

ASSEMBLY THIRD READING

AB 2322 (Papan)

As Amended April 6, 2026

Majority vote

SUMMARY

Establishes a definition for "commercial, industrial, or institutional site" (CII site), for the purposes of issuing permits for the discharge of stormwater from municipal separate sewer systems (MS4s).

Major Provisions

- 1) Defines "CII site" to mean a privately-owned parcel or contiguous parcels of land that are commercial, industrial, or institutional (CII) based on the appropriate county tax assessor land use codes.
- 2) Specifies, for parcels with mixed use commercial and residential land use codes, that "CII site" means the CII portion of a mixed land use parcel.
- 3) Provides that "CII site" does not include residential facilities of any type, including those located within a parcel assigned the land use category of mixed use.

COMMENTS

The NPDES Permit Program: As authorized by the federal Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) Permit Program controls water pollution by regulating point sources—discrete conveyances such as pipes or human-made ditches—that discharge pollutants into waters of the United States. Examples of pollutants include, but are not limited to, rock, sand, dirt, and agricultural, industrial, and municipal waste. In California, implementation of the NPDES Permit Program has been delegated to the State Water Resources Control Board (State Water Board) and nine Regional Water Quality Control Boards (Regional Water Boards), which maintain regional jurisdiction within boundaries that are based on major watersheds. While the State Water Board has issued some NPDES permits, the Regional Water Boards issue the vast majority of NPDES permits in the state and ensure compliance with their permits through inspections, monitoring report reviews, and enforcement actions.

Stormwater discharges from MS4s: Because of their propensity to contain and mobilize pollutants, stormwater discharges are regulated through NPDES permits. The State Water Board and Regional Water Boards collectively implement and enforce the Municipal Stormwater Program, which regulates stormwater discharges from MS4s throughout California. The United States Environmental Protection Agency (US EPA) defines an MS4 as a conveyance or system of conveyances, which can include roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, human-made channels, and storm drains. Under Phase I of the Municipal Stormwater Program, Regional Water Boards have adopted NPDES permits to regulate discharges from MS4s serving municipalities with over 100,000 people; under Phase II, the State Water Board has issued a waste discharge requirement to regulate discharges from small MS4s serving municipalities with less than 100,000 people. Altogether, the Regional Water Boards and the State Water Board have adopted 12 MS4 permits.

US EPA and Regional Water Board action on pollution in two California watersheds: In response to petitions (submitted to Region 9 of the US EPA (Region 9) in 2015), a subsequent court case, and a 2018 District Court order, Region 9 used its residual designation authority—which the US EPA and authorized states can use to regulate and require NPDES permits for stormwater discharges on a case-by-case or categorical basis—to add requirements for certain stormwater sources that discharge into two Los Angeles County watersheds: the Alamitos Bay/Los Cerritos Channel Watershed and the Dominguez Channel and Los Angeles/Long Beach Inner Harbor Watershed. In a November 2024 memo, Region 9 issued its "Final Designation," stating: "the record demonstrates that stormwater discharges from the CII sources...contribute to violations of water quality standards...The Final Designation will require permit coverage for discharges from approximately 600 facilities and will significantly reduce discharges of pollutants of concern, including metals."

Region 9 is partnering with the Los Angeles Regional Water Quality Control Board (LA Regional Water Board), which is in the process of developing a new NPDES general permit to provide coverage for all CII facilities in the two watersheds designated by Region 9's action. The LA Regional Water Board released its first draft permit in 2022, followed by many subsequent revisions to reflect the US EPA's Final Designation and stakeholder input. On November 20, 2025, the LA Regional Water Board held a public hearing to hear and discuss stakeholder concerns and continue workshopping its tentative "Revised General NPDES Permit and Waste Discharge Requirements" for stormwater discharges from CII facilities. According to the LA Regional Water Board, once complete, this will be the first NPDES permit to regulate stormwater discharges from CII facilities.

Comment from the State Water Board: According to the Assembly Appropriations Committee analysis for AB 2322, the State Water Board asserts that existing MS4 permits do not regulate CII discharges and generally do not include a definition of CII sites, so there is nothing to update or standardize across permits. The definition of "CII site" this bill utilizes is drawn from the LA Regional Water Board's draft NPDES permit, which is being promulgated under residual designation authority for CII sites, not as (or under the authorities of) an MS4 permit.

This bill: AB 2322 establishes a definition for "CII site," for the purposes of issuing permits for stormwater discharges from MS4s.

According to the Author

"AB 2322 establishes a single, statewide definition of Commercial, Industrial, and Institutional (CII) facilities for municipal stormwater permits using existing county land use codes. Cities and counties currently operate under stormwater permits (MS4 permits) that require them to identify and inspect businesses and ensure stormwater controls are installed when sites are built or redeveloped. However, these existing permits rely on different MS4 permittees' interpretations of what is considered a regulated facility. As a result, identical businesses can face different inspection expectations and compliance requirements depending solely on where they operate. For example, a car wash may be included in one city's program but not in a neighboring jurisdiction. AB 2322 fixes this inconsistency by providing an objective, uniform standard that can be applied consistently across California. For businesses, that means clearer rules, more predictable planning, and a fair, level playing field statewide."

Arguments in Support

According to the California Coastkeeper Alliance:

"California's 12 MS4 stormwater permits each include requirements mandating stormwater capture whenever new development or significant redevelopment occurs; to reduce polluted runoff from newly created impervious surfaces before it reaches our waterways. Despite sharing the same underlying purpose, each MS4 permit defines 'CII' differently. This inconsistency creates serious problems of implementation. A facility in one jurisdiction may be required to install stormwater capture while an identical facility in an adjacent county faces no such obligation—a disparity based solely on geography rather than the nature of the development. Municipalities struggle to determine which facilities within their jurisdiction are actually subject to post-construction requirements, making consistent enforcement difficult.

AB 2322 fixes this by establishing a single, uniform statewide definition of 'CII site' grounded in objective county tax assessor land use codes... Importantly, AB 2322 does not expand the substantive scope of existing post-construction requirements; it simply standardizes which facilities those requirements cover."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, the State Water Board estimates minor and absorbable costs.

VOTES**ASM ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: 5-2-0**

YES: Connolly, Bauer-Kahan, Lee, McKinnor, Papan

NO: Ellis, Castillo

ASM APPROPRIATIONS: 10-3-2

YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Solache

NO: Hoover, Dixon, Tangipa

ABS, ABST OR NV: Muratsuchi, Ta

UPDATED

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