

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2619 (Papan) – As Amended April 8, 2026

Policy Committee:	Water, Parks and Wildlife	Vote:	10 - 2
	Local Government		8 - 2

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

**SUMMARY:**

This bill requires data center developers to provide information on water use to water suppliers and local governments prior to being issued a business license and upon renewal of a business license, requires urban water suppliers to consider data center demand in water shortage planning, and requires the Department of Water Resources (DWR) and the California Energy Commission (CEC) to develop guidelines.

Specifically, this bill, among other things:

- 1) Requires a person who owns or operates a data center, prior to applying to a city or county for an initial business license, equivalent instrument, or permit, to provide its water supplier, under penalty of perjury, an estimate of the expected water use, the anticipated source of water, and the data center's projected water use volume for the maximum day, maximum month, and average year.
- 2) Requires a person who owns or operates a data center, when applying for an initial license, equivalent instrument, or permit, to report, under penalty of perjury, on the application, that same information and requires the person, when applying for a renewal, to report, under penalty of perjury, the data center's annual water use for the preceding calendar year, including total water use, direct water use, and indirect water use, and, as part of direct water use reporting, the cooling system type of the data center.
- 3) Requires DWR and CEC, by January 1, 2029, to develop guidelines and best practices (as specified) to maximize the efficient use of natural resources to address the developing and emerging needs of technology in California that are consistent with urban water use objectives under the Water Code and the Energy Star program of the U.S. Environmental Protection Agency, as that program existed on January 1, 2025, to the extent the Energy Star program is applicable to water usage.
- 4) Requires DWR, by January 1, 2029, in coordination with other relevant state agencies, to develop guidance that cities and counties may use for assessing projected water use, water efficiency measures, and cumulative water resource impacts of proposed data centers within the context of local and regional water management objectives.
- 5) Requires an urban water supplier to include data center demand (a) as a key data input to evaluate water supply reliability for the urban water supplier's water shortage contingency plan and (b) in its annual water shortage assessment report to DWR.

**FISCAL EFFECT:**

- 1) DWR will incur annual costs until at least 2029 to develop guidelines and best practices to maximize the efficient use of natural resources to address the developing and emerging needs of technology in California, coordinate with relevant state agencies, and develop guidance that cities and counties may use for assessing projected water use, water efficiency measures, and cumulative water resource impacts of proposed data centers. DWR will need to analyze and include a fairly broad set of topics in its best practices, including the use of closed-loop systems, use of nonpotable water, installation of rainwater and stormwater capture infrastructure, water-efficient practices for indoor and outdoor water use, water-efficient practices that are scalable and higher for certain types of data centers, and location, design, construction, and capacity of cooling water intake structures reflecting the best technology available for minimizing environmental impact.

For its part, DWR estimates one-time consulting costs of \$1 million as well as ongoing annual staffing costs of \$1 million to complete this work (General Fund). It is not clear to the committee that the bill requires ongoing work of DWR – and whether the department requires ongoing funding post-2029.

- 2) CEC anticipates minor and absorbable costs to consult with DWR (Energy Resources Programs Account).

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.

**COMMENTS:**

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

While California has long required reporting from water users to support sound, comprehensive planning, there remains a gap in transparency when it comes to data centers, leaving local governments and water agencies without consistent information about their water demands. [This bill] is about transparency, preparedness, and responsible growth. This bill ensures that local governments and water suppliers have the information they need to plan for new development without compromising water reliability for residents, agriculture, and businesses.

- 2) **Background.** This bill defines a “data center” as a facility that houses computing infrastructure, including graphics and central processing units, servers, storage devices, networking equipment, and associated power and cooling systems, for the primary purpose of processing, storing, or distributing electronic data. The bill further defines three types of data centers – type one, type two, and type three – based on levels of power consumption. According to a recent study by a University of California, Riverside research team, on hot summer days, a large data center can withdraw more than one million gallons of water per day, and some facilities under construction have been allocated up to eight million gallons daily, enough to supply multiple small towns.

Writing in support, a coalition of organizations notes that while data center construction, spurred by the artificial intelligence boom, is rapidly accelerating, oversight has not kept pace with development, and local entities often lack critical information to help them decide whether to approve a project in their area. The coalition writes:

AB 2619 would address this issue by requiring a data center owner or operator to provide the relevant local entity with information about the facility's water use both before and when applying for a business license...AB 2619 would also provide much-needed clarity on how much water data centers actually use (both directly, for cooling and other operational purposes, and indirectly, for power generation) by requiring facility owners or operators to report on water use during the preceding year when applying to renew a business license. In addition, AB 2619 would put data centers on track to implement efficient and site-appropriate cooling technologies by directing state agencies to develop guidelines and best practices.

Writing in opposition, a coalition of associations argues this bill imposes additional and disparate reporting and best practice standards for data centers. The coalition writes:

Industry is aligned with reporting approaches and best practices that: 1) apply to other similar commercial and industrial users; 2) provide clear confidentiality and public records protections for individual companies, sites, and end users; 3) target metrics that reflect actual water consumption rather than withdrawals or projections; 4) ensure that any publicly available data is aggregated and anonymized, and 5) encourage best practices that are technology neutral and reflective of technically feasible options. Unfortunately, AB 2619 as currently written would not accomplish these important benchmarks.

- 3) **Related Legislation.** AB 93 (Papan) of the current legislative session requires a data center operator to provide its estimated or actual water use to its water supplier as a condition of obtaining or renewing a business license issued by a city or county. AB 93 was vetoed by Governor Newsom.

For a more comprehensive overview of related and prior legislation regarding data centers, please see the Assembly Water, Parks, and Wildlife Committee's analysis of this bill.

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