
THIRD READING

Bill No: AB 1802
Author: Stefani (D)
Amended: 7/2/26 in Senate
Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 7-0, 6/23/26
AYES: Becker, Seyarto, Allen, Cabaldon, Grove, Laird, Stern

SENATE LOCAL GOVERNMENT COMMITTEE: 7-0, 7/1/26
AYES: Durazo, Choi, Arreguín, Ashby, Cervantes, Laird, Seyarto

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 74-0, 5/22/26 - See last page for vote

SUBJECT: Land use: mitigation lands: endowments

SOURCE: California Council of Land Trusts

DIGEST: This bill removes the sunset on the ability of a governmental agency, nonprofit organization, or a special district that manages mitigation lands to also hold and manage the endowments established for long-term stewardship of those lands, and requires the California Department of Fish and Wildlife (CDFW) to compile a summary of the status of endowments subject to CDFW's jurisdiction every five years, as provided.

ANALYSIS:

Existing law:

- 1) Authorizes a state or local agency that requires property to be protected in order to mitigate impacts from a development project to identify how funding needs for the long-term stewardship of the mitigation property will be met. Authorizes

the state or local agency to require that an endowment be established for this purpose. (Government Code §65966)

- 2) Authorizes a state or local agency to authorize certain entities to hold title to and manage property transferred pursuant to required mitigation for the permitting of a development project under the Planning and Zoning Law, as provided. (Government Code §65967)
 - a) Eligible entities include a governmental entity, special district, a nonprofit organization, a for-profit entity, or a person, among others.
 - b) If a state or local agency is required to protect property to mitigate an adverse impact on natural resources, the agency may take any action that the agency deems necessary in order to meet its mitigation obligations, including holding an endowment, as provided.
 - c) “Endowment” means the funds that are conveyed solely for the long-term stewardship, including long-term management, of a mitigation property, and held appropriately to that end, as specified. Endowments do not include funds conveyed for meeting short-term performance objectives of a project.
- 3) Provides that an endowment may be held by the same entity that holds the property held for mitigation purposes in certain circumstances, or held by certain other entities, as specified. (Government Code §65968)
- 4) Requires the holder of an endowment to certify to the project proponent or the holder of the mitigation property or a conservation easement and the local or state agency that required the endowment that it meets specified requirements. These requirements include the holder’s use of generally accepted accounting practices, the holder’s capacity to effectively manage the mitigation funds and achieve reasonable rates of return from the investment of those funds, among other things. (Government Code §65968)
- 5) Sunsets on January 1, 2027, the authority of a governmental entity, special district, or nonprofit organization that hold the property held for mitigation purposes to also hold the endowment for the property, as provided. (Government Code §65968)

This bill:

- 1) Removes the sunset on the ability of a governmental agency, nonprofit organization, or a special district that manages mitigation lands to also hold and

manages the endowments established for long-term stewardship of those lands, as provided.

- 2) Requires, on or before July 1, 2030 and every five years thereafter, CDFW to post on its internet website a summary table providing information on the status of certain endowments where CDFW provides state oversight of the endowment or the endowment is held pursuant to CDFW permitting requirements, as specified.
 - a) Requires the summary table to provide certain specific information, including the location and number of acres managed for that project, among others.
 - b) Requires CDFW to notify the appropriate legislative policy and fiscal committees of the availability of the summary table.

[NOTE: For additional information regarding this bill, see the Senate Natural Resources and Water and Local Government Committees' analyses.]

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- By deleting the sunset on the ability of specified entities to hold and manage endowments for the stewardship of mitigation lands, this bill would result in the 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 [FGPF]).
- CDFW notes that if this provision in law (including the self-certification mechanism) sunsets in 2027 (absent this bill), the department would incur increased costs – including program staff, management, and legal review – to perform extended review of third-party mitigation fund holders. Therefore, this bill would also result in cost savings.

SUPPORT: (Verified 8/13/26)

California Council of Land Trusts (sponsor)
County of Placer
Eastern Sierra Land Trust
Elkhorn Slough Foundation
Feather River Land Trust
Filoli

John Muir Land Trust
Kings River Land Trust
Lake County Land Trust
Marin Agricultural Land Trust
Placer Land Trust
Rivers & Lands Conservancy
Sacramento Valley Conservancy
Sequoia Riverlands Trust
Sierra Business Council
Sierra County Land Trust
Sierra Foothill Conservancy
Sierra Nevada Alliance
Siskiyou Land Trust
Solano Land Trust
Sonoma Land Trust
The Land Trust of Santa Barbara County
The Nature Conservancy
Tri-Valley Conservancy
Truckee Donner Land Trust

OPPOSITION: (Verified 8/13/26)

None received

ARGUMENTS IN SUPPORT: 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.”

ASSEMBLY FLOOR: 74-0, 5/22/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee,

Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan,
Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle
Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins,
Solache, Soria, Stefani, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas
NO VOTE RECORDED: Arambula, Chen, Gabriel, Celeste Rodriguez, Ta, Wicks

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