THIRD READING

Bill No: AB 195
Author: Committee on Budget
Amended: 8/28/26 in Senate
Vote: 21

SENATE BUDGET & FISCAL REVIEW COMMITTEE: 18-0, 8/31/26
AYES: Laird, Niello, Archuleta, Blakespear, Cabaldon, Choi, Durazo, Grove, Hurtado, McNerney, Menjivar, Ochoa Bogh, Pérez, Reyes, Richardson, Seyarto, Smallwood-Cuevas, Weber Pierson

ASSEMBLY FLOOR: 53-17, 3/20/25 - See last page for vote

**SUBJECT:** Income taxes: exclusions: wildfire loss mitigation payments

**SOURCE:** Author

**DIGEST:** This is a revenue trailer bill for the 2026-27 Budget. This bill contains statutory changes related to home hardening necessary to implement the Budget Act of 2026.

**ANALYSIS:**

This bill:

1) Adds specified mitigation payments made under the wildfire mitigation grant program established pursuant to the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, in Section 91510 of the Public Resources Code, to an existing exemption from state personal income tax and corporation tax for payments received through The California Wildfire Mitigation Financial Assistance Program under Article 16.5 (commencing with Section 8654.2) of the Government Code.

2) Updates the definition of California qualified wildfire loss mitigation payment to mean any grant, rebate, direct assistance, or other financial assistance for wildfire mitigation, home hardening, structure hardening, vegetation

management, defensible space, fuel modification activities, or community wildfire resilience through either of the following:

a) The California Wildfire Mitigation Financial Assistance Program, or

b) The wildfire mitigation grant program established pursuant to the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, in Section 91510 of the Public Resources Code.

3) Extends the exemption by two years to taxable years beginning before January 1, 2031.

4) Appropriates $10,000 General Fund to the Office of Emergency Services to implement reporting requirements.

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

The revenue impacts of the provisions of the bill are minor and absorbable. The provisions of this bill are necessary to implement the requirements of the 2026-27 Budget.

**SUPPORT:** (Verified 8/28/26)

None received

**OPPOSITION:** (Verified 8/28/26)

None received

ASSEMBLY FLOOR: 53-17, 3/20/25
AYES: Addis, Aguiar-Curry, Arambula, Ávila Farías, Bains, Bennett, Berman, Boerner, Bonta, Bryan, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Jackson, Kalra, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Alanis, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa
NO VOTE RECORDED: Ahrens, Alvarez, Bauer-Kahan, Calderon, Essayli, Hoover, Irwin, Krell, Papan, Wallis

Prepared by: Nora Brackbill / B. & F.R. / (916) 651-4103
8/31/26 11:26:22

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