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SB-155 Public resources trailer bill. (2021-2022)

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Senate Bill No. 155

CHAPTER 258

An act to amend Section 49015 of the Food and Agricultural Code, to amend Sections 11553.5, 63048.92, 63048.93, 63048.94, and 63048.95 of, and to add and repeal Section 12805.9 of, the Government Code, to amend Sections 39719, 43018.9, 44270.3, 44271, 44272, 44272.5, 44273, 116766, 116767, and 116773.4 of, to amend the heading of Article 2 (commencing with Section 44272) of Chapter 8.9 of Part 5 of Division 26 of, and to add Section 44271.5 to, the Health and Safety Code, to amend Sections 5090.15, 42012, 42013, 42014, 42019, 42020, 42023.1, 42023.4, 42024, and 42999 of, to add Sections 5090.42, 21166.2, 31103.1, and 42025 to, to add and repeal Sections 14571.6.1 and 21080.56 of, and to repeal Sections 42011, 42015, 42016, 42017, 42018, and 42021 of, the Public Resources Code, to amend Section 2827.10 of the Public Utilities Code, and to amend Sections 5001, 5101, 5104, and 5202 of the Water Code, relating to public resources, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor September 23, 2021. Filed with Secretary of State September 23, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 155, Committee on Budget and Fiscal Review. Public resources trailer bill.

(1) Existing law creates the Healthy Stores Refrigeration Grant Program in the Department of Food and Agriculture upon the appropriation of funds. Existing law requires the department to administer the program and to award grants to qualified entities, which is defined to include a small business or corner store, a city or county with representative low-income areas that contain small businesses or corner stores, and certain nonprofit entities that meet specified requirements. Existing law requires grant funds to be provided to corner stores and small businesses that are located within low-income areas or low-access areas, as defined, for the purchase of an energy-efficient refrigeration unit or units. Under existing law, if a city or county is awarded a grant under the program, it is required to provide grant funds to applicant small businesses and corner stores that are located in low-income areas or low-access areas. Existing law authorizes a city, county, or nonprofit entity that is awarded a grant to use up to 10% of the grant funds for technical assistance.

This bill would change the name of the program to the Healthy Refrigeration Grant Program. The bill would expand the definition of "qualified entity" to include a tribal government or tribal organization under certain circumstances and would revise the criteria required for a city, county, tribal government, tribal organization, or nonprofit entity to qualify to apply for a grant. The bill would revise the requirements of a grant recipient under the program and would additionally authorize a grant recipient to provide technical assistance.

This bill would require the department to award at least 3% of the total funds appropriated to the program in each fiscal year to qualified technical assistance providers, as specified. The bill would authorize the department to pay funds to a recipient in advance of the expenditure of funds by the recipient in an amount equal to or less than 90% of the grant amount provided in the

recipient's grant agreement. The bill would increase the amount of grant funds that a city, county, nonprofit entity, tribal government, or tribal organization may use for technical assistance to 20%. The bill would make additional related changes, including by revising other definitions applicable to the program.

(2) Existing provisions in the California Constitution create the Public Utilities Commission (PUC) and prescribe its membership, including the requirement that commissioners be appointed by the Governor and confirmed by the Senate. Existing law, the Public Utilities Act, requires the commissioners to be civil executive officers and their salaries to be fixed and paid in the same manner as those of other state officers. Existing law authorizes the Department of Human Resources to adjust, as needed, the salaries of specified state officers, including the president of the PUC, pursuant to certain requirements. Existing law prescribes the annual salary of members of the PUC, effective as of January 1, 1988, and prescribes a method by which it may be increased.

This bill would provide for an additional increase in the annual compensation of the members of the PUC of 5% in each of the 2021–22, 2022–23, and 2023–24 fiscal years.

(3) Existing law establishes the Natural Resources Agency, composed of departments, boards, conservancies, and commissions responsible for the restoration, protection, and management of the state's natural and cultural resources. Existing law establishes the Department of Forestry and Fire Protection within the agency and establishes various programs for the prevention and reduction of wildfires. The Budget Act of 2020 appropriates various moneys for purposes of fire prevention and forest health. The Budget Act of 2021, contingent upon future legislation, appropriates from the General Fund \$2,500,000,000 for specified purposes, including \$258,000,000 from the General Fund on a one-time basis for a wildfire prevention and forest resilience package. The Budget Act of 2021, upon order of the Department of Finance, authorizes up to an additional \$500,000,000 of General Fund moneys to be made available for wildfire prevention and forest resilience activities in the 2021–22 fiscal year if the Department of Finance determines additional funding is needed.

This bill would require the agency, on or before April 1, 2022, and annually thereafter on April 1 of each year until April 1, 2026, to develop a report on all programs related to wildfires and forest resilience funded pursuant to the Budget Act of 2020 and the Budget Act of 2021 for the purpose of informing the Legislature and the public on the agency's implementation of the funded programs. The bill would require the agency to consult with the departments, boards, conservancies, and commissions within the agency, as well as any other state government entities the agency deems appropriate. The bill would require, for each program receiving funding from the budget acts, the agency to include in its report specified information, including, but not limited to, the amount of funding committed to the program and the amount of funding spent on the program from each budget act for the prior fiscal year and a summary of the projects implemented by the program, as provided. The bill would require the agency to publish each report on its internet website, and submit each report to specified legislative committees and to the Legislative Analyst's Office. The bill would repeal these provisions on January 1, 2027.

(4) Existing law, the Climate Catalyst Revolving Loan Fund Act of 2020, authorizes the Infrastructure and Economic Development Bank (bank), under the Climate Catalyst Revolving Loan Fund Program, to provide financial assistance to any eligible sponsor or participating party for eligible climate catalyst projects, as defined, either directly to the sponsor or participating party or to a lending or financial institution, as specified.

Existing law requires the Strategic Growth Council, in consultation with the Labor and Workforce Development Agency, to advise the Legislature of potential categories of climate catalyst projects that would focus on the state's key climate mitigation and resilience priorities. Existing law requires the bank to submit an annual report to the council, the Governor, the Speaker of the Assembly, and the President pro Tempore of the Senate on the program, including, among other things, the project category, description, and financial assistance amount for each climate catalyst project.

This bill would remove the requirement that the Strategic Growth Council inform the Legislature of potential categories of climate catalyst projects. The bill would instead, beginning in the 2021–2022 fiscal year, require the bank to meet and consult with specified state agencies to identify potential categories and eligibility criteria of climate catalyst projects that may receive financial assistance under the program, and would require the bank board to adopt that report as a climate catalyst financing plan. The bill would authorize the bank to engage in outreach activities to inform disadvantaged participating parties and disadvantaged sponsors of the categories of financial assistance available under the program. The bill would require the bank to consider applications for financial assistance as they are received, and to provide financial assistance only to projects approved by the bank board prior to July 1, 2025. The bill would require the bank to submit the annual program report commencing October 1, 2022, rather than October 1, 2021, and submit the report to the Legislative Analyst's Office instead of the council. The bill would also require the report to additionally include, among other things, the aggregate amount of third-party financing.

Existing law excludes from the Administrative Procedure Act any criteria, priorities, and guidelines adopted by the bank in connection with the Climate Catalyst Revolving Loan Fund Program or other bank program.

This bill would also exclude any climate catalyst financing plan from the Administrative Procedure Act but would require the bank to post the plan on its internet website, as specified, at least 30 calendar days before a bank board meeting at which the plan will be considered for approval.

Existing law creates the Climate Catalyst Revolving Loan Fund within the State Treasury and makes the moneys in the fund available for expenditure for purposes of the program, upon appropriation by the Legislature. Existing law prohibits the fund from receiving funds from the state.

This bill would delete the prohibition on receiving funds from the state and would make the fund a continuously appropriated fund, except as specified. By changing the fund to a continuously appropriated fund, this bill would make an appropriation.

(5) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency responsible for monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms in regulating greenhouse gas emissions. Existing law requires all moneys, except for fines and penalties, collected by the state board from a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available to the state upon appropriation by the Legislature. Existing law provides that, through the 2023–24 fiscal year, the annual Budget Act shall include an appropriation of \$165,000,000 from the fund to the Department of Forestry and Fire Protection for healthy forest and fire prevention projects that improve forest health and reduce greenhouse gas emissions caused by uncontrolled wildfires and an appropriation of \$35,000,000 to the department for prescribed fire and other fuel reduction projects through proven forestry practices.

This bill would continuously appropriate, beginning in the 2022–23 fiscal year through 2028–29 fiscal year, the sum of \$200,000,000 from the Greenhouse Gas Reduction Fund to the department in each fiscal year for healthy forest and fire prevention programs and projects that improve forest health and reduce emissions of greenhouse gases caused by uncontrolled wildfires and for the completion of prescribed fire and other fuel reduction projects through proven forestry practices consistent with the recommendations of the California Forest Carbon Plan.

(6) Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission (Energy Commission), to provide funding to certain entities to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. Existing law requires the Energy Commission to give preference to those projects that maximize the goals of the program based on specified criteria and to fund specified eligible projects, including, among others, alternative and renewable fuel projects to develop and improve alternative and renewable low-carbon fuels.

This bill would rename the program as the Clean Transportation Program, which would continue to be administered by the Energy Commission. The bill would include California federally recognized tribes and tribal organizations, as defined, as entities that are eligible to receive funding under the Clean Transportation Program.

(7) The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties relating to the regulation of drinking water to protect public health. Existing law establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Existing law authorizes the state board to provide for the deposit into the fund of certain moneys, and also provides that, beginning in the 2020–2021 fiscal year, and until June 30, 2030, 5% of the annual proceeds of the Greenhouse Gas Reduction Fund, up to the sum of \$130,000,000, is annually transferred to the fund. Existing law continuously appropriates the moneys in the fund to the state board for grants, loans, contracts, or services to assist eligible recipients. Existing law specifies eligible recipients of funding, which include public agencies, nonprofit organizations, mutual water companies, Native American tribes, as provided, administrators, and groundwater sustainability agencies.

This bill would expand the list of eligible funding recipients to include community water systems and technical assistance providers and would define a "technical assistance provider" to mean a person whom the state board has determined is competent to assist a water system by providing administrative, technical, operational, legal, or managerial services, as provided. The bill would provide that a privately owned public utility may serve as a technical assistance provider. By expanding the list of recipients eligible for moneys from the continuously appropriated Safe and Affordable Drinking Water Fund, this bill would make an appropriation.

(8) Existing law establishes the California Water and Wastewater Arrearage Payment Program in the State Water Resources Control Board. Existing law requires the state board, following an appropriation in the annual Budget Act for these purposes, to survey community water systems to determine statewide arrearages and water enterprise revenue shortfalls and adopt a resolution establishing guidelines for application requirements and reimbursement amounts for those arrearages and shortfalls, as specified.

Existing law requires a community water system to provide customers with arrearages accrued during the defined COVID-19 pandemic bill relief period a notice that they may enter into a payment plan. Existing law prohibits a community water system that receives program funds from discontinuing water service due to nonpayment before September 30, 2021, or the date the customer misses the enrollment deadline for, or defaults on, a payment plan, whichever is later.

This bill would expand this prohibition to all community water systems regardless of funding sources and would change the date described above to December 31, 2021.

(9) Existing law, the Off-Highway Motor Vehicle Recreation Act of 2003, states it is the intent of the Legislature that the Department of Parks and Recreation should support both motorized recreation and motorized off-highway access to nonmotorized recreation. Existing law establishes the Off-Highway Vehicle Trust Fund and requires the revenues in the fund to be available, upon appropriation, for specified purposes, including the planning, acquisition, development, mitigation, construction, maintenance, administration, operation, restoration, and conservation of lands in state vehicular recreation areas and certain other areas.

The bill would require the department to determine the best use of land known as the "Alameda-Tesla Expansion Area," which is currently part of the Carnegie State Vehicular Recreation Area, as provided. The bill would prohibit the land from being designated as a state vehicular recreation area. The bill would transfer \$1,000,000 from the General Fund to the State Parks and Recreation Fund for this purpose. The bill would transfer \$29,800,000 from the General Fund to the trust fund to be used for the acquisition and development of properties to expand off-highway vehicle recreation, as provided.

Existing law establishes in the department the Off-Highway Motor Vehicle Recreation Commission, consisting of 9 members, as provided. Existing law requires, in order to be appointed to the commission, a nominee to represent one more specified groups, including biological or soil scientists, groups or associations of predominately rural landowners, and nonmotorized recreation interests. Existing law repeals the provisions relating to the commission on January 1, 2023.

This bill, among other things, would require that a nominee to the commission have expertise in or represent one of a list of specified interests, including, environmental restoration, health and safety, and the public-at-large. This bill would delete the repeal of the provisions relating to the commission and would delete other obsolete language.

(10) The California Beverage Container Recycling and Litter Reduction Act, which is administered by the Department of Resources Recycling and Recovery, is established to promote beverage container recycling and provides for the payment, collection, and distribution of certain payments and fees based on minimum refund values established for beverage containers.

The act requires dealers within a convenience zone where no recycling location has been established, or within a convenience zone that is unserved for 60 days, to either submit an affidavit to the department stating that the dealer has met specified standards for empty beverage container redemption, or pay \$100 per day to the department, for deposit into the continuously appropriated California Beverage Container Recycling Fund, until a recycling location is established or until the dealer meets the standards for redemption specified in the affidavit provisions.

This bill would, until January 1, 2023, exempt from those requirements dealers that have gross annual sales of less than \$1,500,000 and are less than 5,000 square feet.

(11) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report 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. CEQA also 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.

This bill would, until January 1, 2025, exempt from CEQA projects that conserve, restore, protect, or enhance, and assist in the recovery of California native fish and wildlife, and habitat upon which they depend or that restore or provide habitat for California native fish and wildlife. For the exemption to apply, the bill would require those projects to meet certain requirements. The bill would require the lead agency to obtain the concurrence of the Director of Fish and Wildlife for the lead agency's determinations required under the bill for the exemption to apply. The bill would require the lead agency, within 48 hours of making a determination that a project is exempt under the provision of the bill, to file a notice of exemption with the Office of Planning and Research and would require the Department of Fish and Wildlife to post the concurrence of the Director of Fish and Wildlife on the department's internet website. The bill would require the Natural Resources Agency to report annually to the Legislature all determinations made under the bill. By imposing additional duties on a lead agency, this bill would impose a state-mandated local program.

This bill would specify that the environmental review set forth in the Final Environmental Impact Report for the Lower Klamath Project License Surrender issued in April 2020 in combination with other environmental review documents related to removal of

facilities on the Klamath River prepared and adopted by the Federal Energy Regulatory Commission, as provided, is conclusively presumed to satisfy the requirements of CEQA for any project for the removal of hydroelectric dams and associated facilities, along with associated restoration of formerly inundated lands, hatchery modifications, and implementation of mitigation measures in the Klamath River Basin, undertaken or approved by a public agency if certain conditions are met. Because a lead agency would be required to determine the applicability of this provision, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Klamath River.

(12) Existing law establishes the State Coastal Conservancy with prescribed powers and responsibilities for implementing a program of agricultural land preservation, area restoration, and resource enhancement within the coastal zone, as defined. Existing law prohibits Members of the Legislature and state, county, district, judicial district, and city officers or employees from being financially interested in any contract made by them in their official capacity or by any body or board of which they are members. Existing law identifies certain remote interests that are not subject to this prohibition and other situations in which an official is not deemed to be financially interested in a contract. Existing law makes a willful violation of this prohibition a crime.

This bill would provide that an officer or employee of the conservancy shall not be deemed to be financially interested in a contract made in their official capacity when specified conditions are met, including that the contract involves a grant of funds approved by the San Francisco Bay Restoration Authority to the conservancy.

(13) Existing law authorizes a local governing body to propose eligible parcels of property within its jurisdiction as recycling market development zones, as specified. Existing law requires that parcels of property designated as recycling market development zones retain that designation for 10 years. Existing law requires that applicants for designation of a recycling market development zone be selected based on the applications and inclusion of incentives to attract private sector investment.

This bill would repeal those requirements.

Existing law creates and continuously appropriates the Recycling Market Development Revolving Loan Subaccount in the Integrated Waste Management Account. Existing law authorizes the Department of Resources Recycling and Recovery to expend the moneys in the subaccount to make loans to local governing bodies, private businesses, and nonprofit entities within recycling market development zones or within areas outside those zones where partnerships exist with other public entities to assist local jurisdictions, as specified.

This bill would authorize the department to expend the moneys in the subaccount within areas outside those zones instead where making the loan will benefit a local jurisdiction or assist a local jurisdiction, as specified.

Existing law imposes various requirements on those loans made by the department from the subaccount, including, but not limited to, requirements related to interest rates, term duration, and prioritization of projects, and prohibits the financing of more than $\frac{3}{4}$ of a project's costs or \$2,000,000, whichever is less.

This bill would revise those requirements to require the department to establish interest rates as low as possible, eliminate the limit on loan-term duration, prioritize projects for circular recycling programs, require the department to establish project eligibility criteria, eliminate the cap on the project costs that the department is authorized to finance, and prohibit the provision of loans for projects that will result in the production of fuels or energy through transformation, engineered municipal solid waste conversion, or other disposal activities, as specified.

By expanding the purposes for which the moneys in the continuously appropriated subaccount may be expended, this bill would make an appropriation.

This bill would require the department to update its regulations relating to the implementation of the market development zone program. The bill would provide that those regulations in effect on September 1, 2021, remain effective only until they are revised or repealed by the department or January 1, 2022, whichever occurs first.

Under existing law, the department succeeded to, and was vested with, all of the authority, duties, powers, purposes, responsibilities, and jurisdiction of the former California Integrated Waste Management Board.

This bill would update multiple statutory references to the board to instead reference the department.

(14) Existing law establishes the CalRecycle Greenhouse Gas Reduction Revolving Loan Fund in the State Treasury, as part of the CalRecycle Greenhouse Gas Revolving Loan Program, and provides that funds deposited into the fund are continuously appropriated to the Department of Resources Recycling and Recovery for specified purposes. Existing law provides that any additional moneys appropriated by the Legislature from the Greenhouse Gas Reduction Fund to the department shall be expended by the department, consistent with specified laws, to administer a grant program to provide financial assistance to reduce the emissions of greenhouse gases by promoting in-state development of infrastructure, food waste prevention, or other projects to reduce organic waste or process organic and other recyclable materials into new, value-added products. Existing law

requires the department to provide grants, incentive payments, contracts, or other funding mechanisms for in-state infrastructure projects or other projects that reduce emissions of greenhouse gases by organic composting and organics in-vessel digestion, among other methods. Existing law specifies the eligible infrastructure projects that reduce emissions of greenhouse gases.

This bill would repeal the requirement that any additional moneys appropriated by the Legislature from the Greenhouse Gas Reduction Fund be used to administer the grant program and the requirement that financial assistance be used to reduce emissions of greenhouse gases by promoting development of specified projects. The bill would instead require the department, upon appropriation by the Legislature, to administer the grant program to provide financial assistance to promote in-state development of infrastructure, food waste prevention, or other projects to reduce organic waste or process organic and other recyclable materials into new, value-added products. The bill would continue to require that moneys appropriated by the Legislature from the Greenhouse Gas Reduction Fund to the department be expended consistent with specified laws. The bill would specify that eligible financial assistance be additionally provided for preprocessing organic materials for composting or organics in-vessel digestion and codigestion at existing wastewater treatment plants, and would continue to specify eligible infrastructure projects.

(15) Under existing law, the PUC has regulatory authority over public utilities, including electrical corporations. Existing law requires an electrical corporation to file with the PUC a standard tariff providing for net energy meeting for eligible fuel cell customer-generators and make the tariff available, on a first-come-first-served basis, until the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff reaches a level equal to the electrical corporation's proportionate share of a statewide limitation of 500 megawatts cumulative rated generation capacity served in addition to the total installed capacity as of January 1, 2017. Under existing law, a fuel cell electrical generation facility is not eligible for the tariff unless it commences operation on or before December 31, 2021.

This bill would extend eligibility for the tariff to fuel cell electrical generation facilities that commence operation on or before December 31, 2023.

Under the Public Utilities Act, a violation of any order, decision, rule, direction, demand, or requirement of the PUC is a crime.

Because a violation of an order or decision of the PUC implementing the tariff requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(16) Existing law establishes the State Water Resources Control Board for the purpose of providing for the orderly and efficient administration of the water resources of the state.

Existing law requires, with certain exceptions, that each person who, after 1955, extracts groundwater in excess of 25 acre-feet in any year to file a notice of extraction and diversion of water with the state board on or before March 1 of the succeeding year.

This bill would establish several specific dates when these notices would have to be filed depending on when the extraction first occurred, as specified. For extractions after September 30, 2021, the bill would require the notice to include extractions during the one-year period from October 1 of each year through September 30, inclusive, of the following year.

Existing law, with certain exceptions, requires each person who, after December 31, 1965, diverts water to file with the state board, prior to July 1 of the succeeding year, a statement of diversion and use, as specified, and requires supplemental statements to be filed annually, before July 1 of each year. Existing law provides that the making of any willful misstatement in connection with these provisions is a misdemeanor punishable as prescribed.

This bill would establish several specific dates when these annual statements and supplemental statements would have to be filed depending on when the diversion first occurred, as specified. For diversions after September 30, 2021, the bill would require the statement to include diversions during the one-year period from October 1 of each year through September 30, inclusive, of the following year. By changing the conduct that is punishable by a misdemeanor, the bill would impose a state-mandated local program.

Existing law requires a person, except as specified, who extracts groundwater from a probationary basin or, on or after July 1, 2017, in an area within a high- or medium-priority basin, as provided, to file a report of groundwater extraction by December 15 of each year for extractions made in the preceding water year, and prescribes the manner in which the report shall be filed with the state board.

This bill would require that report to be filed by February 1 of each year instead of December 15 of each year.

(17) Under existing law, the State Lands Commission has jurisdiction over tidelands and submerged lands of the state. Existing law authorizes grants to local entities of the right, title, and interest of the state in and to certain tidelands and submerged lands in trust for certain purposes. Existing law grants to the City of Long Beach all of the right, title, and interest of the state in and to all of the tidelands and submerged lands, as specified, that are within the corporate limits of the city, in trust for specified uses and

purposes. Existing law establishes rules for how revenue from oil and gas operations on the Long Beach tidelands is divided between the city and the state.

This bill would provide that the state consents to the application of specified city ordinances to the state's share of oil revenue within the Long Beach tidelands, as defined, for taxes on such production levied and in effect as of October 1, 2021. The bill would prohibit the state's share of oil revenue within the Long Beach tidelands from being subject to any business license tax, severance tax, oil barrel production tax, or other municipal tax, fee, or assessment not already in existence and levied on or before October 1, 2021, that has the effect of reducing the state's share of oil revenue, net profits, or remaining oil revenue received into the General Fund, without express statutory authorization for that tax, fee, or assessment.

(18) This bill would make available, upon appropriation by the Legislature in the annual Budget Act, \$150,000,000 in the 2022–23 fiscal year and the same amount in the 2023–24 fiscal year to support programs and activities that mitigate extreme heat impacts.

This bill would, upon appropriation by the Legislature, make available \$50,000,000 in the 2022–23 fiscal year to the Department of Conservation, in coordination with the State Air Resources Board and the Energy Commission, for pilot projects in the Sierra Nevadas to create carbon-negative fuels from materials resulting from forest vegetation management.

This bill would, upon appropriation by the Legislature in the annual Budget act, make available \$593,000,000 in the 2022–23 and \$175,000,000 in the 2023–24 fiscal years to the Natural Resources Agency, and to its departments, conservancies, and boards, to support programs and activities that advance multibenefit and nature-based solutions, as specified.

This bill would, upon appropriation by the Legislature, make available \$350,000,000 in the 2023–23 fiscal year and \$150,000,000 in the 2023–24 fiscal year to the State Coastal Conservancy for grants or expenditures for the protection and restoration of coastal and ocean resources from the impacts of sea level rise and other impacts of climate change. The bill would specify the types of projects eligible for the funds and would authorize the conservancy to coordinate with the Ocean Protection Council on project implementation.

This bill would, upon appropriation by the Legislature, make available \$50,000,000 in the 2023–23 fiscal year and \$50,000,000 in the 2023–24 fiscal year to the Ocean Protection Council for grants or expenditures for resilience projects that conserve, protect, and restore marine wildlife and healthy ocean and coastal ecosystems, as specified.

This bill would, upon appropriation by the Legislature in the annual Budget Act, make available \$25,000,000 in the 2022–23 fiscal year and \$75,000,000 in the 2023–24 fiscal year to the Office of Planning and Research, through the Integrated Climate Adaptation and Resiliency Program, for the establishment of a grant program for projects that mitigate the impacts of extreme heat or the urban heat island effect, as specified.

This bill would, upon appropriation by the Legislature in the annual Budget Act, make available \$25,000,000 in the 2022–23 fiscal year and \$75,000,000 in the 2023–24 fiscal year to the Strategic Growth Council, in coordination with the Office of Planning and Research, for the establishment of a community resilience centers grant program, with funding to be available for the construction or retrofit of facilities to serve as community resilience centers that mitigate the public health impacts of extreme heat and other emergency situations exacerbated by climate change on local populations, as specified.

(19) This bill would incorporate additional changes to Section 116766 of the Health and Safety Code proposed by SB 776 to be operative only if this bill and SB 776 are enacted and this bill is enacted last.

(20) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

(21) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 49015 of the Food and Agricultural Code is amended to read:

49015. (a) For purposes of this section, the following definitions shall apply:

- (1) "Corner store" means a small-scale store or grocery store, either an independent store or a chain store, that sells a limited selection of foods and other products, and that is located in a low-income area or low-access area in a rural, urban, or suburban area or tribal community. "Corner store" includes, among others, stores that are not located on a corner and stores commonly referred to as convenience stores or neighborhood stores.

(2) "Low-access area" means a census tract in which there are significant barriers to accessing a supermarket or large grocery store, which may include, but is not limited to, a census tract with at least 500 persons or 33 percent of the population that lives more than one mile, for nonrural areas, or more than 10 miles, for rural areas, from a supermarket or large grocery store.

(3) "Low-income area" means a census tract in which the income of at least 20 percent of the population is at or below the federal poverty level by family size, or if the median family income of the population is at or below 80 percent of the median family income of surrounding census tracts.

(4) "Minimally processed prepared food" may include any food prepared using either of the following processes:

(A) Traditional processes used to make food edible or to preserve it or to make it safe for human consumption, for example, smoking, roasting, freezing, drying, and fermenting.

(B) Physical processes that do not fundamentally alter the raw product or that only separate a whole, intact food into component parts, for example, grinding meat, separating eggs into albumen and yolk, and pressing fruits to produce juices.

(5) "Qualified entity" means any of the following:

(A) A small business or corner store.

(B) A city, county, or city and county, or tribal government or tribal organization with representative low-income areas that contain small businesses or corner stores or that is qualified to provide technical assistance to applicant small businesses or corner stores.

(C) A nonprofit entity or tribal government that works with low-income populations or in low-income areas or low-access areas, and that would do any of the following:

(i) Apply for grants on behalf of a small business, corner store, or tribal members, or a collection of small businesses, corner stores, or tribal members.

(ii) Sell or donate California-grown fresh fruits, nuts, vegetables, and minimally processed prepared foods directly in low-income areas or low-access areas.

(iii) Provide technical assistance to applicant small businesses or corner stores.

(6) "Recipient" means a small business, corner store, city, county, city and county, tribal government or tribal organization, or other nonprofit entity that is provided funds pursuant to subdivision (c).

(7) "Small business" means a small business, as defined in Section 14837 of the Government Code, that is authorized to accept nutrition benefits from any of the programs listed in paragraphs (1) to (6), inclusive, of subdivision (b) of Section 49012, and is located in a low-income area or low-access area.

(b) The Healthy Refrigeration Grant Program shall be created in the department upon the appropriation of funds, including from a successful application of federal grant funding, if available, by the Legislature for purposes of the Healthy Refrigeration Grant Program.

(c) (1) Upon an appropriation of funds as specified in subdivision (b), the department shall administer the Healthy Refrigeration Grant Program and, pursuant to the program, award grants to qualified entities. If a city, county, or city and county is awarded a grant pursuant to this subdivision, it shall provide grant funds or provide technical assistance, or both, to applicant small businesses and corner stores that are located in low-income areas or low-access areas. Notwithstanding any other law, the department may pay funds to a recipient in advance of the expenditure of funds by the recipient for implementation of the Healthy Refrigeration Grant Program, instead of in the form of a reimbursement after the expenditure of funds for that program, in an amount equal to or less than 90 percent of the grant amount provided in the recipient's grant agreement.

(2) The department shall award funds to qualified technical assistance providers to provide assistance with grant implementation for program applicants who are not receiving assistance from another recipient. The department shall allocate at least 3 percent of the total amount appropriated to the department in each fiscal year pursuant to subdivision (b) to qualified technical assistance providers pursuant to this paragraph.

(3) When awarding grants, the department shall give priority based on, but not limited to, the prevalence of any of the following in the communities that would be served by the qualified entity:

(A) People who are eligible for, or are receiving, nutrition benefits from any of the programs listed in paragraphs (1) to (6), inclusive, of subdivision (b) of Section 49012.

(B) People with diabetes, obesity, or other diet-related illnesses.

(C) Low availability of and access to fresh fruits, nuts, and vegetables.

(4) When awarding grants, the department shall consider giving priority to qualified entities based on, but not limited to, demonstrated efficiency and capability in the administration of a consumer incentive program, as defined in subdivision (a) of Section 49012.

(5) The department may establish regulations, minimum standards, funding schedules, and procedures for awarding grants to qualified entities, and may adopt any other regulations to implement and administer the Healthy Refrigeration Grant Program.

(d) A recipient shall be required to do all of the following:

(1) Use the grant funds provided pursuant to subdivision (c) to purchase an energy-efficient refrigeration or cold storage unit or units or to provide technical assistance, or both.

(2) Prioritize stocking the refrigeration unit or units purchased with Healthy Refrigeration Grant Program grant funds with California-grown fresh fruits, nuts, vegetables, dairy products, meat, eggs, and minimally processed prepared foods.

(3) Offer for sale fresh fruits, nuts, vegetables, and minimally processed prepared foods, including culturally appropriate foods, grown in California to the extent that is possible.

(e) A recipient shall be subject to reporting and auditing requirements, as determined by the department.

(f) A city, county, city and county, tribal government, tribal organization, or nonprofit entity that is awarded a grant pursuant to paragraph (1) of subdivision (c) and is providing grant funds to corner stores or small businesses to purchase refrigeration equipment may use up to 20 percent of Healthy Refrigeration Grant Program grant funds for technical assistance.

(g) Sections 9 and 42971 do not apply for a violation of this section or any regulation adopted pursuant to paragraph (5) of subdivision (c).

SEC. 2. Section 11553.5 of the Government Code is amended to read:

11553.5. (a) Effective January 1, 1988, an annual salary of seventy-nine thousand one hundred twenty-two dollars (\$79,122) shall be paid to the following:

(1) Member of the Agricultural Labor Relations Board.

(2) Member of the State Energy Resources Conservation and Development Commission.

(3) Member of the Public Utilities Commission.

(4) Member of the Public Employment Relations Board.

(5) Member of the Unemployment Insurance Appeals Board.

(6) Member of the Workers' Compensation Appeals Board.

(7) Member of the State Water Resources Control Board.

(8) Member of the Cannabis Control Appeals Panel.

(b) (1) The annual compensation provided by this section shall be increased in any fiscal year in which a general salary increase is provided for state employees. The amount of the increase provided by this section shall be comparable to, but shall not exceed, the percentage of the general cost-of-living salary increases provided for state employees during that fiscal year.

(2) In addition to the annual increase provided in paragraph (1), the members of the Public Utilities Commission shall receive an annual salary increase of 5 percent in each of the 2021–22, 2022–23, and 2023–24 fiscal years.

(c) Notwithstanding subdivision (b), any salary increase pursuant to paragraph (1) of subdivision (b) is subject to Section 11565.5.

SEC. 3. Section 12805.9 is added to the Government Code, to read:

12805.9. (a) On or before April 1, 2022, and annually thereafter on April 1 of each year until April 1, 2026, the Natural Resources Agency shall develop a report on all programs related to wildfires and forest resilience funded pursuant to the Budget Act of 2020 and the Budget Act of 2021 for the purpose of informing the Legislature and the public on the agency's implementation of the funded programs.

(b) In developing the report required pursuant to subdivision (a), the Natural Resources Agency shall consult with the departments, boards, conservancies, and commissions within the agency, as well as any other state government entities the agency deems appropriate.

(c) The Natural Resources Agency shall include in the report required pursuant to subdivision (a), for each program funded pursuant to the Budget Act of 2020 and the Budget Act of 2021, all of the following:

(1) The amount of funding committed to the program and the amount of funding spent on the program from the Budget Act of 2020 and the Budget Act of 2021 for the prior fiscal year.

(2) The total amount of funding committed to the program and the total amount of funding spent on the program from the Budget Act of 2020 and the Budget Act of 2021 through the current fiscal year.

(3) A summary of the projects implemented by the program, including all of the following:

(A) The number of projects for which funding has been committed, as well as the number of projects completed.

(B) The geographic distribution of projects funded by county and region, including the number of projects and the average project cost per county and region. The Natural Resources Agency shall establish regions, as appropriate, for purposes of the report.

(C) The criteria used to prioritize and select the projects that received funding.

(d) The Natural Resources Agency shall, on or before April 1, 2022, and annually thereafter on April 1 of each year until April 1, 2026, do all of the following:

(1) Publish the report required pursuant to subdivision (a) on its internet website.

(2) Submit the report required pursuant to subdivision (a) to the Senate Committee on Budget and Fiscal Review and the Assembly Committee on Budget.

(3) Submit the report required pursuant to subdivision (a) to the Legislative Analyst's Office.

(e) This section shall remain in effect only until January 1, 2027, and as of that date is repealed.

SEC. 4. Section 63048.92 of the Government Code is amended to read:

63048.92. The definitions contained in this section are in addition to the definitions contained in Section 63010 and together with the definitions contained in that section shall govern the construction of this article, unless the context requires otherwise:

(a) "Bank" means the Infrastructure and Economic Development Bank.

(b) "Climate catalyst project" means any building, structure, equipment, infrastructure, or other improvement within California, or financing the general needs of any sponsor or participating party for operations or activities within California that are consistent with, and intended to, further California's climate goals, activities that reduce climate risk, and the implementation of low-carbon technology and infrastructure.

(c) "Climate Catalyst Revolving Loan Fund" means revolving funds by that name created under, and administered pursuant to, this article to provide financial assistance for climate catalyst projects.

(d) "Climate Catalyst Revolving Loan Fund Program" means the program of that name to administer the Climate Catalyst Revolving Loan Fund and to provide financial assistance for climate catalyst projects, to be administered by the bank pursuant to this article and criteria, priorities, and guidelines to be adopted by the bank board.

(e) "Climate catalyst financing plan" means the bank's report identifying potential categories and eligibility criteria of climate catalyst projects that may receive financial assistance under this article. The climate catalyst financing plan shall be based on the bank's direct consultation with the consulting agencies.

(f) "Consulting agencies" means the state agencies set forth in subdivision (f) of Section 63048.93 and any additional state agencies identified pursuant to subdivision (g) of Section 63048.93.

(g) "Disadvantaged" when used in conjunction with a participating party recipient or potential recipient of financial assistance means a participating party that is economically disadvantaged, or is operating in a community characterized by socioeconomic indicators that may include, but are not limited to, low- to -moderate income, poverty rates, unemployment, educational attainment, and other disadvantaging factors that limit access to capital and other resources.

(h) "Sponsor" and "participating party" shall mean the same as defined in Section 63010, but also include federally recognized Native American tribes and tribal business enterprises located in California.

SEC. 5. Section 63048.93 of the Government Code is amended to read:

63048.93. (a) The bank is hereby authorized and empowered to provide financial assistance under the Climate Catalyst Revolving Loan Fund Program to any eligible sponsor or participating party either directly or to a lending or financial institution, in connection with the financing or refinancing of a climate catalyst project, in accordance with an agreement or agreements, between the bank and the sponsor or participating party, including, but not limited to, tribes, either as a sole lender or in participation or syndication with other lenders.

(b) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 does not apply to any climate catalyst financing plan or any criteria, priorities, and guidelines adopted by the bank in connection with the Climate Catalyst Revolving Loan Fund Program or any other program of the bank. However, any climate catalyst financing plan shall be posted on the bank's internet website in a conspicuous location at least 30 calendar days before a bank board meeting at which the climate catalyst financing plan will be considered for approval.

(c) Repayments of financing made under the Climate Catalyst Revolving Loan Fund Program shall be deposited in the appropriate account created within the Climate Catalyst Revolving Loan Fund.

(d) (1) Beginning in the 2021–2022 fiscal year, the bank shall meet and confer with the consulting agencies concerning the specific categories of climate catalyst project corresponding to each agency as provided in subdivision (f). Thereafter, the bank board shall adopt, by majority vote of the bank board, a climate catalyst financing plan. Prior to the bank board meeting in which the bank board will first consider adoption of the financing plan, each consulting agency shall submit a letter to the bank board discussing any areas of support and any areas of disagreement with the financing plan under consideration.

(2) Following bank board approval, the climate catalyst financing plan shall be posted on the bank's internet website.

(3) If the bank board has not approved a climate catalyst financing plan, then no climate catalyst financing plan shall be in effect until approved by the bank board.

(e) (1) A climate catalyst financing plan shall remain in effect until superseded by a revised climate catalyst financing plan. Commencing the first fiscal year following adoption of the initial climate catalyst financing plan, and in each fiscal year thereafter, the bank shall contact each consulting agency to discuss potential revisions to the climate catalyst financing plan last approved by the bank board. Following each consultation, the bank board shall consider adopting, by majority vote, a revised climate catalyst financing plan reflecting any material revisions to the prior climate catalyst financing plan.

(2) A modified climate catalyst financing plan shall not be considered for approval if no consulting agencies propose material revisions to the financing plan then in effect.

(3) In the event the bank board does not adopt a proposed revised climate catalyst financing plan, the existing climate catalyst financing plan shall remain in effect.

(f) Beginning with the 2021–2022 fiscal year, the consulting agencies and corresponding areas of climate catalyst projects they will provide consultation on shall be as follows:

(1) The Natural Resources Agency for climate catalyst projects that relate to sustainable vegetation management, forestry practices, and timber harvesting products. Eligible climate catalyst project categories include, but are not limited to, all of the following:

(A) Clean energy production, except combustion biomass conversion.

(B) Advanced construction materials.

(C) Forestry equipment needed to achieve the state's goals for forest and vegetation management treatments.

(2) The Department of Food and Agriculture for climate catalyst projects that relate to agricultural improvements that enhance the climate or lessen impacts to the climate resulting from in-force agricultural practices. Eligible climate catalyst project categories include, but are not limited to, all of the following:

(A) Onfarm and food processing renewable energy, including both electricity and fuels, and bioenergy, to be used or distributed onsite.

(B) Energy, water, and materials efficiency.

(C) Methane reduction projects, utilizing best practice approaches consistent with state policy goals, excluding dairy digesters and biogas unless used or distributed onsite.

(D) Energy storage or microgrids.

(E) Equipment replacement.

(g) (1) The bank may engage in outreach activities to inform disadvantaged participating parties and disadvantaged sponsors of the categories of financial assistance potentially available within the climate catalyst revolving loan fund program. The outreach efforts may include, but are not limited to, all of the following:

(A) Conferring with the consulting agencies.

(B) Conferring with the Governor's Office of Business and Economic Development.

(C) Direct contact with existing bank clients and customers that operate within the boundaries of a disadvantaged community.

(D) Consulting with governmental entities, individuals, and business entities engaged in providing, or assisting the obtaining of, financial assistance for disadvantaged sponsors or participating parties, including, but not limited to, business and industrial development corporations and minority enterprise small business investment companies. The executive director, on behalf of the bank, may enter into service contracts for this purpose. Section 10295 and Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code shall not apply to any such service contracts.

(2) The criteria, priorities, and guidelines adopted for the climate catalyst revolving loan fund program may include potential options for applying interest rate or fee subsidies for disadvantaged participating parties or disadvantaged sponsors seeking financial assistance from the bank under the climate catalyst revolving loan fund program. Further, the bank may offer reduced application fees to disadvantaged sponsors or participating parties seeking financial assistance under the climate catalyst revolving loan fund program.

(3) The bank may offer technical assistance to disadvantaged sponsors or participating parties potentially seeking financial assistance under the climate catalyst revolving loan fund program. The executive director, on behalf of the bank, may enter into service contracts to provide, or assist with the provision of, the technical assistance. Section 10295 and Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code shall not apply to any such service contracts.

(h) All financial assistance under the climate catalyst revolving loan fund program approved by the bank board shall be consistent with the climate catalyst financing plan then in effect.

(i) (1) The bank shall prepare, and the bank board shall approve by majority vote of the board, criteria, priorities, and guidelines for the provision of financial assistance under the climate catalyst revolving loan fund program. The bank board's approval of any financial assistance for a climate catalyst project shall take into consideration those criteria, priorities, and guidelines together with the climate catalyst financing plan currently in effect. The criteria, priorities, and guidelines shall include, as factors for the determination of whether to approve the provision of financial assistance, the ability of the sponsor or participating party potentially receiving financial assistance to satisfy any obligation incurred and the return of capital to the catalyst revolving loan fund.

(2) The bank board may consider additional factors when determining whether to approve financial assistance for a climate catalyst project, taking into consideration the climate catalyst financing plan.

(3) The bank shall consider applications for financial assistance as they are received, on an ongoing basis, so long as there remain available moneys within the climate catalyst revolving loan fund to provide that financial assistance. The bank board's determination of whether to approve applications for financial assistance shall be based on the climate catalyst financing plan in effect at the time the bank received the application.

(j) The bank shall provide financial assistance only for climate catalyst projects that the bank board approved prior to July 1, 2025.

SEC. 6. Section 63048.94 of the Government Code is amended to read:

63048.94. (a) Annually, commencing October 1, 2022, and no later than October 1 of each year, the bank shall prepare and submit to the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, and the Legislative Analyst's Office a report containing Climate Catalyst Revolving Loan Fund Program activity for the preceding fiscal year ending June 30, and including all of the following:

(1) Information on individual Climate Catalyst Revolving Loan Fund Program financing, specifically all of the following:

- (A) Climate catalyst project category.
- (B) Climate catalyst project description.
- (C) Total climate catalyst project cost.
- (D) Financial assistance amount.
- (E) Outstanding financial assistance amount due.
- (F) Aggregate amount of third-party financing.
- (G) The county and city of the funded climate catalyst project.
- (H) A description of the expected contribution of the climate catalyst project to the state's climate policy objectives, including both greenhouse gas reduction and climate resilience benefits.
- (I) Type and quality of any jobs created as a result of the financial assistance.

(2) Total number and type of financial assistance issued to small businesses.

(3) Total number and type of applications received.

(4) Recommendations on needed Climate Catalyst Revolving Loan Fund Program changes or improvements to meet the objectives of this article. The bank shall meet and confer with the state agencies identified in subdivision (f) of Section 63048.93, and any additional agencies added pursuant to subdivision (g) of Section 63048.93, prior to the annual submission of the report required herein in an effort to develop those recommendations.

(b) The report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795.

(c) (1) The report shall be posted on the bank's internet website.

(2) The report shall be presented to the bank board at its final public meeting of the calendar year in which the report was prepared. If the bank board holds no public meetings following the submission of the report, the report shall be presented to the bank board at its next available public meeting.

SEC. 7. Section 63048.95 of the Government Code is amended to read:

63048.95. (a) (1) There is hereby created in the State Treasury the Climate Catalyst Revolving Loan Fund for the purpose of implementing the objectives and provisions of this article. The Climate Catalyst Revolving Loan Fund shall be separate from any other fund or account created under this division.

(2) Obligations of the bank incurred in connection with the activities authorized under this article shall be payable solely from moneys within the Climate Catalyst Revolving Loan Fund. No other fund or account of the bank shall be available or shall be used for the payment of obligations incurred in connection with this article.

(3) Within the Climate Catalyst Revolving Loan Fund there shall also be established a Climate Catalyst Revolving Loan Account, a Climate Catalyst Guarantee and Credit Enhancement Account, a Climate Catalyst Securities Acquisition Account, and additional accounts and subaccounts that the bank may establish.

(b) (1) (A) Notwithstanding Section 13340, moneys, except as provided in subparagraphs (B) and (C), in the Climate Catalyst Revolving Loan Fund are continuously appropriated, without regard to fiscal year, for the support of the bank and shall be available for expenditure for the purposes as stated in this article.

(B) Moneys in the Climate Catalyst Revolving Loan Fund received pursuant to a federal appropriation are available for expenditure only upon appropriation by the Legislature.

(C) Moneys in the Climate Catalyst Revolving Loan Fund shall be available for expenditure to support administrative costs only upon appropriation by the Legislature.

(2) This subdivision shall not limit the authority of the bank to expend funds directly related to the servicing of approved debt, payments on credit enhancements or guarantees, acquisition of securities of any sponsor or participating party in connection with a climate catalyst project, or any other purpose in connection with providing financial assistance to a sponsor or participating party in connection with a climate catalyst project as set forth in this article.

(c) Not more than 5 percent of any bond proceeds administered by the bank in connection with the activities of the bank authorized under this article may be expended to cover the costs of issuance, as that terminology is defined under Section 147(g) of the Internal Revenue Code (26 U.S.C. Sec. 147(g)).

SEC. 8. Section 39719 of the Health and Safety Code is amended to read:

39719. (a) The Legislature shall appropriate the annual proceeds of the fund for the purpose of reducing greenhouse gas emissions in this state in accordance with the requirements of Section 39712.

(b) To carry out a portion of the requirements of subdivision (a), the annual proceeds of the fund are continuously appropriated for the following:

(1) Beginning in the 2015–16 fiscal year, and notwithstanding Section 13340 of the Government Code, 35 percent of the annual proceeds of the fund are continuously appropriated, without regard to fiscal years, for transit, affordable housing, and sustainable communities programs as follows:

(A) Ten percent of the annual proceeds of the fund is hereby continuously appropriated to the Transportation Agency for the Transit and Intercity Rail Capital Program created by Part 2 (commencing with Section 75220) of Division 44 of the Public Resources Code.

(B) Five percent of the annual proceeds of the fund is hereby continuously appropriated to the Low Carbon Transit Operations Program created by Part 3 (commencing with Section 75230) of Division 44 of the Public Resources Code. Moneys shall be allocated by the Controller, according to requirements of the program, and pursuant to the distribution formula in subdivision (b) or (c) of Section 99312 of, and Sections 99313 and 99314 of, the Public Utilities Code.

(C) Twenty percent of the annual proceeds of the fund is hereby continuously appropriated to the Strategic Growth Council for the Affordable Housing and Sustainable Communities Program created by Part 1 (commencing with Section 75200) of Division 44 of the Public Resources Code. Of the amount appropriated in this subparagraph, no less than 10 percent of the annual proceeds of the fund shall be expended for affordable housing, consistent with the provisions of that program.

(2) Beginning in the 2015–16 fiscal year, notwithstanding Section 13340 of the Government Code, 25 percent of the annual proceeds of the fund is hereby continuously appropriated to the High-Speed Rail Authority for the following components of the initial operating segment and Phase I Blended System as described in the 2012 business plan adopted pursuant to Section 185033 of the Public Utilities Code:

(A) Acquisition and construction costs of the project.

(B) Environmental review and design costs of the project.

(C) Other capital costs of the project.

(D) Repayment of any loans made to the authority to fund the project.

(3) (A) Beginning in the 2020–21 fiscal year, and until June 30, 2030, 5 percent of the annual proceeds of the fund, up to the sum of one hundred thirty million dollars (\$130,000,000), is hereby annually transferred to the Safe and Affordable Drinking Water Fund established pursuant to Section 116766 for the purposes of Chapter 4.6 (commencing with Section 116765) of Part 12 of Division 104.

(B) Moneys transferred under this paragraph shall be used for the purpose of facilitating the achievement of reductions of greenhouse gas emissions in this state in accordance with the requirements of Section 39712 or to improve climate change adaptation and resiliency of disadvantaged communities or low-income households or communities, consistent with Division 25.5 (commencing with Section 38500). For purposes of the moneys transferred under this paragraph, a state agency may also comply with the requirements of paragraphs (2) and (3) of subdivision (a) of Section 16428.9 of the Government Code by describing how each proposed expenditure will improve climate change adaptation and resiliency of disadvantaged communities or low-income households or communities.

(4) Notwithstanding Section 13340 of the Government Code, for each fiscal year, beginning in the 2022–23 fiscal year through the 2028-29 fiscal year, the sum of two hundred million dollars (\$200,000,000) is hereby continuously appropriated, to the Department of Forestry and Fire Protection and allocated as follows:

(A) One hundred sixty-five million dollars (\$165,000,000) for healthy forest and fire prevention programs and projects that improve forest health and reduce emissions of greenhouse gases caused by uncontrolled wildfires.

(B) Thirty-five million dollars (\$35,000,000) for the completion of prescribed fire and other fuel reduction projects through proven forestry practices consistent with the recommendations of the California Forest Carbon Plan, including the operation

of year-round prescribed fire crews and implementation of a research and monitoring program for climate adaptation.

(c) In determining the amount of the annual proceeds of the fund for purposes of the calculation in paragraphs (1) to (3), inclusive, of subdivision (b), the funds subject to Section 39719.1 and the sum set forth in paragraph (4) of subdivision (b) shall not be included.

SEC. 9. Section 43018.9 of the Health and Safety Code is amended to read:

43018.9. (a) For purposes of this section, the following terms have the following meanings:

(1) "Commission" means the State Energy Resources Conservation and Development Commission.

(2) "Publicly available hydrogen-fueling station" means the equipment used to store and dispense hydrogen fuel to vehicles according to industry codes and standards that is open to the public.

(b) Notwithstanding any other law, the state board shall have no authority to enforce any element of its existing clean fuels outlet regulation or of any other regulation that requires or has the effect of requiring that any supplier, as defined in Section 7338 of the Revenue and Taxation Code as in effect on May 22, 2013, construct, operate, or provide funding for the construction or operation of any publicly available hydrogen-fueling station.

(c) On or before June 30, 2014, and every year thereafter, the state board shall aggregate and make available all of the following:

(1) The number of hydrogen-fueled vehicles that motor vehicle manufacturers project to be sold or leased over the next three years as reported to the state board pursuant to the Low Emission Vehicle regulations, as currently established in Sections 1961 to 1961.2, inclusive, of Title 13 of the California Code of Regulations.

(2) The total number of hydrogen-fueled vehicles registered with the Department of Motor Vehicles through April 30.

(d) On or before June 30, 2014, and every year thereafter, the state board, based on the information made available pursuant to subdivision (c), shall do both of the following:

(1) Evaluate the need for additional publicly available hydrogen-fueling stations for the subsequent three years in terms of quantity of fuel needed for the actual and projected number of hydrogen-fueled vehicles, geographic areas where fuel will be needed, and station coverage.

(2) Report findings to the commission on the need for additional publicly available hydrogen-fueling stations in terms of number of stations, geographic areas where additional stations will be needed, and minimum operating standards, such as number of dispensers, filling protocols, and pressures.

(e) (1) The commission shall allocate twenty million dollars (\$20,000,000) annually to fund the number of stations identified pursuant to subdivision (d), not to exceed 20 percent of the moneys appropriated by the Legislature from the Alternative and Renewable Fuel and Vehicle Technology Fund, established pursuant to Section 44273, until there are at least 100 publicly available hydrogen-fueling stations in operation in California.

(2) If the commission, in consultation with the state board, determines that the full amount identified in paragraph (1) is not needed to fund the number of stations identified by the state board pursuant to subdivision (d), the commission may allocate any remaining moneys to other projects, subject to the requirements of the Clean Transportation Program pursuant to Article 2 (commencing with Section 44272) of Chapter 8.9.

(3) Allocations by the commission pursuant to this subdivision shall be subject to all of the requirements applicable to allocations from the Clean Transportation Program pursuant to Article 2 (commencing with Section 44272) of Chapter 8.9.

(4) The commission, in consultation with the state board, shall award moneys allocated in paragraph (1) based on best available data, including information made available pursuant to subdivision (d), and input from relevant stakeholders, including motor vehicle manufacturers that have planned deployments of hydrogen-fueled vehicles, according to a strategy that supports the deployment of an effective and efficient hydrogen-fueling station network in a way that maximizes benefits to the public while minimizing costs to the state.

(5) Notwithstanding paragraph (1), once the commission determines, in consultation with the state board, that the private sector is establishing publicly available hydrogen-fueling stations without the need for government support, the commission may cease providing funding for those stations.

(6) On or before December 31, 2015, and annually thereafter, the commission and the state board shall jointly review and report on progress toward establishing a hydrogen-fueling network that provides the coverage and capacity to fuel vehicles requiring hydrogen fuel that are being placed into operation in the state. The commission and the state board shall consider the

following, including, but not limited to, the available plans of automobile manufacturers to deploy hydrogen-fueled vehicles in California and their progress toward achieving those plans, the rate of deployment of hydrogen-fueled vehicles, the length of time required to permit and construct hydrogen-fueling stations, the coverage and capacity of the existing hydrogen-fueling station network, and the amount and timing of growth in the fueling network to ensure fuel is available to these vehicles. The review shall also determine the remaining cost and timing to establish a network of 100 publicly available hydrogen-fueling stations and whether funding from the Clean Transportation Program remains necessary to achieve this goal.

(f) To assist in the implementation of this section and maximize the ability to deploy fueling infrastructure as rapidly as possible with the assistance of private capital, the commission may design grants, loan incentive programs, revolving loan programs, and other forms of financial assistance. The commission also may enter into an agreement with the Treasurer to provide financial assistance to further the purposes of this section.

(g) Funds appropriated to the commission for the purposes of this section shall be available for encumbrance by the commission for up to four years from the date of the appropriation and for liquidation up to four years after expiration of the deadline to encumber.

(h) Notwithstanding any other law, the state board, in consultation with districts, no later than July 1, 2014, shall convene working groups to evaluate the policies and goals contained within the Carl Moyer Memorial Air Quality Standards Attainment Program, pursuant to Section 44280, and Assembly Bill 923 (Chapter 707 of the Statutes of 2004).

(i) This section shall remain in effect only until January 1, 2024, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2024, deletes or extends that date.

SEC. 10. Section 44270.3 of the Health and Safety Code is amended to read:

44270.3. (a) For the purposes of this chapter, the following terms have the following meanings:

(1) "Benefit-cost score," for the Clean Transportation Program created pursuant to Section 44272, means a project's expected or potential greenhouse gas emissions reduction per dollar awarded by the commission to the project from the Alternative and Renewable Fuel and Vehicle Technology Fund.

(2) "Commission" means the State Energy Resources Conservation and Development Commission.

(3) "Full fuel-cycle assessment" or "life-cycle assessment" means evaluating and comparing the full environmental and health impacts of each step in the life cycle of a fuel, including, but not limited to, all of the following:

(A) Feedstock production, extraction, cultivation, transport, and storage, and the transportation and use of water and changes in land use and land cover therein.

(B) Fuel production, manufacture, distribution, marketing, transport, and storage, and the transportation and use of water therein.

(C) Vehicle operation, including refueling, combustion, conversion, permeation, and evaporation.

(4) "Tribal organization" means a corporation, association, or group controlled, sanctioned, or chartered by a California federally recognized tribe that is subject to its laws or the laws of the United States relating to Native American affairs.

(5) "Vehicle technology" means any vehicle, boat, off-road equipment, or locomotive, or component thereof, including its engine, propulsion system, transmission, or construction materials.

(b) For purposes of the Air Quality Improvement Program created pursuant to Section 44274, the following terms have the following meanings:

(1) "Benefit-cost score" means the reasonably expected or potential criteria pollutant emission reductions achieved per dollar awarded by the board for the project.

(2) "Project" means a category of investments identified for potential funding by the board, including, but not limited to, competitive grants, revolving loans, loan guarantees, loans, vouchers, rebates, and other appropriate funding measures for specific vehicles, equipment, technologies, or initiatives authorized by Section 44274.

SEC. 11. Section 44271 of the Health and Safety Code is amended to read:

44271. (a) This chapter creates the Clean Transportation Program, pursuant to Section 44272, to be administered by the commission, and the Air Quality Improvement Program, pursuant to Section 44274, to be administered by the state board. The commission and the state board shall do all of the following in fulfilling their responsibilities pursuant to their respective programs:

(1) Establish sustainability goals to ensure that alternative and renewable fuel and vehicle deployment projects, on a full fuel-cycle assessment basis, will not adversely impact natural resources, especially state and federal lands.

(2) Establish a competitive process for the allocation of funds for projects funded pursuant to this chapter, which considers, among other factors, the benefit-cost score, as defined in subdivision (a) of Section 44270.3, associated with a project for the Clean Transportation Program or, as defined in paragraph (1) of subdivision (e) of Section 44270.3, associated with a project, as defined in paragraph (2) of subdivision (e) of Section 44270.3, for the Air Quality Improvement Program.

(3) Identify additional federal and private funding opportunities to augment or complement the programs created pursuant to this chapter.

(4) Ensure that the results of the reductions in emissions or benefits can be measured and quantified.

(5) Ensure that those revenues derived from fees imposed on motor vehicles that are expended pursuant to this chapter, as amended by Assembly Bill 8 of the 2013–14 Regular Session of the Legislature, are expended in compliance with Section 3 of Article XIX of the California Constitution, as were the revenues derived from fees imposed on motor vehicles pursuant to Assembly Bill 118 (Chapter 750 of the Statutes of 2007).

(b) The state board, in consultation with the commission, shall develop and adopt guidelines for both the Clean Transportation Program and the Air Quality Improvement Program to ensure that programs meet both of the following requirements:

(1) Activities undertaken pursuant to the programs complement, and do not interfere with, efforts to achieve and maintain federal and state ambient air quality standards and to reduce toxic air contaminant and greenhouse gas emissions.

(2) Activities undertaken pursuant to the programs maintain or improve upon emission reductions and air quality benefits in the State Implementation Plan for Ozone, California Phase 2 Reformulated Gasoline standards, and diesel fuel regulations.

(c) For the purposes of both of the programs created by this chapter, eligible projects do not include those required to be undertaken pursuant to state or federal law, district rules or regulations, memoranda of understanding with a governmental entity, or legally binding agreements or documents. For the purposes of the Clean Transportation Program, the state board shall advise the commission to ensure the requirements of this subdivision are met.

SEC. 12. Section 44271.5 is added to the Health and Safety Code, to read:

44271.5. The provisions of this chapter are severable. If any provision of this chapter or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

SEC. 13. The heading of Article 2 (commencing with Section 44272) of Chapter 8.9 of Part 5 of Division 26 of the Health and Safety Code is amended to read:

Article 2. Clean Transportation Program

SEC. 14. Section 44272 of the Health and Safety Code is amended to read:

44272. (a) The Clean Transportation Program is hereby created. The program shall be administered by the commission. The commission shall implement the program by regulation pursuant to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The program shall provide, upon appropriation by the Legislature, competitive grants, revolving loans, loan guarantees, loans, or other appropriate funding measures to public agencies, California federally recognized tribes, tribal organizations, vehicle and technology entities, businesses and projects, public-private partnerships, workforce training partnerships and collaboratives, fleet owners, consumers, recreational boaters, and academic institutions to develop and deploy innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change policies. The emphasis of this program shall be to develop and deploy technology and alternative and renewable fuels in the marketplace, without adopting any one preferred fuel or technology.

(b) A project that receives more than seventy-five thousand dollars (\$75,000) in funds from the commission shall be approved at a noticed public meeting of the commission and shall be consistent with the priorities established by the investment plan adopted pursuant to Section 44272.5. Under this article, the commission may delegate to the commission's executive director, or the executive director's designee, the authority to approve either of the following:

(1) A contract, grant, loan, or other agreement or award that receives seventy-five thousand dollars (\$75,000) or less in funds from the commission.

(2) Amendments to a contract, grant, loan, or other agreement or award as long as the amendments do not increase the amount of the award, change the scope of the project, or modify the purpose of the agreement.

(c) The commission shall provide preferences to those projects that maximize the goals of the Clean Transportation Program, based on the following criteria, as applicable:

- (1) The project's ability to provide a measurable transition from the nearly exclusive use of petroleum fuels to a diverse portfolio of viable alternative fuels that meet petroleum reduction and alternative fuel use goals.
- (2) The project's consistency with existing and future state climate change policy and low-carbon fuel standards.
- (3) The project's ability to reduce criteria air pollutants and air toxics and reduce or avoid multimedia environmental impacts.
- (4) The project's ability to decrease, on a life-cycle basis, the discharge of water pollutants or any other substances known to damage human health or the environment, in comparison to the production and use of California Phase 2 Reformulated Gasoline or diesel fuel produced and sold pursuant to California diesel fuel regulations set forth in Article 2 (commencing with Section 2280) of Chapter 5 of Division 3 of Title 13 of the California Code of Regulations.
- (5) The project does not adversely impact the sustainability of the state's natural resources, especially state and federal lands.
- (6) The project provides nonstate matching funds. Costs incurred from the date a proposed award is noticed may be counted as nonstate matching funds. The commission may adopt further requirements for the purposes of this paragraph. The commission is not liable for costs incurred pursuant to this paragraph if the commission does not give final approval for the project or the proposed recipient does not meet requirements adopted by the commission pursuant to this paragraph.
- (7) The project provides economic benefits for California by promoting California-based technology firms, jobs, and businesses.
- (8) The project uses existing or proposed fueling infrastructure to maximize the outcome of the project.
- (9) The project's ability to reduce on a life-cycle assessment greenhouse gas emissions by at least 10 percent, and higher percentages in the future, from current reformulated gasoline and diesel fuel standards established by the state board.
- (10) The project's use of alternative fuel blends of at least 20 percent, and higher blend ratios in the future, with a preference for projects with higher blends.
- (11) The project drives new technology advancement for vehicles, vessels, engines, and other equipment, and promotes the deployment of that technology in the marketplace.
- (12) The project's ability to transition workers to, or promote employment in, the alternative and renewable fuel and vehicle technology sector.

(d) The commission shall rank applications for projects proposed for funding awards based on solicitation criteria developed in accordance with subdivision (c), and shall give additional preference to funding those projects with higher benefit-cost scores.

(e) Only the following shall be eligible for funding:

- (1) Alternative and renewable fuel projects to develop and improve alternative and renewable low-carbon fuels, including electricity, ethanol, dimethyl ether, renewable diesel, natural gas, hydrogen, and biomethane, among others, and their feedstocks that have high potential for long-term or short-term commercialization, including projects that lead to sustainable feedstocks.
- (2) Demonstration and deployment projects that optimize alternative and renewable fuels for existing and developing engine technologies.
- (3) Projects to produce alternative and renewable low-carbon fuels in California.
- (4) Projects to decrease the overall impact of an alternative and renewable fuel's life-cycle carbon footprint and increase sustainability.
- (5) Alternative and renewable fuel infrastructure, fueling stations, and equipment. The preference in paragraph (10) of subdivision (c) shall not apply to renewable diesel or biodiesel infrastructure, fueling stations, and equipment used solely for renewable diesel or biodiesel fuel.
- (6) Projects to develop and improve light-, medium-, and heavy-duty vehicle technologies that provide for better fuel efficiency and lower greenhouse gas emissions, alternative fuel usage and storage, or emission reductions, including propulsion systems, advanced internal combustion engines with a 40 percent or better efficiency level over the current market standard, lightweight materials, intelligent transportation systems, energy storage, control systems and system integration, physical measurement and metering systems and software, development of design standards and testing and certification protocols, battery recycling and reuse, engine and fuel optimization electronic and electrified components, hybrid technology, plug-in hybrid technology,

battery electric vehicle technology, fuel cell technology, and conversions of hybrid technology to plug-in technology through the installation of safety certified supplemental battery modules.

(7) Programs and projects that accelerate the commercialization of vehicles and alternative and renewable fuels, including buy-down programs through near-market and market-path deployments, advanced technology warranty or replacement insurance, development of market niches, supply-chain development, and research related to the pedestrian safety impacts of vehicle technologies and alternative and renewable fuels.

(8) Programs and projects to retrofit medium- and heavy-duty onroad and nonroad vehicle fleets with technologies that create higher fuel efficiencies, including alternative and renewable fuel vehicles and technologies, idle management technology, and aerodynamic retrofits that decrease fuel consumption.

(9) Infrastructure projects that promote alternative and renewable fuel infrastructure development connected with existing fleets, public transit, and existing transportation corridors, including physical measurement or metering equipment and truck stop electrification.

(10) Workforce training programs related to the development and deployment of technologies that transform California's fuel and vehicle types and assist the state in implementing its climate change policies, including, but not limited to, alternative and renewable fuel feedstock production and extraction; renewable fuel production, distribution, transport, and storage; high-performance and low-emission vehicle technology and high tower electronics; automotive computer systems; mass transit fleet conversion, servicing, and maintenance; and other sectors or occupations related to the purposes of this chapter, including training programs to transition dislocated workers affected by the state's greenhouse gas emission policies, including those from fossil fuel sectors, or training programs for low-skilled workers to enter or continue in a career pathway that leads to middle skill, industry-recognized credentials or state-approved apprenticeship opportunities in occupations related to the purposes of this chapter.

(11) Block grants or incentive programs administered by public entities or not-for-profit technology entities for multiple projects, education and program promotion within California, and development of alternative and renewable fuel and vehicle technology centers. The commission may adopt guidelines for implementing the block grant or incentive program, which shall be approved at a noticed public meeting of the commission.

(12) Life-cycle and multimedia analyses, sustainability and environmental impact evaluations, and market, financial, and technology assessments performed by a state agency to determine the impacts of increasing the use of low-carbon transportation fuels and technologies, and to assist in the preparation of the investment plan and program implementation.

(13) A program to provide funding for homeowners who purchase a plug-in electric vehicle to offset costs associated with modifying electrical sources to include a residential plug-in electric vehicle charging station. In establishing this program, the commission shall consider funding criteria to maximize the public benefit of the program.

(f) The commission may make a single source or sole source award pursuant to this section for applied research. The same requirements set forth in Section 25620.5 of the Public Resources Code shall apply to awards made on a single source basis or a sole source basis. This subdivision does not authorize the commission to make a single source or sole source award for a project or activity other than for applied research.

(g) The commission may do all of the following:

(1) Contract with the Treasurer to expend funds through programs implemented by the Treasurer, if the expenditure is consistent with all of the requirements of this article and Article 1 (commencing with Section 44270).

(2) Contract with small business financial development corporations established by the Governor's Office of Business and Economic Development to expend funds through the Small Business Loan Guarantee Program if the expenditure is consistent with all of the requirements of this article and Article 1 (commencing with Section 44270).

(3) Advance funds, pursuant to an agreement with the commission, to any of the following:

(A) A public entity.

(B) A recipient to enable it to make advance payments to a public entity that is a subrecipient of the funds and under a binding and enforceable subagreement with the recipient.

(C) An administrator of a block grant program.

(h) The commission shall collaborate with entities that have expertise in workforce development to implement the workforce development components of this section, including, but not limited to, the California Workforce Development Board, the

Employment Training Panel, the Employment Development Department, and the Division of Apprenticeship Standards.

SEC. 15. Section 44272.5 of the Health and Safety Code is amended to read:

44272.5. (a) The commission shall develop and adopt an investment plan to determine priorities and opportunities for the Clean Transportation Program created pursuant to this chapter. The investment plan shall establish priorities for investment of funds and technologies to achieve the goals of this chapter and describe how funding will complement existing public and private investments, including existing state programs that further the goals of this chapter. The commission shall create and consult with an advisory body as it develops the investment plan. The advisory body is subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code). The commission shall, at a minimum, hold one public hearing on the advisory body's recommendations prior to approving the investment plan.

(b) Membership of the advisory body created pursuant to subdivision (a) shall include, but is not limited to, representatives of fuel and vehicle technology entities, labor organizations, environmental organizations, community-based justice and public health organizations, recreational boaters, consumer advocates, academic institutions, workforce training groups, and private industry. The advisory body shall also include representatives from the Resources Agency, the Transportation Agency, the Labor and Workforce Development Agency, and the California Environmental Protection Agency.

(c) The commission shall hold at least three public workshops in different regions of the state and one public hearing prior to approving the investment plan. The commission shall annually update and approve the plan. The commission shall reconvene and consult with the advisory body created pursuant to subdivision (a) prior to annually updating and approving the plan.

SEC. 16. Section 44273 of the Health and Safety Code is amended to read:

44273. (a) The Alternative and Renewable Fuel and Vehicle Technology Fund is hereby created in the State Treasury, to be administered by the commission. The moneys in the fund, upon appropriation by the Legislature, shall be expended by the commission to implement the Clean Transportation Program in accordance with this chapter.

(b) Beginning with the integrated energy policy report adopted in 2011, and in the subsequent reports adopted thereafter, pursuant to Section 25302 of the Public Resources Code, the commission shall include an evaluation of research, development, and deployment efforts funded by this chapter. The evaluation shall include all of the following:

- (1) A list of projects funded by the Alternative and Renewable Fuel and Vehicle Technology Fund.
- (2) The expected benefits of the projects in terms of air quality, petroleum use reduction, greenhouse gas emissions reduction, technology advancement, benefit-cost assessment, and progress towards achieving these benefits.
- (3) The overall contribution of the funded projects toward promoting a transition to a diverse portfolio of clean, alternative transportation fuels and reduced petroleum dependency in California.
- (4) Key obstacles and challenges to meeting these goals identified through funded projects.
- (5) Recommendations for future actions.

SEC. 17. Section 116766 of the Health and Safety Code is amended to read:

116766. (a) The Safe and Affordable Drinking Water Fund is hereby established in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Notwithstanding Section 13340 of the Government Code, all moneys deposited in the fund are continuously appropriated to the board to fund all of the following:

- (1) Operation and maintenance costs to help deliver an adequate supply of safe drinking water in both the near and long terms.
- (2) Consolidating water systems, or extending drinking water services to other public water systems, domestic wells, and state small water systems.
- (3) The provision of replacement water, as needed, to ensure immediate protection of health and safety as a short-term solution.
- (4) The provision of services under Section 116686 for purposes of helping the water systems become self-sufficient in the long term.
- (5) The development, implementation, and sustainability of long-term drinking water solutions.
- (6) Board costs associated with the implementation and administration of programs pursuant to this chapter.

(b) Consistent with subdivision (a), the board shall expend moneys in the fund for grants, loans, contracts, or services to assist eligible recipients.

(c) (1) Eligible recipients of funding under this chapter are public agencies, nonprofit organizations, public utilities, mutual water companies, federally recognized California Native American tribes, nonfederally recognized Native American tribes on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004, administrators, groundwater sustainability agencies, community water systems, and technical assistance providers.

(2) To be eligible for funding under this chapter, grants, loans, contracts, or services provided to a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors.

(d) On and after July 1, 2020, an expenditure from the fund shall be consistent with the fund expenditure plan.

(e) The board may expend moneys from the fund for reasonable costs associated with the administration of this chapter, not to exceed 5 percent of the annual deposits into the fund.

(f) In administering the fund, the board shall make reasonable efforts to ensure that funds are used to secure the long-term sustainability of drinking water service and infrastructure, including, but not limited to, requiring adequate technical, managerial, and financial capacity of eligible applicants as part of funding agreement outcomes.

(g) Beginning in the 2023–24 fiscal year, and each fiscal year thereafter until June 30, 2030, if the annual transfer to the fund pursuant to paragraph (3) of subdivision (b) of Section 39719 is less than one hundred thirty million dollars (\$130,000,000), on an annual basis the Director of Finance shall calculate a sum equivalent to the difference, up to one hundred thirty million dollars (\$130,000,000), and the Controller shall transfer that sum from the General Fund to the fund. This subdivision is operative only while a market-based compliance mechanism adopted pursuant to Section 38562 is operative.

SEC. 17.5. Section 116766 of the Health and Safety Code is amended to read:

116766. (a) The Safe and Affordable Drinking Water Fund is hereby established in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Notwithstanding Section 13340 of the Government Code, all moneys deposited in the fund are continuously appropriated to the board to fund all of the following:

(1) Operation and maintenance costs to help deliver an adequate supply of safe drinking water in both the near and long terms.

(2) Consolidating water systems, or extending drinking water services to other public water systems, domestic wells, and state small water systems.

(3) The provision of replacement water, as needed, to ensure immediate protection of health and safety as a short-term solution.

(4) The provision of services under Section 116686 for purposes of helping the water systems become self-sufficient in the long term.

(5) The development, implementation, and sustainability of long-term drinking water solutions.

(6) Board costs associated with the implementation and administration of programs pursuant to this chapter.

(b) Consistent with subdivision (a), the board shall expend moneys in the fund for grants, loans, contracts, or services to assist eligible recipients.

(c) (1) Eligible recipients of funding under this chapter are public agencies, nonprofit organizations, public utilities, mutual water companies, federally recognized California Native American tribes, nonfederally recognized Native American tribes on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004, administrators, groundwater sustainability agencies, community water systems, and technical assistance providers.

(2) To be eligible for funding under this chapter, grants, loans, contracts, or services provided to a public utility that is regulated by the Public Utilities Commission or a mutual water company shall have a clear and definite public purpose and shall benefit the customers of the water system and not the investors.

(d) On and after July 1, 2020, an expenditure from the fund shall be consistent with the fund expenditure plan.

(e) The board may expend moneys from the fund for reasonable costs associated with the administration of this chapter, not to exceed 5 percent of the annual deposits into the fund.

(f) In administering the fund, the board shall make reasonable efforts to ensure that funds are used to secure the long-term sustainability of drinking water service and infrastructure, including, but not limited to, requiring adequate technical, managerial, and financial capacity of eligible applicants as part of funding agreement outcomes.

(g) Beginning in the 2023–24 fiscal year, and each fiscal year thereafter until June 30, 2030, if the annual transfer to the fund pursuant to paragraph (3) of subdivision (b) of Section 39719 is less than one hundred thirty million dollars (\$130,000,000), on an annual basis the Director of Finance shall calculate a sum equivalent to the difference, up to one hundred thirty million dollars (\$130,000,000), and the Controller shall transfer that sum from the General Fund to the fund. This subdivision is operative only while a market-based compliance mechanism adopted pursuant to Section 38562 is operative.

(h) The board may authorize funding up to ten thousand dollars (\$10,000) without a written agreement to address a drinking water emergency.

(i) Notwithstanding Section 11019 of the Government Code, the board may make advance payments, as necessary to implement the purposes of this chapter, except that an advance payment for construction shall not exceed 25 percent of the total amount of construction funding provided by the board for a project.

(j) Contracts pursuant to this section are exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code and Section 4526 of the Government Code, and may be awarded on a noncompetitive bid basis as necessary to implement the purposes of this section.

SEC. 18. Section 116767 of the Health and Safety Code is amended to read:

116767. For purposes of this chapter:

(a) “Adequate supply” has the same meaning as defined in Section 116681.

(b) “Administrator” has the same meaning as defined in Section 116686.

(c) “Board” means the State Water Resources Control Board.

(d) “Community water system” has the same meaning as defined in Section 116275.

(e) “Consistently fails” has the same meaning as defined in Section 116681.

(f) “Disadvantaged community” has the same meaning as defined in Section 79505.5 of the Water Code.

(g) “Domestic well” has the same meaning as defined in Section 116681.

(h) “Fund” means the Safe and Affordable Drinking Water Fund established pursuant to Section 116766.

(i) “Fund expenditure plan” means the fund expenditure plan adopted by the board pursuant to Article 4 (commencing with Section 116768).

(j) “Groundwater sustainability agency” has the same meaning as defined in Section 10721 of the Water Code.

(k) “Low-income household” means a single household with an income that is less than 200 percent of the federal poverty level, as updated periodically in the Federal Register by the United States Department of Health and Human Services under authority of Section 9902(2) of Title 42 of the United States Code.

(l) “Mutual water company” means a mutual water company, as described in Section 14300 of the Corporations Code, that operates a public water system or a state small water system.

(m) “Nonprofit organization” means an organization qualified to do business in California and qualified under Section 501(c)(3) of Title 26 of the United States Code.

(n) “Public agency” means a state agency or department, special district, joint powers authority, city, county, city and county, or other political subdivision of the state.

(o) “Public utility” has the same meaning as defined in Section 216 of the Public Utilities Code.

(p) “Public water system” has the same meaning as defined in Section 116275.

(q) “Replacement water” includes, but is not limited to, bottled water, vended water, point-of-use, or point-of-entry treatment units.

(r) “Safe drinking water” has the same meaning as defined in Section 116681.

(s) “Service connection” has the same meaning as defined in Section 116275.

(t) "State small water system" has the same meaning as defined in Section 116275.

(u) "Technical assistance provider" means a person whom the state board has determined is competent to assist a water system by providing administrative, technical, operational, legal, or managerial services to meet the purposes of this section, pursuant to criteria set forth in the policy adopted by the state board pursuant to Section 116768.5 and the fund expenditure plan. A privately owned public utility may serve as a technical assistance provider for purposes of this section.

(v) "Vended water" has the same meaning as defined in Section 111070.

SEC. 19. Section 116773.4 of the Health and Safety Code is amended to read:

116773.4. (a) The California Water and Wastewater Arrearage Payment Program is hereby established in the state board to implement this chapter.

(b) (1) Within 90 days of receiving funds pursuant to an appropriation in the annual Budget Act for this purpose, the state board shall survey community water systems to determine statewide arrearages and water enterprise revenue shortfalls and adopt a resolution establishing guidelines for application requirements and reimbursement amounts for those arrearages and shortfalls. Within 14 days of adopting the resolution, the state board shall begin accepting applications from community water systems for funds to assist customers who have past-due bills from the COVID-19 pandemic bill relief period.

(2) There shall be an initial 60-day application timeframe in which a community water system may apply to the state board for reimbursement. The state board shall contact any community water systems that do not apply during the initial application period to assist the community water systems in applying.

(3) The state board shall use the survey results to determine the total amount of residential and commercial arrearages from community water systems that have submitted that information. The survey shall also quantify revenue shortfalls for community water systems unable to disaggregate customer arrearages.

(4) (A) If there are insufficient funds in the appropriation described in paragraph (1) to reimburse the total amount of reported arrearages and revenue shortfalls of community water systems, the state board shall disburse the funds on a proportional basis to each community water system applicant based on reported arrearages and the state board's estimation of customer arrearages for community water systems unable to report arrearages that report water enterprise revenue shortfalls.

(B) If there are sufficient funds in the appropriation described in paragraph (1) to reimburse the total amount of reported arrearages and revenue shortfalls of community water systems, the state board shall establish a program for funding wastewater treatment provider arrearages and shortfalls in accordance with this chapter with the remaining funds. Notwithstanding the deadlines specified in subdivision (c), the wastewater service program shall commence following substantial completion of the water service program under this chapter, and in no instance later than February 1, 2022.

(5) A community water system applicant shall calculate or estimate, based on its billing frequency, the total amount of outstanding past-due bills that have accumulated during the COVID-19 pandemic bill relief period. The calculations shall include documentation to support the amount of outstanding customer arrearages that were incurred during that period, if available. Community water system applicants shall also report their water enterprise revenue shortfalls during the COVID-19 pandemic bill relief period. A community water system's authorized representative, or its designee, shall attest that the application is true and accurate.

(6) (A) The state board shall prioritize the timing of the disbursement of funding to small community water systems.

(B) The state board shall establish guidelines for community water systems to prioritize residential water customers and customers with the largest arrearages.

(7) If a community water system uses customer classes for purposes of its billing program, the following customer classes are eligible for funding under this chapter and may be included in the application:

(A) Residential customers.

(B) Commercial customers.

(c) The state board shall begin disbursing funds under this chapter to community water systems no later than November 1, 2021, and shall complete distribution of funds to community water systems no later than January 31, 2022.

(d) A community water system shall, within 60 days of receiving funds under this chapter, allocate payments as bill credits to customers to help address past-due bills incurred during the COVID-19 pandemic bill relief period and notify customers of the amounts credited to their accounts.

(e) (1) A community water system shall provide customers with arrearages accrued during the COVID-19 pandemic bill relief period a notice that they may enter into a payment plan and that they have 30 days from the date of the notice to enroll in the payment plan. A payment plan and its associated rules offered by a community water system of any size shall conform with Chapter 6 (commencing with Section 116900), notwithstanding limitations in that chapter relating to a community water system's size. A community water system shall not discontinue water service to a customer that remains current on a payment plan.

(2) A community water system shall not discontinue water service due to nonpayment of past-due bills before either of the following dates, whichever date is later:

(A) December 31, 2021.

(B) For a customer that has been offered an opportunity to participate in a payment plan, the date the customer misses the enrollment deadline for, or defaults on, the payment plan.

(f) A community water system shall remit any moneys disbursed to the community water system under this chapter not credited to customers within six months of receipt back to the state board.

(g) Customer information collected under this chapter is subject to Section 6254.16 of the Government Code.

(h) A community water system receiving assistance under this chapter may expend up to 3 percent, or up to one million dollars (\$1,000,000), whichever amount is less, of that assistance for costs incurred in applying for the assistance or complying with use and reporting conditions of the assistance.

SEC. 20. Section 5090.15 of the Public Resources Code is amended to read:

5090.15. (a) There is in the department the Off-Highway Motor Vehicle Recreation Commission, consisting of nine members, five of whom shall be appointed by the Governor and subject to Senate confirmation, two of whom shall be appointed by the Senate Committee on Rules, and two of whom shall be appointed by the Speaker of the Assembly.

(b) In order to be appointed to the commission, a nominee shall have expertise in or represent one of the following interests:

(1) Off-highway vehicle recreation.

(2) Environmental protection.

(3) Motorized access to nonmotorized recreation.

(4) Law enforcement.

(5) Environmental restoration.

(6) Health and safety.

(7) Rural landowners or residents.

(8) Biological or soil specializations.

(9) Public-at-large.

(c) Whenever a reference is made to the State Park and Recreation Commission pertaining to a duty, power, purpose, responsibility, or jurisdiction of the State Park and Recreation Commission with respect to the state vehicular recreation areas, as established by this chapter, it is a reference to, and means, the Off-Highway Motor Vehicle Recreation Commission.

SEC. 21. Section 5090.42 is added to the Public Resources Code, to read:

5090.42. (a) For purposes of this section, "land" means the land known as the "Alameda-Tesla Expansion Area," which encompasses approximately 3,100 acres in the County of Alameda and is currently part of Carnegie State Vehicular Recreation Area.

(b) (1) The department shall use the designation process, pursuant to Article 1.7 (commencing with Section 5019.50) of Chapter 1, and planning process, pursuant to Section 5002.2, to determine the best use of the land. The land shall not be designated as a state vehicular recreation area, as defined in Section 5090.14.1.

(2) One million dollars (\$1,000,000) shall be transferred from the General Fund to the State Parks and Recreation Fund, established pursuant to Section 5010, to be used for the purposes of paragraph (1).

(c) (1) Twenty-nine million eight hundred thousand dollars (\$29,800,000) shall be transferred from the General Fund to the Off-Highway Vehicle Trust Fund, established pursuant to Section 38225 of the Vehicle Code, to be used in accordance with this chapter, including the acquisition and development of properties to expand off-highway vehicle recreation and where quality recreation opportunities for off-highway motor vehicles may be provided.

(2) When considering acquisition and development of properties to expand off-highway vehicle recreation opportunities, the department may prioritize properties that have potential to serve large urban areas such as the Bay Area and Central Valley, offer potential recreational opportunities for off highway vehicle recreation, and potential opportunities for motorized access to nonmotorized recreation. Properties for consideration may include areas within existing State Parks and State Recreation Areas, including, but not limited to, Henry Coe State Park. The department shall not consider the Alameda-Tesla Expansion Area in this process.

SEC. 22. Section 14571.6.1 is added to the Public Resources Code, to read:

14571.6.1. (a) Because of the impacts of the COVID-19 pandemic on small dealers, the requirements of subdivisions (a) and (b) of Section 14571.6 do not apply to a dealer that has gross annual sales of less than one million five hundred thousand dollars (\$1,500,000) and is less than 5,000 square feet.

(b) This section shall remain in effect only until January 1, 2023, and as of that date is repealed.

SEC. 23. Section 21080.56 is added to the Public Resources Code, to read:

21080.56. (a) This division does not apply to a project that is exclusively one of the following:

(1) A project to conserve, restore, protect, or enhance, and assist in the recovery of California native fish and wildlife, and the habitat upon which they depend.

(2) A project to restore or provide habitat for California native fish and wildlife.

(b) An eligible project may have incidental public benefits, such as public access and recreation.

(c) This section does not apply to a project unless the project does both of the following:

(1) Results in long-term net benefits to climate resiliency, biodiversity, and sensitive species recovery.

(2) Includes procedures and ongoing management for the protection of the environment.

(d) This section does not apply to a project that includes construction activities, except for construction activities solely related to habitat restoration.

(e) The lead agency shall obtain the concurrence of the Director of Fish and Wildlife for the determinations required pursuant to subdivisions (a) to (d), inclusive. The director shall document the director's concurrence using substantial evidence and best available science.

(f) The project shall remain subject to all other applicable federal, state, and local laws and regulations, and shall not weaken or violate any applicable environmental or public health standards.

(g) Within 48 hours of making a determination that a project is exempt pursuant to this section, a lead agency shall file a notice described in subdivision (b) of Section 21108 or subdivision (b) of Section 21152 with the Office of Planning and Research, and the Department of Fish and Wildlife shall post the concurrence of the Director of Fish and Wildlife on the department's internet website.

(h) The Natural Resources Agency shall, in accordance with Section 9795 of the Government Code, report annually to the Legislature all determinations pursuant to this section.

(i) This section shall remain in effect only until January 1, 2025, and as of that date is repealed.

SEC. 24. Section 21166.2 is added to the Public Resources Code, to read:

21166.2. Notwithstanding Section 21166, the environmental review set forth in the Final Environmental Impact Report for the Lower Klamath Project License Surrender (State Clearinghouse No. 2016122047) issued in April 2020 in combination with other environmental review documents related to removal of facilities on the Klamath River prepared and adopted by the Federal Energy Regulatory Commission pursuant to the federal National Environmental Policy Act of 1969 (42 U.S.C. Sec. 321 et seq.) shall be conclusively presumed to satisfy the requirements of this division for any project for the removal of hydroelectric dams and associated facilities, along with associated restoration of formerly inundated lands, hatchery modifications, and

implementation of mitigation measures in the Klamath River Basin, undertaken or approved by a public agency if all of the following apply:

(a) The dams proposed to be removed are upstream of a river segment designated as a wild river, a scenic river, or a recreational river pursuant to the California Wild and Scenic Rivers Act (Chapter 1.4 (commencing with Section 5093.50) of Division 5).

(b) There are no downstream dams on the same river, other than the dams proposed to be removed as a part of the same project that are significant barriers to fish passage.

(c) The lead agency certified or adopted the environmental review document prepared under this division and approved the project at least 180 days before the effective date of this section and no action or proceeding challenging the lead agency's approval was commenced within the applicable statute of limitations.

SEC. 25. Section 31103.1 is added to the Public Resources Code, to read:

31103.1. Pursuant to Section 1090 of the Government Code, an officer or employee of the conservancy shall not be deemed to be financially interested in a contract made in their official capacity when all of the following conditions are met:

(a) The financial interest in question is limited to the individual's salary, per diem, or reimbursement for expenses as an officer or employee of the conservancy.

(b) The individual is performing staff functions for the San Francisco Bay Restoration Authority as part of their employment by the conservancy.

(c) The contract involves a grant of funds by the San Francisco Bay Restoration Authority to the conservancy.

SEC. 26. Section 42011 of the Public Resources Code is repealed.

SEC. 27. Section 42012 of the Public Resources Code is amended to read:

42012. The local governing body, or any person through the local governing body, may apply to the department for designation as a recycling market development zone.

SEC. 28. Section 42013 of the Public Resources Code is amended to read:

42013. The department shall adopt regulations and guidelines concerning the necessary contents of each application for designation and, in the countywide integrated waste management plans, shall determine the maximum number of recycling market development zones to be designated pursuant to this chapter.

SEC. 29. Section 42014 of the Public Resources Code is amended to read:

42014. The department may designate or redesignate recycling market development zones for persons applying for that designation.

SEC. 30. Section 42015 of the Public Resources Code is repealed.

SEC. 31. Section 42016 of the Public Resources Code is repealed.

SEC. 32. Section 42017 of the Public Resources Code is repealed.

SEC. 33. Section 42018 of the Public Resources Code is repealed.

SEC. 34. Section 42019 of the Public Resources Code is amended to read:

42019. In evaluating an application for the designation of a recycling market development zone, the department shall consider the amount of landfill capacity remaining in the jurisdiction where the zone would be located.

SEC. 35. Section 42020 of the Public Resources Code is amended to read:

42020. In evaluating an application for the designation of a recycling market development zone, the department shall not deny the application solely because of technical deficiencies. The department shall provide applicants with an opportunity to correct technical deficiencies. An application shall be denied if technical deficiencies are not corrected within 14 days.

SEC. 36. Section 42021 of the Public Resources Code is repealed.

SEC. 37. Section 42023.1 of the Public Resources Code is amended to read:

42023.1. (a) The Recycling Market Development Revolving Loan Subaccount is hereby created in the account for the purpose of providing loans for purposes of the Recycling Market Development Revolving Loan Program established pursuant to this article and for making payments pursuant to subdivision (g).

(b) Notwithstanding Section 13340 of the Government Code, the moneys deposited into the subaccount are hereby continuously appropriated to the department without regard to fiscal year for making loans pursuant to this article and for making payments pursuant to subdivision (g).

(c) The department may expend interest earnings on moneys in the subaccount for administrative expenses incurred in carrying out the Recycling Market Development Revolving Loan Program, upon the appropriation of moneys in the subaccount for that purpose in the annual Budget Act.

(d) The moneys from loan repayments and fees, including, but not limited to, principal and interest repayments, fees and points, recovery of collection costs, income earned on an asset recovered pursuant to a loan default, and funds collected through foreclosure actions shall be deposited into the subaccount.

(e) All interest accruing on interest payments from loan applicants shall be deposited into the subaccount.

(f) The department may expend the moneys in the subaccount to make loans to local governing bodies, private businesses, and nonprofit entities within recycling market development zones, or in areas outside zones where making the loan will benefit a local jurisdiction or assist a local jurisdiction in complying with Section 40051.

(g) The department may expend the moneys in the subaccount to make payments to local governing bodies within a recycling market zone for services related to the promotion of the zone. The services may include, but are not limited to, training, outreach, development of written promotional materials, and technical analyses of feedstock availability.

(h) The department shall not fund a loan until it determines that the applicant has obtained all significant applicable federal, state, and local permits. The department shall determine which applicable federal, state, and local permits are significant.

(i) The department shall establish and collect fees for applications for loans authorized by this section. The application fee shall be set at a level that is sufficient to fund the department's cost of processing applications for loans. In addition, the department shall establish a schedule of fees or points for loans that are entered into by the department, to fund the department's administration of the revolving loan program.

(j) The department may expend moneys in the subaccount for the administration of the Recycling Market Development Revolving Loan Program, upon the appropriation of moneys in the subaccount for that purpose in the annual Budget Act. In addition, the department may expend moneys in the account to administer the revolving loan program, upon the appropriation of moneys in the account for that purpose in the annual Budget Act. However, funding for the administration of the revolving loan program from the account shall be provided only if there are not sufficient moneys in the subaccount to fully fund the administration of the program.

(k) The department, pursuant to subdivision (a) of Section 47901, may set aside moneys for the purposes of paying costs necessary to protect the state's position as a lender-creditor. These costs shall be broadly construed to include, but not be limited to, foreclosure expenses, auction fees, title searches, appraisals, real estate brokerage fees, attorney's fees, mortgage payments, insurance payments, utility costs, repair costs, removal and storage costs for repossessed equipment and inventory, and additional expenditures to purchase a senior lien in foreclosure or bankruptcy proceedings.

(l) (1) Except as provided in paragraph (2), this section shall become inoperative on July 1, 2031, and as of January 1, 2032, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2032, deletes or extends the date on which it becomes inoperative and is repealed.

(2) The repeal of this section pursuant to paragraph (1) shall not extinguish any loan obligation or the authority of the state to pursue appropriate actions for the collection of a loan.

SEC. 38. Section 42023.4 of the Public Resources Code is amended to read:

42023.4. (a) A loan made pursuant to Section 42023.1 shall be subject to all of the following requirements:

(1) The terms of an approved loan shall be specified in a loan agreement between the borrower and the department. The loan agreement shall include a requirement that the failure to comply with the agreement shall result in any remaining unpaid amount of the loan, with accrued interest, being immediately due and payable. Notwithstanding any term of the agreement, a

recipient of a loan that the department approves shall repay the principal amount, plus interest. The department shall establish the loan interest rate as low as possible to make projects feasible and post the interest rate on its internet website. All money received as repayment and interest on loans made pursuant to this section shall be deposited in the subaccount.

(2) The department shall approve only those loan applications that demonstrate the applicant's ability to repay the loan.

(3) Priority for funding shall be given to projects for circular recycling programs that result in the product being recycled into a product that is also recyclable, as determined by the department, or that has a minimum lifespan of 10 or more years. The department shall establish project eligibility criteria and make it available to the public in order to achieve the intent of the Legislature.

(4) A loan shall not be provided for a project that will result in the production of fuels or energy through transformation, engineered municipal solid waste conversion, or other disposal activities.

(5) The Department of Finance may audit the expenditure of the proceeds of a loan made pursuant to Section 42023.1 and this section.

(b) (1) Except as provided in paragraph (2), this section shall become inoperative on July 1, 2031, and as of January 1, 2032, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2032, deletes or extends the dates on which it becomes inoperative and is repealed.

(2) The repeal of this section pursuant to paragraph (1) shall not extinguish any loan obligation or the authority of the state to pursue appropriate actions for the collection of a loan.

SEC. 39. Section 42024 of the Public Resources Code is amended to read:

42024. The department, the Treasurer, and other appropriate state agencies shall, to the extent feasible and as appropriate, coordinate activities that will leverage financing for market development projects and encourage joint activities to strengthen markets for recycled materials.

SEC. 40. Section 42025 is added to the Public Resources Code, to read:

42025. The department shall update its regulations relating to the implementation of this article. Any regulation promulgated pursuant to this article and in effect on September 1, 2021, shall remain in effect until the department revises or repeals that regulation or January 1, 2022, whichever occurs first.

SEC. 41. Section 42999 of the Public Resources Code is amended to read:

42999. (a) The department shall, upon appropriation by the Legislature, administer a grant program to provide financial assistance to promote in-state development of infrastructure, food waste prevention, or other projects to reduce organic waste or process organic and other recyclable materials into new, value-added products. Moneys appropriated by the Legislature from the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code, to the department shall be expended consistent with the requirements of Article 9.7 (commencing with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code and Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26 of the Health and Safety Code.

(b) Eligible financial assistance shall be provided for any of the following:

(1) Organics composting.

(2) Organics in-vessel digestion.

(3) Recyclable material manufacturing.

(4) Activities that expand and improve organic waste diversion and recycling, including, but not limited to, the recovery of food for human consumption and food waste prevention.

(5) Preprocessing organic materials for composting or organics in-vessel digestion.

(6) Codigestion at existing wastewater treatment plants.

(c) For purposes of this section, eligible infrastructure projects include, but are not limited to, any of the following:

(1) Capital investments in new facilities and increased throughput at existing facilities for activities, such as converting windrow composting to aerated-static-pile composting to use food waste as feedstock.

(2) Designing and constructing organics in-vessel digestion facilities to produce products, such as biofuels to be used or distributed on site, bioenergy, and soil amendments.

(3) Designing and constructing or expanding facilities for processing recyclable materials.

(4) Projects to improve the quality of recycled materials.

(d) In awarding a grant for organics composting or organics in-vessel digestion pursuant to this section, the department shall consider all of the following:

(1) The amount of reductions of emissions of greenhouse gases that may result from the project.

(2) The amount of organic material that may be diverted from landfills as a result of the project.

(3) If and how the project may benefit disadvantaged communities.

(4) For a grant awarded for an organics in-vessel digestion project, if and how the project maximizes resource recovery, including the production of clean energy or low-carbon or carbon negative transportation fuels.

(5) Project readiness and permitting that the project may require.

(6) Air and water quality benefits that the project may provide.

(e) To the degree that funds are available, the department may provide larger grant awards for large-scale regional integrated projects that provide cost-effective organic waste diversion and maximize environmental benefits.

SEC. 42. Section 2827.10 of the Public Utilities Code is amended to read:

2827.10. (a) As used in this section, the following terms have the following meanings:

(1) "Electrical corporation" means an electrical corporation, as defined in Section 218.

(2) "Eligible fuel cell electrical generating facility" means a facility that includes the following:

(A) Integrated powerplant systems containing a stack, tubular array, or other functionally similar configuration used to electrochemically convert fuel to electricity.

(B) An inverter and fuel processing system where necessary.

(C) Other plant equipment, including heat recovery equipment used to support the facility's operation or its energy conversion.

(3) (A) "Eligible fuel cell customer-generator" means a customer of an electrical corporation that meets all the following criteria:

(i) Uses a fuel cell electrical generating facility with a generating capacity of not more than five megawatts that is located on or adjacent to the customer's owned, leased, or rented premises, is interconnected and operates in parallel with the electrical grid while the grid is operational or in a grid independent mode when the grid is nonoperational, and is sized to offset part or all of the eligible fuel cell customer-generator's own electrical requirements.

(ii) Is the recipient of local, state, or federal funds, or who self-finances projects designed to encourage the development of eligible fuel cell electrical generating facilities.

(iii) Uses technology the commission has determined will achieve reductions in emissions of greenhouse gases pursuant to subdivision (b).

(iv) Complies with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation.

(B) For purposes of this paragraph, a person or entity is a customer of the electrical corporation if the customer is physically located within the service territory of the electrical corporation and receives bundled service, distribution service, or transmission service from the electrical corporation.

(4) "Net energy metering" means measuring the difference between the electricity supplied through the electrical grid and the difference between the electricity generated by an eligible fuel cell electrical generating facility and fed back to the electrical grid over a 12-month period as described in subdivision (f). Net energy metering shall be accomplished using a time-of-use meter capable of registering the flow of electricity in two directions. If the existing electrical meter of an eligible fuel cell

customer-generator is not capable of measuring the flow of electricity in two directions, the eligible fuel cell customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a time-of-use meter.

(b) (1) Not later than March 31, 2017, the State Air Resources Board, in consultation with the Energy Commission, shall establish a schedule of annual greenhouse gas emissions reduction standards for a fuel cell electrical generation resource for purposes of clause (iii) of subparagraph (A) of paragraph (3) of subdivision (a) and shall update the schedule every three years with applicable standards for each intervening year.

(2) The greenhouse gas emissions reduction standards shall ensure that each fuel cell electrical generation resource, for purposes of clause (iii) of subparagraph (A) of paragraph (3) of subdivision (a), reduces greenhouse gas emissions compared to the electrical grid resources, including renewable resources, that the fuel cell electrical generation resource displaces, accounting for both procurement and operation of the electrical grid.

(c) (1) Every electrical corporation, not later than March 1, 2004, shall file with the commission a standard tariff providing for net energy metering for eligible fuel cell customer-generators, consistent with this section. Subject to the limitation in subdivision (g), every electrical corporation shall make this tariff available to eligible fuel cell customer-generators upon request, on a first-come-first-served basis, until the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff, in addition to the installed capacity as of January 1, 2017, reaches a level equal to its proportionate share of a statewide limitation of 500 megawatts cumulative rated generation capacity served under this section. The proportionate share shall be calculated based on the ratio of the electrical corporation's peak demand compared to the total statewide peak demand.

(2) To continue the growth of the market for onsite electrical generation using fuel cells, the commission may review and incrementally raise the limitation established in paragraph (1) on the total cumulative rated generating capacity of the eligible fuel cell electrical generating facilities receiving service pursuant to the tariff in paragraph (1).

(d) In determining the eligibility for the cumulative rated generating capacity within an electrical corporation's service territory, preference shall be given to facilities that, at the time of installation, are located in a community with significant exposure to air contaminants or localized air contaminants, or both, including, but not limited to, communities of minority populations or low-income populations, or both, based on the ambient air quality standards established pursuant to Division 26 (commencing with Section 39000) of the Health and Safety Code.

(e) (1) Each net energy metering contract or tariff shall be identical, with respect to rate structure, all retail rate components, and any monthly charges, to the contract or tariff to which the customer would be assigned if the customer was not an eligible fuel cell customer-generator. Any new or additional demand charge, standby charge, customer charge, minimum monthly charge, interconnection charge, or other charge that would increase an eligible fuel cell customer-generator's costs beyond those of other customers in the rate class to which the eligible fuel cell customer-generator would otherwise be assigned are contrary to the intent of the Legislature in enacting this section, and shall not form a part of net energy metering tariffs.

(2) The commission shall authorize an electrical corporation to charge a fuel cell customer-generator a fee based on the cost to the utility associated with providing interconnection inspection services for that fuel cell customer-generator.

(f) The net metering calculation shall be made by measuring the difference between the electricity supplied to the eligible fuel cell customer-generator and the electricity generated by the eligible fuel cell customer-generator and fed back to the electrical grid over a 12-month period. The following rules apply to the annualized metering calculation:

(1) The eligible fuel cell customer-generator shall, at the end of each 12-month period following the date of final interconnection of the eligible fuel cell electrical generating facility with an electrical corporation, and at each anniversary date thereafter, be billed for electricity used during that period. The electrical corporation shall determine if the eligible fuel cell customer-generator was a net consumer or a net producer of electricity during that period. For purposes of determining if the eligible fuel cell customer-generator was a net consumer or a net producer of electricity during that period, the electrical corporation shall aggregate the electrical load of the meters located on the property where the eligible fuel cell electrical generating facility is located and on all property adjacent or contiguous to the property on which the facility is located, if those properties are solely owned, leased, or rented by the eligible fuel cell customer-generator. Each aggregated account shall be billed and measured according to a time-of-use rate schedule.

(2) At the end of each 12-month period, where the electricity supplied during the period by the electrical corporation exceeds the electricity generated by the eligible fuel cell customer-generator during that same period, the eligible fuel cell customer-generator is a net electricity consumer and the electrical corporation shall be owed compensation for the eligible fuel cell

customer-generator's net kilowatthour consumption over that same period. The compensation owed for the eligible fuel cell customer-generator's consumption shall be calculated as follows:

(A) The generation charges for any net monthly consumption of electricity shall be calculated according to the terms of the tariff to which the same customer would be assigned to or be eligible for if the customer was not an eligible fuel cell customer-generator. When the eligible fuel cell customer-generator is a net generator during any discrete time-of-use period, the net kilowatthours produced shall be valued at the same price per kilowatthour as the electrical corporation would charge for retail kilowatthour sales for generation, exclusive of any surcharges, during that same time-of-use period. If the eligible fuel cell customer-generator's time-of-use electrical meter is unable to measure the flow of electricity in two directions, paragraph (4) of subdivision (a) applies. All other charges, other than generation charges, shall be calculated in accordance with the eligible fuel cell customer-generator's applicable tariff and based on the total kilowatthours delivered by the electrical corporation to the eligible fuel cell customer-generator. To the extent that charges for transmission and distribution services are recovered through demand charges in any particular month, no standby reservation charges shall apply in that monthly billing cycle.

(B) The net balance of moneys owed shall be paid in accordance with the electrical corporation's normal billing cycle.

(3) At the end of each 12-month period, where the electricity generated by the eligible fuel cell customer-generator during the 12-month period exceeds the electricity supplied by the electrical corporation during that same period, the eligible fuel cell customer-generator is a net electricity producer and the electrical corporation shall retain any excess kilowatthours generated during the prior 12-month period. The eligible fuel cell customer-generator shall not be owed any compensation for those excess kilowatthours.

(4) If an eligible fuel cell customer-generator terminates service with the electrical corporation, the electrical corporation shall reconcile the eligible fuel cell customer-generator's consumption and production of electricity during any 12-month period.

(g) A fuel cell electrical generating facility shall not be eligible for the tariff unless it commences operation on or before December 31, 2023, unless a later enacted statute, that is chaptered on or before December 31, 2023, extends this eligibility commencement date. The tariff shall remain in effect for an eligible fuel cell electrical generating facility that commences operation pursuant to the tariff on or before December 31, 2023. A fuel cell customer-generator is eligible for the tariff established pursuant to this section only for the operating life of the eligible fuel cell electrical generating facility.

SEC. 43. Section 5001 of the Water Code is amended to read:

5001. (a) Except as provided in subdivision (c), each person who, after 1955, extracts ground water in excess of 25 acre-feet in any year shall file with the board a "Notice of Extraction and Diversion of Water" (hereinafter called "notice") in the form provided in Section 5002, as provided in subdivision (b).

(b) (1) For extractions after December 31, 1955, and before January 1, 2021, the notice shall be filed before March 1 of the year after the extraction.

(2) For extractions after December 31, 2020, and before October 1, 2021, the notice shall be filed before February 1, 2022.

(3) For extractions after September 30, 2021, the notice shall include extractions during the one-year period from October 1 of each year through September 30, inclusive, of the following year, and shall be filed before February 1 of the year after that one-year period.

(c) No notice need be filed with respect to, and there shall not be required to be included in a notice, any of the following:

(1) Information concerning the extraction or diversion of water from a source from which less than 10 acre-feet has been taken during the year.

(2) Information concerning a taking or diversion of surface water for the purpose of generating electrical energy and other nonconsumptive uses, and for incidental uses in connection with that taking or diversion.

(3) Information concerning extractions or diversions of water that are included in annual reports filed with a court or the board by a watermaster appointed by a court or pursuant to statute to administer a final judgment determining rights to water, which reports identify the persons who have extracted or diverted water and give the general place of use and the quantity of water that has been extracted or diverted from each source.

SEC. 44. Section 5101 of the Water Code is amended to read:

5101. (a) Each person who, after December 31, 1965, diverts water shall file with the board a statement of their diversion and use, as provided in subdivision (b), except that a statement is not required to be filed if the diversion is any of the following:

(1) From a spring that does not flow off the property on which it is located and from which the person's aggregate diversions do not exceed 25 acre-feet in any year.

(2) Covered by a registration for small domestic use, small irrigation use, or livestock stockpond use, or permit or license to appropriate water on file with the board.

(3) Included in a notice filed pursuant to Part 5 (commencing with Section 4999).

(4) Regulated by a watermaster appointed by the department and included in annual reports filed with a court or the board by the watermaster, which reports identify the persons who have diverted water and describe the general purposes and the place, the use, and the quantity of water that has been diverted from each source.

(5) Included in annual reports filed with a court or the board by a watermaster appointed by a court or pursuant to statute to administer a final judgment determining rights to water, which reports identify the persons who have diverted water and give the general place of use and the quantity of water that has been diverted from each source.

(6) For use in compliance with Article 2.5 (commencing with Section 1226) or Article 2.7 (commencing with Section 1228) of Chapter 1 of Part 2.

(7) A diversion that occurs before January 1, 2009, if any of the following applies:

(A) The diversion is from a spring that does not flow off the property on which it is located, and the person's aggregate diversions do not exceed 25 acre-feet in any year.

(B) The diversion is covered by an application to appropriate water on file with the board.

(C) The diversion is reported by the department in its hydrologic data bulletins.

(D) The diversion is included in the consumptive use data for the Delta lowlands published by the department in its hydrologic data bulletins.

(b) (1) For diversions after December 31, 1965, and before January 1, 2021, the statement shall be filed before July 1 of the year after the diversion.

(2) For diversions after December 31, 2020, and before October 1, 2021, the statement shall be filed before April 1, 2022.

(3) For diversions after September 30, 2021, the statement shall include diversions during the one-year period from October 1 of each year through September 30, inclusive, of the following year, and shall be filed before February 1 of the year after that one-year period.

SEC. 45. Section 5104 of the Water Code is amended to read:

5104. (a) Supplemental statements shall be filed annually, as provided in subdivision (b). They shall contain the quantity of water diverted and the rate of diversion by months in the preceding calendar year and any change in the other information contained in the preceding statement.

(b) (1) For diversions before January 1, 2021, a supplemental statement required under this section shall be filed before July 1 of the year after the diversion.

(2) For diversions after December 31, 2020, and before October 1, 2021, the supplemental statement shall be filed before April 1, 2022.

(3) For diversions after September 30, 2021, the supplemental statement shall include diversions during the one-year period from October 1 of each year through September 30, inclusive, of the following year, and shall be filed before February 1 of the year after that one-year period.

(c) If there is a change in the name or address of the person diverting the water, a supplemental statement shall be filed with the board that includes the change in name or address.

(d) A supplemental statement filed prior to July 1, 2016, shall include data satisfying the requirements of subdivision (a) for any diversion of water in the 2012, 2013, and 2014 calendar years, that was not reported in a supplemental statement submitted prior to July 1, 2015.

(e) This section does not limit the authority of the board to require additional information or more frequent reporting under any other law.

SEC. 46. Section 5202 of the Water Code is amended to read:

5202. (a) This section applies to a person who does either of the following:

(1) Extracts groundwater from a probationary basin 90 days or more after the board designates the basin as a probationary basin pursuant to Section 10735.2.

(2) Extracts groundwater on or after July 1, 2017, in an area within a high- or medium-priority basin subject to the requirements of subdivision (a) of Section 10720.7 that is not within the management area of a groundwater sustainability agency and where the county does not assume responsibility to be the groundwater sustainability agency, as provided in subdivision (b) of Section 10724.

(b) Except as provided in subdivision (c), a person subject to this section shall file a report of groundwater extraction by February 1 of each year for extractions made in the preceding water year.

(c) Unless reporting is required pursuant to paragraph (2) of subdivision (c) of Section 10735.2, this section does not apply to any of the following:

(1) An extraction by a de minimis extractor.

(2) An extraction excluded from reporting pursuant to paragraph (1) of subdivision (c) of Section 10735.2.

(3) An extraction reported pursuant to Part 5 (commencing with Section 4999).

(4) An extraction that is included in annual reports filed with a court or the board by a watermaster appointed by a court or pursuant to statute to administer a final judgment determining rights to water. The reports shall identify the persons who have extracted water and give the general place of use and the quantity of water that has been extracted from each source.

(d) Except as provided in Section 5209, the report shall be filed with the board.

(e) The report may be filed by the person extracting water or on that person's behalf by an agency that person designates and that maintains a record of the water extracted.

(f) Each report shall be accompanied by the fee imposed pursuant to Section 1529.5.

SEC. 47. Notwithstanding those statutes granting the City of Long Beach certain tidelands and submerged lands of the state upon certain trusts and conditions (Chapter 676 of the Statutes of 1911, Chapter 102 of the Statutes of 1925, and Chapter 158 of the Statutes of 1935), Chapter 29 of the Statutes of 1956, and the oil revenue sharing provisions of Chapter 138 of the Statutes of 1964 of the First Extraordinary Session, the state consents to the application of the Business License Tax by the City of Long Beach only as specifically provided for in City Ordinances C-6259 Section 1 (part), 1986; City Ordinance C-6751 Section 1, 1990, Prop. H, 5-1-07; and Measure US Section 1, 2020, to the state's share of oil revenue within the "Long Beach Tidelands," as defined in Section 1 of Chapter 138 of the Statutes of 1964 of the First Extraordinary Session, for taxes on such production levied and in effect as of October 1, 2021.

SEC. 48. The state's share of oil revenue within the "Long Beach Tidelands," as defined in Section 1 of Chapter 138 of the Statutes of 1964 of the First Extraordinary Session, shall not be subject to any business license tax, severance tax, oil barrel production tax, or other municipal tax, fee, or assessment not already in existence and levied on or before October 1, 2021, that has the effect of reducing the state's share of oil revenue, net profits, or remaining oil revenue received into the General Fund, without express statutory authorization for that tax, fee, or assessment.

SEC. 49. Upon appropriation by the Legislature in the annual Budget act, one hundred and fifty million dollars (\$150,000,000) shall be available in 2022-23 fiscal year and one hundred and fifty million dollars (\$150,000,000) shall be available in the 2023-24 fiscal year to support programs and activities that mitigate extreme heat impacts. Programs and activities include, but are not limited to, any of the following:

(a) Heat resilient infrastructure, built, natural, and social, including, but not limited to, projects that support the installation of cool surfaces, reduce indoor and outdoor school temperatures through nature-based solutions and cool building or cool surface materials, reduce outdoor temperatures along key active transportation corridors in heat-vulnerable communities, or use nature-based solutions and cool surface materials in new and existing low-income residential projects in heat-vulnerable communities.

(b) Workforce development, training, and apprenticeships that support projects specified in subdivision (a).

(c) Climate research.

(d) Increased public awareness of how to prepare and respond to extreme heat.

(e) Programs that support implementation of California's extreme heat framework.

SEC. 50. Upon appropriation by the Legislature, fifty million dollars (\$50,000,000) shall be available in the 2022–23 fiscal year to the Department of Conservation, in coordination with the State Air Resources Board and the State Energy Resources Conservation and Development Commission, for pilot projects in the Sierra Nevadas to create carbon-negative fuels from materials resulting from forest vegetation management. All eligible projects shall identify a California use of the hydrogen or liquid fuel to be created and have a lifecycle analysis of the carbon emitted and sequestered from the project, including any emissions from related transportation needs of bringing the feedstock materials to the facility and delivering resulting fuels and carbon dioxide to its end uses. The Department of Conservation shall notify the Joint Legislative Budget Committee of proposed projects to be funded 30 days prior to the funds being issued.

SEC. 51. (a) Upon appropriation by the Legislature in the annual budget act, five hundred ninety-three million dollars (\$593,000,000) shall be available in the 2022–23 fiscal year and one hundred seventy-five million dollars (\$175,000,000) shall be available in the 2023–24 fiscal year to the Natural Resources Agency, and to its departments, conservancies, and boards, to support programs and activities that advance multibenefit and nature-based solutions. Of this amount, not less than sixty million dollars (\$60,000,000) shall be available in the 2022–23 fiscal year and not less than sixty million dollars (\$60,000,000) shall be available in the 2023–24 fiscal year to support state conservancies. Programs and activities supported include, but are not limited to, any of the following:

- (1) Activities that support implementation of the state's 30 by 30 goal to conserve 30 percent of lands and coastal waters by 2030 and support their long-term protection.
- (2) Protection of California's fish and wildlife resources in response to changing climate conditions and the highly variable habitat needs of fish and wildlife.
- (3) Restoration and stewardship projects that restore or manage the land to improve its resilience to climate impacts and natural disasters and support carbon neutrality, including through controlling or eradicating invasive plants and species, as well as the protection of lakes, streams, and rivers.
- (4) Development and implementation of natural community conservation plans, habitat conservation plans, and regional conservation investment strategies.
- (5) Activities that support healthy urban streams and rivers, including, but not limited to, the Los Angeles River and Parkway and the Guadalupe River.
- (6) Acquisitions, including in-fee, conservation easements, and long-term management.
- (7) Floodplain restoration projects that provide multiple benefits, including migratory bird habitat, and salmon, steelhead trout, splittail, and other native species recovery.
- (8) Intertidal wetland, tidal marsh, and wetland habitat protection or restoration projects.
- (9) Activities to accelerate climate smart management of California's natural and working lands, including, but not limited to, efforts to scale nature-based climate solutions in climate vulnerable communities, increase landscape health and connectivity, scale climate smart agriculture, and support workforce training for high road nature-based careers.
- (10) Projects that are adjacent and accessible to urban populations and disadvantaged communities.

(b) This section does not apply to projects for which natural resource restoration or conservation is a secondary purpose, or to projects that include restoration solely for purposes of meeting regulatory requirements.

SEC. 52. (a) Upon appropriation by the Legislature, the sum of three hundred fifty million dollars (\$350,000,000) shall be available in the 2022–23 fiscal year and the sum of one hundred fifty million dollars (\$150,000,000) shall be available in the 2023–24 fiscal year to the State Coastal Conservancy for grants or expenditures for the protection and restoration of coastal and ocean resources from the impacts of sea level rise and other impacts of climate change. Eligible projects include, but are not limited to, projects to protect, restore, and increase the resilience of coastal and ocean ecosystems and coastal watersheds. The State Coastal Conservancy may coordinate with the Ocean Protection Council on project implementation. Funds shall be available for any of the following projects:

- (1) Projects that are consistent with the San Francisco Bay Restoration Authority Act (Title 7.25 (commencing with Section 66700) of the Government Code), including, but not limited to, projects that address sea level rise, flood management, and wetland restoration.
- (2) Projects for the purpose of the San Francisco Bay Area Conservancy Program established pursuant to Chapter 4.5 (commencing with Section 31160) of Division 21 of the Public Resources Code.

(3) Coastal resilience projects along the coast, including coastal wetlands and watersheds, beaches, dunes, bluffs, bays, fisheries, and other wildlife, and projects that build resilience for coastal communities, public access, and critical infrastructure.

(4) Coastal wetlands projects and projects that protect and restore coastal habitat, estuary conditions, uplands, and forest habitat.

(5) Projects that remove outdated or obsolete dams and projects that upgrade associated downstream infrastructure to increase climate resilience, enhance natural habitat transport, or improve wildlife and fish passage.

(6) Grants through the Climate Ready Program pursuant to Section 31113 of the Public Resources Code.

(b) In addition to the purposes in subdivision (a), the State Coastal Conservancy may provide funding for any of the following:

(1) Projects for nonmotorized trails of statewide significance.

(2) Projects for the restoration of coastal land for public uses on surplus land for formerly fossil-fueled powerplants.

(3) Projects for the purpose of establishing a Sea Level Rise Revolving Loan Program (Division 20.6.6 (commencing with Section 30975) of the Public Resources Code) for the purpose of providing low-interest loans to local jurisdictions to purchase properties, pursuant to guidelines developed by the Ocean Protection Council, expected to be at risk to sea level rise.

(4) Projects for purposes of the Santa Ana River Conservancy Program established pursuant to Chapter 4.6 (commencing with Section 31170) of Division 21 of the Public Resources Code.

SEC. 53. Upon appropriation by the Legislature, the sum of fifty million dollars (\$50,000,000) shall be available in the 2022–23 fiscal year and the sum of fifty million dollars (\$50,000,000) shall be available in the 2023–24 fiscal year to the Ocean Protection Council for grants or expenditures for resilience projects that conserve, protect, and restore marine wildlife and healthy ocean and coastal ecosystems, including, but not limited to, estuarine and kelp forest habitat, the state's system of marine protected areas, and sustainable or climate-ready fisheries, and including projects that address harmful algal blooms, marine invasive species, and ocean acidification and hypoxia.

SEC. 54. Upon appropriation by the Legislature in the annual Budget Act, twenty-five million dollars (\$25,000,000) shall be made available in the 2022–23 fiscal year and seventy-five million dollars (\$75,000,000) shall be made available in the 2023–24 fiscal year to the Office of Planning and Research, through the Integrated Climate Adaptation and Resiliency Program for the establishment of a grant program for projects that mitigate the impacts of extreme heat or the urban heat island effect, by adopting strategies, including, but not limited to, heat action plans, providing mechanical or natural shade, increasing building and surface reflectance, providing passive or low-energy cooling strategy, and promoting evaporative cooling. Grants pursuant to this section shall involve multistakeholder partnerships.

SEC. 55. Upon appropriation by the Legislature in the annual Budget Act, twenty-five million dollars (\$25,000,000) shall be made available in the 2022–23 fiscal year and seventy-five million dollars (\$75,000,000) shall be made available in the 2023–24 fiscal year to the Strategic Growth Council, in coordination with the Office of Planning and Research, for the establishment of a community resilience centers grant program. Grants pursuant to this section shall involve multistakeholder partnerships and demonstrate involvement of community-based organizations and community residents within governance and decisionmaking processes. Funding shall be available for the construction of new facilities or the retrofit of existing facilities that will serve as community resilience centers, including hydration stations, cooling centers, clean air centers, respite centers, community evacuation and emergency response centers, and similar facilities to mitigate the public health impacts of extreme heat and other emergency situations exacerbated by climate change, such as wildfire, power outages, or flooding, on local populations. These centers will serve as both community emergency response facilities and to build long-term resilience, preparedness, and recovery operations for local communities. Grants for community resilience centers shall be awarded for comprehensive upgrades to model integrated delivery of services. Guideline development and awards shall go through a public process allowing for transparency and stakeholder feedback.

SEC. 56. With respect to Section 24, the Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances existing on the Klamath River.

SEC. 57. Section 17.5 of this bill incorporates amendments to Section 116766 of the Health and Safety Code proposed by both this bill and SB 776. That section shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2022, but this bill becomes operative first, (2) each bill amends Section 116766 of the Health and Safety Code, and (3) this bill is enacted after SB 776, in which case Section 116766 of the Health and Safety Code, as amended by Section 17 of this bill, shall remain operative only until the operative date of SB 776, at which time Section 17.5 of this bill shall become operative.

SEC. 58. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution 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 mandated by this act or because costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 59. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.