

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1661 (Bryan) – As Introduced January 29, 2026

Policy Committee: Natural Resources

Vote: 10 - 1

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the Department of Conservation (DOC) to allocate the first \$5 million deposited in the Equitable Community Repair and Reinvestment Account (Account) to Los Angeles (LA) County to provide cash assistance to families living near the Inglewood Oil Field (IOF).

Specifically, this bill:

- 1) Requires DOC to, upon appropriation by the Legislature and subject to the terms of the appropriation, distribute the first \$5 million deposited into the Account to LA County to disburse in direct cash assistance to families living within 2 ½ miles of the identified low-production oil wells who have children with respiratory health conditions.
- 2) Prohibits funds from the Account from being distributed to other project categories authorized under existing law until the \$5 million in cash assistance has been distributed.

FISCAL EFFECT:

- 1) DOC estimates costs of approximately \$477,000 in year one followed by \$441,000 in ongoing annual costs (Oil, Gas, and Geothermal Administrative Fund) to hire one supervisor and two analysts to develop program guidelines (including defining criteria for fund eligibility), provide support and guidance to LA County, and audit the county's compliance with state guidelines. It is not clear to the committee whether or why DOC would require ongoing resources once the \$5 million has been fully allocated to and disbursed by the county.
- 2) By requiring a set-aside for direct cash assistance from the Account, this bill creates a one-time cost pressure of \$5 million on the Account, the General Fund, or some other potential funding source to the extent there is insufficient funding for all eligible families or DOC is unable to allocate this funding to other authorized project categories, such as park creation or expansion and maintenance of new outdoor amenities in park-poor neighborhoods, urban greening, affordable housing needed to accommodate community needs, climate mitigation and resilience, and community benefit projects with environmental co-benefits.

COMMENTS:

- 1) **Purpose.** According to the author:

Communities living next to active oil fields continue to experience disproportionately high rates of respiratory illness. Families in these neighborhoods are routinely exposed to harmful air pollutants, as well as chronic noise and vibration associated with oil drilling operations. AB 1661 ensures that the first \$5 million deposited into the Equitable Community Repair and Reinvestment Account, established under AB 2716, will be given as direct cash assistance to families living within 2.5 miles of the Inglewood Oil Field who have a child with a respiratory health condition.

- 2) **Background. IOF.** According to LA County, more than one million people live within five miles of the IOF – one of the largest contiguous urban oil fields in the nation. According to Sentinel Peak Resources, LLC (Sentinel), owner of the IOF, of the wells in the IOF, 414 are active and 162 are idle. Under a settlement agreement with Culver City and Sentinel, Sentinel must plug and abandon a minimum of 15 wells by December 31, 2027, and plug and abandon all remaining wells and complete the overall closure of the IOF by December 31, 2029. LA County may conditionally authorize an extension under special circumstances, not extending beyond December 31, 2032. In December 2025, LA County filed a lawsuit against Sentinel for failing to plug and abandon 227 idle or exhausted wells in the IOF, “thereby causing toxic pollutants to leak into the air, land and water, leading to significant environmental harms and health risks to communities surrounding the IOF.”

Low-Production Wells. A low-production well means an oil or gas well that produced, on average, fewer than 15 barrels of oil per day during the past 12 consecutive months, or a natural gas well whose maximum daily average gas production did not exceed 60,000 cubic feet of gas, per day, during the past 12 consecutive months. AB 2716 (Bryan), Chapter 549, Statutes of 2024, prohibits the operation of low-production oil and gas wells located in the IOF and imposes a \$10,000 per month penalty upon these wells if they remain in low production for more than 12 months until they are plugged and abandoned. All penalty revenue is to be deposited into the Account to fund specified projects. Based on the timelines in AB 2716, the soonest a penalty could be assessed for a violation would be April 2027; therefore, there are currently no funds in the Account.

Assistance for Impacted Communities. Residents living near oil fields have long reported adverse health effects such as respiratory, reproductive, and cardiovascular issues. In the LA area, many of these risks disproportionately affect low-income communities and communities of color. Supporters of this bill contend this bill is an “opportunity to hold polluters accountable for the decades of harm they have caused to frontline communities,” and that this bill can serve as a “meaningful example of environmental reparations and position California as a leader in addressing past harm from the oil and gas industry.”

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