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AB-807 Conservation and mitigation bank: marine artificial reefs. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 807

Introduced by Assembly Member Dixon

February 18, 2025

An act to amend Section 1797.5 of, and to add Section 1799.2 to, the Fish and Game Code, relating to marine artificial reefs.

LEGISLATIVE COUNSEL'S DIGEST

AB 807, as introduced, Dixon. Conservation and mitigation bank: marine artificial reefs.

Existing law provides that mitigation banks and conservation banks provide for the conservation of important habitats and habitat linkages, take advantage of economies of scale that are often not available to individualized mitigation projects, and simplify the state regulatory compliance process while achieving conservation goals. Existing law provides that no conservation bank, mitigation bank, or conservation and mitigation bank is operative, vested, or final, nor bank credits issued, until the Department of Fish and Wildlife has approved in writing and a conservation easement has been recorded on the site. Existing law authorizes banks to issue and sell bank credits to private and public entities. Existing law defines “conservation bank” and “mitigation bank” for these purposes.

This bill would expand the definition of “conservation bank” and “mitigation bank” to include marine artificial reefs. The bill would authorize a person to, after completion of a full environmental review in compliance with applicable California and federal laws and regulations, create a marine artificial reef for purposes of establishing a mitigation or conservation bank. The bill would clarify that both nonprofit and for-profit organizations are authorized to establish and operate a conservation bank, mitigation bank, or conservation and mitigation bank. The bill would provide that if a marine artificial reef is located on state sovereign land then a lease is required from the State Lands Commission, as provided. The bill would provide that the lease from the commission would satisfy the requirements for a bank enabling instrument and for the department to grant a conservation easement.

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

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

SECTION 1. Section 1797.5 of the Fish and Game Code is amended to read:

1797.5. For the purposes of this chapter, the following terms shall have the following meanings:

- (a) "Bank" means a conservation bank, mitigation bank, or conservation and mitigation bank.
- (b) "Bank enabling instrument" means a written agreement with the department regarding the establishment, use, operation, and maintenance of the bank.
- (c) "Bank sponsor" means the person or entity responsible for establishing and operating a bank.
- (d) "Conservation bank" means a publicly or privately owned and operated ~~site~~ *site, including a marine artificial reef*, that is to be conserved and managed in accordance with a written agreement with the department that includes provisions for the issuance of credits, on which important habitat, including habitat for threatened, endangered, or other special status species, exists, has been, or will be created to do any of the following:
 - (1) Compensate for take or other adverse impacts of activities authorized pursuant to Chapter 1.5 (commencing with Section 2050) of Division 3.
 - (2) Reduce adverse impacts to fish or wildlife resources from activities, authorized pursuant to Chapter 6 (commencing with Section 1600) of Division 2, to less than substantial.
 - (3) Mitigate significant effects on the environment pursuant to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) and Guidelines for Implementation of the California Environmental Quality Act (Chapter 3 (commencing with Section 15000) of Division 6 of Title 14 of the California Code of Regulations).
 - (4) Establish mitigation in advance of any impacts or effects.
 - (5) To the extent feasible and practicable, protect habitat connectivity for fish and wildlife resources for purposes of this section.
- (e) "Conservation easement" means a perpetual conservation easement, as defined by Section 815.1 of the Civil Code, covering the real property that comprises the bank site.
- (f) "Mitigation bank" means either of the following:
 - (1) A bank site or mitigation bank site as defined by Section 1777.2.
 - (2) Any publicly or privately owned and operated site, other than those defined by Section 1777.2, on which wetlands *or marine artificial reefs* exist, have been, or will be created, and that is to be conserved and managed in accordance with a written agreement with the department for any of the purposes described in paragraphs (1) to (4), inclusive, of subdivision (d).
- (g) "Person" ~~has the meaning set forth in subdivision (b) of Section 711.2.~~ *includes any individual, firm, association, nonprofit or for-profit organization, partnership, business, trust, corporation, limited liability company, company, district, city, county, city and county, town, the state, and any of the agencies of those entities.*
- (h) "Prospectus" means a written summary of the proposed bank containing a sufficient level of detail to support informed department review and comment.

SEC. 2. Section 1799.2 is added to the Fish and Game Code, immediately following Section 1799.1, to read:

1799.2. (a) (1) A person may, after completion of a full environmental review in compliance with applicable California and federal laws and regulations, create a marine artificial reef for purposes of establishing a mitigation bank, conservation bank, or mitigation and conservation bank.

(2) A marine artificial reef shall be maintained and monitored to ensure it meets all performance standards designated by applicable permitting authorities during its environmental review to demonstrate the reef's mitigation performance for the period required by applicable permitting authorities and those of credit purchasers.

(b) (1) If a marine artificial reef is on state sovereign land, a lease shall be required from the State Lands Commission through the commissions's leasing process.

(2) The lease shall include considerations of creating a trust fund where 1 percent of all bank credit sale revenue will be deposited into the trust fund upon completion of each bank credit sale.

(3) The trust fund shall remain unused by the bank sponsors and shall be surrendered at the end of the lease for the State Lands Commission to use for managing the marine artificial reef in perpetuity.

(4) Upon completion of the lease term, and if no lease renewals are requested or granted, the marine artificial reef shall be protected in perpetuity by the State Lands Commission.

(c) The lease described in subdivision (b) shall satisfy the requirements for a bank enabling instrument and for the department to grant a conservation easement.