

GOVERNOR'S VETO
AB 399 (Boerner)
As Enrolled September 10, 2025
2/3 vote

SUMMARY

Authorizes the California Coastal Commission (Commission) to authorize blue carbon demonstration projects, as defined, in order to demonstrate and quantify the carbon sequestration potential of these projects to help inform the state's natural and working lands and climate resilience strategies.

Senate Amendments

- 1) Provide that, when the commission requires an applicant with a nonresidential project that impacts coastal wetland, subtidal, intertidal, or marine habitats or ecosystems, to build or contribute to a blue carbon demonstration project as mitigation for those impacts.
- 2) Provide that the bill shall only become operative upon appropriation by the Legislature for its purposes.

Governor's Veto Message

While I share the author's desire to accelerate novel nature-based climate solutions, this bill creates a new, unfunded program. In partnership with the Legislature this year, my Administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

COMMENTS

Blue carbon refers to carbon dioxide that is absorbed from the atmosphere and stored in the ocean. Blue carbon is stored by seagrass, mangroves, tidal marshes, and other plants in coastal wetlands through photosynthesis. Research is ongoing, but in some cases it has been found that these types of ecosystems remove far more carbon than terrestrial forests, and can store it for millennia.

In coastal California, human activity has led to a reduction in the coastal wetlands and the distribution and amount of seagrass beds. California has lost on the order of 90% of its coastal wetlands. Despite that, recent estimates indicate that on the order of 13.4 million tons of carbon are stored in California's coastal wetlands. Restoring coastal wetlands can further harness carbon sequestration potential and further California's goals for reaching carbon neutrality.

Actions to protect, restore, and sustainably manage the health and resiliency of natural and working lands can greatly accelerate the state's progress to mitigate climate change and our ability to reduce worsening climate change impacts. To advance that goal, this bill would authorize blue carbon demonstration projects in order to demonstrate and quantify the carbon sequestration potential of these projects to help inform the state's natural and working lands and climate resilience strategies.

According to the Author

Several recent studies focusing on the importance of conserving coastal ecosystems have concluded coastal wetlands can store far greater amounts of carbon than they naturally release, which makes them one of the world's most important natural carbon sinks. Unfortunately, coastal habitats around the world are being lost at a rapid rate, largely due to coastal development for housing, ports, and commercial facilities. AB 399 requires that coastal development permit applicants include in their planning and design how they plan to build or will contribute in promoting blue carbon projects where feasible. This requirement is consistent with the California Coastal Commission's task of working with local governments to protect the shoreline when approving developments in the coastal zone consistent with the California Ocean Protection Act.

Arguments in Support

The Nature Conservancy writes that AB 399 will support efforts to conserve, protect, and restore coastal and nearshore ecosystems by giving discretion to the Commission to require applicants seeking coastal development permits for non-residential projects impacting coastal wetlands, subtidal, intertidal, or marine habitats to mitigate those impacts through contributions to blue carbon demonstration projects. Additionally, AB 399 will advance blue carbon research by mandating data collection and monitoring of these demonstration projects and will support interagency collaboration by requiring the California Coastal Commission to consult with key state and federal agencies when developing the blue carbon demonstration project program.

Arguments in Opposition

The Orange County Business Council writes that the bill risks setting a precedent for unpredictable permitting mandates that hinder investment and delay projects needed to address housing, mobility, and economic competitiveness in our coastal communities.

FISCAL COMMENTS

According to the Senate Appropriations Committee, the Commission estimates ongoing costs of approximately \$240,000 annually (General Fund, Greenhouse Gas Reduction Fund, or other special fund) for one position to conduct the additional level of project coordination, review, analysis and ongoing mitigation monitoring required by this bill. The Commission notes that its workload would be expected to increase over time as increased funding for more resilience/adaptation/nature-based solutions would generate additional project proposals and ongoing, long-term monitoring.

VOTES**ASM NATURAL RESOURCES: 9-3-2**

YES: Bryan, Connolly, Garcia, Haney, Kalra, Muratsuchi, Pellerin, Schultz, Zbur

NO: Alanis, Davies, Sanchez

ABS, ABST OR NV: Flora, Wicks

ASM APPROPRIATIONS: 11-3-1

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

NO: Dixon, Ta, Tangipa

ABS, ABST OR NV: Sanchez

ASSEMBLY FLOOR: 54-18-7

YES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Zbur, Rivas

NO: Alanis, Castillo, Chen, DeMaio, Dixon, Ellis, Flora, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis

ABS, ABST OR NV: Bains, Davies, Nguyen, Pacheco, Michelle Rodriguez, Blanca Rubio, Wilson

SENATE FLOOR: 29-10-1

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes

ASSEMBLY FLOOR: 58-18-4

YES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NO: Alanis, Castillo, Chen, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis

ABS, ABST OR NV: Davies, Flora, Nguyen, Michelle Rodriguez

UPDATED

VERSION: September 10, 2025

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

FN: 0002132