implementation of projects at industrial facilities that provide significant benefits to the electrical grid, reduce GHG emissions, and achieve the state's clean energy goals. (Public Resources Code 25662-25665.1)

**THIS BILL:**

- 1) Requires each large electrical corporation, on or before August 1, 2027, to file a Tier 2 advice letter with CPUC to establish a Program with funding from energy efficiency charges collected from eligible facilities.
- 2) Requires each large electrical corporation to allocate an amount for its program equal to the amount it would otherwise collect from eligible facilities for energy efficiency pursuant to CPUC approved tariffs.
- 3) Requires CPUC to act on the Tier 2 advice letters on or before November 1, 2027.

- 4) Requires each Program to award grants to eligible facilities for eligible projects, and to prioritize projects that:
  - a) Deliver durable and verifiable reduced GHG emissions;
  - b) Reduce overall electricity or fuel consumption; and,
  - c) Improve electrical grid efficiency or reduce peak demand impacts.
- 5) Requires each large electrical corporation to administer the Program, including by establishing eligible project intake and data validation requirements, evaluating the eligibility of facilities and projects, and administering grant payments.
- 6) Requires the Governor's Office of Business and Economic Development (GO-Biz) to provide independent review and approval of grants awarded pursuant to a Program. Authorizes GO-Biz to clarify eligibility criteria for each Program to ensure it serves eligible facilities with significant potential for energy savings and reduced GHG emissions.
- 7) Specifies that grants awarded by a Program fund up to, but not to exceed, 50% of the documented costs of the eligible project. Limits each facility's cumulative grant awards to the total amount collected from the eligible facility pursuant to the allocation from energy efficiency charges.
- 8) Specifies that moneys that have not been awarded to an eligible project within five years may be made available to other eligible projects on a "first-ready, first-served" basis.
- 9) Defines terms used in the bill, including:
  - a) "Eligible facility" as an industrial or manufacturing facility that meets all of the following:
    - i) Takes bundled, direct access, or community choice aggregation electrical service within the service territory of a large electrical corporation;
    - ii) Is enrolled in a medium or large energy customer electric tariff, as specified;
    - iii) Meets a minimum peak load requirement of 500 kilowatts or more; and,
    - iv) Is not identified as a residential, state, or local government customer.
  - b) "Eligible project" as including, but not limited to, the following projects:
    - i) Energy efficiency projects using commercially available technology that reduce energy consumption by at least 20 % compared to the replaced technology and result in reduced GHG emissions;
    - ii) Projects for industrial process heat recovery, as specified; and,
    - iii) Carbon capture technologies, subject to any limitations or eligibility criteria established by the large electrical corporation to ensure cost-effectiveness and reduced GHG emissions that are sited, installed, or expanded at the eligible facility.
  - c) "Large electrical corporation" as an electrical corporation with more than 3 million customer accounts in California.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Energy efficiency.** In 2003, the state adopted the Energy Action Plan, which established the “loading order,” prioritizing energy efficiency and demand reduction ahead of new generation. This policy was later reinforced by AB 2021 (Levine), Chapter 734, Statutes of 2006, which requires utilities to meet unmet energy needs with all available energy efficiency and demand reduction resources that are cost-effective, reliable, and feasible. The CPUC subsequently developed a more formal structure for administering these programs.

CPUC’s *Energy Efficiency Policy Manual* establishes rules governing the design, administration, and evaluation of utility energy efficiency programs. It outlines expectations for cost-effectiveness, program eligibility, evaluation, measurement, and verification, and clarifies the roles of utilities and other program administrators. It also establishes requirements for program planning, approval, and reporting, providing a consistent plan for administering and overseeing ratepayer-funded energy efficiency activities across different utilities.

Energy efficiency programs are partially funded by the Public Purpose Program rate component, which is a state-mandated surcharge on California utility bills. The Public Purpose Program provides funding for projects benefiting society as a whole, including low-income assistance, energy efficiency, and renewable energy.

- 2) **Carbon capture.** Carbon capture and storage (CCS) refers to technologies that remove carbon dioxide (CO<sub>2</sub>) from large point sources, such as power plants or industrial facilities, and permanently store the CO<sub>2</sub> or use it for commercial purposes. CCS has the potential to reduce emissions from chemical reactions and high-temperature processes that are difficult and expensive to decarbonize. The most widespread technologies involve chemical absorption of CO<sub>2</sub> into a solvent or the physical separation CO<sub>2</sub> from other gasses. In some limited cases, this captured CO<sub>2</sub> is used on-site in commercial applications such as water treatment or chemical production. The captured CO<sub>2</sub> can also be compressed and transported by pipeline, ship, rail, or truck to be used in off-site commercial applications, or injected into deep geological formations (including depleted oil and gas reservoirs or saline formations) which trap the CO<sub>2</sub> for long-term storage. Over 81% of the CO<sub>2</sub> captured to date has been used for oil extraction. Questions remain about how effective CCS technologies are in real world conditions, especially given that there are few full-scale facilities in operation.
- 3) **Go-Biz.** GO-Biz is intended to provide support for job growth, economic development, and business assistance efforts. The office administers programs such as the Cal Competes Tax Credit, a tax credit is a different mechanism than a direct grant and incentive program requiring technical evaluation of energy savings and emissions impacts, but GO-Biz does not typically administer ratepayer-funded energy programs, which are subject to specific requirements related to cost-effectiveness, oversight, and alignment with state energy planning goals.
- 4) **Tier 2 Advice Letters.** The CPUC advice letter process is governed by General Order 96 B, which establishes three tiers of review: Tier 1 advice letters are effective upon filing, subject to protest; Tier 2 advice letters are subject to CPUC staff review and typically become effective after a 30 day review period unless suspended; and, Tier 3 advice letters require CPUC approval through a formal resolution. Tier 2 advice letters are generally used for

matters requiring staff review that do not require a full CPUC proceeding. While they allow for protest and potential evidentiary hearings, Tier 2 advice letters are generally resolved through CPUC staff disposition and are intended for more limited updates or implementation of previously authorized programs.

- 5) **This bill.** AB 2182 requires each large electrical corporation, particularly PG&E and Southern California Edison, to file a Tier 2 advice letter with the CPUC to establish a Program. The bill specifies that the Program is to be funded from existing energy efficiency (Public Purpose Program) charges collected from eligible industrial or manufacturing facilities, as provided, and redirects those funds into a Program dedicated to that same customer class. The bill's eligibility criteria capture large industrial energy users, including large manufacturers and processors (such as food, beverage, chemical, cement, glass, and metals production), refineries, paper and pulp mills, semiconductor fabrication plants, industrial-classified data centers, and large distribution or cold storage warehouses. While this bill avoids concerns raised relating to the use of public funds for CCS projects by using the funds collected from large customers back to those customers to fund eligible projects, the diversion of these funds away from other purposes may reduce funding availability for other customer programs.

6) **Author's statement:**

The industrial energy efficiency program administered by the CPUC is misaligned with the decarbonization needs of large industrial and manufacturing facilities. The metrics used to evaluate projects do not accurately reflect much of the older equipment currently used in California's industrial facilities and therefore underrepresent the potential benefits of energy efficiency upgrade projects. Realigning the program could accelerate energy efficiency and decarbonization projects at industrial facilities, delivering significant emissions reductions and helping to support California-based businesses. AB 2182 restructures the industrial energy efficiency program to better support upgrades and decarbonization projects for large industrial customers using only funding contributed by those same customers. Energy efficiency improvements and decarbonization investments by California's largest electricity users would deliver significant emissions reductions, free up grid capacity needed to meet growing electricity demand, and help maintain the competitiveness of California-based manufacturers.

- 7) **Double referral.** This bill passed the Assembly Utilities and Energy Committee on April 8<sup>th</sup>, 18-0.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Clean Air Task Force  
California Efficiency + Demand Management Council (if amended)

**Opposition**

None on file

**Analysis Prepared by:** Elizabeth MacMillan / NAT. RES. /



Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2231 (Ahrens) – As Amended March 23, 2026

**SUBJECT:** California Environmental Quality Act: hospital projects

**SUMMARY:** Establishes CEQA exemptions for hospital projects, as defined, in Emeryville and Santa Clara.

**EXISTING LAW:**

- 1) CEQA requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA (CEQA includes various statutory exemptions, as well as categorical exemptions in the CEQA guidelines). (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Authorizes judicial review of CEQA actions taken by public agencies, following the agency's decision to carry out or approve the project. Challenges alleging improper determination that a project may have a significant effect on the environment, or alleging an EIR does not comply with CEQA, must be filed in the superior court within 30 days of filing of the notice of approval. The courts are required to give CEQA actions preference over all other civil actions. Requires the court to regulate the briefing schedule so that, to the extent feasible, hearings commence within one year of the filing of the appeal. Requires the plaintiff to request a hearing within 90 days of filing the petition. Requires the court to establish a briefing schedule and a hearing date, requires briefing to be completed within 90 days of the plaintiff's request for hearing, and requires the hearing, to the extent feasible, to be held within 30 days thereafter. (PRC 21167 *et seq.*)

**THIS BILL:**

- 1) Provides that CEQA does not apply to hospital projects located in the City of Emeryville or the City of Santa Clara, provided the project applicant certifies both of the following:
  - a) The hospital project creates high-wage, highly skilled jobs that pay prevailing wages and living wages, employs a skilled and trained workforce, as defined, provides construction jobs and permanent jobs for Californians, and helps reduce unemployment, except for a contractor or subcontractor performing the work subject to a project labor agreement (PLA) requiring the payment of prevailing wages to all construction workers employed in the execution of the project and providing for enforcement of that obligation through arbitration.
  - b) All contractors and subcontractors for the hospital pay all construction workers at least the general prevailing rate of per diem wages, enforceable either by the Labor Commissioner or, if the work is subject to a PLA, through arbitration.

- 2) Establishes the following definitions:
- a) “Hospital project” means a project for the construction and operation of a hospital licensed under Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code, including both of the following:
    - i) One or more organized outpatient clinics, as defined, that are located within one-quarter mile of a licensed hospital and the organized outpatient clinic is operated in association with the licensed hospital.
    - ii) Parking structures supporting the licensed hospital and organized outpatient clinic and emergency transportation infrastructure, including helipads.
  - b) “Jobs that pay prevailing wages” means that all construction workers employed in the execution of the project will receive at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations. If the project is certified for an exemption, the project applicant shall include this requirement in all contracts for the performance of the work.
  - c) “Project labor agreement” has the same meaning as set forth in Section 2500 of the Public Contract Code.
- 3) Makes related findings.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Background.** CEQA provides a process for evaluating the environmental effects of applicable projects undertaken or approved by public agencies. If a project is not exempt from CEQA, an initial study is prepared to determine whether the project may have a significant effect on the environment. If the initial study shows that there would not be a significant effect on the environment, the lead agency must prepare a negative declaration. If the initial study shows that the project may have a significant effect on the environment, the lead agency must prepare an EIR.

An EIR must accurately describe the proposed project, identify and analyze each significant environmental impact expected to result from the proposed project, identify mitigation measures to reduce those impacts to the extent feasible, and evaluate a range of reasonable alternatives to the proposed project. If mitigation measures are required or incorporated into a project, the agency must adopt a reporting or monitoring program to ensure compliance with those measures.

Generally, CEQA actions taken by public agencies can be challenged in superior court once the agency approves or determines to carry out the project. CEQA appeals are subject to unusually short statutes of limitations. Under current law, court challenges of CEQA decisions generally must be filed within 30-35 days, depending on the type of decision. The courts are required to give CEQA actions preference over all other civil actions. However, the schedules for briefing, hearing, and decision are less definite. The petitioner must request

a hearing within 90 days of filing the petition and, generally, briefing must be completed within 90 days of the request for hearing. There is no deadline specified for the court to render a decision.

2) **Author’s statement:**

AB 2231 is about protecting access to care, strengthening our health system, and acting with the urgency this moment demands. At a time when federal actions like H.R. 1 are reducing health care funding and increasing financial pressure on hospitals, California faces a narrowing window to build the facilities our communities will depend on for decades to come. If we do not act now, we risk losing critical capacity – particularly as older, seismically non-compliant hospitals approach closure.

This bill provides a targeted CEQA exemption for two essential hospital projects in Santa Clara and Emeryville. These are not speculative developments – they are modern, environmentally responsible, urban infill hospitals that will expand access to emergency, inpatient, and specialty care for growing regions across the Bay Area and beyond. While CEQA plays an important role in protecting our environment, it can delay projects that are fundamentally beneficial to public health and sustainability. AB 2231 strikes a careful balance by allowing these critical projects to move forward without unnecessary delay, while supporting thousands of good-paying jobs and ensuring Californians can access care within minutes of where they live and work

- 3) **Prior legislation.** SB 830 (Arreguin) establishes expedited administrative and judicial review procedures under CEQA for an “environmental leadership hospital campus project” in the City of Emeryville, requiring the courts to resolve lawsuits within 365 days, to the extent feasible. SB 830 passed this committee on July 14, 2025, and passed the Assembly, but was placed on Senate inactive file by the author.
- 4) **Suggested amendments.** Rather than a statutory exemption with no environmental standards, *the author and the committee may wish to consider* amending this bill to provide CEQA process streamlining for the hospital projects, including expediting the administrative process by using concurrent preparation of the administrative record and expediting the judicial review process for projects that are challenged in court, with a 270-day deadline for the courts to resolve a lawsuit, similar to the approach in SB 830, but for hospital projects in both Emeryville and Santa Clara.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Bay Area Council  
 California Asian Pacific Chamber of Commerce  
 California Chamber of Commerce  
 Civil Justice Association of California (CJAC)  
 Contra Costa County  
 Oakland Metropolitan Chamber of Commerce  
 Private Essential Access Community Hospitals  
 San Francisco Bay Area Planning and Urban Research Association (SPUR)

Silicon Valley Leadership Group  
Sutter Health

**Opposition**

Planning and Conservation League (unless amended)  
Western Electrical Contractors Association

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES  
Isaac G. Bryan, Chair  
AB 2245 (Michelle Rodriguez) – As Amended April 7, 2026

**SUBJECT:** Lubricants waste: packaging: producer responsibility

**SUMMARY:** Establishes the Lubricant Waste and Packaging Producer Responsibility Act of 2026 (Act), which requires manufacturers of lubricant waste products and packaging products to be responsible for the safe collection and management of lubricant wastes and packaging at no cost to residents through the creation of an expanded producer responsibility (EPR) program.

**EXISTING LAW:**

- 1) Pursuant to the California Oil Recycling Enhancement Act (CORE Act), requires the Department of Resources Recycling and Recovery (CalRecycle) to adopt a used oil recycling program to promote and develop alternatives to the illegal disposal of used oil. (Public Resources Code (PRC) 48600 *et seq.*)
  - a) Requires the used oil program to include a recycling incentive system; public and private grants and contracts, including between CalRecycle and local governments, nonprofits, and public entities; an education program; and, a reporting, monitoring, and enforcement program. (PRC 48631)
  - b) Requires every oil manufacturer to pay an amount equal to \$0.06 for every quart or \$0.24 for every gallon of lubricating oil sold, transferred, or imported into the state to CalRecycle on a quarterly basis, as specified. Reduces the amounts charged for rerefined oil. Provides that these amounts are deposited into the California Used Oil Recycling Fund. (PRC 48650)
  - c) Requires CalRecycle pay a recycling incentive of not less than \$0.10 per quart to every industrial generator, curbside collection program, and certified used oil collection center for used oil collected from the public or generated by the certified used oil collection center or industrial generator, as specified. (PRC 48651.5)
  - d) Requires CalRecycle to pay a rerefining incentive of not less than \$0.02 per gallon to a recycling facility for rerefined oil produced, as specified. (PRC 48651.5)
  - e) Establishes certification requirements for collection centers. (PRC 48660)
  - f) Requires CalRecycle to annually inspect used oil recycling facilities. (PRC 48661)
  - g) Establishes reporting requirements for sellers, haulers, industrial generators, used oil collection centers, curbside collection programs, and local governments. (PRC 48670)
  - h) Establishes labeling requirements for lubricating oil. (PRC 48671.5)
  - i) Establishes enforcement provisions for the Act. (PRC 48680)

- j) Authorizes local governments to develop local used oil collection programs and provides for payments for those local governments to support those programs. (PRC 48690)
- 2) Establishes requirements for the management of used oil. (Health and Safety Code (HSC) 25250 *et seq.*)
- a) Establishes standards and purity requirements for recycled oil.
  - b) Requires used oil to be managed as hazardous waste, unless it is excluded by federal law or has been shown by the generator to meet specified standards.
  - c) Prohibits the disposal of used oil by discharge to sewers, drainage systems, surface water or groundwater, watercourses, marine waters, incineration or burning, onto land, and for use as a dust, weed, or insect repellent, except as specified.
  - d) Establishes requirements for transporters of used oil.
  - e) Establishes requirements for storage, transfer, and recycling facilities of used oil.
  - f) Establishes testing requirements for used oil.
- 3) Pursuant to SB 54 (Allen), Chapter 75, Statutes of 2022, establishes the Plastic Pollution Prevention and Packaging Producer Responsibility Act (PRC 42040 *et seq.*), which:
- a) Imposes minimum recycled content requirements and source reduction requirements for single-use packaging and plastic food service ware, to be achieved through an EPR program.
  - b) Requires CalRecycle to conduct a material characterization study of covered material categories that are disposed of in California landfills before July 1, 2025, and to report to the Legislature on the status of materials at solid waste facilities by January 1, 2024. Requires CalRecycle to update the material characterization study required pursuant in 2028, 2030, 2032, and at least every four years thereafter.
  - c) Requires producers, through the producer responsibility organization (SB 54 PRO), to pay \$500 million per year from January 1, 2027, through January 1, 2037, to be deposited into the California Plastic Pollution Mitigation Fund. Authorizes the SB 54 PRO to collect up to \$150 million from plastic resin manufacturers to fund plastic mitigation activities, as specified.

**THIS BILL:**

- 1) Defines terms used in the bill, including:
- a) “Covered liquid product” (covered liquid) as petroleum-based, petroleum-derived, synthetic, bio-based, or glycol-based lubricant, coolant, or similar chemical formulations, including coolants, antifreeze, fuel additives, greases, oil-based lubricants, and two-cycle oils that are commercially available to nonbusiness consumers. Specifies that “covered liquid product” does not include used oil subject to the CORE Act; fuels; cosmetics,

drugs, or personal care products; food products; and, liquid products used by business consumers.

- b) “Covered packaging product” (covered packaging) as:
- i) Primary packaging and containers designed and intended to hold a covered liquid for sale or distribution with a capacity of 15 gallons or less, including, but not limited to, a bottle, pail, cartridge, and bag-in-box system, that is customarily generated, collected or managed with a used oil or antifreeze container at a generator site; and,
  - ii) Packaging and containers for a product subject to the CORE Act.

Specifies that “covered packaging product” does not include packaging over 15 gallons, packaging subject to SB 54, and metal ring containers.

- c) “Covered product” as a covered liquid product and a covered packaging product.
- d) “Waste lubricant product” as any oil that has not been used for its intended purpose and is contained in its original packaging.
- 2) Exempts covered packaging from the requirements of SB 54.
- 3) Requires that the stewardship plan required pursuant to SB 54 to explain how the SB 54 PRO will reconcile reporting data from a producer for a product covered by another stewardship program when any of the following occurs:
- a) A covered product is collected by another stewardship program;
  - b) A covered product is reported by a producer to another stewardship program;
  - c) A product subject to another stewardship program is collected by the SB 54 PRO; or,
  - d) A product subject to another stewardship program is reported by a producer to the SB 54 PRO.
- 4) Requires the stewardship plan required by SB 54 to include an agreement with any relevant stewardship organization to effectuate the reconciliation.
- 5) Establishes the Act to provide for the safe and proper management of waste lubricant products that are not covered by the CORE Act, including coolants and antifreeze, engine additives designed to remain in the lubricating system, fuel additives and treatments designed to remain in mechanical systems for operational use, grease, marine lubricants, hydraulic fluids, heat transfer fluids, specialty industrial oils, oil-based lubricants, two-cycle oils, and other functional fluids typically used in automotive and transportation mechanical applications that are commercially available to nonbusiness consumers, as specified.
- 6) Requires CalRecycle, the producer responsibility organization (PRO), and any approved producer responsibility plan (Plan) to maintain and build off the existing infrastructure and funding of the CORE Act.
- 7) Requires CalRecycle, in coordination with the Department of Toxic Substances Control (DTSC), to adopt amend, or repeal regulations to implement the bill with an effective date no earlier than January 1, 2029.

- 8) Requires the PRO to retain a third-party expert to determine a baseline amount of covered liquid disposed of in a household hazardous waste (HHW) collection facility and to ensure that the PRO can measure progress toward meeting the performance-based standards.
- 9) Requires CalRecycle, on or before January 1, 2028, to establish and post a list of covered products on its website.
- 10) Requires CalRecycle, on or before January 1, 2028, to approve a PRO to implement the Act.
- 11) Requires CalRecycle to include in the material characterization study required by SB 54 to include the amount of covered packaging disposed in California landfills and the amount of covered packaging being properly collected and managed through HHW collection facilities. Requires the PRO to pay its pro rata share of the actual and reasonable cost of the material characterization study.
- 12) Requires producers of covered products to register with the PRO no later than 90 days after CalRecycle's approval of the PRO, as specified.
- 13) Beginning January 1, 2031, or upon approval of a Plan, whichever is sooner, prohibits producers from selling, offering for sale, importing, or distributing a covered product in the state unless:
  - a) The producer is registered with the PRO;
  - b) The covered product is accounted for in the Plan; and,
  - c) CalRecycle has not rejected the Plan.
- 14) Requires a producer, within 180 days of the effective date of the regulations, to provide CalRecycle and DTSC with the producer's contact information, a list of covered products and brands that the producer sells, distributes, imports, or offers for sale in the state. Requires producers to update the information on or before January 15<sup>th</sup> of each year.
- 15) Requires the PRO to have a governing board consisting of participant producers that represent the diversity of covered products.
- 16) Authorizes CalRecycle to revoke its approval of the Plan and approve a Plan submitted by another PRO if it finds that the PRO no longer meets the requirements of the bill or fails to implement or administer an approved Plan.
- 17) Requires the PRO with an approved Plan to provide a convenient collection and management system for covered products at no cost to residents within 24 months of the effective date of the regulations.
- 18) Establishes timelines and requirements for the Plan, including:
  - a) Requires CalRecycle, in collaboration with DTSC, to approve, approve in part, or disapprove the Plan;
  - b) Requires CalRecycle and DTSC to ensure that they each retain oversight commensurate with their jurisdictions and authority to minimize the cost and burden to producers.

- c) Requires CalRecycle to notify the PRO of the approval of a Plan and requires the PRO to begin implementing the Plan within 90 days of receipt of the notice.
- d) Requires CalRecycle to notify the PRO of disapproval or approval in part of the Plan and the reasons for the disapproval or partial approval. Requires the PRO to submit a revised Plan within 30 days.
- e) Authorizes CalRecycle to impose additional requirements for any portion of a Plan or revised Plan that does not comply with the Act.
- f) Authorizes CalRecycle and DTSC to review an approved Plan at any time and authorizes them to recommend modifications.
- g) Requires CalRecycle to post an approved Plan on its website within 90 days of approval.
- h) Requires that the PRO have an approved Plan within 24 months of the effective date of the regulations.
- i) Specifies that a participant producer is deemed in compliance with the Act during the review process of a Plan if the producer follows the proposed Plan, as applicable.

19) Establishes requirements for the Plan, including that the Plan:

- a) Be designed to ensure the safe and convenient collection and management of covered products statewide.
- b) Describe how the PRO will meet the “collection and recycling metrics” established by CalRecycle in regulation.
- c) Include collection strategies to ensure elderly and disabled consumers to have access to the safe and proper collection and a management of covered products.
- d) Include contact information for each participant producer.
- e) Include a financial section that demonstrates how the PRO will comply with the financial requirements of the Act.
- f) Include a comprehensive statewide education and outreach program, as specified.
- g) Explain how the PRO will reconcile reporting data from a producer for a product covered by another stewardship program, as specified.
- h) Describe how a covered product will be transported and disposed if it is not recyclable.
- i) Include a description of how the PRO will consult with and mutually agree upon terms and amounts to reimburse local jurisdictions for their costs associated with managing covered products.

20) Establishes procedures and timelines for the review and revision of Plans.

21) Requires the PRO to establish a method to fully fund the Plan that equitably distributes the costs among participant producers, as specified, and operate a budget that demonstrates how the PRO’s revenues will cover the PRO’s budgeted costs.

22) Establishes recordkeeping requirements for the PRO.

23) Requires producers and the PRO to provide CalRecycle with reasonable and timely access to its facilities and operations, as necessary, and to provide relevant records necessary to determine compliance with the Act.

24) Requires the PRO to obtain an independent certified public accountant to annually audit the accounting books of the PRO. Requires CalRecycle to review the audits, as specified.

- 25) Requires a PRO to annually submit a report to CalRecycle that includes:
- The PRO's costs and revenues;
  - A summary of any anticipated changes to allocations;
  - Any changes to the distribution of costs to participant producers;
  - Updated contact information;
  - The quantity of covered products sold in or into the state by participant producers;
  - A summary of efforts made to implement the elements of the Plan, including an evaluation of the effectiveness of the program;
  - Recommendations for future proposed substantial changes to the Plan; and,
  - Any other information required by CalRecycle.
- 26) Requires CalRecycle to notify the PRO if the annual report is compliant or noncompliant within 120 days, and specifies procedures in the case a report is noncompliant.
- 27) Prohibits a retailer, producer, or distributor from selling, offering for sale, or importing a covered product in or into the state unless the producer is in compliance with the Act. If CalRecycle determines that a producer is not in compliance, requires CalRecycle to remove the producer and its brands of covered products from the compliance list published on its website.
- 28) Establishes administrative civil penalties for violations of the Act.
- 29) Establishes antitrust immunity provisions to the extent that a producer or PRO is exercising its authority under the Act.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- Used oil.** State law defines used oil as "any oil that has been refined from crude oil, or any synthetic oil, that has been used, and, as a result of use or as a consequence of extended storage, or spillage, has been contaminated with physical or chemical impurities." Used oil includes, but is not limited to, the following: used motor oils, used industrial oils, vehicle crankcase oils, hydraulic oils, transformer oils, engine lubricating oils, compressor oils, refrigeration oils, transmission fluids, turbine oils, metalworking oils, gearbox and differential oils, bearing oils, railroad oils, gear oils, and vegetable oils used for lubrication. Waste synthetic oils that may be managed as used oil include oil derived from coal, oil shale, or polymers; water-soluble petroleum-based oils; vegetable or animal oil used as a lubricant; hydraulic fluid; and, heat transfer fluid. Used oil does not include antifreeze, brake fluid, other automotive wastes, fuels, and solvents.
- Used oil management.** Used oil must be managed properly to avoid risks to waterways and the environment. Used oil can contain contaminants like lead, magnesium, copper, zinc, chromium, arsenic, chlorides, cadmium, and chlorinated compounds. Oil that is illegally poured down drains, into storm drains, or onto the ground can seep into waterways and groundwater. According to CalRecycle, one gallon of used oil can contaminate one million gallons of drinking water.

In order to ensure that used oil is collected and properly managed, California has a number of statutory requirements relating to used oil. DTSC's used oil program regulates the proper management of used oil through inspections and enforcement of used oil recyclers, transfer facilities, and transporters. The CORE Act implemented by CalRecycle establishes requirements for the responsible management of used oil in California to reduce the amount of illegal disposal of used oil and encourage recycling and reuse, thereby minimizing impacts on the environment.

State law requires that used oil be managed as a hazardous waste in California unless it has been recycled and is shown to meet the specifications for recycled oil in statute or qualifies for a recycling exclusion under the law. Consumers who change their own oil must manage their used oil appropriately (e.g., by taking it to a used oil collection center and not illegally disposing of it on land, water, or storm drains). Consumers are allowed to transport their own used oil to a used oil collection center or to a used oil recycling facility without any permits or a hazardous waste manifest. Businesses that generate used oil and used oil collection centers are required to meet all hazardous waste generator requirements. There are specific requirements for the types of containers that used oil is stored in and how long the used oil can be stored by the generator of the used oil. Prior to transporting individual containers of used oil, regulations require that the generator label shipping containers for used oil as follows: "HAZARDOUS WASTE - State and Federal Law Prohibit Improper Disposal. If found, contact the nearest police or public safety authority, or the U.S. Environmental Protection Agency."

According to DTSC, California's used oil programs collect and recycle approximately 100 million gallons of used oil in-state each year, and another 14 million gallons are sent to out-of-state recycling facilities.

- 3) **CORE Act.** The goals of the CORE Act are to provide the public with convenient collection locations for used oil and oil filters, develop ways to motivate the public to recycle their used oil, provide payments to local governments for used oil and oil filter collection and recycling programs, and to provide grants for research project. Widely viewed as a successful program, it is funded by a fee on used oil at the point of sale (\$0.24 per gallon or \$0.12 per gallon for oil containing 70% re-refined oil). The funding is used to provide incentives for the collection and recycling of used oil.

Under the Act, California has certified more than 3,000 used oil collection centers that are eligible to receive up to \$0.40 per gallon for used oil brought in by consumers and \$0.16 per gallon for oil generated by the center itself.

Cities and counties are eligible for funding to create and maintain used oil collection programs. Payments can also be made to an entity implementing a program on behalf of a local government. Currently, up to \$11 million is allocated annually for local governments' used oil and filter collection programs through the Act. Cities can receive a minimum of \$5,000 per award, and counties may receive a minimum of \$10,000 per award. Payments are calculated on a per capita basis. Local programs may include collection centers, drop off programs, and curbside collection programs. The 2024-25 cycle awarded 181 payments to local governments totaling \$6 million.

California's local conservation corps also receive funding from the CORE Act for used oil

recycling collection activities, including certified collection center signage reviews; staffing filter exchange events, filter draining, and filter crushing; and, internships with used oil recycling businesses. The amount available for the 2025-26 funding cycle for local conservation corps is \$2 million.

Additionally, the CORE Act supports the recycling of used oil. Under the Act, CalRecycle pays an incentive of \$0.03 per gallon to certified used oil recycling facilities for rerefined oil produced from used oil generated in California if it meets certain requirements.

- 4) **EPR.** EPR, also known as product stewardship, is a strategy to place a shared responsibility for end-of-life product management on the producers and all entities involved in the product life-cycle, instead of local governments and ratepayers. Product stewardship encourages product design changes that minimize negative impacts on human health and the environment at every stage of the product's lifecycle. This allows the costs of treatment and disposal to be incorporated into the total cost of a product. It places primary responsibility on the producer, or brand owner, who makes design and marketing decisions. CalRecycle has developed a product stewardship framework and checklists to guide statutory proposals that would allow CalRecycle and other stakeholders to successfully implement product stewardship programs.

There are several statewide stewardship programs in California, all of which are overseen by CalRecycle, including carpet materials management, paint product management, mattress product management, household batteries, and home-generated pharmaceutical waste and sharps waste.

- 5) **This bill.** AB 2245 establishes an EPR program for the management of common automotive fluids used by consumers and the packing of those fluids and used oil. The program established by this bill is complex. It is complicated by the fact it contains two similar, but distinct, waste streams (the lubricant products and the packaging products). Should this bill continue through the legislative process, the author and stakeholders may wish to consider continuing their work with the committee, CalRecycle and DTSC, and stakeholders to address the roles and responsibilities of all parties; clarify the requirements for those implementing the Act, such as manufacturers, retailers, distributors, HHW facilities, and hazardous waste haulers; and, consider the Act's interaction and coordination with the Plastic Pollution Prevention and Packaging Producer Responsibility Act.
- 6) **Author's statement:**

Improper disposal of petroleum-based automotive fluids—such as antifreeze, lubricants, and fuel additives—can contaminate soil, waterways, and waste streams if they are not properly managed at the end of their useful life. While California has a successful recycling program for used motor oil and oil filters, many similar automotive products and their packaging are not covered by a comprehensive statewide system. As a result, local governments and household hazardous waste programs often bear the responsibility and cost of collecting and managing these materials.

The Lubricant Waste and Packaging Producer Responsibility Act of 2026 builds on California's leadership in extended producer responsibility by requiring

producers of these products to fund and operate a statewide system for their safe collection and management. By shifting responsibility to the producers that manufacture and sell these products, this bill will expand convenient disposal options for consumers, reduce improper disposal, and relieve local governments of the financial burden associated with managing these materials.

This measure ensures that petroleum-based automotive products and their packaging are managed safely and responsibly while protecting California's environment and communities.

7) **Suggested amendments.** The *committee may wish to make cleanup and technical amendments* to the bill:

- Clarify CalRecycle's authority to adopt recycling and collection rates for covered products.
- Strike an unnecessary definition of "collection center."
- Extend the due date for annual reports from January 1 to July 1 of each year.

8) **Related legislation.**

AB 1325 (Michelle Rodriguez, 2005) would have repealed the California Oil Enhancement Program and replaces it with a Lubricant and Waste Oil Producer Responsibility Program, which establishes an EPR program for used oil and other automotive fluids. This bill was referred to the Assembly Natural Resources Committee, but was not heard.

SB 501 (Allen) establishes an EPR for specified HHW products for the purposes of providing a convenient collection and management system for products in the program at no cost to residents or local governments that achieves a 40% diversion rate for covered HHW products by Jan 1, 2036. This bill was held on the Senate Floor.

SB 1143 (Allen), Chapter 989, Statutes of 2024, would have established an EPR program for specified HHW products for the purposes of providing a convenient collection and management system for covered products at no cost to residents or local governments. This bill was gut-and-amended to revise the state's Paint EPR program.

9) **Double referral.** This bill passed the Environmental Safety and Toxic Materials Committee on April 14<sup>th</sup> 5-1.

## REGISTERED SUPPORT / OPPOSITION:

### Support

Los Angeles County Sanitation Districts  
National Lubricant Container Recycling Coalition  
National Stewardship Action Council

**Opposition**

Auto Care Association  
California Automotive Wholesalers' Association  
Can Manufacturers Institute  
Household and Commercial Products Association

**Analysis Prepared by:** Elizabeth MacMillan / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2373 (Dixon) – As Introduced February 19, 2026

**SUBJECT:** The California Coastal Act: local coastal program: sea level rise plan: neighborhood-scale adaptation approach

**SUMMARY:** Authorizes local governments lying, in whole or in part, within the coastal zone to include a neighborhood-scale adaptation approach when including land use policies and implementation measures in their local coastal plan (LCP) or a sea level rise plan.

**EXISTING LAW:**

- 1) Establishes the Coastal Act, which provides for the planning and regulation of development within the coastal zone. (Public Resources Code (PRC) 30000 *et seq.*)
- 2) Requires local governments in the coastal zone to have a LCP approved by the California Coastal Commission (Commission) for the local government's land use plans. (PRC 30500)
- 3) Requires any person wishing to perform or undertake any development in the coastal zone, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit (CDP). (PRC 30600)
- 4) Requires a local government lying, in whole or in part, within the coastal zone or within the jurisdiction of the San Francisco Bay Conservation and Development Commission to develop a sea level rise plan, as specified. (PRC 30985)

**THIS BILL:**

- 1) Authorizes a local government lying, in whole or in part, within the coastal zone to include a neighborhood-scale adaptation approach when including land use policies and implementation measures in their LCP or a sea level rise plan for that portion of the coastal zone within its jurisdiction.
- 2) Authorizes a neighborhood-scale adaptation approach to include, but not be limited to, both of the following:
  - a) The identification of areas or assets, including, but not limited to, a neighborhood or developed area, beach area, protected coastal resource area, site, or area with infrastructure or assets, that are subject to this approach; and,
  - b) Policies that reflect the shared planning features and specific, preferred adaptation strategies intended to minimize, mitigate, or avoid coastal impacts for different areas or development types based on the geophysical and land use characteristics.
- 3) Requires neighborhood-scale adaptation approaches to be consistent with PRC 30500 and 30985.

- 4) Defines neighborhood-scale adaptation approach” as an approach that allows local governments to identify and develop adaptation strategies that are specific to defined areas or assets within the jurisdiction of a local government that share characteristics, including geologic, land use, or other shared characteristics of an area, for focused adaptation planning to minimize and mitigate potential impacts associated with sea level rise.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

1) **Author’s statement:**

AB 2373 will allow the local governments to use the neighborhood-scale adaptation approach when including land use policies and implementation measures in their local coastal program or sea level rise plan.

By codifying the Coastal Commission’s recommendations in statute, this bill will provide cities and counties within the Coastal Zone with clarity and certainty about the best practices for completing their LCPs. In addition, this legislation maintains existing flexibility that the Commission has when considering armoring or nature-based solutions along coastal protected shorelines or community contexts.

- 2) **Local Coastal Plans.** The Commission administers the Coastal Act and regulates proposed development along the coast and in nearby areas in the coastal zone. Generally, any development activity in the coastal zone requires a CDP from the Commission or local government with a certified LCP. In the jurisdictions with certified LCPs, local governments issue CDPs with detailed planning and design standards. About 88% of the coastal zone is governed by a certified LCP.

Updating LCPs to reflect changing climatic conditions, including to address sea level rise, is a complex process. Challenges include significant data and information needs, limited tools, lengthy analyses and planning processes, inadequate funding, unresolved disagreements between local and Commission staff, and legal uncertainties, among others, which have slowed or stalled local government and Commission efforts to update LCPs for sea level rise. Some jurisdictions have expressed concern about initiating LCP updates due to these challenges. However, many local governments have taken the first steps to conduct vulnerability assessments and adaptation plans to support policy development. Still others have developed policies to support their local sea level rise planning efforts that have been incorporated into LCPs adopted and certified by the Commission.

The Commission’s Local Government Working Group (Working Group) is a collaboration between the Commission and local government partners to, among other things, identify ways to improve the LCP process, particularly as it relates to updating LCPs to address sea level rise. Some existing LCPs have not been updated for 25 years or more.

- 3) **Neighborhood-scale planning.** The Commission and the Working Group developed a neighbor-scale planning draft discussion paper<sup>1</sup> (September 2024) wherein they discuss the concept that proactively choosing adaptation strategies that reflect a mix of geophysical characteristics and land use and development types and implementing them at appropriate

scales—or “neighborhood-scale adaptation”—will be more effective than parcel-by-parcel, ad hoc responses. The discussion paper specifically notes that the document is not intended to be adopted by the Commission in the immediate future, nor is it intended to provide legal guidance of any kind; rather, it is simply an introduction to a topic that is meant to provide information and spur discussion. No further reporting, let alone regulatory decision-making has advanced on this concept. This bill may be considered premature while those administrative discussions are ongoing.

- 4) **Pilot project.** The City of Pacifica (City) received approval from the Commission in May 2025 on their LCP and began implementing a neighborhood-scale approach.

The City had only made some minor amendments to its LCP since its initial adoption in 1980; City officials needed to overhaul the plan to reflect newer science and planning around climate change. Local officials piloted a “neighborhood” approach by developing special shoreline resiliency areas within the City. The actions the City takes today are designed for specific, near-term benefits over the next 10, 20, or 50 years. During the next century, the best available science may require different actions to combat future climate impacts. Pacifica’s new LCP includes a balance of hard armoring for developed areas and “soft” solutions, like habitat restoration, which will provide natural protection to the coastal environment.

- 5) **Concerns.** Stakeholders have routinely discussed concerns to the Commission about prescriptive, one-size-fits-all approaches that lack flexibility to address local contexts and goals. Some stakeholders have noted that the options for addressing sea level rise on, for example, an urbanized beach in southern California will have to be different than those for a less developed blufftop in northern California. They question what constitutes a “neighborhood” when applying the “scale.” This bill doesn’t define that.

Furthermore, LPCs can be approved in segments. The Coastal Act allows for the division of coastal zones into separate geographic segments, resulting in multiple LCPs segments. Each segment can have its own set of policies and regulations that are specific to each area. This segmentation helps local governments tailor their coastal management plans to the unique needs and characteristics of each segment.

- 6) **Committee amendments.** The *committee may wish to consider* amending the bill to require provided that the Commission finds the policies and standards of any neighborhood-scale adaptation approach to be consistent with Chapter 3 of the Coastal Act, and prioritize nature-based solutions.

## REGISTERED SUPPORT / OPPOSITION

### Support

California State Association of Counties  
 City of Oceanside  
 City of Paramount  
 City of Pismo Beach  
 City of Point Arena  
 City of San Clemente  
 League of California Cities

**Opposition**

None on file

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

<sup>i</sup> [W8-9-2024-exhibits.pdf](#)

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2390 (Schiavo) – As Amended March 16, 2026

**SUBJECT:** Streamlined housing approvals: objective standards: review and modifications

**SUMMARY:** Narrows the application of existing site exclusions to protect the environment that serve as “guardrails” for the ministerial permitting processes, as extended and revised by SB 423 (Wiener), Chapter 778, Statutes of 2023, which exempt projects from review under the California Environmental Quality Act (CEQA).

**EXISTING LAW:**

- 1) CEQA requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. CEQA statute and guidelines provide multiple exemptions for residential projects. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Requires ministerial approval (i.e., not subject to CEQA or other discretionary review by the relevant city or county) of both affordable and market-rate multifamily housing projects until 2036, provided specified construction labor requirements are met, while excluding the following 11 categories of environmentally sensitive sites.
  - a) Coastal zone, with specified exceptions.
  - b) Prime farmland or farmland of statewide importance.
  - c) Wetlands.
  - d) Very high fire hazard severity zones, with specified exceptions.
  - e) Hazardous waste site.
  - f) Delineated earthquake fault zone.
  - g) Special flood hazard area.
  - h) Regulatory flood way.
  - i) Lands identified for conservation.
  - j) Habitat for protected species.
  - k) Lands under conservation easement.

(Government Code 65913.4)

**THIS BILL** revises SB 423 to:

- 1) Limit the scope of the project “site,” for purposes of determining eligibility or exclusion of the project based on the 11 categories of environmentally sensitive sites, to the applicant’s description of the area physically disturbed by construction, rather than the entire project site.
- 2) Expand tolling provisions so that approvals are extended during the pendency of litigation related to any modification request for projects, rather than only the first request.
- 3) Provide that for purposes of project modifications, consistency is measured against objective zoning, subdivision, and design review standards, rather than “planning standards.”
- 4) Require a local government to evaluate modification requests, including a subsequent modification, for consistency with the objective planning standards that the local government originally used, or that were used in a previous modification, to assess consistency.
- 5) Allow a local government to apply objective zoning, subdivision, and design review standards, rather than “planning standards,” adopted after the development application was first submitted to the requested modification in certain instances.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **CEQA exemptions for housing.** CEQA includes various statutory exemptions, as well as categorical exemptions in the CEQA Guidelines, for a wide range of residential projects. Since 1978, CEQA has included statutory exemptions for housing. There are now more than 15 distinct CEQA exemptions for housing projects. The majority of residential projects are approved via exemption or negative declaration under CEQA, or through ministerial permits where CEQA does not apply.

A few existing CEQA exemptions are specific to projects with an affordable housing fraction, the rest are available to affordable and market-rate projects alike. Each exemption includes a range of conditions, including requirements for prior planning-level review, as well as limitations on the location and characteristics of the site. These conditions are intended to guard against the approval of projects with significant environmental impacts that go undisclosed and unmitigated – endangering workers, residents and the greater environment.

More recently, bills such as SB 423 and AB 2011 (Wicks), Chapter 647, Statutes of 2022, have required ministerial approval for multifamily housing projects, where local discretionary review, including CEQA, is replaced with construction labor requirements, exclusion of specified sensitive sites, and a checklist of “objective” criteria.

- 2) **Author’s statement:**

California’s housing crisis requires that existing tools operate efficiently, consistently, and as intended. State law provides a streamlined approval pathway for infill housing developments, but gaps in implementation have created uncertainty and delays that undermine its effectiveness. Additionally, ambiguities in current law have led to

inconsistent interpretations, prolonged timelines, and opportunities for misuse. These challenges can slow housing production and create avoidable barriers for both local governments and developers. AB 2390 provides targeted clarifications to ensure that the streamlined housing approval process is applied predictably, allowing projects that meet objective standards to move forward without unnecessary disruption. In doing so, the bill supports the timely delivery of much-needed housing while maintaining appropriate environmental and local safeguards. This measure represents a practical, good-governance approach that strengthens implementation without altering the underlying policy framework.

- 3) **Double referral.** This bill was approved by the Housing and Community Development Committee by a vote of 12-0 on April 8.
- 4) **Suggested amendment.** *The author and the committee may wish to consider striking the following provision that narrows application of the environmental guardrails for SB 423 and the several other laws that rely on SB 423's guardrails:*

*~~(B) For purposes of determining whether a site meets any of the criteria in subdivision (a), a local government's review of the site shall be limited to the area described as being physically disturbed by construction in the application for streamlined, ministerial review and shall not include, unless expressly stated otherwise, other contiguous or noncontiguous areas even if under the ownership or control of the development proponent.~~*

## REGISTERED SUPPORT / OPPOSITION:

### Support

Abundant Housing Los Angeles  
 California Council for Affordable Housing  
 Circulate Planning & Policy  
 LeadingAge California  
 San Francisco Bay Area Planning and Urban Research Association  
 Student Homes Coalition

### Opposition

Beachwood Canyon Neighborhood Association  
 California Native Plant Society  
 Canyon Back Alliance  
 Center for Biological Diversity  
 Center for Environmental Health  
 Center for Public Environmental Oversight  
 Citizens Planning Association  
 Clean Earth 4 Kids  
 Committees for Land, Air, Water and Species  
 Endangered Habitats League  
 Friends of Griffith Park  
 Green Foothills  
 Hillside Federation  
 In Defense of Animals

Planning and Conservation League  
San Francisco Baykeeper  
Santa Clara Valley Bird Alliance

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2410 (Ellis) – As Amended April 13, 2026

**SUBJECT:** Wildfire safety: fuels reduction projects: California Environmental Quality Act: California Coastal Act

**SUMMARY:** Exempts specified critical wildfire prevention projects from the California Environmental Quality Act (CEQA) and the California Coastal Act (Coastal Act).

**EXISTING LAW:**

- 1) Pursuant to CEQA (Public Resources Code (PRC) 21000 *et seq.*):
  - a) Requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect.
  - b) Requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.
  - c) Defines “project” as an activity that may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.
- 2) Pursuant to the California Coastal Act (PRC 30000 *et seq.*):
  - a) Requires any person wishing to perform or undertake any development in the coastal zone, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit (CDP).
  - b) Requires, after a local coastal plan (LCP) is certified, all development review to be delegated to the local government, except for development on any tidelands, submerged lands, or on public trust lands; any development proposed or undertaken within ports; or, any development within any state university or college within the coastal zone.
  - c) Defines “development” to mean, among other things, the placement or erection of any solid material or structure on land or in water. “Structure” includes, but is not limited to, any building, road, pipe, flume, conduit, siphon, aqueduct, telephone line, and electrical power transmission and distribution line.
  - d) Provides specified CDP exemptions for emergency work. Provides further specified CDP exemptions for specific categories of projects.

- e) Authorizes, to promote greater efficiency with planning, public works plans (PWP) as an alternative to project-by-project CDP review for public works projects carried out by public agencies.
- 3) Defines “high fire threat district” as areas identified as tier 2 (elevated) or tier 3 (extreme) fire risk on the fire-threat map maintained by the Public Utilities Commission (PUC). (Public Utilities Code 3280 (j))

**THIS BILL:**

- 1) Exempts from CEQA a critical fuels reduction project conducted in a community located in a high fire threat district as determined by the PUC, or very high fire hazard severity zone (VHFHSZ) as identified by the State Fire Marshal or as designated by a local government that does at least one of the following:
- a) Removes hazardous, dead, or dying trees.
  - b) Removes vegetation for the creation of strategic fuel breaks as identified by approved fire prevention plans, including CAL-FIRE Unit Fire Plans or community wildfire protection plans.
  - c) Removes vegetation along roadways, highways, and freeways for the creation of safer ingress and egress routes for the public and first responders and to reduce roadside ignitions.
  - d) Removes vegetation around electric utility lines, poles, and rights-of-way to reduce the risk of wildfire and fire-related service outages.
  - e) Removes vegetation using cultural traditional ecological knowledge for cultural burning or prescribed fire treatments or both of those types of treatments for fuels reduction projects.
  - f) Maintains previously established fuel breaks or fuel modification projects.
- 2) Provides that specified projects are eligible for the exemption only if the vegetation removed for the critical fuels reduction project meets all of the following requirements:
- a) The vegetation is a nonnative species;
  - b) The vegetation is 12 inches or less in diameter; and,
  - c) The vegetation is a common species.
- 3) Sunsets the CEQA exemption on January 1, 2030.
- 4) Provides that critical fuels projects are governed solely by the California Coastal Commission (Commission) regardless of whether there is a certified LCP where the projects occur.
- 5) Exempts from the Coastal Act a critical fuels reduction project that does at least one of the following:

- a) Removes hazardous, dead, or dying trees.
  - b) Removes vegetation for the creation of strategic fuel breaks as identified by approved fire prevention plans, including CAL-FIRE Unit Fire Plans or community wildfire protection plans.
  - c) Removes vegetation along roadways, highways, and freeways for the creation of safer ingress and egress routes for the public and first responders and to reduce roadside ignitions.
  - d) Removes vegetation using cultural traditional ecological knowledge for cultural burning or prescribed fire treatments or both of those types of treatments for fuels reduction projects.
  - e) Removes vegetation around electric utility lines, poles, and rights-of-way to reduce the risk of wildfire and fire-related service outages.
  - f) Maintains previously established fuel breaks or fuel modification projects.
  - g) Provides that specified projects are eligible for the exemption only if the vegetation removed for the critical fuels reduction project meets all of the following requirements:
    - i) The vegetation is a nonnative species;
    - ii) The vegetation is 12 inches or less in diameter; and,
    - iii) The vegetation is a common species.
- 6) Sunsets the Coastal Act exemption on January 1, 2030.
- 7) Provides that no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

**1) Author's statement:**

With California facing increasingly devastating wildfires year after year, timely wildfire prevention projects have never been more important. CEQA and the Coastal Act have consistently proven to be roadblocks for effective fuels reduction projects, causing costly and time-consuming delays. AB 2410 will exempt targeted fuels reduction projects from the requirements of CEQA and the Coastal Act, ensuring that California is able to prevent and mitigate future wildfires.

- 2) Existing CEQA exemptions for vegetation management.** There are more than a dozen statutory exemptions to CEQA in PRC 21080 (among other stand-alone statutory exemptions), including the following exemptions approved in SB 131 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2025:

- A project consisting of “defensible space” fire clearance of up to 100 feet, as measured from the center line of the roadway, for a public roadway identified as an egress and evacuation route for a subdivision or community of 30 or more dwelling units, to remove flammable vegetation or trees of less than 12 inches in diameter as measured at chest height.
- A project consisting of the establishment or enhancement of residential home hardening or defensible space for wildfire risk reduction within 200 feet of a legal structure located in a high or VHFHSZ.
- A project consisting of a fuel break that extends up to 200 feet from structures, including the clearance of flammable vegetation and trees less than 12 inches in diameter as measured at chest height.

The CEQA guidelines (Title 14, Division 6, Chapter 3 of the California Code of Regulations (CCR)), provide categorical exemptions for vegetation management projects, including:

- Class 1 exemption covers the repair, maintenance, or minor alteration of existing public or private facilities, or topographical features, such as maintenance of existing landscaping, and involving negligible or no expansion of existing or former use. (CCR 15301)
- Class 4 exemption is for minor public or private alterations which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes. This includes, but is not limited to, fuel management activities within 30 feet of structures to reduce the volume of flammable vegetation. (CCR 15304)

Additionally, the California Vegetation Treatment Program (CalVTP) – a CEQA-compliant program for wildfire resilience projects— was developed by the Board of Forestry to reduce hazardous vegetation around communities in the wildland-urban interface, to construct fuel breaks, and to restore healthy ecological fire regimes. This streamlined CEQA compliance program is only available to public agencies.

- 3) **Vegetation management in the Coastal Zone.** To complement CalVTP, the Commission developed the use of PWP to streamline fuel reduction projects in the Coastal Zone. The PWP functions like an overlay to CalVTP, so that following the PWP guarantees both CEQA and Coastal Act compliance. This approach allows applicants to safeguard sensitive biological resources and improve forest health without having to apply for individual CDPs. PWP authorize projects with streamlined review and without the need for additional coastal permits over 10 years. PWP can be completed in less time than a typical local CDP, and once certified, work can proceed within 30 days and no local review is required. Since 2021, approximately 350,000 acres in the Coastal Zone has been certified for wildfire vegetation treatment under PWP across the coastal zone.
- 4) **Governor’s emergency proclamation.** In response to the January 2025 wildfires that burned multiple communities in Los Angeles, Governor Newsom issued an

emergency proclamation ordering a suspension of all laws, regulations, rules, and requirements that fall within the jurisdiction of boards, departments, and offices within the California Environmental Protection Agency (CalEPA) and the California Natural Resources Agency (NRA) for expediting critical fuels reduction projects initiated in 2025. On December 31, 2025, Governor Newsom extended the emergency proclamation from March 1, 2026, and through this extension, project streamlining applications are being accepted through May 1, 2026.

Critical fuels reduction projects included:

- Removal of hazardous, dead, and/or dying trees;
- Removal of vegetation for the creation of strategic fuel breaks as identified by approved fire prevention plans, including without limitation CAL FIRE Unit Fire Plans or Community Wildfire Preparedness Plans;
- Removal of vegetation for community defensible space;
- Removal of vegetation along roadways, highways, and freeways for the creation of safer ingress and egress routes for the public and responders and to reduce roadside ignitions;
- Removal of vegetation using cultural traditional ecological knowledge for cultural burning and/or prescribed fire treatments for fuels reduction; or,
- Maintenance of previously-established fuel breaks or fuels modification projects.

Under the proclamation's exemptions, there is a process established for use of the exemptions. Entities are required to ask NRA to make a determination that the activities are eligible under the proclamation, and all of the departments and agencies under NRA and CalEPA will post on their respective websites the approved CEQA and Coastal Act exemptions. Further, any activity conducted under the temporary exemptions is still required to comply with the state Environmental Protection Plan.

In 2025, the Legislature assigned the California Earthquake Authority (CEA) the task of conducting a study and reporting on options to enhance natural catastrophe resiliency while meeting California's climate change and clean energy goals. The CEA's report, *Enhancing California's Resiliency to Natural Catastrophes: Senate Bill 254 (2025) Study Report*, released April 7, recommends establishing in statute the authority to facilitate ongoing fast-track environmental permitting for critical, short-term projects covered under the Governor's emergency proclamation.

This bill codifies those exemptions under CEQA and the Coastal Act until January 1, 2030.

- 5) **Electric grid projects.** Electrical infrastructure is a common ignition point for wildfires, as evidenced by some of the most destructive wildfires in California's very recent wildfire history. California's investor-owned utilities (IOUs) (private electrical corporations regulated by the PUC) are responsible and accountable for ensuring safe operations of their transmission and distribution infrastructure, which includes vegetation management around that electrical infrastructure. There are various laws requiring an electric utility in the state responsibility areas to maintain vegetation management around and adjacent to any pole or tower that supports a switch, fuse, transformer, lightning arrester, line junction, or dead end or corner pole, a firebreak that consists of a clearing of not less than 10 feet in each direction

from the outer circumference of such pole or tower. Utilities are also required to cut, trim, or fell any dead trees, trees weakened by decay or disease, and trees or portions thereof that are leaning toward a line that can contact the line from the side, or may fall on the line. Many vegetation management activities conducted by utilities are treated as maintenance of existing facilities, which can fall under a CEQA categorical exemption.

This bill exempts projects that remove vegetation around electric utility lines, poles, and rights-of-way to reduce the risk of wildfire and fire-related service outages from CEQA and the Coastal Act.

6) **Committee amendments.** The *Committee may wish to consider* amending the bill as follows:

- a) Link the exemption from LCP review to the Coastal Act exemptions in PRC 30610 (j).
- b) Require the critical fuels reduction projects exempt from CEQA and the Coastal Act to comply with the environmental program akin to the critical fuels reduction projects exempt under the Governor's emergency proclamation.
- c) Require the Commission to report to the Legislature on CDP approvals for fuel modification projects and use of PWP's for fuel modification projects, and the average time it takes under each process for a project to be approved.

7) **Related legislation:**

AB 1227 (Ellis, 2025) was amended last year in the Assembly Natural Resources Committee to contain language identical to the language in sections 1 and 3 of this bill. It was held in the Senate Appropriations Committee.

AB 623 (Dixon, 2025) provides exemptions from CEQA and the Coastal Act for fuel modification projects that maintain defensible space. Additionally exempts electrical grid resilience projects from CEQA. This bill was held in the Assembly Appropriations Committee.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Farm Bureau Federation  
Orange County Fire Authority  
Pacific Gas and Electric Company

### **Opposition**

California Chaparral Institute  
California Native Plant Society  
Center for Biological Diversity  
Endangered Habitats League  
Planning and Conservation League

Sierra Club  
State Alliance for Firesafe Road Regulations

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /



Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2433 (Alvarez) – As Amended April 7, 2026

**SUBJECT:** Housing development: density bonus

**SUMMARY:** Amends the Density Bonus Law (DBL) to, among other things, require a housing development project that satisfies the requirements related to a California Environmental Quality Act (CEQA) exemption and is eligible for a density bonus, incentives or concessions, and waivers or reductions of development standards for purposes of the DBL and meets other affordability requirements to be a use by right and subject to ministerial review.

**EXISTING LAW:**

1) Pursuant to the DBL:

- a) Requires a city or county to provide a developer that proposes a housing development within the city or county with a density bonus and other incentives or concessions, as specified, if the developer agrees to construct specified percentages of units for lower income households or very low-income households, and meets other requirements. (Government Code (GC) 65915 (b)(1))
- b) Provides that the DBL does not supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Coastal Act), and requires that any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which an applicant is entitled under the DBL be permitted in a manner consistent with the Coastal Act. (GC 65915 (m))
- c) Requires the review of a housing element for jurisdictions located within a coastal zone to provide an additional analysis of units constructed, demolished, and replaced within three miles of a coastal zone to ensure the affordable housing stock with the coastal zone is being protected and provided. (GC 65588 (d))
- d) Specifies that the granting of a density bonus or incentive or concessions shall not require or be interpreted to require a general plan amendment, local coastal plan (LCP) amendment, zoning change, or other discretionary approval. (GC 65915 (f)(6))

2) Pursuant to the Coastal Act:

- a) Regulates development in the coastal zone and requires a new development to comply with specified requirements. (Public Resources Code (PRC) 30000)
- b) Requires any person wishing to perform or undertake any development in the coastal zone, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit (CDP). (PRC 30600)

- c) Requires all new development to minimize risks to life and property in areas of high geologic, flood, and fire hazard; assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural landforms along bluffs and cliffs; be consistent with requirements imposed by an air pollution control district or the State Air Resources Board as to each particular development; minimize energy consumption and vehicle miles traveled; and, where appropriate, protect special communities and neighborhoods that, because of their unique characteristics, are popular visitor destination points for recreational uses. (PRC 30253 (f))
  - d) Provides that the Legislature finds and declares that it is important for the California Coastal Commission (Commission) to encourage the protection of existing and the provision of new affordable housing opportunities for persons of low- and moderate-income in the coastal zone. (PRC 30604 (g))
- 3) Pursuant to CEQA (PRC 21000 *et seq.*):
- a) Requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for a project, unless the project is exempt from CEQA. (CEQA includes various statutory exemptions, as well as categorical exemptions in the CEQA Guidelines.)
  - b) Requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.
  - c) Exempts from CEQA any aspect of a housing development project, as defined, including any permits, approvals, or public improvements required for the housing development project if the housing development project meets specified conditions, including, among other things, the project is consistent with the applicable general plan and zoning ordinance, as well as any applicable LCP.
  - d) Provides that, without limiting any other statutory or categorical exemption, CEQA does not apply to any aspect of a housing development project, as defined, including any permits, approvals, or public improvements required for the housing development project, if the housing development project meets all of the specified conditions.
  - e) Pursuant to AB 130 (Committee on Budget), Chapter 22, Statutes of 2025, requires the project to satisfy the requirements specified in GC 65913.4 (a)(6).

**THIS BILL:**

- 1) Provides that a city or county shall comply with DBL if the jurisdiction determines an applicant meets at least one of the affordability criteria that would make a housing development project eligible for a density bonus.

- 2) Requires a project that is eligible for specified incentives and concessions and that also includes units for sale to receive two additional incentives.
- 3) Provides, notwithstanding any other law, that a granting of a waiver or reduction of development standards is not discretionary and does not require a general plan amendment, LCP amendment, zoning change, study, or other discretionary approval or environmental review, as specified.
- 4) Requires “density bonus” to mean an increase in the floor area ratio of the site if an applicant for a density bonus elects to use the maximum floor area ratio of the site for residential use for purposes of calculating the maximum allowable gross residential density.
- 5) Provides that the granting of a density bonus shall not be discretionary and shall not require or be interpreted to require environmental review, as specified.
- 6) Deletes the requirement that residential units be on contiguous sites subject to one development application, as specified, for the purposes of calculating a density bonus.
- 7) Requires the density bonus, incentive, or concession, and waiver or reduction of development standards to be on sites that are the subject of the same housing development.
- 8) Provides that the density bonus, incentive or concession, and waiver or reduction of developments standards to be permitted anywhere in the geographic areas of the same housing development, including areas outside of the areas where the housing units are located.
- 9) Provides that the granting of a concession or incentive shall not be discretionary and shall not require or be interpreted to require environmental review, as specified.
- 10) Requires that a project be a use by right and be ministerially approved if all the following apply:
  - a) The project satisfies standards for the infill housing CEQA exemption under AB 130.
  - b) The project is eligible for a density bonus, as specified.
  - c) The applicant agrees to, and the city or county ensures, the continued affordability of all very low and low-income rental units and very low, low, or moderate income for-sale units, as specified.
- 11) Defines moderate-income to include lower income households, very low-income households, and extremely low-income households.
- 12) Provides that no reimbursement is required by this bill because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service by this bill.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Density Bonus Law.** California’s DBL was enacted in 1979 to provide housing developers tools to encourage the development of much needed affordable and senior housing. The DBL achieves this by allowing developers to exceed the normal density restrictions when they meet certain criteria. Cities and counties are required to grant a “density bonus,” which is an exceedance of the otherwise allowable project density, if a housing project would include affordable units for one or more of these demographics. The amount of the density bonus is codified as a sliding scale based on the percentage of affordable units provided and the demographics targeted. The law also allows for a 100% density bonus for residential developments that are 100% affordable. In addition to proving a density bonus, the law requires a city or county to provide up to four incentives or concessions to any project that qualifies for a density bonus, depending on the percentage of affordable units provided.
- 2) **Coastal Act.** The Commission administers the Coastal Act and regulates proposed development along the coast and in nearby areas in the coastal zone. Generally, any development activity in the coastal zone requires a coastal development permit from the Commission or local government with a certified LCP. The DBL contains language to avoid conflicts with the Coastal Act by specifically stating that the DBL does not supersede or in any way alter or lessen the effect or application of the Coastal Act and any density bonus, concessions, incentives, waivers or reductions of development standards, and parking ratios to which the applicant is entitled in a manner that is consistent with the Coastal Act.

This bill provides that the granting of a density bonus, the granting of a waiver or reduction of development standards, and the granting of a concession or incentive shall not require or be interpreted to require an LCP amendment, which is declaratory of existing law; LCP amendments are not required under the Coastal Act for density bonuses.

- 3) **CEQA.** Under CEQA, housing development projects may qualify for either statutory exemptions or categorical exemptions established in the CEQA Guidelines.

The CEQA guidelines (Title 14, Division 6, Chapter 3 of the California Code of Regulations), provide categorical exemptions for classes of projects deemed not to have significant environmental impacts, including small-scale new residential construction (Class 3); infill development (Class 32); and, rehabilitation, conversion, or minor additions to existing housing (Class 1). Categorical exemptions are much broader, and open to interpretation, than statutory exemptions.

AB 130 established a broad new statutory CEQA exemption for housing, centered on qualifying urban infill development projects. The law exempts from CEQA most housing developments—including single-family, multifamily, mixed-use (with at least two-thirds residential), supportive, and transitional housing—located on infill sites in urban areas that are generally consistent with local planning and zoning and not situated on environmentally sensitive, hazardous, or protected lands. The exemption applies to sites up to approximately 20 acres (with smaller limits for certain “builder’s remedy” projects). The intent with AB 130 was to expand and streamline CEQA exemptions for housing by creating a “clean” infill exemption that replaces narrower prior tools and to accelerate housing production in urban areas.

- 4) **Ministerial review.** The critical importance of the DBL is that it restricts a local government's discretion when it comes to providing density bonuses for qualifying residential projects. Specifically, if a developer meets the requirements of GC 65915 by including a certain percentage of affordable units within the project, the city or county *must* award a density bonus.

AB 130 excludes developments located in sensitive habitats, vulnerable to sea level rise, near wetlands, on prime agricultural land, and other specified limitations (GC 65913.4 (a)(6)) from the CEQA exemptions afforded by the bill. The author's intent with this bill is to limit its scope of the covered projects to those that satisfy the requirements in AB 130, as is specified in subdivision (w).

5) **Author's statement:**

California's housing crisis has been decades in the making, but Bonus Law is proof that the right policies work. Over the past five years, Bonus Law has entitled more than 140,000 homes across the state, making it the most utilized and successful housing program currently in law. Still, there's room for improvement as California's APR data shows approx. 25% of housing projects that are eligible for bonus law currently do not use it.

AB 2433, the Affordable Homes Bonus Law, builds on the successes to make the promise of homeownership more obtainable for the people who make our communities work. This bill strengthens the incentives for builders who commit to affordable housing, holds cities accountable to clear timelines, and removes unnecessary barriers that have slowed or blocked good projects for years. When a developer is willing to do the right thing and build homes working families can afford, state law should make that easier.

- 6) **Triple referral.** This bill was approved by the Assembly Housing and Community Development Committee 12-0 on March 25, and approved by the Assembly Local Government Committee 10-0 on April 15.
- 7) **Committee amendments.** The committee may wish to consider amending PRC 65915 (w) to strike "notwithstanding any other law" and replace with "except as provided under (m)" to maintain the harmonization with the Coastal Act.

8) **Related legislation:**

AB 2560 (Alvarez, 2024) provided that any density bonus, concessions, or incentives that a development project applicant is entitled to under the DBL are permitted, to the extent that they do not result in significant adverse impacts to coastal resources and public coastal access and required all local governments in the coastal zone to amend their respective LCPs to harmonize DBL and the Coastal Act. This bill was held in the Senate Appropriations Committee.

AB 1287 (Alvarez), Chapter 755, Statutes of 2023, requires a city, county, or city and county to grant additional density and concessions and incentives if an applicant agrees to include additional low or moderate income units on top of the maximum amount of units

for lower, very low, or moderate income units. As introduced, this bill exempted the DBL from the Coastal Act.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Abundant Housing LA  
Abundant Housing Los Angeles  
Bay Area Council  
California Building Industry Association (CBIA)  
California Housing Defense Fund  
California Yimby  
Circulate Planning & Policy  
Climate Action Campaign  
Community Housingworks  
Council of Infill Builders  
Fieldstead and Company, INC.  
Habitat for Humanity California  
Housing Action Coalition  
Inner City Law Center  
New California Coalition  
Rides  
San Diego Housing Commission  
San Diego Regional Chamber of Commerce  
San Francisco Bay Area Planning and Urban Research Association  
Serving Seniors  
South Pasadena Residents for Responsible Growth  
Spur  
Student Homes Coalition  
The Two Hundred for Homeownership  
Yimby Democrats of San Diego County

### **Opposition**

Azul  
California Cities for Local Control  
California Coastal Protection Network  
Center for Public Environmental Oversight  
Endangered Habitats League  
Environmental Action Committee of West Marin  
Families and Homes San Jose  
Green Foothills  
Mission Street Neighbors  
Neighbors for a Better California  
Neighbors for a Better San Diego  
Planning and Conservation League  
Santa Clara Valley Bird Alliance

Save Lafayette  
State Building & Construction Trades Council of California

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /



Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2461 (Hart) – As Introduced February 20, 2026

**SUBJECT:** Oil and gas: bonding requirements

**SUMMARY:** Expands current bonding requirements for a person who acquires the right to control a well or production facility.

**EXISTING LAW:**

- 1) Establishes the Geologic Energy Management Division (CalGEM) in the Department of Conservation under the direction of the supervisor, who is required to supervise the drilling, operation, maintenance, and abandonment of oil and gas wells. (Public Resources Code (PRC) 3000 *et seq.*)
- 2) States the intent of the Legislature that, to minimize the risk that the state will be liable for costs of plugging and abandonment, no well be transferred to another owner until and unless a bond has been filed that would cover the full cost of plugging and abandonment and site restoration. (PRC 3017)
- 3) Requires a person who acquires the right to operate a well or production facility, whether by purchase, transfer, assignment, conveyance, exchange, or other disposition, to, as soon as it is reasonably possible, but not later than the date when the acquisition of the well or production facility becomes final, notify the supervisor or the district deputy, in writing, of the person's operation. The acquisition of a well or production facility shall not be recognized as complete by the supervisor or the district deputy until the new operator provides an indemnity bond for each well, as applicable. (PRC 3202)
- 4) Requires an operator who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of a well, to file with the supervisor an individual indemnity bond for each well so drilled, redrilled, deepened, or permanently altered in the following amount:
  - a) \$25,000 for each well that is less than 10,000 feet deep.
  - b) \$40,000 for each well that is 10,000 or more feet deep. (PRC 3204 (a))
- 5) Requires the bond to be filed with the supervisor at the time of the filing of the notice of intention to perform work on the well or at the time of acquisition of the well, as provided in PRC 3202. Requires the bond to be executed by the operator, as principal, and by an authorized surety company, as surety, on the condition that the principal named in the bond shall faithfully comply with all the provisions of this chapter, in drilling, redrilling, deepening, or permanently altering the casing in any well or wells covered by the bond, and shall secure the state against all losses, charges, and expenses incurred by it to obtain the compliance by the principal named in the bond. (PRC 3204 (b))

- 6) Authorizes an operator who engages in the drilling, re-drilling, deepening, or in any operation permanently altering the casing, of 20 or more wells at any time, to file with the supervisor one blanket indemnity bond to cover all the operations in any of its wells in the state in lieu of an individual indemnity bond for each operation. Establishes the bond amounts to be provided based on the quantity of wells covered by the bond. (PRC 3205)
- 7) Requires that all operators of oil and gas wells submit cost estimates to CalGEM for the total cost of plugging and abandonment for each of their wells and the decommissioning of all production attendant facilities. (PRC 3205.7)
- 8) Requires a person who acquires the right to operate a well or production facility, by purchase, transfer, assignment, conveyance, exchange, or other disposition, except a well that has an average daily production level that exceeds 15 barrels of oil or 60,000 cubic feet of natural gas during the 12 months preceding the date of acquisition or a natural gas storage well, to, as soon as possible, but not later than the date when the acquisition of the well or production facility becomes final, file with the supervisor an individual indemnity bond for the well or production facility, or a blanket indemnity bond for multiple wells or production facilities, in an amount determined by the supervisor to be sufficient to cover, in full, all costs of plugging and abandonment, decommissioning of the facility, and site restoration and relevant regulations. (PRC 3205.8)

**THIS BILL:**

- 1) Requires a person who acquires the right to control a well or production facility, whether by purchase, transfer, assignment, conveyance, exchange, or other disposition to, as soon as it is reasonably possible, but no later than the date when the acquisition of the well or production facility becomes final, notify the supervisor or the district deputy, in writing, of the person's acquisition of the right to operate or control a well or production facility, and requires the provision of specified information to the supervisor.
- 2) Requires a person who acquires the right to control a well or production facility, by purchase, transfer, assignment, conveyance, exchange, or other disposition to, as soon as possible, but not later than the date when the acquisition of the well or production facility becomes final, file with the supervisor an individual indemnity bond for the well or production facility, or a blanket indemnity bond for multiple wells or production facilities, in an amount determined by the supervisor to be sufficient to cover, in full, all costs of plugging and abandonment, decommissioning of the facility, and site restoration and regulations.
- 3) Repeals the exemption for specified bonding requirements for wells that average daily production levels that exceed 15 barrels of oil or 60,000 cubic feet of natural gas during the 12 months preceding the date of acquisition or a natural gas storage well from the requirement for an individual indemnity bond, or a blanket indemnity bond for multiple wells or production facilities, in an amount determined by the supervisor to be sufficient to cover, in full, all costs of plugging and abandonment, decommissioning of the facility, and site restoration and regulations.
- 4) Defines a person who "acquires a right to operate or control a well or production facility" to include, but not be limited to, the rights a person acquires through any of the following transactions involving an operator:

- a) The direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the operator of more than 50% of the voting stock of the operator;
  - b) A merger, reverse merger, acquisition, or consolidation in which the person is a party;
  - c) The sale, exchange, or transfer of all or substantially all of the assets of the operator;
  - d) A liquidation or dissolution of the operator; and,
  - e) Any other event in which multiple related sales or exchanges of the voting securities or assets of the operator result in a party acquiring functional ability to control, direct, or manage a well or production facility.
- 5) Provides that no reimbursement is required pursuant to Section 6 of Article XIII B of the California Constitution.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

1) **Author's statement:**

AB 2461 clarifies existing law by explicitly applying bonding and financial assurance requirements when a company acquires or assumes control of an oil well or facility, including through stock sales and other corporate transactions. The bill ensures that any entity gaining control of oil facilities demonstrates adequate financial assurance before a transfer is completed, protecting communities and the state from unfunded cleanup liabilities. Without these safeguards, the State, and ultimately taxpayers, could be left responsible for billions of dollars in costs associated with plugging, abandonment, and decommissioning oil wells and facilities.

- 2) **Bond requirements.** Bonds are required to be posted when a drilling permit is issued to cover plugging and abandonment costs. Operators who engage in the drilling, re-drilling, deepening, or in any operation permanently altering the casing of a well to file an individual indemnity bond for each well drilled, re-drilled, deepened, or permanently altered, or acquired at \$25,000 for each well that is less than 10,000 feet deep, and \$40,000 for each well that is 10,000 or more feet deep. Operators are also allowed to file a blanket indemnity bond to cover all the operations in any of its 20+ wells in the state in lieu of an individual indemnity bond for each operation. The amount for the blanket bonds is also specified in statute.

To ensure the sufficiency of these indemnity bonds, the Legislature gave CalGEM authority, per SB 551 (Jackson), Chapter 774, Statutes of 2019, to develop criteria to be used by operators for estimating costs to plug and abandon wells and decommission attendant production facilities, including site remediation. SB 551 also requires each operator of an oil or gas well to submit a report to the supervisor that demonstrates the operator's total liability to plug and abandon all wells and to decommission all attendant production facilities, including site remediation, on a schedule determined by the supervisor.

Further, AB 1057 (Limón), Chapter 771, Statutes of 2019, authorizes CalGEM to require an operator to provide an amount of security acceptable to CalGEM based on CalGEM's evaluation of the risk that the operator will desert its well or wells and the potential threats the operator's well or wells pose to life, health, property, and natural resources. That law sets a floor on the amount of the reasonable costs to plug and abandon operator's wells at \$30 million.

- 3) **Sales and transfers.** In the fall of 2022, supermajors Shell and ExxonMobil agreed to sell more than 23,000 wells in California, which they owned through a joint venture called Aera Energy, to German asset management group IKAV for an estimated \$4 billion. Aera accounts for about a quarter of California's oil and gas production, largely from pumping in Kern and Ventura counties. The Los Angeles Times (LAT) reported that IKAV stood to inherit a portfolio littered with wells past their prime. Nearly 9,000 Aera wells were idle as of early October 2022, meaning about 38% of the company's unplugged inventory wasn't producing oil or gas, according to state data.

California had the authority to ask for an additional \$30 million in financial security from a single operator, but only required Aera to hold a \$3 million bond. As a result, Aera's bonds covered less than half a percent of the \$1.1 billion that ProPublica estimates it would cost the state to plug the wells based on the average cost to California for past well plugging.

AB 1167 (Carillo), Chapter 359, Statutes of 2023, was introduced in response to that acquisition to require a person who acquires the right to operate a well or production facility to file with the supervisor a bond for the well or production facility in an amount determined by the supervisor to be sufficient to cover, in full, all costs of plugging and abandonment and site restoration.

- 4) **This bill.** California Resources Corporation (CRC) finalized a \$2.1 billion acquisition of Aera Energy after stockholders approved it in June 2024. Because the assets acquired were a stock transition, not tangible infrastructure, CalGEM determined that the 2024 acquisition was *not* subject to AB 1167 because, in CalGEM's view, the transaction did not change the "operators" of Aera's wells.

In September 2025, CRC announced another acquisition of Berry Petroleum, which should have triggered a bond requirement of around \$576 million if AB 1167's requirements were applied.

To close the unintended the loophole, this bill requires any person who *controls* a well or production facility to comply with the bonding requirements of AB 1167. Control is defined under the bill as stock sales, merger, consolidation, liquidation or dissolution of the operator, or any other event in which multiple related sales or exchanges of the voting securities or assets of the operator result in a party acquiring functional ability to control the well.

- 5) **Related legislation.** AB 2716 (Ávila Farías) Repeals the exclusion of self-insurance or corporate guarantee as eligible financial assurances required when selling or acquiring oil and gas wells. This bill additionally authorizes an operator to, in lieu of the bonding requirement and with the written approval of the supervisor, provide the required security through a specified means of financial assurance. This bill is referred to the Assembly Natural Resources Committee.

**REGISTERED SUPPORT / OPPOSITION:****Support**

350 Bay Area Action	Environmental Action Committee of West Marin
350 Sacramento	Environmental Defense Center
350 Santa Barbara	Epic
350 South Bay Los Angeles	Extreme Weather Survivors
350 Southland Legislative Alliance	Food & Water Watch
Alliance of Californians for Community Empowerment	Fossil Free California
Apen Action	Fractracker Alliance
Azul	Friends Committee on Legislation of California
Bay Area-system Change Not Climate Change	Greenpeace USA
California Coastal Protection Network	Indivisible Alta-Pasadena
California Environmental Justice Alliance Action	Indivisible Santa Cruz County
California Federation of Teachers	LA Bishop's Commission on Climate Change
California Interfaith Power & Light	Long Beach 350
California Nurses Association	Long Beach Alliance for Clean Energy
Center for Biological Diversity	Los Angeles Faith & Ecology Network
Center for Environmental Health	Natural Resources Defense Council
Center on Race, Poverty and the Environment	Oil and Gas Action Network
Central California Asthma Collaborative	Pg Progressives Democratic Club
Cerbat	Physicians for Social Responsibility - Los Angeles
Clean and Healthy California	Redeemer Community Partnership
Clean Water Action	San Diego 350
Cleanearth4kids.org	San Francisco Bay Physicians for Social Responsibility
Climate First: Replacing Oil & Gas	San Francisco Baykeeper
Climate Hawks Vote	Sierra Club California
Climate Health Now Action Fund	Socal 350 Climate Action
Communities for a Better Environment	Sunflower Alliance
Community Environmental Council	Sunrise Bay Area
Consumer Watchdog	The Climate Center
Courage California	Union of Concerned Scientists
Dayenu: a Jewish Call to Climate Action	West Berkeley Alliance for Clean Air and Safe Jobs
Earth Island Advocates	
Earthjustice	
Environment California	

**Opposition**

California Chamber of Commerce  
Western States Petroleum Association

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /



Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2549 (Zbur) – As Amended April 8, 2026

**SUBJECT:** Electronic Waste Recycling Act of 2003: manufacturer notices

**SUMMARY:** Revises various requirements for manufacturers and retailers of covered battery embedded products (CBEPs) under the Electronic Waste Recycling Act of 2003 (Act). States the intent of the Legislature to exempt thrift retail stores (thrift stores) and to delay or suspend the implementation of the Act for discount stores, as defined.

**EXISTING LAW:**

- 1) Establishes the Act, which enacts a comprehensive system for the reuse, recycling, and proper and legal disposal of covered electronic devices, as provided. (Public Resources Code (PRC) 42460-42486)
- 2) Requires the Department of Resources Recycling and Recovery (CalRecycle) to administer and enforce the Act in consultation with the Department of Toxic Substances Control. (PRC 42475)
- 3) Defines "covered electronic device" to mean either of the following:
  - a) A video display device containing a screen greater than four inches, measured diagonally, that is identified in regulations; or,
  - b) A covered battery-embedded product. (PRC 42463)

**THIS BILL:**

- 1) States the intent of the Legislature to exempt thrift stores from the Act, and to delay or suspend the implementation of the Act for discount stores.
- 2) Requires a manufacturer of a CBEP to send a notice, that identifies the CBEP by brand, model number and universal product code (UPC), to the Department of Resources, Recycling and Recovery (CalRecycle), and inform CalRecycle that the CBEP is regulated under the Act and is subject to a recycling fee.
- 3) Requires the manufacturer of a CBEP to send each notice to CalRecycle according to a specified schedule, no later than March 1 of each year.
- 4) Requires a manufacturer to send the required notice to CalRecycle according to the following schedule:
  - a) Within 60 days from the date of first sale to a retailer or purchaser in this state for any CBEP manufactured by that manufacturer that is subject to the Act; and,
  - b) Within 60 days from the date of first sale to a retailer or purchaser in this state for a CBEP manufactured by that manufacturer is exempt from the Act.

- 5) Provides that a retailer shall have not less than 60 days from the of the date of receipt of the notice directly from a manufacturer, or the date the notice is first published in the online database maintained by CalRecycle, whichever is earlier, to begin collecting the fee required by the Act regarding the product identified in the notice.
- 6) Requires, on or before January 1, 2027:
  - a) CalRecycle to develop a standardized online form to allow manufacturers to send electronic notices to CalRecycle.
  - b) CalRecycle to create and maintain a searchable database for the notices sent by manufacturers, and that the notices be posted within 60 days from the date of receipt. Specifies that the database identify covered electronic devices by brand, model number, and UPC, and the applicable recycling fee for each device.
- 7) Requires CalRecycle to consult with manufacturers and retailers to develop a standardized online upload process.
- 8) Specifies that a retailer is in compliance with the Act and is not subject to civil and criminal penalties for a violation of the Act when relying in good faith on the list of covered electronic devices and the applicable CBEW recycling fee listed on the website, or in the electronic notices from manufacturers as of the date a product is made available for retail sale.
- 9) Specifies that, in the event of an audit or determination by the California Department of Tax and Fee Administration (CDTFA) that a fee was improperly collected or remitted due to inaccurate information in the database maintained by CalRecycle, CalRecycle or CDTFA coordinate with the manufacturer to correct the data. Specifies that retailers are not subject to penalties or interest for errors attributable to those inaccuracies.
- 10) Repeals the July 1, 2027, date by which manufacturers of CBEP are required to comply with the Act, and replaces it with an unspecified date.
- 11) Repeal the requirement that manufacturers of CBEP are required to provide a list of retailers, including, but not limited to, internet and catalog retailers, as specified.
- 12) Specifies that a retailer “shall not be deemed to have actual knowledge” of any covered electronic device or CBEP waste fee until 60 business days after a retailer receives the notice from the manufacturer or distributor, as specified.
- 13) Defines “discount store” as a retail establishment that is primarily engaged in the sale of general merchandise, household goods, apparel, seasonal goods, and other consumer products at “everyday low prices,” and that operates on a self-service, high-volume, low-margin retail model. Specifies that “discount store” does not include a general merchandise supercenter, hypermarket, warehouse club, membership club, or other big box retail format with a gross floor area exceeding 100,000 square feet or that devotes more than 10% of its sales floor area to grocery, food, or other consumable goods.
- 14) Defines “thrift retail store” as a retail store and related donation facilities engaged primarily in the sale of secondhand clothing, shoes, apparel, toys, and standard household goods,

including furniture, fixtures, and small household appliances, and the collection of those goods for resale. “Thrift store” does not include the sale of large household appliances such as refrigerators or stoves and does not include the sale of cars or anything automotive-related.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Electronic Waste.** Electronic waste (e-waste) refers to unwanted or waste consumer and business electronic equipment, including computers, printers, monitors, etc. As defined in California law, e-waste refers to any device with a screen that is more than 4-inches and any product with an embedded battery. Most e-waste includes components that render them hazardous under California’s hazardous waste law.

Rapid advancements in technology have resulted in many electronic products becoming obsolete within a very short time period, creating a huge surplus of e-waste. Disposing of e-waste in landfills poses a risk to human and environmental health. To meet the challenge of managing e-waste, California enacted the Act [SB 20 (Sher), Chapter 526, Statutes of 2003] to establish a program for consumers to return, recycle, and ensure the safe and environmentally sound disposal of video display devices (or "covered electronic devices"), such as televisions and computer monitors, which are considered hazardous waste when discarded. The primary goals of the Act are to limit the amount of toxic substances (such as lead, mercury, cadmium, and hexavalent chromium) in certain electronic products sold in the state, and to establish a funding system for the collection and recycling of discarded covered electronic devices.

In 2022, California Enacted SB 1215 (Newman), Chapter 370, Statutes of 2022, to include CBEPs, which include consumer products with embedded batteries that are not intended to be removed by the consumer. Like other forms of e-waste, batteries are considered hazardous and are not safe to dispose of in the municipal waste stream. Some batteries, particularly lithium ion, are extremely flammable and can combust or explode if they are damaged. When these batteries enter the waste stream, they are likely to be damaged during normal solid waste handling activities. When that happens, the batteries can ignite, causing fires in solid waste vehicles and facilities and posing a risk to the health and safety of solid waste workers and the public. In spite of their hazardous nature, a multitude of products contain embedded batteries, from children’s toys to power tools. Under SB 1215, CBEPs are subject to the Act beginning January 1, 2026.

- 2) **This bill.** This bill revises and extends the notice requirements for manufacturers of CBEPs that are subject to the Act. Additionally, AB 2549 provides relief from certain penalty provisions of the Act. Specifically, this bill states that a retailer is in compliance with the Act when relying “in good faith” on the list of covered electronic device recycling fee listed on CalRecycle’s website. The term “good faith” is used in the Integrated Waste Management Act when determining whether a local government implemented its planning and program requirements, but is not appropriate as used in this bill and is likely to make enforcement challenging.

This bill further states legislative intent to exempt thrift stores from “the scope of” the Act and states legislative intent to “delay or suspend the implementation of certain provisions of”

the Act for discount stores. Exempting thrift stores from the Act may make sense, as the products they sell have been previously sold and a recycling fee has likely already been collected for them. They also don't sell the volumes of CBEPs as many other stores. Discount stores, on the other hand, sell large volumes of CBEPs, many of which are lower quality, less expensive options that are likely to have shorter useful lifespans and generate substantial quantities of e-waste. Exempting them from the Act would leave a significant percentage of CBEPs uncovered by the program. Not only would this result in less funding for the Act, it shifts the cost of safe management to the product manufacturers that remain in the program and consumers and increases the likelihood of improper disposal of these products, and the risks that improper disposal pose.

**3) Author's statement:**

Reporting requirements are critical to tracking progress and ensuring compliance with our state's environmental standards and laws. AB 2549 provides necessary improvements to California's Covered Battery-Embedded Product (CBEP) Program, which was established to help with the management and recycling of battery-embedded products. In order to advance California's environmental goals, this bill is essential for ensuring compliance with the CBEP program by streamlining the regulatory notification process to CalRecycle, while also achieving critical cost-savings to consumers, businesses and the state.

**4) Suggested amendments.** *The committee may wish to amend the bill to:*

- Revise the intent language to strike "or suspend" from the provision relating to discount stores.
- Extend the dates by which CalRecycle has to develop the standardized online form and create and maintain the searchable database from January 1, 2027, to March 1, 2027, and May 1, 2027, respectively.
- Specify that manufacturers of covered devices must submit an annual report to CalRecycle by March 1 of each year.
- Make technical and clarifying changes.

**5) Double referral.** This bill passed the Assembly Environmental Safety and Toxic Materials Committee on April 14<sup>th</sup> 7-0.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Retailers Association

**Opposition**

None on file

**Analysis Prepared by:** Elizabeth MacMillan / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2606 (Ellis) – As Amended March 23, 2026

**SUBJECT:** Oil and gas: subsurface energy transition research and demonstration projects: California State University, Bakersfield

**SUMMARY:** Authorizes the Department of Conservation (DOC) to establish various programs in partnership with the California State University (CSU) and CSU, Bakersfield, including the Regional Subsurface Energy Transition and Applied Research Program and a subsurface energy research field station for applied research, field testing, monitoring, and demonstration of subsurface technologies. Authorizes DOC to collaborate with the California Energy Research Center at CSU, Bakersfield, and recognize the center as a state-affiliated applied research, technical assistance, and policy support partner, as provided, and designate and support the California Core Repository at CSU, Bakersfield, as an official state-affiliated repository.

**EXISTING LAW:**

- 1) Establishes the Division of Geologic Energy Management (CalGEM) in DOC, under the direction of the State Oil and Gas Supervisor (supervisor). (Public Resources Code (PRC) 3000 *et seq.*)
- 2) Requires the supervisor to supervise the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities attendant to oil and gas production, including pipelines that are within an oil and gas field, so as to prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground oil and gas deposits from infiltrating water and other causes; loss of oil, gas, or reservoir energy; and, damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances. (PRC 3106)
- 3) Requires, before an owner or operator can commence drilling a well, a Notice of Intention (NOI) to drill to be submitted to CalGEM, accompanied by the appropriate fee and bond. The operator shall not commence drilling until CalGEM approves the NOI. (Title 14 California Code of Regulations 1931)
- 4) Establishes the Displaced Oil and Gas Worker Pilot Program for the purpose of addressing employment dislocations associated with oil, gas, and related industries and providing grants for workforce training, high school diploma and GED acquisition, entrepreneurial training, among other things. Sunsets the program on January 1, 2027. (Unemployment Insurance Code 9921)
- 5) Requires the Department of General Services (DGS), acting for the state, to negotiate and establish a model contract with standard contract provisions with the Regents of the University of California (UC) and a model contract with standard contract provisions with the Trustees of the CSU. Requires the trustees to, and the regents are urged to, negotiate and establish with the Department of General Services the model contract applicable to their university by July 1, 2010. (Education Code 67327)

**THIS BILL:**

- 1) Requires DOC, consistent with DOC's statutory authority and in coordination with other state or federal regulatory agencies, to prioritize granting approvals for the following types of low-carbon or carbon-reducing technologies and applications:
  - a) Carbon dioxide capture, utilization, and storage (CCUS);
  - b) Enhanced oil recovery (EOR) using captured carbon dioxide;
  - c) Extraction of critical minerals from produced water or oilfield brines;
  - d) Hybrid geothermal operations;
  - e) Hydrogen-related subsurface activities; and,
  - f) Other emissions-mitigating or resource recovery projects consistent with state climate and environmental goals.
- 2) Authorizes DOC, acting through CalGEM, to establish the Subsurface Low-Carbon Demonstration Project Program (SLCDP Program) to facilitate partnerships among the state, the CSU system, private industry, and public entities to study and demonstrate innovative subsurface technologies using existing and idle wells.
- 3) Requires projects associated with the program to comply with all applicable environmental and public health protections and requirements related to financial assurances.
- 4) Provides that establishment of the SLCDP Program does not diminish existing regulatory authority or environmental review requirements.
- 5) Authorizes DOC to establish the Regional Subsurface Energy Transition and Applied Research Program (Applied Research Program) within the CSU system for the purpose of expanding interdisciplinary academic research capacity in coordination with state conservation programs in regions experiencing workforce transition from oil and gas production. Authorizes the Applied Research Program to support research and applied initiatives related to low-carbon energy, carbon management, emissions-reducing technologies, and related subsurface resource applications.
- 6) Authorizes DOC to collaborate with the California Energy Research Center at CSU Bakersfield, as a pilot partner within the CSU system. Authorizes the pilot program to serve as a model for implementation at other campuses within the CSU system that demonstrate relevant expertise and institutional capacity in disciplines aligned with DOC's statutory mission.
- 7) Authorizes DOC to establish and administer an official department office at CSU Bakersfield.
- 8) Authorizes CSU to support and collaborate on activities across the full scope of the department's statutory responsibilities, including, but not limited to, all of the following:

- a) Subsurface energy systems, carbon management, critical mineral extraction, geothermal resources, mining, land resource management, reclamation, and geologic hazard assessment;
  - b) Public health, biological, ecological, and environmental science studies related to resource development and environmental protection;
  - c) Engineering and related technical disciplines supporting safe and environmentally responsible operations and remediation;
  - d) Policy research, economic analysis, data management, modeling, and regulatory support and,
  - e) Workforce development initiatives and grant administration.
- 9) Authorizes the DOC office to receive and administer state, federal, and private funds consistent with state law.
- 10) States that this collaboration with the CSU does not delegate regulatory authority from DOC to CSU.
- 11) Authorizes DOC, in partnership with CSU, to establish a subsurface energy research field station for applied research, field testing, monitoring, and demonstration of subsurface technologies.
- 12) Authorizes the field station to conduct carbon dioxide injection research, monitoring, and verification testing, critical mineral extraction research, hybrid geothermal evaluation, testing applicable to idle or orphan wells, and workforce training.
- 13) Requires the activities of the field station to be subject to all applicable requirements related to environmental review, permitting, and financial assurances.
- 14) Authorizes DOC to collaborate with the California Energy Research Center at California CSU Bakersfield, and recognize the center as a state-affiliated applied research, technical assistance, and policy support partner.
- 15) Requires the California Energy Research Center to provide interdisciplinary research, analytical capacity, and technical expertise consistent with DOC's mission, including, but not limited to, all of the following:
- a) Operation and coordination of research laboratories and field research facilities supporting subsurface science, engineering, environmental testing, materials analysis, water quality assessment, emissions monitoring, and related technical disciplines;
  - b) Public health research, including exposure assessment, air and water quality impacts, community health analysis, and risk assessment associated with resource development, well remediation, and reclamation activities;
  - c) Environmental science and biological research related to ecosystem protection, land stewardship, habitat restoration, groundwater protection, and reclamation effectiveness;

- d) Engineering research and technical evaluation, including petroleum engineering, environmental engineering, civil engineering, infrastructure integrity assessment, wellbore analysis, monitoring systems development, and site remediation technologies;
  - e) Economic, fiscal, and workforce analysis related to resource development, regional economic transition, long-term liability reduction, cost-benefit evaluation, and regulatory impact assessment;
  - f) Data science, reservoir modeling, geographic information systems, laboratory analysis, monitoring technology development, and quantitative risk modeling to inform evidence-based regulatory decisionmaking;
  - g) Participation in advisory panels, research committees, and technical working groups in an advisory capacity to provide scientific expertise supporting interagency coordination and regulatory development;
  - h) Federal grant development, administration, and collaboration with the United States Department of Energy, national laboratories, and other federal or state agencies; and,
  - i) Public education, stakeholder engagement, workforce training, and dissemination of research findings to promote transparency and informed public participation.
- 16) Authorizes the California Energy Research Center to leverage existing university infrastructure, including laboratory space, research equipment, field research assets, and facilities associated with the center and related academic programs.
- 17) Provides that this does not delegate regulatory authority, permitting authority, enforcement authority, or statutory decisionmaking responsibilities to the California Energy Research Center or to CSU.
- 18) Authorizes DOC to designate and support the California Core Repository at CSU Bakersfield, as an official state-affiliated repository.
- 19) Requires the California Core Repository to preserve geological samples and subsurface data, provide access for research and to the public, and support activities conducted pursuant to this bill.
- 20) Authorizes DOC to enter into agreements related to the operation and modernization of the California Core Repository, and the repository may receive state, federal, and private funds consistent with state law.
- 21) Authorizes university-based researchers associated with any of the programs established pursuant to this bill to serve on advisory panels, technical working groups, and research committees in an advisory capacity, and provide scientific expertise to inform regulatory development, interagency coordination, and public communication. These university-based researchers shall not exercise regulatory authority.

**FISCAL EFFECT:** Unknown

**COMMENTS:****1) Author's statement:**

California's oil and gas sector supports thousands of jobs and contributes significantly to our state's economy, particularly in the Central Valley. However, many marginal and low-producing wells face serious challenges from high operational costs and stringent financial assurance requirements. Current bonding levels are often insufficient to fully cover plugging and restoration costs, creating risks of orphaned wells that could lead to unnecessary environmental and taxpayer liabilities. Furthermore, overly burdensome requirements can also strain responsible operators and accelerate premature well shutdowns.

AB 2606 authorizes the Department of Conservation to prioritize approvals for low-carbon technologies, establish voluntary demonstration projects using existing and idle wells, and partner our world-class California State University institutions on applied research, a field station, and technical collaboration.

This measure promotes responsible stewardship of existing infrastructure, encourages innovation in carbon management and resource recovery, reduces the risk of orphan wells, and supports workforce opportunities in oil-producing regions — all while maintaining full environmental protections and regulatory oversight.

**2) Value of applied research and academic coordination.** Almost all California state departments and agencies can and routinely do contract with the UC and the CSU system for research, technical assistance, and policy advice. In the 2006–07 fiscal year, state agencies and departments entered into more than 2,500 contracts or contract amendments with the UC or CSU (contract figures are likely greater today). Many of these contracts contain similar provisions, such as provisions dealing with issues relating to liability, intellectual property, the right to undertake additional research, the right to publish, hiring, personnel, invoicing, and payments.

California's California Model Agreement provides standard contract terms for research, training, and service agreements between any state agency and UC/CSU campuses. DGS is required to seek the active participation of state agencies and departments that have contracts with UC or CSU.

CalGEM is a little different because it is a regulator, not a research-funding agency. Research is often indirect through interagency agreements (i.e. with the Air Resources Board, U.S. Geological Survey, national labs) that have direct contracts with UC or CSU or is structured as cooperative agreements/data-sharing rather than classic R&D contracts.

**3) Kern County.** Kern County encompasses the Bakersfield metropolitan area, and its economy is heavily linked to petroleum extraction. The County today contributes more than three-quarters of all the oil produced onshore in California, producing about 190,000 barrels of oil per day. Last year, the Legislature enacted SB 237 (Grayson), Chapter 118, Statutes of 2025, to authorize, among other things, increased oil drilling in Kern County with up to 2,000 new oil permits.

This bill authorizes DOC to establish various programs in partnership with CSU Bakersfield, including the Applied Research Program and a subsurface energy research field station for applied research, field testing, monitoring, and demonstration of subsurface technologies. Further, the bill authorizes DOC to collaborate with the California Energy Research Center at CSU Bakersfield and recognize the center as a state-affiliated applied research, technical assistance, and policy support partner. Lastly, the bill designates and supports the California Core Repository at CSU, Bakersfield, as an official state-affiliated repository.

The intent with the bill is to establish structured opportunities for state-university-industry collaboration to research and demonstrate lower-carbon ways to manage or repurpose California's oil and gas infrastructure (such as idle wells), reduce orphan well risks, support the workforce in oil regions, and build technical expertise — all while staying within existing environmental and regulatory guardrails.

By creating this academic, research, field testing, and federal grant writing partnership with CSU Bakersfield, this bill could create some concerns. First, it could create conflict with other applied research contracts DOC may have or pursue. Second, it assumes CSU Bakersfield has the breadth of academic and expert advice the bill calls for, and that that academic and expert advice is readily available. Lastly, the bill could create an advisory role for applied research and demonstration biased toward oil drilling and consumption in California at a time when the state is shifting to meet 2045 carbon neutrality. Under current law, CalGEM or the DOC could contract directly with CSU Bakersfield without additional legislation.

- 4) **Alternative uses for idle oil wells.** CAU Bakersfield writes in support that AB 2606 strengthens the state's technical capacity to evaluate subsurface energy applications that intersect with federal jurisdiction, including certain carbon storage and hydrogen activities, while supporting evidence-based regulatory development and interagency coordination.

California does not currently have a way to permit subsurface technologies or uses for oil and gas wells outside of their current permitted use as it would be outside CalGEM's statutory jurisdiction. The Legislature spent two years negotiating legislation that led to SB 567 (Limón), Chapter 419, Statutes of 2025, to provide explicit authority, until January 1, 2035, for a pilot program for CalGEM to permit the conversion of up to 250 wells for use as gravity-based energy storage wells to evaluate their use, including the establishment of appropriate operating conditions and physical parameters to safely store and generate energy.

This bill authorizes CalGEM to establish the SLCDP Program to facilitate partnerships among the state, the CSU system, private industry, and public entities to study and demonstrate innovative subsurface technologies using existing and idle wells. Given the investment the Legislature made to authorize the use of *one* subsurface technology, for a limited term, it may not make sense to provide blanket authorization for unspecified and unlimited "subsurface technologies."

- 5) **NOI prioritization.** This bill directs CalGEM to prioritize granting approvals for CCUS, EOR captured carbon, extraction of critical minerals from produced water or oilfield brines, hybrid geothermal operations, and hydrogen-related subsurface activities.

Prioritizing permit approvals can interfere with CalGEM's administrative processes for approving notices of intention, and delay or frustrate current project applications currently

pending at CalGEM. Also, the list of projects the bill would prioritize conflicts with recently enacted legislative direction. For example, EOR uses captured carbon to extract additional oil that would not otherwise be produced, resulting in increased lifecycle greenhouse gas emissions when that oil is refined and combusted. When carbon is injected underground for EOR, the additional emissions from using the produced oil exceed the amount of carbon stored, meaning the net effect is an increase in greenhouse gas emissions. California has already prohibited EOR using carbon. The Legislature passed two bills– AB 1314 (Limón), Chapter 336, Statutes of 2022, and SB 905 (Caballero) Chapter 359, Statutes of 2022) – banning the practice in recognition of its health and safety risks and inconsistencies with state climate policy.

- 6) **Double referral.** This bill is also referred to the Assembly Higher Education Committee.
- 7) **Committee amendments.** The *committee may wish to consider* approving the following amendments, to be adopted in the Assembly Higher Education Committee on April 21 should that committee approve the bill:
- a) To avoid permitting conflicts, Strike PRC 3191 from the bill prioritizing permitting at CalGEM.
  - b) Require contracts be completed consistent with Education Code 67327.
  - c) Amend PRC 3191.1 (b) and 3191.4 (a) to require all projects be done within DOC’s existing statutory authorities.
  - d) Strike reference to testing applicable to idle or orphan wells in PRC 3191.4 (b).
  - e) Require the California Energy Research Center to leverage existing university infrastructure upon written permission of the university sharing the requested resource.
  - f) Requires DOC to implement the provisions of the bill to the extent that funds are appropriated by the California State Legislature or otherwise available.
- 8) **Related legislation.** AB 2157 (Connolly and Bryan) extends the Displaced Oil and Gas Worker Pilot Program indefinitely and requires DOC to contract with UC Berkeley Center to develop a recommended program design for turning the Displaced Oil and Gas Worker Pilot Program from a pilot into a permanent program able to support displaced fossil fuel workers during the clean energy transition. This bill is referred to the Assembly Appropriations Committee.

## REGISTERED SUPPORT / OPPOSITION:

### Support

None on file

### Opposition

350 Bay Area Action  
 Biofuelwatch  
 Center for Biological Diversity

Center for Environmental Health  
Center for Race, Poverty, and the Environment  
Central California Asthma Collaborative  
Central California Environmental Justice Network  
Central Valley Air Quality Coalition  
Cleaneart4kids.org  
Climate Action California  
Food and Water Watch  
Fossil Free California  
Greenpeace USA  
Leadership Counsel Action, a Project of Tides Advocacy  
Physicians for Social Responsibility - Los Angeles  
San Francisco Bay Physicians for Social Responsibility  
San Francisco Baykeeper  
Santa Cruz Climate Action Network  
Sierra Club California  
Sunflower Alliance  
The Climate Center  
Valley Improvement Projects

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2635 (Celeste Rodriguez) – As Amended April 13, 2026

**SUBJECT:** Air pollution: small off-road engines: voucher programs: local regulation

**SUMMARY:** Requires large and medium air districts, as defined, to offer commercial vouchers for zero-emission small off-road equipment (SORE), as specified. Prohibits districts from collecting or disclosing specified information from applicants. Prohibits a local government from adopting or enforcing an ordinance prohibiting the use of SORE unless the local government offers SORE vouchers to landscapers, as specified. Limits penalties for violations of local ordinances, as specified.

**EXISTING LAW:**

- 1) Establishes the Air Resources Board (ARB) as the air pollution control agency in California and requires ARB, among other things, to control emissions from a wide array of mobile sources and coordinate with local air districts to control emissions from stationary sources in order to implement the federal Clean Air Act (CAA). (Health and Safety Code (HSC) 39000 *et seq.*)
- 2) Requires, subject to the powers and duties of ARB, air districts to adopt and enforce rules and regulations to achieve and maintain the state and federal air quality standards in all areas affected by emission sources under their jurisdiction, and to enforce all applicable provisions of state and federal law. (HSC 40001)
- 3) Requires ARB to adopt cost-effective and technologically feasible regulations to prohibit engine exhaust and evaporative emissions from new SORE, to apply to engines produced on or after January 1, 2024, or as soon as ARB determines is feasible, whichever is later. (HSC 43018.11(a))
- 4) ARB regulations define SORE as follows:

“Small off-road engine” means any engine that produces a gross horsepower less than 25 horsepower (at or below 19 kilowatts for 2005 and later model year), or is designed (e.g., through fuel feed, valve timing, etc.) to produce less than 25 horsepower (at or below 19 kilowatts for 2005 and later model year), that is not used to propel a licensed on-road motor vehicle, an off-road motorcycle, an all-terrain vehicle, a marine vessel, a snowmobile, a model airplane, a model car, or a model boat. If an engine family has models below 25 horsepower (at or below 19 kilowatts) and models at or above 25 horsepower (above 19 kilowatts), only the models under 25 horsepower (at or below 19 kilowatts) would be considered small off-road engines. Uses for small off-road engines include, but are not limited to, applications such as lawn mowers, weed trimmers, chain saws, golf carts, specialty vehicles, generators and pumps. All engines and equipment that fall within the scope of the preemption of Section 209(e)(1)(A) of the Federal Clean Air Act, as amended, and as defined by regulation of the Environmental Protection Agency, are specifically not included within this category. Any compression-ignition

engine, as defined in Section 2421, produced during the 2000 and later model years shall not be defined as a small off-road engine.

(The CAA prohibits states from enforcing emission control standards on engines smaller than 175 horsepower used in farm or construction equipment or vehicles.)

- 5) Requires ARB to identify, and, to the extent feasible, make available, funding for commercial rebates or similar incentive funding as part of any updates to existing, applicable funding program guidelines for air districts to implement to support the transition to zero-emission SORE operation. (HSC 43018.11(b))
- 6) Establishes the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program), administered by ARB and air districts, to fund the incremental cost of cleaner-than-required vehicles, engines, and equipment. The primary objective of the program is to achieve air quality emission reductions that would not otherwise occur through regulations or other legal mandates. The Moyer Program is funded by vehicle registration surcharges and tire fees. (HSC 44275 *et seq.*)

**THIS BILL:**

- 1) Requires each “large” and “medium” air district, no later than January 1, 2028, to implement and maintain a commercial voucher program to support the transition to zero-emission small off-road equipment, and imposes the following conditions on districts:
  - a) Recognize and accept alternative forms of documentation in place of a business license for eligibility verification.
  - b) Not require that a business hold a business license for a minimum period before submitting an application.
  - c) Establish low-burden procedures to review and verify any required documentation in a manner that is equitable for landscapers, and provide language assistance when requested.
  - d) Offer vouchers covering at least 85% of eligible costs of zero-emission equipment.
  - e) Not inquire into or collect information about an individual’s immigration or citizenship status or place of birth.
  - f) Not inquire into or collect information or documentation regarding an individual’s criminal history, and not require an applicant to submit fingerprints, complete a LiveScan fingerprinting, or submit to a background check as part of an application for a voucher.
  - g) Not provide voluntary consent, except as otherwise required by state or federal law, to any individual to access, review, or obtain any of the records obtained in connection with a SORE voucher program that include personally identifiable information of any voucher participants without a subpoena or judicial warrant.

- h) Not disclose or provide in writing, verbally, or in any other manner, personally identifiable information of any voucher participant, except pursuant to a subpoena or a valid judicial warrant.
- 2) Requires any “small rural” district or local government that adopts a SORE voucher program to comply with the above requirements.
- 3) Requires a nonpublic entity administering a SORE voucher program under contract with large or medium district to explicitly agree to adhere to the above requirements.
- 4) Prohibits a local government from adopting or enforcing an ordinance that prohibits the use of SORE landscaping equipment unless the local government implements an incentive voucher program that provides vouchers covering at least 85% of eligible costs.
- 5) Prohibits punishing a violation of a local SORE ordinance as an infraction or misdemeanor, and prohibits a person from being subject to arrest for an alleged violation of the ordinance. Limits enforcement for violations of a local ordinance to the following:
  - a) A written warning for a first violation.
  - b) An administrative fine not exceeding \$100 for a second violation within one year of the first violation.
  - c) An administrative fine not exceeding \$200 for each additional violation within one year of the first violation.
  - d) Requires consideration of the person’s ability to pay the fine. Requires the local government to provide the person with notice of their right to request an ability-to-pay determination and make available instructions or other materials for requesting an ability-to-pay determination. Authorizes the person to request an ability-to-pay determination at adjudication or while the judgment remains unpaid, including when a case is delinquent or has been referred to a comprehensive collection program.
  - e) Authorizes the local government to allow the person to complete community service in lieu of paying the total administrative fine, waive the administrative fine, or offer an alternative disposition.
- 6) Establishes definitions for purposes of the bill, including:
  - a) “Large district” means a district with a population of 1,000,000 or more.
  - b) “Medium district” means a district with a population of less than 1,000,000 that is not a small rural district.
  - c) “Small off-road engine landscaping equipment” means small off-road engine equipment commonly used in landscaping operations, including lawn and garden equipment such as lawn mowers, leaf blowers, trimmers, weed whackers, aerators, chainsaws, edgers, and other turf care tools. Small off-road engine landscaping equipment does not include golf

carts, specialty vehicles, generators, pumps, and logging, airport ground support, and other small utility equipment.

- d) “Small rural district” means a district with a population of less than 1,000,000 and that is designated as rural by the California Air Pollution Control Officers Association consistent with the following criteria:
- i) A small rural district is typically characterized by a smaller population base relative to medium and large districts.
  - ii) A small rural district has limited staffing and administrative capacity relative to medium and large districts.

7) Makes related findings.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Background.** SORE emissions have been regulated since 1990, when exhaust and evaporative emission standards for SORE were first adopted by ARB. Following passage of AB 1346 (Berman), Chapter 753, Statutes of 2021, ARB adopted zero emission standards for SORE. It is important to note that ARB’s emission standards apply only to manufacture of new equipment for sale or import into California. These regulations do not regulate the use of existing SORE equipment.

On a separate track, local governments in California have adopted ordinances to ban or restrict the use of lawn and garden equipment, primarily leaf blowers, dating back to the 1970s, based on local concerns about noise, but also air pollution, including exhaust and evaporative emissions associated with gas equipment, as well as fugitive dust created by all mechanical leaf blowers, gas and electric.

AB 1346 required ARB to identify funding for commercial rebates. In 2021, the Legislature appropriated \$30 million in the Budget Act to provide incentives to small-business professional landscapers. Incentive funding was administered through the Clean Off-Road Equipment Voucher Incentive Project (CORE), with 1,906 products from 23 manufacturers in a dozen equipment categories available for point-of-sale vouchers. CORE-eligible landscaping equipment ranged from backpack leaf blowers to riding lawnmowers, as well as additional batteries and chargers. Requests for voucher applications began in September 2022 and available funding was exhausted by October 2023. In 2025, about \$6.7 million in vouchers remained unredeemed. An additional round for voucher requests opened on March 26, 2025. Within 24 hours, all remaining funds had been requested. As of March 1, 2026, over 99.5 percent of all voucher funding has been distributed. This has reduced the up-front costs for professional landscapers in California for nearly 30,000 pieces of commercially available zero-emission landscape equipment, and almost 70,000 pieces when including additional batteries and chargers. Overall, 18 percent of voucher funding went to purchases by sole proprietorships. The strong interest from California’s professional landscapers to use zero-emission equipment is reflected in voucher demand and the range of eligible SORE equipment.

At least 16 of the 35 air districts in California offer SORE rebates for commercial equipment. These 16 districts include the largest districts, which together comprise at least 85% of the state's population. These existing rebate programs likely would require updates to meet the requirements of this bill. By adding administrative complexity and costs, plus high minimum voucher amounts, this bill may reduce the number of SORE equipment deployed via rebates or vouchers. The bill provides no funding to match its mandate. If districts are forced to turn to existing funding sources, they could use Moyer Program funds. However, there is intense competition for those funds, and using Moyer funds for SORE vouchers may diminish more cost-effective uses, such as replacing heavy-duty on and off-road diesel equipment.

2) **Author's statement:**

California has set ambitious clean air goals, but we must also be clear about what compliance means for the workers whose livelihoods are at stake. Landscapers are essential to our communities, yet many are low-wage workers being asked to transition to costly new equipment without consistent or accessible support. In some areas, incentive programs are not available, and in others, requirements such as business licenses can exclude informal workers. At the same time, local bans are imposing fines that can escalate quickly, even when workers lack the resources to comply.

AB 2635 is intended to make this transition more equitable. It requires air districts to provide voucher programs covering 85–100% of the cost of zero-emission equipment, removes barriers that limit access to those programs, and ensures enforcement does not outpace available support. It also establishes a clear, time-limited transition framework that provides workers with a realistic path to compliance. This approach aligns the state's clean air goals with the realities facing workers being asked to transition to costly alternatives within a short timeframe.

3) **The bill places prohibitive voucher requirements on new local ordinances, and appears to prohibit enforcement of both new and existing local ordinances.** This bill prohibits a local government from adopting or enforcing an ordinance that prohibits the use of SORE landscaping equipment unless the local government implements an incentive voucher program that provides vouchers covering at least 85% of eligible costs. By imposing this condition, without providing funding, the bill will significantly raise the bar for cities implementing local ordinances. This provision also creates the circumstance where a city and air district must both offer 85% vouchers in the same jurisdiction, without reconciling the two mandates.

4) **Suggested amendments.** *The author and the committee may wish to consider the following amendments:*

a) To assure that, if air districts do not receive new funding for this bill, use of existing funds for SORE vouchers does not compromise more cost-effective uses of these funds, add the following:

*Unless the district is using funds appropriated specifically for purposes of implementing this section, the district shall assure that any existing district incentive funds used to implement this section achieve emissions reductions that are cost-effective relative to existing allowable uses of the funds.*

- b) To assure that local governments are not required to implement duplicative SORE vouchers in jurisdictions where they are already available from air districts, add language to permit local governments to adopt SORE restrictions by ordinance if the local air district offers commercial vouchers pursuant to this bill.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Alliance for a Better Community  
Altcap California  
Border Angels  
Buen Vecino  
California Coalition for Community Investment (CCCI)  
California Electric Transportation Coalition  
California Environmental Justice Alliance (CEJA) Action  
California Immigrant Policy Center  
Cameo Network  
Central American Resource Center - CareCen - of California  
Central Valley Immigrant Integration Collaborative  
Centro Community Hispanic Association  
Centro Laboral De Graton  
Coalition for Humane Immigrant Rights (CHIRLA)  
First Community Capital, INC.  
Five Rivers Loan Fund, INC.  
Immigrants Rising  
Inclusive Action for the City  
Inland Coalition for Immigrant Justice  
Inner City Struggle  
Kiwa  
LA Forward Institute  
Latino Coalition for a Healthy California  
Los Angeles Economic Equity Accelerator and Fellowship (LEEAF)  
Moreno Seeds Foundation  
Multicultural Institute  
National Day Laborer Organizing Network (NDLON)  
Nuevo Sol Day Labor & Domestic Worker Center  
Orale: Organizing Rooted in Abolition, Liberation, and Empowerment  
Pacific Community Ventures  
Pasadena Community Job Center  
Pilipino Workers Center of Southern California  
Pomona Economic Opportunity Center  
Public Counsel  
Salva  
San Diego Immigrant Rights Consortium  
Somos Familia Valle  
South Asian Network  
St John's Community Health  
Street Level Health Project

Thai Community Development Center  
The Los Angeles Tool Library  
The Translatin@ Coalition  
Urban Visionaries  
Vera California  
Worksafe

**Opposition**

1 Individual  
350 Humboldt  
7th Generation Advisors  
Active San Gabriel Valley  
Ban Gas Leaf Blowers San Jose  
California Air Pollution Control Officers Association  
Cleaneearth4kids.org  
Coalition for Clean Air  
Healing and Justice Center  
League of Women Voters of Sacramento County  
Lucita INC  
Nature for All  
Quiet Clean San Mateo  
Sacramento Splash  
San Francisco Bay Physicians for Social Responsibility  
Santa Cruz Coalition for a Healthy & Safe Environment  
Santa Monica Safe Streets Alliance  
Santa Monica Spoke  
SMUD  
South Pas Active Streets  
Sustainable Claremont  
The Wildwoods Foundation  
Tri-Valley Air Quality Climate Alliance  
Union of Concerned Scientists

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /



Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2647 (Calderon) – As Amended April 16, 2026

**SUBJECT:** Energy: nuclear powerplants: assessment

**SUMMARY:** Requires the California Energy Commission (CEC) to prepare a comprehensive assessment of the potential role for advanced nuclear technologies in supporting critical infrastructure in California and of the potential for new, in-state nuclear powerplants to cost-effectively meet statewide needs for new electricity resources, and to meet the expressed policy of the state to achieve 100 percent zero-carbon electricity by 2045.

**EXISTING LAW** prohibits any new nuclear fission power plant until the CEC has determined that technologies exist for the reprocessing of nuclear fuel rods and the disposal of high-level nuclear waste. (Public Resources Code 25524.1 and 25524.2)

**THIS BILL:**

- 1) Requires the CEC, on or before July 1, 2027, as part of the integrated energy policy report or as a separate report, to prepare a comprehensive assessment of the potential role for advanced nuclear technologies in supporting critical infrastructure in California and of the potential for new, in-state nuclear powerplants to cost-effectively meet statewide needs for new electricity resources, and to meet the expressed policy of the state to achieve 100 percent zero-carbon electricity by 2045.
- 2) Requires the CEC to consider all of the following:
  - a) An analysis of system costs, reliability benefits, emission impacts, deployment timelines, waste management and disposal pathways to include advanced fuel cycle technologies, environmental and public health impacts, and potential siting considerations.
  - b) An evaluation assessing the potential of nuclear energy using high-renewable grid scenarios that require firm, dispatchable, zero-carbon resources to complement renewable resources, enhance grid reliability, and reduce overall system costs.
  - c) An assessment of the ratepayer, taxpayer, and private costs associated with spent nuclear fuel management, including onsite, interim, and long-term storage pathways, in comparison with systemwide costs of waste, storage, and byproduct management across other electricity generation technologies.
  - d) The potential for employment of a skilled and trained workforce, as defined, in construction, operation, and maintenance of nuclear powerplants.
  - e) The potential need for procurement of electricity from nuclear powerplants after 2045.
  - f) The comparative outcomes relative to existing and projected energy pathways in California.

- g) A comparative analysis of environmental, public health, and waste impacts across all electricity generation technologies.
  - h) Recommended revisions to state law and regulations, including the conditional prohibitions on siting new nuclear powerplants in Sections 25524.1 and 25524.2.
  - i) Additional factors, as appropriate.
- 3) Requires the CEC consult with the Public Utilities Commission (PUC), the Independent System Operator (ISO), and other state agencies, as appropriate.
  - 4) Requires the CEC to hold workshops and solicit participation and comments from a broad range of stakeholders, including academic experts in nuclear science and technology and in public health, potential developers, investors, electric corporations, labor, ratepayer advocates, and environmentalists.
  - 5) Authorizes the CEC to update the initial comprehensive assessment as appropriate.
  - 6) Authorizes the CEC, PUC, ISO, and other public agencies to evaluate the potential of nuclear energy to meet long-term resource needs, notwithstanding the conditional prohibitions on siting new nuclear powerplants.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Background.** Since 2012, only one of the four nuclear power plants developed in California by electric utilities has continued to operate: PG&E's Diablo Canyon powerplant. Two other nuclear powerplants, PG&E's Humboldt Bay plant and SMUD's Rancho Seco plant, have been decommissioned. Developed in the early 1960's, Humboldt Bay was shut down in 1976 for refueling and never restarted due to seismic and cost issues. Developed in the early 1970's, Rancho Seco was shut down in 1989 in response to voter referendum. The fourth, the San Onofre Nuclear Generating Station (SONGS) jointly owned by Southern California Edison and San Diego Gas and Electric, was closed in 2012 for repairs, permanently retired in 2013, and is in the process of decommissioning, at a forecasted cost of more than \$4.5 billion. High-level radioactive waste from these plants' operation remains stored on site. Diablo Canyon operates at nine-figure annual deficits, borne by PG&E customers, despite massive public subsidies.

In 1976, the Legislature passed AB 2820 (Goggin) and AB 2822 (Nestande) to establish a moratorium on permitting new nuclear powerplants. Since that time, the CEC has not found that a high-level waste disposal technology has been demonstrated or approved. Likewise, the Nuclear Regulatory Commission (NRC), which regulates commercial nuclear power plants and other uses of nuclear materials, has never made a finding that a demonstrated technology exists for either nuclear fuel rod reprocessing plants or the disposal of high-level nuclear waste.

The California moratorium was challenged by PG&E and ultimately reviewed by the U.S. Supreme Court. In *PG&E v. Energy Commission*, 461 U.S. 190 (1983), the Supreme Court upheld California's moratorium law. A key basis of the Court's decision was a division of authority to make safety determinations (federal) and economic determinations (state). The Court found that the absence of a permanent waste disposal site could lead to unknown negative economic consequences. So the moratorium has remained in effect and no new nuclear plant has been proposed in California since the Diablo Canyon and SONGS units that were in the permitting pipeline at the time the moratorium was enacted.

The federal government is responsible for providing for the permanent disposal of high-level radioactive waste and spent nuclear fuel and was required to begin accepting spent nuclear fuel from nuclear power plants by 1998. However, although Congress selected the Yucca Mountain site in Nevada for a permanent deep geologic repository for the disposal of spent nuclear fuel, the federal waste disposal program has been plagued with technical and legal challenges, managerial problems, licensing delays, persistent weaknesses in quality assurance for the program, and increasing costs.

No repository or reprocessing facility for spent nuclear fuel has been licensed in the U.S. The federal waste disposal program is paid for by the nuclear electricity generators and waste owners. Under the provisions of the federal Nuclear Waste Policy Act, utilities pay regular fees to the Nuclear Waste Fund to pay for siting, construction and operating a federal waste repository. California ratepayers have paid billions to fund a repository that has never been built. Reprocessing (the separation of spent fuel into high-level wastes and reusable fuel) remains substantially more expensive than waste storage and disposal and has adverse implications for the U.S. effort to halt the proliferation of nuclear weapons.

While CEC does not have a recent independent evaluation, NRC, Department of Energy (DOE), and Congressional reports confirm that the U.S. does not have a permanent repository or reprocessing facility for commercial spent nuclear fuel. While the U.S. has a disposal facility for defense-generated nuclear waste from DOE sites, it does not accept commercial spent nuclear fuel. Commercial spent nuclear fuel is stored at reactor sites.

## 2) **Author's statement:**

I'm pleased to author AB 2647, a companion measure to SB 100, which was signed in 2018 to mandate 100% clean electricity by 2045 using sources defined as those with zero net greenhouse gas emissions. Since then, California has adopted the most progressive clean energy policies to reduce greenhouse gas emissions and combat climate change.

AB 2647 requires the California Energy Commission, on or before July 1, 2027, to prepare a comprehensive assessment of the potential role for advanced nuclear technologies in supporting critical infrastructure in California. The assessment will consider the potential for new, in-state nuclear powerplants to cost-effectively meet statewide needs for new electricity resources. Additionally, AB 2647 authorizes the Energy Commission, the Public Utilities Commission, the Independent System Operator, and other public agencies to evaluate the potential of nuclear energy to meet long-term resource needs.

### 3) **Related legislation:**

AB 1757 (Gallagher) exempts nuclear “microreactors” from both moratoria. AB 1757 failed in this committee on April 6.

AB 305 (Arambula) exempted “small modular reactors” (SMR, a nuclear reactor up to 300 megawatts per unit) from the conditional moratorium and required the Public Utilities Commission (PUC) to adopt a plan to increase the procurement of electricity generated from nuclear facilities and to phase out the procurement of electricity generated from natural gas facilities. In 2025, AB 305 died in this committee without a hearing.

AB 65 (Mathis) was identical to AB 305. AB 65 failed in this committee on April 10, 2023.

AB 1035 (DeVore) exempted from the CEC power plant certification laws the first nuclear power plant to obtain an early site permit from the NRC. AB 1035 failed in this committee on April 20, 2009.

AB 1776 (DeVore) repealed the moratorium and established new conditions on siting new nuclear plants related to seismic hazard, cooling water outflow and waste storage. AB 1776 failed in this committee on April 7, 2008.

AB 2788 (DeVore) was identical to AB 1035. AB 2788 failed in this committee on April 7, 2008.

AB 719 (DeVore) repealed the moratorium. AB 719 failed in this committee on April 16, 2007.

### 4) **Double referral.** This bill is double-referred to the Utilities and Energy Committee.

### **REGISTERED SUPPORT / OPPOSITION:**

#### **Support**

Californians for Green Nuclear Power  
County of San Luis Obispo

#### *Prior version:*

Bay Area Council  
Bay Area New Liberals (center for New Liberalism)  
California Council for Environmental & Economic Balance  
California Fresh Fruit Association  
California State Association of Electrical Workers  
California State Pipe Trades Council  
Edison International and Affiliates, Including Southern California Edison  
Generation Atomic  
Mothers for Nuclear  
Native Nuclear  
New California Coalition  
Northern California Power Agency  
Nuclear Is Clean Energy Club

Nucleation Capital  
Radiant Industries  
Southern California Association of Scaffold Contractors  
Southern California Contractors Association  
Southern California Public Power Authority (SCPPA)  
Stand Up for Nuclear  
State Building & Construction Trades Council of California  
The Breakthrough Institute  
Third Way  
Upland Chamber of Commerce

## **Opposition**

### *Prior version:*

Alliance for Nuclear Responsibility  
California Land Watch  
Cleaneearth4kids.org  
Climate Action California  
Climate Resolve  
Coalition for Nuclear Safety  
Committee to Bridge the Gap  
Ecological Options Network  
Environment California  
Environmental Working Group  
Fresnans Against Fracking  
Green Party of Marin County  
Green Party of Orange County  
Long Beach Alliance for Clean Energy  
Parents Against Santa Susana Field Lab  
Physicians for Social Responsibility - Los Angeles  
Protect Rural Escondido  
Resource Renewal Institute  
Samuel Lawrence Foundation  
San Clemente Green  
San Francisco Bay Area Physicians for Social Responsibility  
San Luis Obispo Mothers for Peace  
Santa Cruz Climate Action Network  
Sierra Club California  
So Cal 350 Climate Action  
Sunflower Alliance  
The Utility Reform Network (TURN)  
Union of Concerned Scientists  
West Berkeley Alliance for Clean Air and Safe Jobs  
Western Electrical Contractors Association

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /



Date of Hearing: April 20, 2026

**ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

Isaac G. Bryan, Chair

AB 2711 (Ellis) – As Introduced February 20, 2026

**SUBJECT:** Oil and gas: notice of intention

**SUMMARY:** Extends the amount of time the supervisor of the California Geologic Energy Management Division (CalGEM) has to respond to a written notice of intention (NOI) to commence drilling and requires a denial to be accompanied with a comprehensive reason for the denial.

**EXISTING LAW** requires the operator of any well, before commencing the work of drilling the well, to file with the supervisor of CalGEM or the district deputy a NOI to commence drilling. Prohibits drilling from commencing until approval is given by the supervisor or the district deputy. Provides that if the supervisor or the district deputy fails to give the operator written response to the NOI within 10 working days from the date of receipt, that failure is considered as an approval of the notice and the notice, for the purposes and intents of this chapter, shall be deemed a written report of the supervisor. (Public Resources Code 3203)

**THIS BILL:**

- 1) Extends the amount of time the supervisor or the district deputy has from 10 days to 30 days from the date of receipt of the NOI to give the operator an approval or denial of the NOI.
- 2) Requires, if the NOI is denied by the supervisor or the district deputy within 30 working days from the date of receipt, the supervisor or district deputy to include in the denial a comprehensive reason for why the notice was denied.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

1) **Author's statement:**

California is facing a serious energy security crisis as in-state oil and gas production declines and refineries shut down. Robust domestic production has never been more critical to protect working families from shortages, price spikes, and reliance on volatile, dirty, and unsafe overseas supplies.

Unfortunately, loopholes in the current drilling permit process have allowed approval times for Notices of Intention to drill to balloon from just days to many months—or even years. These excessive delays are stifling production at the very moment California needs it most.

AB 2711 closes these loopholes by requiring CalGEM to approve or deny a Notice of Intention within 30 working days of receipt. This common-sense reform will restore predictability and efficiency to the permitting process, strengthen our

energy independence, and help safeguard California families and businesses from supply disruptions.

- 2) **Notices of Intention.** In California, a developer that wants to drill, expand, rework, or plug a traditional well must file a NOI to request and obtain CalGEM's approval to drill before commencing operations. NOIs for new wells require various information such as the depth and elevation and well type, an assessment of the presence of freshwater or underground drinking water, and whether the location is in an urban area or near environmentally sensitive areas. Operators must also describe blowout prevention equipment and drilling fluids and disposal methods to be used, as well as technical details related to casing and cement usage, proposed work plan, and abandonment plan. A complete NOI must include evidence that the operator has satisfied local permitting requirements and CEQA requirements.

Under current law, CalGEM has 10 days to respond to an operator's NOI before drilling or re-entering an oil or gas well. If CalGEM does not respond within that timeframe, the NOI is deemed approved.

According to UC Berkeley's Center for Law, Energy, and Environment paper *Law and Policy Options to Facilitate a Phase-Out of Fossil Fuel Production in California* (April 2020), in practice, many NOI reviews are processed and permitted well within the statutory period, with typical responses often occurring in about a week or less (within 5-7 business days).

After receiving approval, an operator must begin operations within 24 months or else the NOI expires.

- 3) **This bill.** The author argues that full approval or denial can then take months to years, significantly delaying drilling permit processing. This bill extends the amount of time the supervisor or the district deputy has to 30 days from the date of receipt of the NOI to give the operator an approval or denial of the NOI.
- 4) **Committee amendments.** The *committee may wish to consider* amending the bill to change the denial explanation from "comprehensive" to "rational."

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

California Independent Petroleum Association

##### **Opposition**

Central California Environmental Justice Network

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2716 (Ávila Farías) – As Amended March 25, 2026

**SUBJECT:** Oil and gas: bonding requirements

**SUMMARY:** Amends the bonding requirements for a person who acquires the right to operate a well or production facility by repealing the exclusion of self-insurance or corporate guarantee, and authorizing an operator to, in lieu of the bonding requirement and with the written approval of the supervisor, provide the required security through a specified means of financial assurance, as provided.

**EXISTING LAW:**

- 1) Establishes the Geologic Energy Management Division (CalGEM) in the Department of Conservation under the direction of the supervisor, who is required to supervise the drilling, operation, maintenance, and abandonment of oil and gas wells. (Public Resources Code (Public Resources Code (PRC) 3000 *et seq.*)
- 2) States the intent of the Legislature that, to minimize the risk that the state will be liable for costs of plugging and abandonment, no well be transferred to another owner until and unless a bond has been filed that would cover the full cost of plugging and abandonment and site restoration. (PRC 3017)
- 3) Provides that the acquisition of a well or production facility shall not be recognized as complete by the supervisor or the district deputy until the new operator provides an indemnity bond for each well as applicable. (PRC 3202)
- 4) Requires an operator who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of a well, to file with the supervisor an individual indemnity bond for each well so drilled, redrilled, deepened, or permanently altered in the following amount:
  - a) \$25,000 for each well that is less than 10,000 feet deep; or,
  - b) \$40,000 for each well that is 10,000 or more feet deep. (PRC 3204 (a))
- 5) Authorizes an operator who engages in the drilling, redrilling, deepening, or in any operation permanently altering the casing, of 20 or more wells at any time, to file with the supervisor one blanket indemnity bond to cover all the operations in any of its wells in the state in lieu of an individual indemnity bond for each operation. Establishes the bond amounts to be provided based on the quantity of wells covered by the bond. (PRC 3205)
- 6) Authorizes CalGEM to require an operator filing an individual indemnity bond or a blanket indemnity bond to provide an additional amount of security acceptable to CalGEM based on CalGEM's evaluation of the risk that the operator will desert its well or wells and the potential threats the operator's well or wells pose to life, health, property, and natural

resources. The additional security required by CalGEM shall not exceed the lesser of CalGEM's estimation of the reasonable costs of properly plugging and abandoning all of the operator's wells and decommissioning any attendant production facilities in accordance with Section 3208 or \$30 million. (PRC 3205.3(a))

- 7) Requires an operator to provide additional security required in the form of an indemnity bond, a form of deposit, or any other equally effective means of financial assurance approved by CalGEM. Examples of equally effective means of financial assurance that CalGEM may consider for approval include a letter of credit, a corporate guarantee, a trust fund, or a demonstration of self-insurance. Authorizes CalGEM to only approve self-insurance as an equally effective means of financial assurance if the operator provides detailed financial information demonstrating to CalGEM's satisfaction that the risks associated with the operator's potential for desertion of its well or wells are low. (PRC 3205.3(f))
- 8) Requires that all operators of oil and gas wells submit cost estimates to CalGEM for the total cost of plugging and abandonment for each of their wells and the decommissioning of all production attendant facilities. (PRC 3205.7)
- 9) Requires a person who acquires the right to operate a well or production facility, by purchase, transfer, assignment, conveyance, exchange, or other disposition, except a well that has an average daily production level that exceeds 15 barrels of oil or 60,000 cubic feet of natural gas during the 12 months preceding the date of acquisition or a natural gas storage well, to, as soon as possible, but not later than the date when the acquisition of the well or production facility becomes final, file with the supervisor an individual indemnity bond for the well or production facility, or a blanket indemnity bond for multiple wells or production facilities, in an amount determined by the supervisor to be sufficient to cover, in full, all costs of plugging and abandonment, decommissioning of the facility, and site restoration and relevant regulations. (PRC 3205.8)
- 10) Requires the current operator, as determined by the records of the supervisor, of a deserted well that produced oil, gas, or other hydrocarbons or was used for injection is responsible for the proper plugging and abandonment of the well or the decommissioning of deserted production facilities. (PRC 3237)

**THIS BILL:**

- 1) Revises the intent of the Legislature that, to minimize the risk that the state will be liable for costs of plugging and abandonment, no well be transferred to another owner until and unless adequate financial assurance to cover the full cost of plugging and abandonment and site restoration has been provided, except when the well is being transferred for the sole purpose of plugging and abandoning the well or decommissioning the attendant production facility.
- 2) Strikes the prohibition on self-insurance and corporate guarantees as an equally effective means of financial assurance for well or production facility sales or transfers.
- 3) Provides that an equally effective means of financial assurance includes a means of financial assurance, as provided, or any other equally effective means of financial assurance that has been approved by CalGEM.

- 4) Provides that the specified bonding and financial assurance requirements do not apply to a person who acquires the rights to a well or production facility for the sole purpose of plugging and abandoning that well or decommissioning that production facility.
- 5) Prohibits a person using a well or production facility acquired for the sole purpose of plugging and abandoning that well or decommissioning that production facility for oil or gas production or injection.
- 6) Provides that this does not apply to operators with additional security approved by CalGEM pursuant to PRC 3205.3.
- 7) Provides that a person who has acquired the rights to a well or production facility for the sole purpose of plugging and abandoning that well or decommissioning the production facility is not subject to any of the requirements of PRC 3205.8, and requires that person to file a bond as required pursuant to PRC 3204, 3205, 3205.1, or 3205.2, as applicable.
- 8) Requires a person to be subject to the specified requirements as an operator of the well or production facility, until either of the following occur:
  - a) The supervisor determines that the well has been properly plugged and abandoned and the production facilities have been decommissioned; or,
  - b) As applied to work conducted in accordance with the approvals given by the supervisor, the supervisor subsequently determines that additional work is not practical or would pose greater environmental or safety risk.
- 9) Requires, upon a determination by the supervisor, the supervisor to release the bond, and the acquiring person shall have no further obligation or liability for the well or facility.
- 10) Requires a person who was responsible, under current law, as an owner or operator of the well or production facility before an acquisition to be responsible for the well or production facility.
- 11) Prohibits the use of a well or production facility acquired under this section for purposes of oil or gas production or injection.
- 12) Provides that no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Financial assurances.** In every state, operators have to provide some form of financial assurance for a well at the time that it is drilled. This assurance is intended to cover or mitigate the eventual costs of plugging the well and/or environmental impacts caused by the

well, in the event the operator at the time the well is terminated is unable or unwilling to do so.

In California, bonds are required to be posted when a drilling permit is issued to cover plugging and abandonment costs. Operators are required to file an individual indemnity bond for each well drilled, redrilled, deepened, or permanently altered, or acquired at \$25,000 for each well that is less than 10,000 feet deep, and \$40,000 for each well that is 10,000 or more feet deep. Operators are also allowed to file a blanket indemnity bond to cover all the operations in any of its 20+ wells in the state in lieu of an individual indemnity bond for each operation. The amount for the blanket bonds is also specified in statute.

To ensure the sufficiency of these indemnity bonds, the Legislature gave CalGEM authority, per SB 551 (Jackson), Chapter 774, Statutes of 2019, to develop criteria to be used by operators for estimating costs to plug and abandon wells and decommission attendant production facilities, including site remediation. SB 551 also requires each operator of an oil or gas well to submit a report to the supervisor that demonstrates the operator's total liability to plug and abandon all wells and to decommission all attendant production facilities, including site remediation, on a schedule determined by the supervisor.

Further, AB 1057 (Limón), Chapter 771, Statutes of 2019, authorizes CalGEM to require an operator to provide an amount of security acceptable to CalGEM based on CalGEM's evaluation of the risk that the operator will desert its well or wells and the potential threats the operator's well or wells pose to life, health, property, and natural resources. That law sets a floor on the amount of the reasonable costs to plug and abandon operator's wells at \$30 million.

Lastly, under current law (PRC 3237), if CalGEM determines the current operator does not have the financial resources to fully cover the cost to plug the well, previous operators that made a valid transfer after January 1, 1996, may be held responsible for the cost to plug the well.

- 2) **Sales and transfers.** In the fall of 2022, supermajors Shell and ExxonMobil agreed to sell more than 23,000 wells in California, which they owned through a joint venture called Aera Energy, to German asset management group IKAV for an estimated \$4 billion. Aera accounts for about a quarter of California's oil and gas production, largely from pumping in Kern and Ventura counties. The Los Angeles Times reported at the time that IKAV stood to inherit a portfolio littered with wells past their prime. Nearly 9,000 Aera wells were idle as of early October 2022, meaning about 38% of the company's unplugged inventory wasn't producing oil or gas, according to state data.

In response, AB 1167 (Carillo), Chapter 359, Statutes of 2023, requires a person who acquires the right to operate a well or production facility to file with the supervisor a bond for the well or production facility in an amount determined by the supervisor to be sufficient to cover, in full, all costs of plugging and abandonment and site restoration. AB 1167 prohibits companies from using their existing indemnity bonds and requires new, individual bonds for any well that is purchased or transferred. The author's intent with AB 1167 was not to shutter the oil industry; it was to ensure the financial responsibility of clean up and remediation falls with the oil well operators and not California tax payers in the event the well is "orphaned."<sup>11</sup>

When Governor Newsom signed AB 1167, he included a signing message that stated, “increasing the financial assurances required for oil and gas well transfers also potentially creates risk of current oil and gas well operators deserting these hazardous wells. I look forward to working with the Legislature to enact legislation to make any necessary revisions to address this risk and otherwise align this law with programs that [CalGEM] is already developing to address orphaned and abandoned wells.”

- 3) **Frozen bond market?** According to CalGEM, from January 1, 2019, when AB 1057 went into effect through 2023, CalGEM processed an average of 3,500 well transfers per year. From January 1, 2024, when AB 1167 went into effect through today, 501 well transfers have occurred. Of those, 62 transfers of wells have taken place under PRC 3205.8. The first transfer was for one well, and the second was a transfer of 61 marginal wells for the purposes of a housing development. In other words, a single project accounts for 61 of those 62 wells.

The California Independent Petroleum Association (CIPA) states that bonds are unavailable for owners or operators to sell, transfer, or acquire new wells because AB 1167 essentially “froze and devalued oil and gas operators’ assets, increasing the likelihood of financial insolvency and well desertion.” Since AB 1167 took effect, no active wells subject to the law have been transferred for continued operation. When responsible, well-capitalized operators cannot purchase wells from struggling operators, those assets are stranded with companies that may lack the resources to maintain them or properly shut them down. The author notes that the inability to transfer wells has also reduced operators’ asset values, reduced local tax revenue, limited operators’ access to capital, and made it harder for them to fund maintenance, regulatory compliance, and decommissioning.”

- 4) **Learning from the past.** The specific exclusion of self-certification and “equally effective” means was purposeful when crafting AB 1167.

The federal Surface Mining Control and Reclamation Act of 1977 required coal companies to restore the land after mining, post financial assurance before mining, and ensure funds would be available if the company failed. The law allowed several forms of bonding, including surety bonds, collateral bonds, and self-bonding (corporate guarantee based on financial strength). Self-bonding was intended only for financially strong companies that met specific criteria. Beginning around 2012–2015, the coal industry started to crash due to competition from natural gas and renewables, falling coal prices, and other factors. Major producers filed bankruptcy. At the time of bankruptcy, companies held billions in self-bonded reclamation obligations. For instance, Peabody held roughly \$1.4 billion in self-bonded reclamation liabilities, and Arch Coal and Alpha also carried hundreds of millions to over a billion in self-bonds.

Self-bonding failed because when companies entered bankruptcy, reclamation liabilities were treated as unsecured claims or renegotiated. By the time coal prices collapsed, companies technically no longer qualified for self-bonding — but regulators had not forced earlier replacement with secured bonds. States were left holding the bag with liability for reclamation due to large unsecured reclamation risks. The Abandoned Mine Land (AML) Program was funded by fees on coal production, and the funds were designed for pre-1977 “orphaned” mines, not modern bankruptcies. As insolvencies increased, the risk increased that AML or taxpayer funds would indirectly support cleanup. Total U.S. coal self-bonding

exceeded \$3–4 billion. By the early 2020s, most large coal companies had replaced or eliminated self-bonds. Coal industry self-bonding is now a cautionary tale about allowing industry self-certification of cleanup obligations.

- 5) **Providing flexibility without undermining appropriate protections.** The purpose of AB 1167 was to protect the state – and taxpayers – from financial liability for plugging and abandoning orphaned wells. According to the Department of Finance, bonding companies are becoming hesitant to approve indemnity bonds due to California's current regulatory environment and future outlook for oil and gas operations, and the Department expressed concerns that AB 1167 could also increase that problem.

Providing sufficient financial assurances is critical to ensuring the polluter pays, so to speak, because CalGEM does not have the cash on hand to cover all the uninsured costs to plug and remediate abandoned wells and production facilities. Flexibility may need to be provided under current law so that financial mechanisms that are accessible – and financially appropriate – are secured and approved ahead of any transfer, sale, or acquisition.

- 6) **Separate rules for developers.** Developers are increasingly purchasing former oil and gas well sites for redevelopment, driven by urban infill demand, the need for affordable housing, and high land value in areas such as Southern California. These redevelopment projects often involved converting dormant or orphan oil fields into residential, commercial, or recreational spaces. Developers inherit significant responsibility for plugging, abandoning, and remediating wells to current safety standards.

In 2023, the L.A. Neighborhood Land Trust purchased for \$10 million a 2-acre site with 36 decommissioned wells for conversion into a park and affordable housing, known as the Jefferson Park Project. The land trust did not obtain bonds for the acquisition; instead, legacy regulatory bonding requirements tied to the former oil operator and a general expectation that remediation costs would be handled through acquisition terms, grants, and environmental cleanup processes.

This bill provides that a person who has acquired the rights to a well or production facility for the sole purpose of plugging and abandoning is subject to the state oil and gas laws as an operator, until a determination by the supervisor that the well has been properly plugged and abandoned or the production facilities have been decommissioned. Upon this determination by the supervisor, the bill requires the supervisor to release the bond, and would release the acquiring person from any further obligation or liability for the well or facility. The person who, before the acquisition, was responsible as an owner or operator, remains responsible for the well or production facility.

- 7) **Author's statement:**

To protect the state against the risk of an orphaned well after a transfer from one owner to another, AB 1167 adjusted the required indemnity bond amount to be sufficient to cover, in full, all costs of plugging and abandonment and site restoration. Since the law was changed, nearly all well transfers have stopped.

If transfer approvals continue to stagnate, current well operators may abandon hazardous wells, leading to greater financial and environmental burdens for the state.

AB 2716 delivers the legislative revisions that Governor Newsom called for when he signed AB 1167 by giving oil and gas well operators greater financial flexibility to cover the cost of plugging idle wells after a transfer of ownership, reducing the occurrence of orphaned wells and protecting California's environment and public health.

- 8) **Committee amendments.** The *committee may wish to consider amending the bill* as follows:
- a) Increase the bonding cap in PRC 3205.3 and tier the bonding amounts by well ownership.
  - b) Qualify the use of self-insurance and corporate guarantees to provide that only operators with idle well management plans and solid finances are eligible to purchase/acquire wells.
  - c) Provide asset retirement obligations to be qualified as an equally effective means of financial assurance.
  - d) Require additional information to be provided to CalGEM for a person acquiring a well solely for the purpose of plugging and abandoning the well.
  - e) Require CalGEM to report the Legislature.
  - f) Make this contingent upon the enactment of AB 2461 (Hart).
- 9) **Related legislation.** AB 2461 (Hart) Extends the bonding requirements under AB 1167 to a person who acquires, or intends to acquire, as applicable, the right to control a well or production facility. Provides that, for purposes of filing an indemnity bond, a person who "acquires a right to operate or control a well or production facility" includes, but is not limited to, the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the operator of more than 50% of the voting stock of the operator and a liquidation or dissolution of the operator, among other transactions. This bill is referred to the Assembly Natural Resources Committee.

## REGISTERED SUPPORT / OPPOSITION:

### Support

California Chamber of Commerce  
 California Independent Petroleum Association  
 Western States Petroleum Association

### Opposition

350 Bay Area Action  
 Center for Biological Diversity  
 Center on Race, Poverty & the Environment  
 Cerbat  
 Clean & Healthy California  
 Cleaneart4kids.org  
 Climate First: Replacing Oil & Gas  
 Courage California

Environment California  
 Environmental Defense Center  
 Epic - Environmental Protection Information  
 Center  
 Food & Water Watch  
 Fossil Free California  
 Frackracker Alliance  
 Greenpeace USA

Long Beach Alliance for Clean Energy  
Natural Resources Defense Council  
Physicians for Social Responsibility - Los  
Angeles  
Redeemer Community Partnership  
San Diego 350  
San Francisco Bay Physicians for Social

Responsibility  
San Francisco Baykeeper  
Sierra Club California  
Sunflower Alliance  
The Climate Center  
Wholly H2o

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

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<sup>i</sup> See author's statement for AB 1167 (Carrillo) in Assembly Natural Resources Committee analysis, March 27, 2023

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2752 (Ávila Farías) – As Amended April 6, 2026

**SUBJECT:** Bay Area Air Quality Management District and South Coast Air Quality Management District: policies: oil refineries

**SUMMARY:** Requires the Bay Area Air quality Management District (BAAQMD) and the South Coast Air Quality Management District (SCAQMD) to reanalyze specified adopted rules to determine, with respect to oil refineries, the cost of compliance, potential cost to consumers, impacts on state and local tax revenue, refinery employment, and impacts on statewide gasoline supply. Requires, with respect to BAAQMD and SCAQMD rules pertaining to oil refineries going forward, that the district’s socioeconomic impact analysis specifically consider cost to consumers, impacts on state and local tax revenue, and impacts on the statewide gasoline supply. Requires the BAAQMD and SCAQMD to make a “good faith effort” to minimize adverse impacts on these topics.

**EXISTING LAW:**

- 1) The federal Clean Air Act (CAA) and its implementing regulations set National Ambient Air Quality Standard (NAAQS) for six criteria pollutants, designate air basins that do not achieve NAAQS as nonattainment, and require states with nonattainment areas to submit a State Implementation Plan (SIP) detailing how they will achieve compliance with NAAQS. (42 U.S.C. 7401 *et seq.*)
- 2) Establishes the Air Resources Board (ARB) as the air pollution control agency in California and requires the ARB, among other things, to control emissions from a wide array of mobile sources and coordinate with local air districts to control emissions from stationary sources in order to implement the CAA. (Health and Safety Code (HSC) 39000 *et seq.*)
- 3) Requires, subject to the powers and duties of the ARB, air districts to adopt and enforce rules and regulations to achieve and maintain the state and federal air quality standards in all areas affected by emission sources under their jurisdiction, and to enforce all applicable provisions of state and federal law. (HSC 40001)
- 4) Requires each air district that is a nonattainment area for one or more air pollutants to adopt an expedited schedule for the implementation of best available retrofit control technology (BARCT) for each industrial source subject to ARB’s cap and trade regulation, including sources at oil refineries, no later than December 31, 2023. (HSC 40920.6)
- 5) Prohibits a person, except as specified, from discharging air contaminants or other material that cause injury, detriment, nuisance, or annoyance or endanger the comfort, repose, health or safety to any considerable number of persons, or to the public, or that cause, or have a tendency to cause, injury or damage to a business or property. (HSC 41700)
- 6) Deems any person who violates air pollution laws, rules, regulations, permits, or orders of ARB or of a district, including a district hearing board, as specified to be guilty of a

misdemeanor and subject to specified fines, imprisonment in the county jail for not more than six months, or both. (HSC 42400)

- 7) Requires a district with a population over 500,000 to perform an assessment of the socioeconomic impacts of the adoption, amendment, or repeal of any rule or regulation that will significantly affect air quality or emissions limitations. (HSC 40728.5)

**THIS BILL:**

- 1) Requires BAAQMD and SCAQMD, on or before December 31, 2027, shall analyze the following policies to determine, with respect to oil refineries, the cost of compliance, potential cost to consumers, impacts on state and local tax revenue, refinery employment, and impacts on statewide gasoline supply:
  - a) BAAQMD Regulation 3 fees.
  - b) BAAQMD District Regulation 6 Rule 5.
  - c) SCAQMD Regulation III fees.
  - d) SCAQMD Rule 1109.1.
- 2) Requires BAAQMD and SCAQMD, on or before January 1, 2028, to make a good faith effort to minimize any adverse impacts identified pursuant to this analysis.
- 3) Requires, for BAAQMD and SCAQMD rules related to oil refineries, that the existing socioeconomic impacts analysis consider cost to consumers, impacts on state and local tax revenue, and impacts on the statewide gasoline supply. Requires BAAQMD and SCAQMD to actively consider and make a good faith effort to minimize any adverse impacts related to these particular “socioeconomic impacts,” as well as related to employment and the economy of the region affected and the range of probable costs, including costs to industry or business, including small business.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

1) **Author’s statement:**

In spite of increases in fuel efficiency and electric vehicle usage, safe, reliable and affordable fuel supply remains of statewide importance for the 26.8 million gasoline-powered vehicles registered in California, the state’s residents, and California's economy. With more than 30 refineries in California in the 1980s having been reduced to six major refineries today and another refinery scheduled to close in April 2026, California’s oil refining capacity is declining faster than gasoline usage, putting an upward pressure on pricing and encouraging oil and gasoline imports from locales with less friendly environmental and labor protections.

Both state and local policy has contributed to refiners leaving the state. ARB is reviewing the state impacts of the Cap and Invest Program as we speak. At the regional level, BAAQMD and SCAQMD have adopted significant fees and policies that increase refinery compliance costs and make California gasoline uncompetitive. Annual fees will cost refiners \$103 million in the Bay Area and \$140.6 million in Southern California between 2026 and 2030. In addition, since 2017, the BAAQMD has imposed one-time refinery compliance costs of \$700 million and the SCAQMD compliance costs of \$3.4 billion.

AB 2752 seeks to help restore the balance between environmental and economic impacts by reevaluating these regional compliance costs that have led to refinery closure and more expensive gasoline for our constituents.

These cost estimates are drawn from a white paper “Regulatory Costs for refineries operating in the (SCAMQD) and (BAAQMD)” developed by Ramboll under contract to the Western States Petroleum Association (WSPA).

## 2) Summary of the district rules in question:

**BAAQMD Regulation 3:** Fees include revisions to the district’s fees and fee schedules and other regulatory language, and coincide with the district’s annual budget process. Recommendations to adjust fees begin in the District Finance and Administration Committee in the February/March time period, and are then considered over two public hearings by the Board of Directors leading up to the beginning of the fiscal year on July 1.

**BAAQMD Rule 6-5:** Included new and modified limits on ammonia and sulfur dioxide, and also included a direct limit on total particulate matter less than 10 microns in diameter (total PM10), which included both filterable and condensable particulate matter. The proposed amendments also included modifications to existing rule language to clarify existing provisions and improve monitoring requirements. As part of the district’s BARCT retrofit schedule, the district identified a number of potential rule development projects to evaluate and implement BARCT levels of emission control, including a rule development project to control emissions of total particulate matter from fluidized catalytic cracking units at oil refineries. Staff identified strategies for addressing these emissions through potential amendments to Rule 6-5 that would address components of condensable particulate matter, including ammonia and sulfur dioxide.

**SCAQMD Regulation III:** Establishes emission and permitting fees for sources regulated by the district, including new and annual permitting fees, criteria pollutant and toxic emissions fees, and program-specific and administrative costs for cost recovery for implementation of the Toxics Hot Spots program, fence-line monitoring, review and approval of source tests, and Hearing Board fees. In general, most fees are increased annually by the Consumer Price Index.

**SCAQMD Rule 1109.1:** Establishes oxides of nitrogen (Nox) and carbon monoxide (CO) concentration limits that represent BARCT for combustion equipment located at sixteen petroleum refineries and facilities with operations related to petroleum refineries (e.g., sulfur recovery plants).

- 3) **Oil companies already took one or two bites at these rules. This bill gives them one or two more.** Oil companies and industry trade groups actively participated in each of the rulemaking processes above. BAAQMD Rule 6-5 was challenged in court by Chevron and Martinez Refining Company (MRC). Chevron and MRC eventually settled and agreed to be bound by the rule. MRC installed controls that did not require a wet gas scrubber, and met the requirements of the rule at less cost than they claimed they would have to spend, and that the district's socioeconomic analysis projected. Note this rule didn't impose new requirements on the Valero Benicia refinery because Valero installed the required controls 10 years prior to the rulemaking.

WSPA supported adoption of SCAQMD Rule 1109.1.

The bill would permit oil companies to relitigate the districts' adopted rules under the new standards imposed by the bill's reanalysis and "good faith effort" requirements.

- 4) **Measuring clean air rules in cents per gallon?** This bill attempts to unpack the effect of specified district refinery rules on gas prices and oil companies' strategic decisions, while apparently discounting other significant factors on both sides of the ledger, such as Clean Air Act objectives, public health benefits, global oil markets, market power, and oil companies' determination to maximize profits above all else.

A more effective approach to obtain new, relevant information may be to request the affected refineries to provide their actual compliance costs, pass through costs to consumers, tax payments, and employment impacts of the specified rules and regulations.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Asians in Energy  
 Bay Area Council  
 Bay Planning Coalition  
 California African American Chamber of Commerce  
 California Hispanic Chambers of Commerce  
 California Multicultural Business Alliance  
 Central City Association of Los Angeles  
 Central Valley Yemen Association  
 Coalition of Filipino American Chambers of Commerce  
 Contra Costa Building and Construction Trades Council  
 East Bay Leadership Council  
 Garden Grove Chamber of Commerce  
 Harbor Association of Industry and Commerce  
 Hispanic 100  
 Hispanic Chambers of Commerce of San Francisco  
 IBEW Local 302  
 Industrial Association  
 International Brotherhood of Boilermakers Local 549  
 International Brotherhood of Boilermakers Local 92  
 International Brotherhood of Boilermakers, Western States Section  
 Latin American and Caribbean Business Chamber of Commerce

Latin Business Association  
Long Beach Area Chamber of Commerce  
Los Angeles / Orange Counties Building and Construction Trades Council  
Marina Chamber of Commerce  
Pleasant Hill Chamber of Commerce  
Redondo Beach Chamber of Commerce  
San Pedro Chamber of Commerce  
Smart Local Union 105  
South Bay Association of Chambers of Commerce  
State Building & Construction Trades Council of California  
Torrance Area Chamber of Commerce  
Western States Petroleum Association  
Wilmington Chamber of Commerce

### **Opposition**

350 Bay Area Action  
Active San Gabriel Valley  
Alliance of Nurses for Healthy Environments  
American Lung Association  
APEN Action  
Bay Area Air Quality Management District  
California Air Pollution Control Officers Association  
California Environmental Voters  
California Nurses for Environmental Health and Justice  
Center for Biological Diversity  
Center for Community Action and Environmental Justice (CCA EJ)  
Center for Environmental Health  
Cleaneart4kids.org  
Climate Action California  
Coalition for Clean Air  
Communities for a Better Environment  
Earthjustice  
East Yard Communities for Environmental Justice  
Environmental Protection Information Center  
EPIC - Environmental Protection Information Center  
Facts Families Advocating for Chemical and Toxics Safety  
Families Advocating for Chemical and Toxics Safety  
Industrious Labs  
Legacy LA  
Pacific Environment  
Regional Asthma Management and Prevention  
Resource Renewal Institute  
San Francisco Bay Physicians for Social Responsibility  
San Francisco Baykeeper  
Sierra Club California  
South Coast Air Quality Management District  
Sunflower Alliance

The Climate Center  
West Long Beach Neighborhood Association

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2734 (Hart) – As Amended April 6, 2026

**SUBJECT:** Vehicles: special interest license plates

**SUMMARY:** Revises the formula for how funds from the Whale Tail environmental specialty license plate are allocated.

**EXISTING LAW:**

- 1) Authorizes an organization to apply to the Department of Motor Vehicles (DMV) for participation in a special interest license plate program and requires the DMV to issue special license plates if the sponsoring organization meets specified criteria, including securing 7,500 applications within 12 months of the effective date of the enactment of the specific legislation enabling the organization to participate in the program. (Vehicle Code (VC) 5060)
- 2) Defines “environmental license plates” as license plates or permanent trailer identification plates that have displayed upon them the registration number assigned to the passenger vehicle, commercial motor vehicle, motorcycle, trailer, or semitrailer for which a registration number was issued in a combination of letters or numbers, or both, requested by the owner or lessee of the vehicle. (VC 5103)
- 3) Pursuant to VC 5087:
  - a) Requires the DMV, in consultation with the California Coastal Commission, to design and make available for issuance special environmental design license plates to bear a graphic design depicting a California coastal motif. Authorizes any person, upon payment of the additional fees, to be issued a set of special environmental design license plates.
  - b) Requires the additional fees for the special environmental design license plates to be deposited in the California Environmental License Plate Fund (ELPF).
  - c) Requires the DMV, after deducting its administrative costs, to deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of special environmental design license plates as follows:
    - (1) One-half in the California Beach and Coastal Enhancement Account established in the ELPF. Requires, upon appropriation by the Legislature, the money in the account to be allocated by the Controller as follows:
      - (a) First to the Coastal Commission for expenditure for the Adopt-A-Beach program, the Beach Cleanup Day program, coastal public education programs, and grants to local governments and nonprofit organizations for the costs of operating and maintaining public beaches related to these programs.
      - (b) Second, from funds remaining after the required allocation in (a), to the State Coastal Conservancy for coastal natural resource restoration and enhancement

projects and for other projects consistent with the provisions of the State Conservancy's governing statutes.

- (2) One-half in the ELPF.
- 4) Requires, in addition to the additional fees pursuant to VC 5087, an applicant to be charged the additional fees for environmental license plates and those fees are deposited into the ELPF. (VC 5106)
  - 5) Establishes the California Environmental Protection Program and establishes the eligible funding expenditures concerned with the preservation and protection of California's environment. (Public Resources Code 21190)

#### THIS BILL:

- 1) Requires, after deducting its administrative costs, the DMV to deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of special environmental design license plates on or after January 1, 2027, as follows:
  - a) One-half in the California Beach and Coastal Enhancement Account within the ELPF. Requires, upon an appropriation by the Legislature, the moneys in the account to be allocated by the Controller to the Coastal Commission for expenditure for the Whale Tail Grants Program, the Adopt-A-Beach program, the Coastal Cleanup Day program, and other coastal public education programs.
  - b) One-half in the Coastal Access Account within the State Coastal Conservancy Fund for support of the State Coastal Conservancy's (SCC) Explore the Coast grants.

**FISCAL EFFECT:** Unknown

#### COMMENTS:

- 1) **Whale Tail plate.** The Whale Tail License Plate is an official specialty license plate issued by the DMV. Proceeds from sales of the plate benefit the Coastal Commission's Adopt-A-Beach Program, California Coastal Cleanup Day, and a wide variety of environmental projects throughout the state.



The cost is \$50 for a standard numbered plate and \$103 for a plate with a personalized message. The majority of the cost and the entire annual renewal fee (\$40 for the standard plate and \$83 for a personalized plate) is tax deductible.

For nearly 20 years, in addition to contributing a majority of its revenue to the ELPF, the Whale Tail was also the highest selling specialty plate in the state. Even though the Coastal Commission only received 25-30% of the revenues, sales volume generated enough funding to cover the grants and other program costs.

About a quarter of a million plates have been issued over the program's 20-year history with revenues totaling more than \$35 million. The funding, after subtracting the DMV's

administrative costs, is divided evenly between the California Beach and Coastal Enhancement Account and the ELPF.

- 2) **Environmental License Plate Fund (ELPF).** The ELPF was established in 1979 as a depository for revenues collected from personalized license plates to fund various natural resources and environmental protection-related programs.

The Environmental Protection Program (Program) is funded by the ELPF to support projects preserving and protecting the environment, including control and abatement of air pollution generated by motor vehicles, preservation and restoration of ecological reserves, environmental education, and protection of threatened species. The Secretary of the Natural Resources Agency (NRA) is responsible for development of the Program and determining its priorities.

Many, but not all specialty license plates contribute a portion of their revenues to the ELPF. Only the Whale Tail plate and the Yosemite plate contribute 75% of their revenues to the ELPF. The statutory frameworks for other specialty plates have more equitable terms, allowing the sponsoring organization to retain 50% - 100% of their total revenue.

All sponsored specialty plates created since 2002 retain all their specialty plate base fees (which is usually about 50% of total revenue) for the sponsoring organization for which the plate was established (apart from a small administrative fee to the DMV), and allocate all of the personalization revenue to the ELPF for an average 50-50 revenue share. The sponsoring organizations of some plates, such as Kids, Memorial, and Veterans retain 100% of their revenue, both special plate fees and personalization fees (minus the DMV charges). The Legacy Plate has no sponsoring organization. *All* of its specialty fees are deposited into the ELPF.

The popular black and yellow “Legacy” plate was authorized in 2012 (AB1658, Gatto) and hit the streets in 2015. The Legacy Plate has no sponsoring organization, so 100% of its revenue goes into the ELPF. The Legacy plate rocketed to popularity immediately, outselling the Whale Tail by nearly double in the first year. The plate has proved so popular with California motorists that in 2025 it outsold all the 13 other specialty plates combined by nearly five times. In 2025, California drivers purchased 66,480 Legacy plates and generated more than \$46.8 million for the ELPF.

The Legislative Analyst’s Office (LAO) reports<sup>i</sup> that the ELPF has experienced periodic fund condition challenges in the past. Most recently, a structural imbalance has emerged related to both expenditures and revenues. ELPF revenues have been relatively flat over the past few years. Notably, the administration indicates that when it proposed augmentations in expenditures to the fund in recent years, it assumed that revenues from additional license plates would increase sufficiently to support both those new costs and the rising costs of existing activities. However, the revenue growth the administration had anticipated has not yet materialized. The administration estimates the fund will have an annual gap of approximately \$9 million between existing revenues (~\$67 million) and current expenditures (~\$76 million).

NRA is identifying stopgaps, including working on expanding the pool of available license plates—such as through partnerships with National Football League team foundations on specialized plates—to attract additional customers who do not yet have a specialized plate

and thereby generate additional revenue for ELPF. The 49ers football team<sup>ii</sup> sponsored a specialty license plate through the Natural Resources Agency, and the DMV has received 7,500 deposits for the plate and will begin issuing them shortly. The Los Angeles Rams have expressed interest in doing the same, which would further augment the ELPF bottom line.

- 3) **Revising the allocation formula.** This bill would divide the license plate fees evenly with 50% for the California Beach and Coastal Enhancement Account for appropriation to the Coastal Commission for expenditure for the Whale Tail Grants Program, the Adopt-A-Beach program, the Coastal Cleanup Day program, and other coastal public education programs, and the other 50% for the Coastal Access Account for the State Coastal Conservancy's Explore the Coast grants.

Because this reformulation is redirecting more money to the Coastal Commission for its programs (since 50% would no longer split with Coastal Conservancy), and directing the 50% currently allocated to ELPF instead to the Coastal Conservancy, there will be a reduction in revenues for the ELPF, likely exacerbating the concerns raised by the LAO.

The effect of the state's most popular specialty plate contributing 100% of its revenues to the ELPF has generated record funding levels, which continue to increase annually. Meanwhile, the Whale Tail plate still contributes approximately  $\frac{3}{4}$  of its relatively minor amount of revenue to the fund, while retaining only  $\frac{1}{4}$  to support Whale Tail grants, staff and program overhead. The amount of Whale Tail funding contributed to the ELPF has now become relatively insignificant to the ELPF, but it could provide a critical lifeline for the Whale Tail grant program.

- 4) **California Beach and Coastal Enhancement Account.** Fifty percent of the funds under this bill would be deposited into the Account for the following programs:
- **Whale Tail Grants Program.** These grants fund projects that support experiential education and stewardship of the California coast and its watersheds, with an emphasis on engaging communities that have less access to such opportunities due to systemic and geographic barriers. From 1998 to 2025, the Whale Tail Grant program has distributed \$25.5 million to 1,074 grants. The local government grants funded under the current statutory framework are supported through the broader Whale Tail Grants Program, so this bill maintains funding for those grants.
  - **Adopt-A-Beach program.** Heal The Bay's adopt-a-beach program is funded solely through the license plate program, allowing the organizing to conduct more than 400 cleanups in the Santa Monica Bay. Those beach cleanups get people hand picking the tiny pieces of trash that beach maintenance crews are just unable to collect at that scale.
  - **Coastal Cleanup Day program.** This annual event brings together thousands of volunteers to clean beaches and waterways, contributing to the overall effort to keep the coast clean and healthy. Coastal Cleanup Day is the updated name for what used to be called Beach Cleanup Day; this funding remains unchanged under this bill.
- 5) **State Coastal Conservancy Fund.** The other 50% of the funds would be allocated to support of the State Coastal Conservancy's Explore the Coast grants. Since 2016, the Coastal Conservancy has awarded more than 350 grants through the Explore the Coast program,

totaling more than \$19 million. These grants have helped an estimated 388,000 people access and enjoy the coast, often for the first time. Examples of Explore the Coast grants include:

- The Amah Mutsun Land Trust’s Summer Camp provides Native American youth meaningful and fun experiences to enjoy their coastal ancestral territory on the San Mateo and Santa Cruz coast while learning about coastal conservation and traditional ecological knowledge.
- Salted Root’s Community Soul Surfer Program offers surfing lessons, history, and ocean education for women and girls who identify as Black, Indigenous, or people of color primarily from Alameda and other Bay Area Counties.

#### 6) Author’s statement:

AB 2734 will strengthen coastal access and education programs by creating a more sustainable funding structure for Whale Tail License Plate revenue. California’s Whale Tail grants and Explore the Coast grants help ensure that all Californians have access to all the physical and mental benefits of spending time outdoors and engaging with California’s natural resources. Yet under current law, only 25% of the Whale Tail revenue goes to these funds, leaving underserved and barrier-facing communities with fewer opportunities to access the coast. AB 2734 updates that structure by splitting new revenues evenly between the California Coastal Commission’s Whale Tail Grant Program and the State Coastal Conservancy’s Explore the Coast grants, ensuring the revenue from the Whale Tail License plate directly supports coastal access.

#### REGISTERED SUPPORT / OPPOSITION:

##### Support

Amah Mutsun Land Trust	Coastal Corridor Alliance
Amigos De Los Rios	Coastside Land Trust
Association for Environmental and Outdoor Education	Concerned Resource & Environmental Workers
Audubon California	Conservation Corps North Bay
Audubon Center At Debs Park	Crossing the Channel for CAUSE
Azul	Crystal Cove Conservancy
Black Surf Santa Cruz, INC	D.i.y. Art
Black Surfers Collective	Ege Foundation (eternal Generations Emerging)
Borp Adapted Sports and Recreation	Empowher
California Academy of Sciences	Environmental Action Committee of West Marin
California Coastal Protection Network	Environmental Center of San Diego
California Coastkeeper Alliance	Environmental Traveling Companions
California Marine Sanctuary Foundation	Escondido Creek Conservancy
California Urban Streams Alliance	Friends of Ballona Wetlands
Catalina Island Marine Institute	Friends of Sausal Creek
Children's Lifesaving Foundation	Friends of the Dunes
City Surf Project	Girlventures
Climate Resilient Communities	
Clockshop	

Golden Gate Bird Alliance	Reel Guppy Outdoors
Grassroots Ecology	Resource Renewal Institute
Green Latinos	Resources for Indian Student Education
Groundwork San Diego Chollas Creek	Rosie the Riveter Trust
Guadalupe-nipomo Dunes Center	Sacramento Urban Forest Council
Guided Discoveries, INC.	Salinas Community Science Workshop
Heal the Bay	Salmon River Restoration Council
Hills for Everyone	Salted Roots
Humboldt Waterkeeper	San Diego Children and Nature
Kids for the Bay	Santa Cruz Mountains Trail Stewardship
Land Trust of Napa County	Save Our Shores
Latino Outdoors	Save the Waves Coalition
Literacy for Environmental Justice	Sierra Club Inspiring Connections Outdoors
Living Coast Discovery Center	Sacramento
Los Angeles Neighborhood Land Trust	Smith River Alliance
Los Courage Camps	Sonoma County Regional Parks
Marshmallow Minds	South Yuba River Citizens League
Mendocino Area Parks Association	Stewards of the Coast and Redwoods
Monarch School Project	Sunday Friends Foundation
Nature for All	Surfrider Foundation
New Heights Charter School	Sustainable Claremont
Northern California Public Media	Ten Strands
Oakland Goes Outdoors	Tides Center
Ocean Discovery Institute	Treepeople
One Cool Earth	Trees Foundation
Outdoor Outreach	Un Mar De Colores
Outside the Lens	Undauntedk12
Paddle for Peace	Ventana Wilderness Alliance
Para Los Ninos	Ventana Wildlife Society
Payomkawichum Kaamalam	Ventura Land Trust
Planning and Conservation League	Watsonville Wetlands Watch
Plants People Community	Wholly H2o
Project Avary	Wildcoast
Queer Surf	Yes Nature to Neighborhoods
Ready Study Go Academy	YMCA of Greater San Francisco
Redwood Community Action Agency	

## Opposition

None on file

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

<sup>i</sup> [The 2024-25 Budget: Insolvency Risks for Environmental and Transportation Special Funds](#)

<sup>ii</sup> [5 Things to Know: 49ers California License Plate](#)

Date of Hearing: April 20, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

AB 2791 (Committee on Natural Resources) – As Introduced March 17, 2026

**SUBJECT:** Public resources

**SUMMARY:** Makes nonsubstantive, conforming changes to various statutes throughout the Public Resources Code.

**EXISTING LAW:**

- 1) Establishes the California Coastal Act of 1976 (Coastal Act), establishes the California Coastal Commission (Commission), and prescribes the membership and duties of the Commission. (Public Resources Code (PRC) 30000 *et seq.*)
- 2) Defines “nonprofit organization” under the Coastal Act as a private, nonprofit organization that qualifies under Section 501(c)(3) of the federal Internal Revenue Code of 1986. (PRC 30109.5)
- 3) Defines "state university" as the University of California and the California State University. (PRC 30119)
- 4) Requires all trees that are harvested or all trees that are retained shall be marked or sample marked by, or under the supervision of, a registered professional forester (RPF) before felling operations begin. (PRC 4584 (j)(i)(D)(v))
- 5) Requires all trees harvested to be marked by, or under the supervision of, a RPF before felling operations begin. PRC 4584 (j)(i)(vii)

**THIS BILL:**

- 1) Eliminates a redundant requirement for a RPF to mark a tree before harvesting.
- 2) Updates the terminology used throughout the Coastal Act to refer to state university or college or private university.
- 3) Defines a nonprofit organization for purposes of the Coastal Act.
- 4) Makes various nonsubstantive and conforming changes.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Purpose of the bill.** The Assembly Natural Resources Committee often introduces technical code cleanup bills to update statutes by correcting cross references, deleting obsolete provisions, or correcting updated terminology. This bill is an omnibus Public Resources Code cleanup up measure.

- 2) **Forestry citation.** AB 2276 (Wood), Chapter 388, Statutes of 2024, made various changes to the Forest Practices Act to consolidate and update exemptions, and extend specified exemption sunset dates. There are three locations in the bill that developed the Forest Resilience Exemption that refers to registered professional foresters (RPF) marking trees to be harvested prior to operations. PRC 4584 (j)(i)(vii) is redundant with 4584 (j)(i)(D)(v) and PRC 4584 (j)(i) (vi) and are actually in conflict. The latter two subdivisions provide specificity on marking standards, to whereas PRC 4584 (j)(i)(vii) is all encompassing. This bill removes that reference for purposes of clarity and consistency.
- 3) **Coastal Act references to universities.** In the majority of the coastal zone, once a local government submits a local coastal program to the Commission, and the Commission certifies it, then the Commission delegates Coastal Development Permit authority to the local government. However, Section 30519(b) excludes certain coastal areas of statewide significance from this delegation, and in these areas of “retained jurisdiction” the Commission remains the primary permitting authority. These generally included tidelands and submerged lands as well as coastal lands that are part of the University of California (UC) or California State University (CSU) systems.

When the Coastal Act was enacted in 1976, the CSU system was named the California State University and Colleges, so all references throughout the Coastal Act referred to “state university or college.” In 1982, the system dropped the “and Colleges” and became the California State University. To reflect this change, in 1983 the Legislature passed AB 1949 (Hughes), Chapter 143, Statutes of 1983, an omnibus bill dedicated to updating references to the “California State University and Colleges” throughout various state codes to “California State University.” This bill shortened the term “state university and college” as defined in PRC 30119 to “state university.” However, the bill unintentionally neglected to remove the words “or college” from the other sections of the Coastal Act that include the term “state university or college.” This has created the impression that, in addition to state universities, the Commission also retains permitting jurisdiction over all community college lands in the coastal zone, which has never been the case and the Commission has never asserted such authority. While local governments have been processing coastal development permits for community college projects in the coastal zone for years without issue, given the growing emphasis on constructing student housing on community college campuses, this lack of statutory clarity is a problem waiting to happen. The amendments below would finish the work of AB 1949 by removing all remaining references to “or college” from the Coastal Act.

- 4) **Coastal Act references to nonprofits.** The Coastal Act contains multiple references to nonprofit associations/entities/organizations, which are all intended to apply to nonprofit organizations that are tax-exempt under United States Internal Revenue Code 501(c)(3). The amendments below would standardize these references by defining “nonprofit organization” for purposes of the Coastal Act—using the same definition codified for PRC 31013—and by cleaning up references throughout the Coastal Act to conform to this defined term.

## REGISTERED SUPPORT / OPPOSITION:

### Support

None on file

### Opposition

None on file

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /