

Date of Hearing: July 15, 2025

ASSEMBLY COMMITTEE ON WATER, PARKS, AND WILDLIFE

Diane Papan, Chair

SB 556 (Hurtado) – As Amended May 23, 2025

SENATE VOTE: 39-0

SUBJECT: Habitat enhancement and restoration: floodplains

SUMMARY: Provides that \$21.5 million shall be allocated to the Wildlife Conservation Board (WCB) for multiple benefit floodplain restoration projects in Kern, Kings, and Tulare Counties upon appropriation by the Legislature. Finds and declares that a special statute is necessary for this purpose.

EXISTING LAW:

- 1) Declares, under the Wildlife Conservation Law of 1947, that the preservation, protection, and restoration of wildlife is necessary to provide for recreation and the public welfare and calls for a coordinated program to acquire and restore habitat lands. Establishes the WCB and a number of programs within WCB to realize these goals (Fish and Game Code § 1320 *et seq.*).
- 2) Authorizes, pursuant to Proposition 4, the issuance of bonds in the amount of \$10 billion 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 (Public Resources Code § 90000 *et seq.*).

FISCAL EFFECT: Unknown. This bill is keyed fiscal.

COMMENTS:

- 1) **Purpose of this bill.** The author seeks to earmark funding for multiple benefit floodplain restoration projects in the Tulare Lake Basin with this bill. The author asserts, “Multi-benefit floodplain restoration is highly cost-effective and produces numerous co-benefits beyond improved flood safety and groundwater recharge, including fish and wildlife habitat restoration, creation of good-paying jobs, natural carbon sequestration, clean water, and recreational opportunities for underserved Central Valley communities. Utilizing [Proposition 4] dollars for floodplain restoration is a common-sense, proven, and scalable solution that has already been implemented across tens of thousands of acres of land throughout the Central Valley. Failure to make these common-sense investments will leave the Tulare Basin vulnerable to billions of dollars of future damage and sacrifice major opportunities to recharge groundwater and support the local agricultural economy.”

- 2) **Background.** The Tulare Lake was once a terminal lake located in the southern San Joaquin Valley and the largest body of fresh water west of the Mississippi River.¹ Settlers began draining the lake and diverting the rivers feeding it in the late 19th century for agriculture, the primary land use in the basin today. Despite being drained long ago, the Tulare Lake basin intermittently refills and floods during wet winters when there is high runoff. These events allow for vestiges of the Tulare Lake to reappear, as happened during the wet winters of 1969, 1983, 1997, and, most recently, 2023.

The author cites major flooding events in the Tulare Lake basin that occurred in 2023 as part of the impetus for this bill. Starting in late 2022 and continuing into 2023, a series of atmospheric rivers pelted the region (and other areas of the state) causing extensive flooding and resulting in a declaration of a State of Emergency. The flooding led to the reemergence of the Tulare Lake and was exacerbated by the insufficient flood protection infrastructure in the region. Ultimately, floodwaters covered tens of thousands of acres of land before receding roughly one year later. All of the flooding resulted in crop losses, flood damage to homes, and job losses, potentially adding up to billions of dollars in damages.

Proposition 4. Passed in November 2024, Proposition 4 makes \$10 billion available, upon appropriation by the Legislature, for various projects and programs to make California more resilient to climate change. Among many funding allocations in Proposition 4, the following are likely the best fit for floodplain restoration projects this bill seeks to fund:

- \$870 million to WCB for land acquisition; habitat enhancement and restoration; rangeland, grazing land, and grassland protection; inland wetland conservation; ecosystem restoration on agricultural lands; climate adaptation and resiliency; monarch butterfly and pollinator rescue; desert conservation; oak woodland conservation; and the Natural Heritage Preservation Tax Credit Act of 2000.
- \$200 million to the Department of Conservation’s Multibenefit Land Repurposing Program for groundwater sustainability projects, including projects that provide floodwater management.

Proposition 4 also makes \$550 million available for flood management projects. Priority is given to multiple benefit projects and at least 40% of these funds must benefit disadvantaged communities or vulnerable populations; however, the regions identified in this bill are not eligible for this pot of funding because the region is not part of the state’s flood control system (i.e., the State Plan of Flood Control).

- 3) **Arguments in support.** River Partners is the sponsor of this bill and maintains that it will support much needed investment in flood management capacity in the Tulare Basin, a region that “has historically not received its fair share of state investment to meet critical needs” and has many disadvantaged communities. River Partners points out that multiple benefit floodplain restoration projects give “rivers and floodwaters room to spread out, slow down and sink into the region’s overstressed aquifers, rather than harming people, crops and property” and asserts these projects will help to address economic and public safety

¹ Sarah A. Mooney Memorial Museum, “Tulare Lake was once considered largest body of water west of Mississippi,” <https://sarahmooneymuseum.org/a-look-back/tulare-lake-was-once-considered-largest-body-of-water-west-of-mississippi/>.

challenges in the region. Finally, River Partners contends the multiple benefit floodplain restoration projects “are a common-sense, proven and scalable solution that has already been implemented across thousands of acres of the Central Valley, and are a rare example of consensus in the contentious world of California water.”

- 4) **Oppose unless amended.** Several conservation and waterfowl groups have taken an “oppose unless amended” position on this bill because they are concerned it creates earmarks for specific projects. These groups argue this is “contrary to the intent of Proposition 4 as passed by voters” and would like to see an amendment that requires projects to be approved by WCB in order to receive Proposition 4 funds. The conservation and waterfowl groups “urge the Legislature to maintain the integrity of Proposition 4 and to protect the role of WCB in appropriately evaluating and allocating funds based on state priorities, science, and stakeholder input to ensure taxpayer dollars are used efficiently and equitably. We believe that this will support the achievement of important long-term conservation and climate resilience outcomes that were promised to voters.”
- 5) **Policy consideration.** Bond issues over the past two decades have generally eschewed earmarks. Proposition 4 is no exception and “no earmarks” was a guiding principle as the Legislature worked to assemble Proposition 4 last session. Instead, Proposition 4 provides funding in broad categories to allow the project proponents to compete for available funding. The Legislature took this approach on Proposition 4 due, in part, to the significant demand for funding across all categories. While this bill no longer specifies funding from Proposition 4 (previous versions did), Proposition 4 funding is most likely the only viable option for the projects in this bill given the state’s budget situation. The Committee may wish to consider whether this bill is consistent with the general approach the Legislature has taken on previous bond issues.
- 6) **Committee amendments.** It is unclear if this bill requires a specific appropriation of funding for the purposes it outlines or whether funding would automatically be transferred out of a general appropriation of funding to WCB. For example, if the Legislature appropriates \$200 million in Proposition 4 funding to WCB in a future budget bill but does not include control language on that appropriation that earmarks \$21.5 million for multiple benefit floodplain restoration projects in Kern, Kings, and Tulare Counties, will \$21.5 million still automatically be earmarked for this purpose as a result of this bill? To clarify that budget control language is necessary, the Committee may wish to request that the author accept the following amendment:

Fish and Game Code, § 1350.5. Upon appropriation by the Legislature in the annual Budget Act or another statute *for the specific purposes described herein*, the sum of twenty-one million five hundred thousand dollars (\$21,500,000) shall be allocated to the Wildlife Conservation Board for floodplain acquisition, habitat restoration, and associated conservation projects on floodplains in the Counties of Kern, Kings, and Tulare.

- 7) **Related legislation.** AB 102 (Gabriel), Chapter 5, Statutes of 2025, makes amendments to the 2025-26 Budget Act. Among other provisions, appropriates \$562,000 to the Natural Resources Agency, \$1.2 million to the Department of Parks and Recreation, and \$246,000 to the Department of Water Resources from Proposition 4 to prepare for administration of various bond programs at those agencies.

SB 101 (Wiener), Chapter 4, Statutes of 2025, enacts the 2025-26 Budget. Among other provisions, appropriates \$3.4 million to WCB from various sources and previous bonds (but not Proposition 4) for WCB administration and for planning and monitoring of various projects previously funded by WCB.

AB 100 (Gabriel), Chapter 2, Statutes of 2025, enacts the 2025 “early action” budget package and appropriates \$181 million from Proposition 4 to state conservancies for wildfire prevention and forest resilience, among other provisions.

AB 1311 (Hart) of the current legislative session appropriates \$400 million from Proposition 4 to WCB for grants to eligible entities to acquire conservation easements on rangeland. AB 1311 was held in the Assembly Appropriations Committee.

AB 269 (Bennett) of the current legislative session permits the funding of dam removal projects under the Dam Safety and Climate Resilience Local Assistance Program administered by DWR so that dam removal projects would be eligible to obtain Proposition 4 funding. AB 269 is pending in this Committee.

SB 867 (Allen), Chapter 83, Statutes of 2024, placed Proposition 4 on the November 2024 ballot, a \$10 billion climate bond. Voters approved Proposition 4 by a margin of 59.8% to 40.2%.

REGISTERED SUPPORT / OPPOSITION:

Support

River Partners (sponsor)
County of Kern
Santa Rosa Rancheria Tachi Yokut Tribe
Tulare Kings Audubon

Oppose Unless Amended

Arroyos and Foothills Conservancy
California Waterfowl Association
Cesar Chavez Environmental Corps
Civicorps
Coastal Ranches Conservancy
Delta Waterfowl
Endangered Habitats League
Grassland Water District
Los Angeles Neighborhood Land Trust
Midpeninsula Regional Open Space District
Save the Redwoods League
Sempervirens Fund
Sequoia Community Corps

Opposition

None on file

Analysis Prepared by: Pablo Garza / W., P., & W. / (916) 319-2096