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THIRD READING

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Bill No: AB 735  
Author: Carrillo (D), et al.  
Amended: 6/25/25 in Senate  
Vote: 21

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SENATE LOCAL GOVERNMENT COMMITTEE: 5-0, 7/9/25  
AYES: Durazo, Arreguín, Cabaldon, Laird, Wiener  
NO VOTE RECORDED: Choi, Seyarto

SENATE JUDICIARY COMMITTEE: 13-0, 7/15/25  
AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern,  
Valladares, Wahab, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 61-4, 6/4/25 - See last page for vote

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**SUBJECT:** Planning and zoning: logistics use developments: truck routes

**SOURCE:** Author

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**DIGEST:** This bill makes various changes to AB 98 (J. Carrillo and Reyes, Chapter 931, Statutes of 2024), which regulates warehouse development.

**ANALYSIS:**

Existing law:

- 1) Allows, pursuant to the California Constitution, cities and counties to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.”
- 2) Provides additional powers and duties for cities and counties regarding land use under the Planning and Zoning Law, including to require every county and city to adopt a general plan that sets out planned uses for all of the area covered by

the plan. A general plan must include specified mandatory “elements,” including a circulation element consisting of the general location and extent of existing and proposed major thoroughfares, transportation routes, terminals, any military airports and ports, and other local public utilities and facilities.

- 3) Establishes minimum requirements that must be met for local agencies to approve development of new or expanded logistics uses (warehouses) on or after January 1, 2026 that have loading bays within 900 feet of schools, homes, daycares, nursing homes, hospitals, and parks or playgrounds (“sensitive receptors”), pursuant to AB 98.
- 4) Establishes stricter standards, as specified, in the warehouse concentration region (WCR), which includes Counties of Riverside and San Bernardino and the Cities of Chino, Colton, Fontana, Jurupa Valley, Moreno Valley, Ontario, Perris, Rancho Cucamonga, Redlands, Rialto, Riverside, and San Bernardino.
- 5) Mandates that all cities and counties update their general plan’s circulation element by January 1, 2028 (or January 1, 2026 for jurisdictions in the WCR) to designate truck routes that avoid residential areas and sensitive receptors, maximizing the use of highways and major arterials.
- 6) Requires a logistics use that demolishes any housing unit that was occupied in the last 10 years, it must replace those units with two units of moderate- or low-income housing per one housing unit demolished, as specified. If residential dwellings are affected through purchase, the developer must provide any displaced tenant with an amount equivalent to 12 months’ rent at the current rate.

This bill:

- 1) Narrows the definition of “logistics use” to be a building that is primarily used as a warehouse for the movement or the storage of cargo, goods, or products, and excludes agricultural buildings that are operated for less than 90 consecutive days a year.
- 2) Adds to this list of sensitive receptors land that will be used to ensure the public’s right of access to the sea pursuant to the California Coastal Act of 1976.
- 3) Provides that nothing in AB 98 limits or precludes compliance with the Housing Crisis Act’s requirements.

- 4) Delays implementation of the requirement for a city or county to update its circulation element to include truck routes outside of the WCR from January 1, 2028 until January 1, 2035 for cities with a population of 50,000 or fewer people or counties with a population of 100,000 or fewer in the unincorporated area of the county.
- 5) Repeals the administrative fine authority for the AG and instead makes local governments that the AG finds have not made a good faith effort to comply subject to the following penalties:
  - a) A civil penalty of up to \$50,000 every six months, for each violation, accrued from the date of the violation until the violation is cured;
  - b) All costs of investigating and prosecuting this action, including expert fees, reasonable attorney's fees, and costs; and
  - c) Other relief deemed appropriate by the court.
- 6) Provides that civil penalties collected pursuant to the law must be paid to the AG.
- 7) Modifies the existing definition "local roads that predominantly serve commercially oriented uses," which defines that term to mean roads with 50% of the properties fronting the road within 1,000 feet are designated for commercial or industrial uses in the local zoning ordinance, to add agricultural uses to this list and states that the 1,000 foot length of road must be measured from the truck entrances and exits.
- 8) Makes other changes that:
  - a) State that the building codes that apply are those that are in effect at the time the building permit is issued, consistent with existing law;
  - b) Ensure that all electrification requirements only apply if sufficient power is available;
  - c) Consistently use the term "logistics use development" throughout the law in place of other varying words that referred to warehouses; and
  - d) Make other technical changes.

## Background

As approved last year by the Legislature, AB 98 establishes standards for logistics uses to be located on larger roads, unless it is impractical to do so, and establishes, among other requirements:

- Minimum distances (setbacks) between loading bays and the property line of a sensitive receptor of 300 feet if the project is proposed on land that is zoned for industrial use, or 500 feet if not;
- Buffer zones around the properties that screen sensitive receptors using trees and walls;
- Site design requirements, such as orienting loading bays on the opposite side of the facility from sensitive receptors where feasible; and
- Building electrification requirements; and operational requirements (including phased-in mandates for zero-emission forklifts and other equipment, where feasible).

The law also requires developers replace any demolished housing on a two-for-one basis with affordable units, along with providing relocation payments to displaced tenants.

AB 98 applies stricter criteria to logistics uses in the WCR. Among other things, all new or expanded logistics uses in the WCR must have a 500-foot setback from nearby sensitive receptors.

Logistics uses under 250,000 square feet do not have to meet as stringent standards, including no required setbacks if they are on industrial land. The law also includes specific exemptions for certain projects already existing or in the planning process before September 30, 2024.

Furthermore, AB 98 mandates that all cities and counties update their general plan's circulation element by January 1, 2028 (or January 1, 2026 for jurisdictions in the WCR) to designate truck routes that avoid residential areas and sensitive receptors, maximizing the use of highways and major arterials. The law includes requirements for public input and making route maps publicly available.

Finally, AB 98 directs the South Coast Air Quality Management District to conduct air quality monitoring near warehouses in Riverside and San Bernardino Counties and report on pollution impacts to evaluate the effectiveness of the mandated setbacks.

As approved by the Legislature, AB 98 included some provisions that were unclear. The author wants to make clarifying changes to AB 98 to improve its implementation.

## Comments

*Purpose of this bill.* According to the author, “Last year, AB 98 established statewide standards for the siting, design, development, and operation of warehouses. AB 735 follows in AB 98’s momentum and makes technical and clarifying changes to the state law established by AB 98. This bill responds to the questions my office has received from a wide range of stakeholders on how AB 98 should be implemented.”

*There’s a long line of cars.* The changes in AB 735 are largely minor in scope. Many organizations have submitted letters on the bill that identify additional changes to AB 98’s requirements that they are seeking, including business groups, cities and counties, environmental justice groups, and others. A few of the more significant requests include the following:

*Setback requirements.* AB 98 imposed various buffers and setback requirements between warehouses and homes, schools, and other sensitive receptors. Environmental justice groups say that some local governments have cited AB 98 as a reason to reduce their local setback requirements for warehouses. These groups want to increase the setback and buffer requirements in state law;

*Warehouse expansion.* AB 98 currently applies to logistics uses that expand the square footage of an existing logistics use by 20% or more. Business groups say it is unclear whether AB 98’s requirements apply if an existing logistics use is demolished and a new building is constructed in its place. They want to specifically allow demolition and reconstruction on the site of an existing logistics use without triggering AB 98’s requirements; and

*Truck routing.* AB 98 requires local governments to update their circulation elements with truck routing plans. Cities and counties say that updating the circulation element will be challenging because this update will trigger a host of other laws requiring changes to their general plans, and that there are at least three counties that have a sole planning staffer to do the work. They want to be able to adopt an ordinance instead.

**Related/Prior legislation**

SB 415 (Reyes, 2025) is substantively similar to AB 735. That measure is pending in the Assembly Appropriations Committee. The authors of both AB 735 and SB 415 have committed to a joint process that moves similar bills through the Legislature in coordination.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: Yes

**SUPPORT:** (Verified 8/19/25)

Valley Industry and Commerce Association

**OPPOSITION:** (Verified 8/19/25)

None received

**ASSEMBLY FLOOR:** 61-4, 6/4/25

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

**NOES:** Alanis, DeMaio, Patterson, Sanchez

**NO VOTE RECORDED:** Castillo, Dixon, Ellis, Flora, Jeff Gonzalez, Hadwick, Hoover, Lackey, Lee, Macedo, Petrie-Norris, Soria, Ta, Tangipa

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