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Assembly
California Legislature
Committee on Rules

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TA, TRI (R-ALT)

Monday, January 5, 2026
10 minutes prior to Session
State Capitol, Room 126

CONSENT AGENDA

BILL REFERRALS

1. Bill Referrals

[Page 2](#)

REQUEST TO ADD URGENCY CLAUSE

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

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Assembly Committee on Rules

COMMITTEE CHAIR
BLANCA PACHECO

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CHIEF ADMINISTRATIVE OFFICER
LIA LOPEZ

Memo

To: Rules Committee Members
From: Michael Erke, Bill Referral Consultant
Date: 1/2/2026
Re: Consent Bill Referrals

Since you received your preliminary list of bill referrals, AB 1475 has been removed from the referral list.

REFERRAL OF BILLS TO COMMITTEE

01/05/2026

Pursuant to the Assembly Rules, the following bills were referred to committee:

Assembly Bill No.	Committee:
<u>AB 256</u>	PUB. S.
<u>AB 497</u>	W., P., & W.
<u>AB 497</u>	E.S. & T.M.
<u>AB 497</u>	NAT. RES.
<u>AB 748</u>	H. & C.D.
<u>AB 748</u>	L. GOV.
<u>AB 1278</u>	B. & F.

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Assembly California Legislature



DAVID A. ALVAREZ
ASSEMBLYMEMBER, EIGHTIETH DISTRICT

COMMITTEES
CHAIR, BUDGET SUBCOMMITTEE NO. 3 ON
EDUCATION FINANCE
BUDGET
EDUCATION
GOVERNMENTAL ORGANIZATION
INSURANCE
WATER, PARKS, AND WILDLIFE
JOINT LEGISLATIVE BUDGET

December 18, 2025

The Honorable Blanca E. Pacheco
Chair, Assembly Rules Committee
California State Assembly
Sacramento, CA 95814

Dear Chair Pacheco,

I am writing to respectfully request permission to add an urgency clause to AB 35, which authorizes an exemption from the Administrative Procedure Act (APA) for the implementation of funding related to Proposition 4, the Climate Bond Act of 2024.

Proposition 4 was approved by voters with the clear expectation that urgently needed investments in climate resilience, water quality, and natural resources would be deployed without delay. However, absent an APA exemption, the rulemaking process required to administer these funds risks significantly slowing implementation, postponing project delivery, and delaying on-the-ground benefits to communities that are already experiencing the impacts of climate change, extreme weather, and water infrastructure failures.

An urgency clause is necessary to ensure AB 35 takes effect immediately upon enactment so state agencies can promptly administer and distribute Proposition 4 funds as intended by voters. The Legislature has repeatedly recognized the need for urgency in similar circumstances and has authorized immediate-effect APA exemptions for prior voter-approved climate and water bonds to facilitate timely and efficient deployment of funds.

For these reasons, I respectfully request the Assembly Rules Committee approve the addition of an urgency clause to AB 35. Thank you for your consideration. Please do not hesitate to contact my office if you have any questions or would like additional information.

Sincerely,

A handwritten signature in blue ink that reads "David Alvarez".

David Alvarez
Assemblymember, 80th District

PROPOSED AMENDMENTS

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SUBSTANTIVE

PROPOSED AMENDMENTS TO ASSEMBLY BILL NO. 35

AMENDED IN ASSEMBLY APRIL 21, 2025

CALIFORNIA LEGISLATURE—2025—26 REGULAR SESSION

ASSEMBLY BILL

No. 35

Introduced by Assembly Member Alvarez
(~~Coauthors: Assembly Members Avila-Farías, Carrillo, Mark-González, Gipson, McKinnor, Nguyen, Pacheco, Michelle Rodriguez, Blanca Rubio, and Ta~~)
(Coauthors: Senators Archuleta and Grayson)
(Principal coauthor: Senator Arreguín)
(Coauthor: Assembly Member Connolly)
(Coauthor: Senator Allen)

December 2, 2024

~~An act to add and repeal Chapter 5.2 (commencing with Section 21162) of Division 13 of the Public Resources Code, relating to environmental quality. An act to amend Section 90135 of the Public Resources Code, relating to environmental protection.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 35, as amended, Alvarez. ~~California Environmental Quality Act: clean hydrogen transportation projects. 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.



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Amendment 1

Amendment 2

PROPOSED AMENDMENTS

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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.

~~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 provide for limited CEQA review of an application for a discretionary permit or authorization for a clean hydrogen transportation project, as defined, by requiring the application to be reviewed through a clean hydrogen environmental assessment, unless otherwise requested by the applicant, as prescribed. The bill would, except as provided, require the lead agency to determine whether to approve the clean hydrogen environmental assessment and issue a discretionary permit or authorization for the project no later than 270~~

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~~days after the application for the project is deemed complete. By imposing new duties on a lead agency, this bill would create a state-mandated local program. The bill would repeal these provisions on January 1, 2036.~~

~~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 a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~yes~~ no.

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

- + SECTION 1. Section 90135 of the Public Resources Code is
+ amended to read:
- + 90135. (a) The Secretary of the Natural Resources Agency
+ shall publish a list of all program and project expenditures pursuant
+ to this division not less than annually, in written form, and shall
+ post an electronic form of the list on the agency's internet website
+ in a downloadable spreadsheet format. The spreadsheet shall
+ include all of the following information:
- + (1) Information about the location and footprint of each funded
+ project.
 - + (2) The project's objectives.
 - + (3) The status of the project.
 - + (4) Anticipated outcomes.
 - + (5) The public benefits to be derived from the project, including
+ whether the project has meaningful and direct benefits to vulnerable
+ populations, disadvantaged communities, or severely disadvantaged
+ communities.
 - + (6) The total cost of the project, if known.
 - + (7) The amount of bond funding provided.
 - + (8) Any matching moneys provided for the project by the grant
+ recipient or other partners.
 - + (9) The applicable chapter of this division pursuant to which
+ the recipient received moneys.
- + (b) The Department of Finance shall provide for an independent
+ audit of expenditures pursuant to this division. If an audit, required
+ by law, of any entity that receives funding authorized by this

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+ division is conducted pursuant to state law and reveals any
+ impropriety, the California State Auditor or the Controller may
+ conduct or arrange for a full audit of any or all of the activities
+ funded pursuant to this division. Any audit of a federal Department
+ of Energy or National Aeronautics and Space Administration
+ research and development center pursuant to this section shall be
+ conducted in accordance with the Federal Laboratory Contracting
+ Act (Chapter 7 (commencing with Section 12500) of Part 2 of
+ Division 2 of the Public Contract Code).

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

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

+ ~~(e) (1) A regulation for the purpose of developing and adopting
+ program guidelines and selection criteria needed to effectuate or
+ implement the programs included in Chapter 2 (commencing with
+ Section 91000) to Chapter 9 (commencing with Section 94500),
+ inclusive, of this division may be adopted as an emergency
+ regulation in accordance with Chapter 3.5 (commencing with
+ Section 11340) of Part 1 of Division 3 of Title 2 of the Government
+ Code, and for purposes of that chapter, including Section 11349.6
+ of the Government Code, the adoption of regulations is an
+ emergency and shall be considered by the Office of Administrative
+ Law as necessary for the immediate preservation of the public
+ peace, health, safety, and general welfare, and a state agency is
+ hereby exempted from the requirement that it describe facts
+ showing the need for immediate action.~~

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

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+ (e) Chapter 3.5 (commencing with Section 11340) of Part 1 of
+ Division 3 of Title 2 of the Government Code does not apply to
+ the development and adoption of program guidelines and selection
+ criteria needed to effectuate or implement the programs included
+ in Chapter 2 to Chapter 9, inclusive, of this division.

Page 2 1 SECTION 1. Chapter 5.2 (commencing with Section 21162)
2 is added to Division 13 of the Public Resources Code, to read:

3
4 ~~CHAPTER 5.2. CLEAN HYDROGEN TRANSPORTATION PROJECTS~~

+
6 21162. For purposes of this chapter, “clean hydrogen
7 transportation project” means a pipeline project composed of a
8 system that transports hydrogen, and any associated facilities
9 necessary for the system’s operation, that meets all of the following
10 criteria:

11 (a) The project or a component of the project has been included
12 in an Alliance for Renewable Clean Hydrogen Energy Systems
13 hydrogen hub application to the United States Department of
Page 3 1 Energy.

3 (b) The transported hydrogen does not use fossil fuel as the
4 feedstock or energy source for its production.

5 (c) The project meets the labor and workforce requirements
6 described in Sections 25545.3.3 and 25545.3.5.

7 (d) The project will result in the minimum investment required
8 of an environmental leadership development project pursuant to
9 subdivision (a) of Section 21183.

10 (e) The project will meet the greenhouse gas reduction
11 requirements applicable to an environmental leadership
12 development project described in subdivision (e) of Section 21183.
13 For purposes of this section, reductions in emissions of greenhouse
14 gases by users of the clean hydrogen transported by the project
15 shall be accounted for in calculating whether the project will lead
16 to reductions in emissions of greenhouse gases.

17 (f) The project will lead to operational reductions in the
18 emissions of oxides of nitrogen, including reductions caused by
19 the replacement of fuels used by end users with clean hydrogen
20 transported by the project.

22 (g) For linear projects, 25 percent or more of the linear
23 infrastructure will be constructed within a previously disturbed
24 corridor.

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Page 3 25 ~~(h) The project applicant has entered into the agreement required~~
26 ~~of an environmental leadership development project pursuant to~~
27 ~~subdivision (c) of Section 21183.~~
28 ~~21162.1. (a) Within 30 days of the submission of the~~
29 ~~application for a discretionary permit or authorization for a clean~~
30 ~~hydrogen transportation project, the lead agency shall review the~~
31 ~~application and make a determination of completeness.~~
32 ~~(b) The lead agency may require the applicant to submit~~
33 ~~additional information, documents, or data deemed reasonably~~
34 ~~necessary to prepare the clean hydrogen environmental assessment~~
35 ~~for the application and to make a decision on the application. The~~
36 ~~lead agency shall also require the applicant to submit additional~~
37 ~~information requested by trustee agencies for the purposes of~~
38 ~~supporting a decision on the application and the clean hydrogen~~
39 ~~environmental assessment. The lead agency shall transmit the~~
Page 4 1 ~~request for additional information within 30 days of the submission~~
2 ~~of the application.~~
3 ~~(c) An application is deemed to be complete when either of the~~
4 ~~following occurs:~~
5 ~~(1) Thirty days after the submission of the application, if the~~
6 ~~lead agency does not require the submission of additional~~
7 ~~information pursuant to subdivision (b).~~
8 ~~(2) Immediately upon acceptance of the additional information~~
9 ~~requested by the lead agency pursuant to subdivision (b), if the~~
10 ~~lead agency requires the submission of additional information~~
11 ~~pursuant to subdivision (b).~~
12 ~~(d) The lead agency may request additional information from~~
13 ~~the applicant to address comments by public agencies on the scope~~
14 ~~and content of the information required to be included in a clean~~
15 ~~hydrogen environmental assessment for a discretionary permit or~~
16 ~~authorization. The applicant shall provide the requested information~~
17 ~~to the lead agency within 30 days of receiving the request.~~
18 ~~(e) (1) Except as provided in paragraph (2), no later than 270~~
19 ~~days after the application is deemed complete, or as soon as~~
20 ~~practicable thereafter, the lead agency shall determine whether to~~
21 ~~approve the clean hydrogen environmental assessment pursuant~~
22 ~~to Section 21162.2 and to issue a discretionary permit or~~
23 ~~authorization for the clean hydrogen transportation project.~~
24 ~~(2) Paragraph (1) does not apply, and the time to approve the~~
25 ~~clean hydrogen environmental assessment pursuant to Section~~

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Page 4 26 ~~21162.2 or issue a discretionary permit or authorization for the~~
27 ~~clean hydrogen transportation project may be extended if one or~~
28 ~~more of the following occurs:~~
29 ~~(A) Substantial changes are proposed in the project that may~~
30 ~~involve new significant environmental effects or a substantial~~
31 ~~increase in the severity of previously identified significant effects.~~
32 ~~(B) Substantial changes occur with respect to the circumstances~~
33 ~~under which the clean hydrogen transportation project is undertaken~~
34 ~~that may involve new significant environmental effects or a~~
35 ~~substantial increase in the severity of previously identified~~
36 ~~significant effects.~~
37 ~~(C) New information of substantial importance, which was not~~
38 ~~known and could not have been known with the exercise of~~
39 ~~reasonable diligence before the lead agency publishes the draft of~~
40 ~~the clean hydrogen environmental assessment pursuant to Section~~
Page 5 1 ~~21162.2, is submitted that may require additional analysis and~~
2 ~~consideration.~~
3 ~~(D) The lead agency, in consultation with the Department of~~
4 ~~Fish and Wildlife or the State Water Resources Control Board, if~~
5 ~~applicable, determines that additional time is necessary to obtain~~
6 ~~information and conduct surveys, including due to seasonal~~
7 ~~constraints.~~
8 ~~(f) Responsible agencies shall take final action on the clean~~
9 ~~hydrogen transportation project within 90 days after the approval~~
10 ~~by the lead agency of the clean hydrogen environmental assessment~~
11 ~~for the clean hydrogen transportation project if the applicant has~~
12 ~~filed a complete, final application for a permit or authorization, as~~
13 ~~applicable, with those agencies before the approval of the clean~~
14 ~~hydrogen environmental assessment.~~
15 ~~21162.2. Notwithstanding any other provision of this division,~~
16 ~~an application for a discretionary permit or authorization for a~~
17 ~~clean hydrogen transportation project shall be reviewed through~~
18 ~~a clean hydrogen environmental assessment, unless otherwise~~
19 ~~requested by the applicant, as follows:~~
20 ~~(a) An initial study shall be prepared to identify all significant~~
21 ~~or potentially significant impacts of the clean hydrogen~~
22 ~~transportation project. A clean hydrogen transportation project's~~
23 ~~potential cumulative effects shall not be treated as cumulatively~~
24 ~~considerable for purposes of this subdivision and do not need to~~
25 ~~be analyzed.~~

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Page 5 26 ~~(b) The clean hydrogen environmental assessment is not required~~
27 ~~to analyze alternatives.~~
28 ~~(c) The clean hydrogen environmental assessment shall contain~~
29 ~~measures that, to the extent feasible, either avoid or mitigate to a~~
30 ~~level of insignificance potentially significant or significant effects~~
31 ~~of the project required to be identified in the initial study.~~
32 ~~(d) The clean hydrogen environmental assessment shall include~~
33 ~~an environmental justice assessment that identifies where potential~~
34 ~~significant or disproportionate impacts exist and suggests strategies,~~
35 ~~designs, or actions to mitigate those impacts.~~
36 ~~(e) A draft of the clean hydrogen environmental assessment~~
37 ~~shall be circulated for public comment for a period of not less than~~
38 ~~30 days. Notice shall be provided in the same manner as required~~
39 ~~for an environmental impact report pursuant to Section 21092.~~
Page 6 1 ~~(f) Before acting on the clean hydrogen environmental~~
2 ~~assessment, the lead agency shall consider all comments received.~~
3 ~~(g) A clean hydrogen environmental assessment may be~~
4 ~~approved by the lead agency after conducting a public hearing,~~
5 ~~reviewing the comments received, and finding both of the~~
6 ~~following:~~
7 ~~(1) All potentially significant or significant effects required to~~
8 ~~be identified in the initial study have been identified and analyzed.~~
9 ~~(2) With respect to each significant effect on the environment~~
10 ~~required to be identified in the initial study, any of the following~~
11 ~~apply:~~
12 ~~(A) Changes or alterations have been required in or incorporated~~
13 ~~into the project that avoid or mitigate the significant effects to a~~
14 ~~level of insignificance.~~
15 ~~(B) Those changes or alterations are within the responsibility~~
16 ~~and jurisdiction of another public agency and have been, or can~~
17 ~~and should be, adopted by that other agency.~~
18 ~~(C) Specific economic, legal, social, technological, or other~~
19 ~~considerations, including provision of employment opportunities~~
20 ~~for highly trained workers, make infeasible the mitigation measures~~
21 ~~identified in the clean hydrogen environmental assessment.~~
22 ~~(h) The lead agency's decision to approve a clean hydrogen~~
23 ~~environmental assessment and issue a discretionary permit or~~
24 ~~authorization to a clean hydrogen transportation project shall be~~
25 ~~reviewed under the substantial evidence standard.~~

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Page 7 2 ~~21162.3. This chapter shall remain in effect only until January~~
3 ~~1, 2036, and as of that date is repealed.~~
4 ~~SEC. 2. No reimbursement is required by this act pursuant to~~
5 ~~Section 6 of Article XIII B of the California Constitution because~~
6 ~~a local agency or school district has the authority to levy service~~
7 ~~charges, fees, or assessments sufficient to pay for the program or~~
8 ~~level of service mandated by this act, within the meaning of Section~~
9 ~~17556 of the Government Code.~~

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