

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2260 (Connolly) – As Amended March 17, 2026

Policy Committee: Water, Parks and Wildlife Vote: 12 - 0

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

SUMMARY:

This bill creates a new water right registration for a “small restoration use.”

Specifically, this bill, among other things:

- 1) Authorizes the State Water Resources Control Board (State Water Board) to issue a water right registration for a small restoration use and requires a registration for a small restoration use to be renewed prior to the expiration of each five-year period following completed registration.
- 2) Defines “small restoration use” as either of the following in connection with a project to restore, enhance, or provide habitat for native fish and wildlife:
 - a) A use for fish and wildlife preservation and enhancement (as defined) not to exceed diversion to storage of 20 acre-foot (AF) per year, including impoundment for incidental fire protection, recreational, or fish and wildlife purposes.
 - b) A use for fish and wildlife preservation and enhancement not to exceed direct diversion of 42,000 gallons per day, up to a maximum of 20 AF per year.
- 3) Requires the State Water Board to prioritize processing small restoration use registrations that are coupled with a petition for mandatory dedication to instream beneficial uses or wetlands habitat, as specified.
- 4) Authorizes the State Water Board to establish general conditions for some methods of diversion or categories of small restoration use before establishing general conditions for other methods or categories, in which case a registration for small restoration use is authorized only for those methods or categories for which the State Water Board has established the general conditions for the protection of instream beneficial uses.

FISCAL EFFECT:

- 1) The State Water Board estimates \$500,000 (Water Rights Fund) in annual costs for two to three years to hire two staff to develop general conditions for small restoration use registrations. In addition, the board anticipates one-time contracting costs of about \$1 million (General Fund) to develop environmental review documents (pursuant to the California Environmental Quality Act) related to the general conditions. Upon adoption of the general conditions, the board anticipates ongoing annual costs ranging from \$500,000 to \$750,000

(Water Rights Fund) for between two and three staff to process small restoration use registrations, depending on demand for the registrations.

The State Water Board's ongoing costs may be recoverable via fees. The board charges annual fees for water right registrations for a small domestic use, a small irrigation use, and a livestock stockpond use (Water Rights Fund) to recover costs incurred, among other things, in connection with the issuance, administration, review, monitoring, and enforcement of water right registrations. However, the committee notes it is not entirely clear if the bill as drafted authorizes the State Water Board to charge fees for the new water right registration created by this bill. The author may wish to consider amending Water Code section 1525(b) (2) to make it explicitly clear that the board has the authority to collect fees for small restoration uses and recover its costs for implementing this bill.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

- 2) The California Department of Fish and Wildlife (CDFW) notes the creation of a new water right registration may increase the workload of its regional water right coordinators but that these costs are likely absorbable.

COMMENTS:

- 1) **Purpose.** The author argues this bill addresses a barrier to implementing restoration projects by creating an expedited pathway, a small restoration use water right registration, that involves a relatively small amount of water. The author maintains that by making this change, "California will increase the pace of restoration projects that support healthy fish and wildlife populations, increase water supply certainty for communities, and improve drought resilience."
- 2) **Background.** The State Water Board's Division of Water Rights administers California's water right system, including water right registrations. Water right registrations provide an expedited pathway to acquisition of an appropriative water right for certain small projects – specifically small domestic use, small irrigation use, and livestock stockponds. These registrations last for a term of up to five years and may be renewed for additional five-year terms if the registrant meets conditions placed upon the registration, reports their use, and pays fees.

According to the State Water Board, the process to apply for a water right registration proceeds as follows. The State Water Board reviews the registration packet to ensure the submittal meets the criteria of the program. Once the review is complete, for a small domestic use or livestock stockpond registration, the State Water Board shares the registration with CDFW for an opportunity to develop special conditions, unless CDFW has already submitted special conditions or a waiver of conditions. For a small irrigation use registration, an applicant must consult with CDFW prior to submittal of a registration. After State Water Board review, the board may issue a certificate of registration subject to any special conditions from CDFW.

According to the Assembly Water, Parks, and Wildlife Committee analysis of this bill, in 2023, the State Water Board reported 1,004 small domestic use registrations, 26 small irrigation use registrations, and 363 livestock stockpond registrations.

This bill is sponsored by the California Salmon and Steelhead Coalition (The Nature Conservancy, California Trout, and Trout Unlimited). The coalition notes that streamflow is vital for California's native fish and wildlife, including endangered salmon and steelhead, but climate change and widespread small water diversions are reducing flows in coastal watersheds, sometimes causing streams to run critically low or dry in the summer, threatening ecosystems and water supplies for communities and tribes.

To address this, conservation groups and water users are collaborating on projects that shift water diversions to the wet season by installing offstream storage (such as tanks or ponds), allowing users to store water when it is abundant and forgo summer diversions under binding agreements, thereby improving dry season streamflow. The coalition contends that although effective, these projects are slowed and made more costly by existing regulations requiring new appropriative water rights, a process not designed for restoration purposes and often taking years; this bill seeks to address this challenge by creating a streamlined water rights pathway specifically for small restoration projects.

- 3) **Related Legislation.** AB 717 (Aguiar-Curry) of the current legislative session was similar to this bill and created a new water right registration for a "small restoration use." AB 717 was held on this committee's suspense file.

Analysis Prepared by: Nikita Koraddi / APPR. / (916) 319-2081