

Date of Hearing: June 9, 2021

ASSEMBLY COMMITTEE ON NATURAL RESOURCES
Luz Rivas, Chair
SB 347 (Caballero) – As Amended March 17, 2021

SENATE VOTE: 38-0

SUBJECT: Urban forestry: California Community and Neighborhood Tree Voluntary Tax Contribution Fund

SUMMARY: Establishes the California Community and Neighborhood Tree Voluntary Tax Contribution Fund (Community Tree Fund) and continuously appropriates moneys from this fund to the Department of Forestry and Fire Prevention (CAL FIRE) for the Urban and Community Forestry Grant Program, as specified.

EXISTING LAW:

- 1) Defines “urban forestry” to mean the cultivation and management of native or introduced trees and related vegetation in urban areas for their present and potential contribution to the economic, physiological, sociological, and ecological well-being of urban society.
- 2) Defines “urban forest” to mean those native or introduced trees and related vegetation in the urban and near-urban areas, including, but not limited to, urban watersheds, soils, and related habitats, street trees, park trees, residential trees, natural riparian habitats, and trees on other private and public properties.
- 3) Requires CAL FIRE to implement a program in urban forestry to encourage better tree management and planting in urban areas to increase integrated, multiple benefit projects by assisting urban areas with innovative solutions to problems, including reductions in the emissions of greenhouse gases, mitigation of public health impacts of poor air and water quality, mitigation of urban heat island effect, improved capture of stormwater and dry weather runoff, addressing water shortages, lack of green space, lack of urban parks that are accessible to pedestrians, vandalism, and insufficient tree maintenance.
- 4) Requires CAL FIRE to be the agent of the state, provides them full power to cooperate with those agencies of the federal government that have powers and duties concerning urban forestry. Requires CAL FIRE to perform all things necessary to secure the benefits of the federal urban forestry programs.
- 5) Requires CAL FIRE to take all feasible steps to prevent or retard the introduction, establishment, and spread of known or potentially damaging or devastating pest and diseases.
- 6) Requires CAL FIRE to provide technical assistance to urban areas for planning and preparation of urban tree plans.
- 7) Authorizes CAL FIRE to make grants of between 25% and 90% of costs for projects. Allows CAL FIRE to waive the cost sharing requirement for projects that are in disadvantaged and severely disadvantaged communities. Authorizes grants for any of the following:

- a) Development of urban tree plans and urban forest master plans;
 - b) Provision of seedling and tree stock;
 - c) Tree planting projects;
 - d) Energy saving urban forest programs;
 - e) Use of urban forests for air quality improvement, reduction in greenhouse gas emissions, or reduction of urban heat island effect;
 - f) Community education and engagement program on the benefits, and proper care, and maintenance of trees;
 - g) Improved urban forest maintenance, and projects that respond to events that impact urban forest health, including drought, storms, pest, and disease; and,
 - h) Planning and technical assistance for eligible applicants assisting disadvantaged communities.
- 8) Authorizes advanced payments up to 25% of the total grant award.
- 9) Allows a taxpayer to contribute money to voluntary contribution funds (VCFs), by checking a box on their state Personal Income Tax return.
- 10) Allows a taxpayer to claim the contribution as a charitable deduction on their return in the subsequent year.
- 11) Requires, for any new voluntary tax contribution fund added to the list, the fund to generate at least \$250,000 annually, as specified, to stay on the list.

THIS BILL:

- 1) Establishes the Community Tree Fund and authorizes an individual to designate on the tax return that a contribution in excess of the personal income tax liability, if any, be made to the fund. Establishes requirements for this process and tasks the State Controller and Franchise Tax Board (FTB) with associated duties, as specified. Requires the Community Tree Fund receive at least \$250,000 per calendar year in contributions to stay operative.
- 2) Provides that the Community Tree Fund and its associated provisions shall remain in effect until January 1, 2028, and the provisions will be repealed on December 1, 2028.
- 3) Continuously appropriates moneys from the Community Tree Fund as follows:
 - a) To the FTB and the State Controller for reimbursement of all costs incurred in managing contributions to the Community Tree Fund, as specified.
 - b) To CAL FIRE to fund grants under the Urban and Community Forestry Grant Program. Requires CAL FIRE to use a minimum of 25% of the funds in low-income or disadvantaged communities for the following:

- i) To develop urban tree plans that include coordination of local agency efforts and community involvement.
 - ii) To develop urban tree plans that include coordination of multiple jurisdictions, multiple agency efforts, and community involvement.
 - iii) To develop urban forest master plans or similar plans designed to provide comprehensive protection, maintenance, and management of the urban forest.
 - iv) To develop training and educational materials on proper care and maintenance of trees and the urban forest, including young and mature tree care.
 - v) For improved urban forest maintenance and projects that respond to events that impact urban forest health, including drought, storms, pests, and disease.
- 4) Requires CAL FIRE to report on an internet website the number of trees planted, the location of the trees planted, and the volume of projected carbon captured by the trees planted, and information to assist contributors to the Community Tree Fund in interacting with local and regional tree planting programs.

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

1) **Author's statement:**

Placing the California Community and Neighborhood Tree Fund (CCNTG) on the state income tax as a voluntary contribution fund (VCF) provides a modest, but reliable, source of funding for the tree planting program most focused on bringing trees to communities that are disadvantaged or lack government infrastructure and need funds to enter into and support urban tree planting and care agreements.

The most successful voluntary contribution funds are those with broad, state-wide non-profit support. Fortunately, Californians are the original tree huggers, and from San Diego to the Oregon border, numerous groups work directly with local governments, utilities, and the public to plant trees, often in partnership with the existing CAL FIRE urban forestry program. These groups will use the CCNTF as a fundraising rallying point, and private foundations can make direct contributions to the fund to further support the state's urban forestry programs.

- 2) **Urban Forestry.** An urban forest is comprised of trees and other vegetation in and around urban communities, including the trees in our yards and along residential streets, in parking lots and along commercial thoroughfares, on school grounds and in parks and open spaces. Under the authority given to CAL FIRE, it works to expand and improve the management of trees and related vegetation in urban communities throughout California.

One of CAL FIRE's missions is to lead the effort to advance the development of sustainable urban and community forests in California. According to CAL FIRE, trees provide energy

conservation; reduction of storm-water runoff to extend the life of surface streets; improve local air, soil, and water quality; reduce atmospheric carbon dioxide; improve public health; provide wildlife habitat; and, increase property values. Trees improve the quality of life in our urban environments including reducing heat.

CAL FIRE has seven Regional Urban Foresters throughout the state to provide expert urban forestry support to communities, non-profit groups, and other municipal governments to create and maintain sustainable urban forests. These specialists also administer and provide technical support for grants that are offered for activities such as tree planting, municipal tree inventories and management plans, urban forest educational efforts, and innovative urban forestry projects. CAL FIRE's urban forestry grants assist communities throughout California with advancing their urban forestry efforts. CAL FIRE has received funding from the federal government, various resource bonds, and the Greenhouse Gas Reduction Fund (GGRF) for the Urban Forestry program. CAL FIRE has either planted or is in the process of planting approximately 120,000 trees since it first received GGRF in 2014. The wildfire early action expenditure plan contained in SB 85 (Committee on Budget and Fiscal Review), Chapter 14, Statutes of 2021, appropriated \$536 million to 15 different state agencies for fire prevention activities. This included \$10 million to CAL FIRE for Urban Forestry.

California's urban forests are under tremendous pressure from drought and disease. Extreme weather and emerging tree pests such as the Polyphagous Shot Hole Borer and Kuroshio Shot Hole Borer threaten the gains California has made in increasing the urban canopy. As part of grant awards, CAL FIRE provides best management practices, and in some cases funding, for tree maintenance.

- 3) **Double referral.** This bill has also been referred to the Assembly Revenue and Taxation Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Association of California Water Agencies
 Bay Area Urban Forest Ecosystem Council
 Britton Fund
 California Releaf
 California Urban Forests Council
 City of Huron
 City of King
 City of Los Banos
 City of Merced
 City of Salinas
 City of Soledad
 Davey Tree Expert Company and Davey Resource Group, Inc.
 Inland Urban Forest Council
 International Society of Arboriculture Western Chapter
 Los Angeles Urban Cooling Collaborative
 Sacramento Urban Forest Council

San Benito County
San Diego Regional Urban Forests Council
Street Tree Seminar
Tree Fresno
West Coast Arborists

Opposition

None on file

Analysis Prepared by: Michael Jarred / NAT. RES. /