

AMENDED IN ASSEMBLY JANUARY 14, 2026

AMENDED IN ASSEMBLY JANUARY 5, 2026

AMENDED IN ASSEMBLY APRIL 21, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 35

Introduced by Assembly Member Alvarez

(Principal coauthor: Assembly Member Hadwick)

(Principal coauthor: Senator Arreguín)

(Coauthor: Assembly Member Connolly)

(Coauthors: Assembly Members Alanis, Ávila Farías, Berman, Boerner, Carrillo, Connolly, Davies, Jeff Gonzalez, Mark González, Hoover, Kalra, Patel, Pellerin, Petrie-Norris, Rogers, Solache, Stefani, Wallis, Ward, Wicks, and Zbur)

(Coauthor: Senator Allen)

(Coauthors: Senators Allen, Blakespear, Grayson, Jones, Padilla, Seyarto, and Valladares)

December 2, 2024

An act to amend Section 90135 of the Public Resources Code, relating to environmental protection, *protection, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 35, as amended, Alvarez. Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024: Administrative Procedure Act: exemption: program guidelines and selection criteria.

Existing law, the Administrative Procedure Act, sets forth the requirements for the adoption, publication, review, and implementation of regulations by state agencies.

The Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (act), approved by the voters as Proposition 4 at the November 5, 2024, statewide general election, authorized the issuance of bonds in the amount of \$10,000,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs.

Existing law authorizes certain regulations needed to effectuate or implement programs of the act to be adopted as emergency regulations in accordance with the Administrative Procedure Act, as provided. Existing law requires the emergency regulations to be filed with the Office of Administrative Law and requires the emergency regulations to remain in effect until repealed or amended by the adopting state agency.

~~This bill would delete the above provisions relating to the adoption of regulations to implement the act as emergency regulations and would instead exempt the adoption of those regulations from the Administrative Procedure Act.~~

This bill, notwithstanding the above, would exempt the adoption of regulations needed to effectuate or implement programs of the act from the requirements of the Administrative Procedure Act, as provided. The bill would require a state entity that receives funding to administer a competitive grant program established using the Administrative Procedure Act exemption to do certain things, including develop draft project solicitation and evaluation guidelines and to submit those guidelines to the Secretary of the Natural Resources Agency, except as provided. The bill would require the Secretary of the Natural Resources Agency to post an electronic form of the guidelines submitted by a state entity and the subsequent verifications on the Natural Resources Agency's internet website. The bill would authorize the use of certain previously developed program guidelines and selection criteria for these purposes, as provided.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~ $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 90135 of the Public Resources Code is
2 amended to read:

3 90135. (a) The Secretary of the Natural Resources Agency
4 shall publish a list of all program and project expenditures pursuant
5 to this division not less than annually, in written form, and shall
6 post an electronic form of the list on the agency's internet website
7 in a downloadable spreadsheet format. The spreadsheet shall
8 include all of the following information:

9 (1) Information about the location and footprint of each funded
10 project.

11 (2) The project's objectives.

12 (3) The status of the project.

13 (4) Anticipated outcomes.

14 (5) The public benefits to be derived from the project, including
15 whether the project has meaningful and direct benefits to vulnerable
16 populations, disadvantaged communities, or severely disadvantaged
17 communities.

18 (6) The total cost of the project, if known.

19 (7) The amount of bond funding provided.

20 (8) Any matching moneys provided for the project by the grant
21 recipient or other partners.

22 (9) The applicable chapter of this division pursuant to which
23 the recipient received moneys.

24 (b) The Department of Finance shall provide for an independent
25 audit of expenditures pursuant to this division. If an audit, required
26 by law, of any entity that receives funding authorized by this
27 division is conducted pursuant to state law and reveals any
28 impropriety, the California State Auditor or the Controller may
29 conduct or arrange for a full audit of any or all of the activities
30 funded pursuant to this division. Any audit of a federal Department
31 of Energy or National Aeronautics and Space Administration
32 research and development center pursuant to this section shall be
33 conducted in accordance with the Federal Laboratory Contracting
34 Act (Chapter 7 (commencing with Section 12500) of Part 2 of
35 Division 2 of the Public Contract Code).

1 (c) A state agency issuing any grant with funding authorized
2 by this division shall require adequate reporting of the expenditures
3 of the funding from the grant.

4 (d) The costs associated with the publications, audits, statewide
5 bond tracking, cash management, and related oversight activities
6 provided for in this section shall be funded from the proceeds of
7 bonds authorized by this division. These costs shall be shared
8 proportionally by each program funded by this division. Actual
9 costs incurred to administer nongrant programs authorized by this
10 division shall be paid from the proceeds of bonds authorized by
11 this division.

12 (e) (1) *A regulation for the purposes of developing and adopting
13 program guidelines and selection criteria needed to effectuate or
14 implement the programs included in Chapter 2 (commencing with
15 Section 91000) to Chapter 9 (commencing with Section 94500),
16 inclusive, of this division may be adopted as an emergency
17 regulation in accordance with Chapter 3.5 (commencing with
18 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
19 Code, and for purposes of that chapter, including Section 11349.6
20 of the Government Code, the adoption of regulations is an
21 emergency and shall be considered by the Office of Administrative
22 Law as necessary for the immediate preservation of the public
23 peace, health, safety, and general welfare. A state agency shall be
24 exempt from the requirement that it describe facts showing the
25 need for immediate action.*

26 (2) *Notwithstanding Chapter 3.5 (commencing with Section
27 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
28 an emergency regulation adopted pursuant to this subdivision
29 shall be filed with, but not be repealed by, the Office of
30 Administrative Law, and shall remain in effect until repealed or
31 amended by the adopting state agency.*

32 (f) (1) *Notwithstanding subdivision (e), a regulation for the
33 purpose of developing and adopting program guidelines and
34 selection criteria needed to effectuate or implement the programs
35 included in Chapter 2 (commencing with Section 91000) to Chapter
36 9 (commencing with Section 94500), inclusive, of this division,
37 may be adopted pursuant to this subdivision.*

38 (e)

39 (2) Chapter 3.5 (commencing with Section 11340) of Part 1 of
40 Division 3 of Title 2 of the Government Code does not apply to

1 the development and adoption of program guidelines and selection
2 criteria needed to effectuate or implement the programs included
3 in Chapter 2 (*commencing with Section 91000*) to Chapter 9, 9
4 (*commencing with Section 94500*), inclusive, of this division.

5 (3) *Before disbursing grants pursuant to this division, a state*
6 *entity that receives funding to administer a competitive grant*
7 *program, established using the exemption pursuant to this*
8 *subdivision, shall do all of the following:*

9 (A) *Develop draft project solicitation and evaluation guidelines.*

10 (B) *Publish the draft solicitation and evaluation guidelines on*
11 *its internet website for a public comment period of at least 30 days.*

12 *All written public comments received shall be posted on the state*
13 *entity's internet website, unless indicated otherwise by the person*
14 *who provided the written public comment. The state entity shall*
15 *respond to each public comment.*

16 (C) *Offer opportunity for tribal consultation to impacted tribes.*

17 (D) *After completing the requirements contained in*
18 *subparagraphs (A) to (C), inclusive, finalize project solicitation*
19 *and evaluation guidelines.*

20 (E) (i) *Submit the final guidelines to the Secretary of the Natural*
21 *Resources Agency. The Secretary of the Natural Resources Agency*
22 *shall verify that the guidelines are consistent with applicable*
23 *statutes and for all the purposes enumerated in this division. The*
24 *Secretary of the Natural Resources Agency shall post an electronic*
25 *form of the guidelines submitted by a state entity and the*
26 *subsequent verifications on the Natural Resources Agency's*
27 *internet website.*

28 (ii) *The requirement to submit final guidelines to the Secretary*
29 *of the Natural Resources shall not apply to the State Water*
30 *Resources Control Board.*

31 (4) *Notwithstanding paragraph (3), if a state entity, before the*
32 *effective date of the act adding this paragraph, developed and*
33 *adopted project solicitation and evaluation guidelines that comply*
34 *with the requirements of this division for a program described in*
35 *Chapter 2 (*commencing with Section 91000*) to Chapter 9*
36 *(*commencing with Section 94500*), inclusive, of this division, the*
37 *use of those guidelines shall constitute compliance with the*
38 *requirements of this subdivision.*

39 SEC. 2. *This act is an urgency statute necessary for the*
40 *immediate preservation of the public peace, health, or safety within*

1 *the meaning of Article IV of the California Constitution and shall*
2 *go into immediate effect. The facts constituting the necessity are:*
3 *Climate change has intensified wildfire risk, drought conditions,*
4 *and threats to safe and reliable drinking water, including impacts*
5 *to farmland and agricultural communities. Immediate effect is*
6 *necessary to prevent increased risks to public health and safety,*
7 *and to allow state agencies to promptly administer and distribute*
8 *funds appropriated pursuant to the Safe Drinking Water, Wildfire*
9 *Prevention, Drought Preparedness, and Clean Air Bond Act of*
10 *2024, approved by the voters as Proposition 4 at the November 5,*
11 *2024, statewide general election, consistent with voter intent, to*
12 *support wildfire resilience, climate adaptation, protection of*
13 *agricultural water resources, and access to safe drinking water.*