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AB-267 Greenhouse Gas Reduction Fund: high-speed rail: water infrastructure and wildfire prevention.
(2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 267

Introduced by Assembly Member Macedo

January 17, 2025

An act to amend Section 39719 of the Health and Safety Code, relating to the Greenhouse Gas Reduction Fund.

LEGISLATIVE COUNSEL'S DIGEST

AB 267, as introduced, Macedo. Greenhouse Gas Reduction Fund: high-speed rail: water infrastructure and wildfire prevention.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include in its regulation of those emissions the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund. Existing law continuously appropriates 25% of the annual proceeds of the fund to the High-Speed Rail Authority for certain purposes.

This bill would suspend the appropriation to the High-Speed Rail Authority for the 2026–27 and 2027–28 fiscal years and would instead require those amounts from moneys collected by the state board to be transferred to the General Fund. The bill would specify that the transferred amounts shall be available, upon appropriation by the Legislature, to augment funding for water infrastructure and wildfire prevention.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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

SECTION 1. 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) (A) Beginning in the 2015–16 fiscal year, notwithstanding Section 13340 of the Government Code, and subject to the requirements of Section 39719.3, 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)~~

(i) Acquisition and construction costs of the project.

~~(B)~~

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

~~(C)~~

(iii) Other capital costs of the project.

~~(D)~~

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

(B) The appropriation in subparagraph (A) shall be suspended for the 2026–27 and 2027–28 fiscal years, and 25 percent of annual proceeds of the fund shall instead be transferred from moneys collected by the state board on and after January 1, 2026, to the General Fund and be available, upon appropriation, to augment funding for water infrastructure and wildfire prevention.

(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~~ 2028–29 fiscal year, the sum of two hundred million dollars (\$200,000,000) is hereby continuously ~~appropriated~~, *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.