

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1802 (Stefani) – As Introduced February 10, 2026

Policy Committee:	Water, Parks and Wildlife	Vote:	13 - 0
	Local Government		10 - 0

Urgency: No                      State Mandated Local Program: No                      Reimbursable: No

**SUMMARY:**

This bill deletes the sunset date of January 1, 2027, on the ability of governmental agencies, special districts, or nonprofit organizations that manage mitigation lands to hold and manage the endowments established for the long-term stewardship of those mitigation lands.

**FISCAL EFFECT:**

By deleting the sunset on the ability of specified entities to hold and manage endowments for the stewardship of mitigation lands, this bill results in a continuation of ongoing costs to the California Department of Fish and Wildlife (CDFW) of an unknown amount, potentially in excess of \$150,000 (Fish and Game Preservation Fund). CDFW requires mitigation under its regulatory authorities. Mitigation may include the preservation of lands in perpetuity, which typically requires an endowment to appropriately manage the lands. The entity responsible for the mitigation lands (like a permittee or a bank sponsor) provides the endowment funds to the endowment holder, and the endowment holder then invests and distributes those funds to the mitigation land manager to implement management activities.

To administer this provision in law, CDFW conducts oversight, review, and tracking of endowments. For example, the department tracks self-certification letters and annual fiscal reports provided by endowment holders as required by the Government Code and sends reminder letters when entities miss an annual report. CDFW staff also track and monitor endowments held at the National Fish and Wildlife Foundation (NFWF) governed by a memorandum of understanding between CDFW and NFWF.

Conversely, CDFW notes that if this provision in law (including the self-certification mechanism) sunsets in 2027, the department will incur increased costs – including program staff, management, and legal review – to perform extended review of third-party mitigation fund holders.

**COMMENTS:**

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

For more than 15 years, allowing nonprofits and special districts to fund, hold, and manage mitigation has proven to be a vital tool to reduce environmental impacts of development projects and ensure the long-term stewardship of California’s unique habitats and wildlife.

When mitigation land holders directly manage endowments, habitat management is more responsive and effective, ensures regulatory certainty, and supports streamlined compliance in infrastructure and development projects. AB 1802 removes the sunset on this existing authority, ensuring continuity for the organizations responsible for protecting and stewarding mitigation lands.

- 2) **Background.** Several bills have been introduced and enacted in the last two decades to create authority and standards for entities to hold and manage mitigation lands. The California Council of Land Trust (CCLT), the sponsor of this bill, notes that when a private party or public agency seeks a permit for a development project, the party or agency may be required to provide funds to set aside lands for mitigation. In addition, the project developer may be required to finance the management or stewardship in perpetuity of those lands dedicated for mitigation. This financial set-aside is also known as an endowment. CCLT notes this is a common practice to “lessen and offset the adverse effects caused by various uses of public lands by requiring protection of California’s plant and wildlife species for future generations,” and that endowments are essential for mitigation because an endowment “perpetually replenishes itself through interest earned on principal, ensuring there is funding available for the perpetual stewardship of the land.”

This bill deletes a statutory sunset date so that governmental agencies, special districts, or nonprofit organizations may hold mitigation endowment funds in perpetuity. This practice can create efficiencies and reduce costs for the governmental agency that requires a project proponent to set aside land and funding as mitigation for the development of a project or infrastructure the government agency has permitted and approved. CCLT writes that when mitigation land holders directly manage endowments, “habitat management is more responsive and effective, ensures regulatory certainty, and allows infrastructure and development projects to proceed with streamlined compliance.”

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