

ASSEMBLY THIRD READING

AB 35 (Alvarez)

As Amended January 14, 2026

2/3 vote. Urgency

SUMMARY

Exempts the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, approved by the voters as Proposition 4, from the Administrative Procedures Act (APA).

Major Provisions

- 1) Amend Proposition 4 to allow a state entity an exemption from the APA process if the state entity:
 - a) Develops draft project solicitation and evaluation guidelines;
 - b) Publishes the draft solicitation and evaluation guidelines on its internet website for a public comment period of at least 30 days; publishes public comments permitted by the commenter; and, responds to each public comment;
 - c) Offers opportunity for tribal consultation to impacted tribes;
 - d) Finalizes project solicitation and evaluation guidelines; and,
 - e) Submits the final guidelines to the Secretary of the Natural Resources Agency (NRA) to verify the guidelines are consistent with applicable statutes and Proposition 4.
- 2) Establish the bill as an urgency statute.

COMMENTS

Proposition 4 was approved by the voters on the November 5, 2024, statewide general election, authorizing \$10 billion in general obligation bonds to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate-smart, sustainable, and resilient farms, ranches, and working lands, park creation and outdoor access, and clean air programs.

The APA establishes rulemaking procedures and standards for state agencies in California. The average timeline for APA rulemaking varies, but generally requires about 12-18 months to complete a rulemaking, depending on complexity, public input, and Office of Administrative Law efficiency.

This bill adds an APA exemption to Proposition 4 to mirror the APA exemption provided in the past natural resource general obligation bonds for the development and adoption of program guidelines and selection criteria needed to effectuate or implement the programs included in the bond.

According to the Author

Proposition 4 reflects a clear mandate from California voters to accelerate investments in climate resilience, water quality, natural resources, and community protection. Voters approved these funds with the expectation that they would be deployed efficiently to address urgent environmental and public health challenges, including drinking water safety, flood protection, ecosystem restoration, and climate adaptation.

However, without an exemption from the APA, implementation of Proposition 4 funding faces unnecessary delays. Many administering agencies already operate established, transparent, and well-vetted guidelines, such as Intended Use Plans, competitive grant criteria, and public oversight processes that are routinely used to deploy similar bond funds. Requiring a duplicative APA rulemaking process would force agencies to create entirely new programs, divert staff resources, and delay funding for projects that are ready to move forward.

The Legislature has a long-standing precedent of authorizing APA exemptions for voter-approved bond measures, such as for all three recent climate bonds, and for complex infrastructure programs when timely deployment is essential. These exemptions do not eliminate accountability or public input; instead, they rely on existing statutory safeguards, board oversight, and reporting requirements to ensure transparency and responsible use of public funds.

AB 35 simply ensures Proposition 4 implementation as voters intended: swiftly, responsibly, and based on sound science and established practices. This APA exemption will allow state agencies to deliver critical investments to communities without delay, maximize the impact of bond funds, and respond effectively to California's pressing wildfire, climate infrastructure and clean water challenges.

Arguments in Support

A sign-on letter with more than 90 organizations writes that a full APA exemption would enable funds to be deployed more quickly and efficiently, ensuring that protracted administrative processes do not hold up vital community projects, and explains, "Importantly, an exemption from the APA does not eliminate transparency, consultation, or public engagement. Agencies will continue to follow robust fiscal, reporting, and oversight requirements. Many agencies have already gone through extensive public processes for these existing programs. Instead, the exemption will streamline implementation, maintain consistency across programs, and avoid creating barriers to delivering critical funding where it is most needed."

Arguments in Opposition

None on file

FISCAL COMMENTS

According to the Assembly Appropriations Committee, NRA, the Department of Water Resources, the Department of Parks and Recreation, the Department of Fish and Wildlife, the Department of Conservation, and the Department of Forestry and Fire Protection anticipate any costs associated with the bill to be absorbable within existing resources.

While the bill requires granting agencies to offer opportunities for public participation and tribal consultation and respond to public comments, according to NRA, it is already standard practice

for grant programs to include opportunities for public input and tribal consultation on grant guidelines and selection criteria.

Exempting Proposition 4 programs from the full APA and emergency rulemaking processes may result in staff workload and cost savings to granting agencies.

VOTES**ASM NATURAL RESOURCES: 13-0-1**

YES: Bryan, Alanis, Connolly, Ellis, Garcia, Haney, Hoover, Kalra, Macedo, Muratsuchi, Pellerin, Schultz, Zbur

ABS, ABST OR NV: Wicks

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Hoover, Stefani, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Bauer-Kahan, Pacheco, Pellerin, Solache, Ta, Tangipa

UPDATED

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CONSULTANT: Paige Brokaw / NAT. RES. / (916) 319-2092

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