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# SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair  
2025 - 2026 Regular

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**Bill No:** AB 735  
**Author:** Carrillo  
**Version:** 9/9/25 Amended

**Hearing Date:** 9/10/25  
**Fiscal:** Yes  
**Consultant:** Favorini-Csorba

## ***PLANNING AND ZONING: LOGISTICS USE DEVELOPMENTS: TRUCK ROUTES***

### ***PURSUANT TO RULE 29.10(b)***

*Makes various changes to AB 98 (Carrillo and Reyes, 2024), which regulates warehouse development.*

### **Background**

***Land use planning.*** The California Constitution allows 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.” It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

***Planning and Zoning Law.*** State law provides additional powers and duties for cities and counties regarding land use. The Planning and Zoning Law requires 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 land use element that specifies that general types and intensities of use that are allowed in different areas covered by the general plan. Cities’ and counties’ major land use decisions—including most zoning ordinances and other aspects of development permitting—must be consistent with their general plans.

Local governments use their police power to enact zoning ordinances that shape the physical form of development and the allowable activities in an area. These ordinances can also include conditions on development to address aesthetics, community impacts, or other particular site-specific considerations.

***Warehouses and other logistics uses.*** The proliferation of e-commerce and consumer expectations for rapid shipping contributed to a boom in warehouse development in California. The Environmental Justice Bureau at the California Attorney General’s Office notes that in the Inland Empire alone, 150 million square feet of new industrial space was developed from 2009-2019, and that 21 of the largest 100 logistics leases signed in 2019 were located in the Inland Empire.

Numerous studies have correlated the presence of warehouses with negative health effects on nearby communities, due primarily to the truck traffic associated with the warehouses. Under Attorney General Xavier Becerra, the Office of the Attorney General (OAG) adopted a guidance memo titled *Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act*. The memo notes: “among other pollutants, diesel trucks visiting warehouses emit nitrogen oxide (NOx)—a primary precursor to smog formation and a

significant factor in the development of respiratory problems like asthma, bronchitis, and lung irritation—and diesel particulate matter (a subset of fine particulate matter that is smaller than 2.5 micrometers)—a contributor to cancer, heart disease, respiratory illnesses, and premature death. Trucks and on-site loading activities can also be loud, bringing disruptive noise levels during 24/7 operation that can cause hearing damage after prolonged exposure.”

***Warehouse mitigation measures.*** The OAG’s memo identifies best practices for avoiding and mitigating impacts associated with warehouse development. Among the recommendations proposed in the memo related to the siting and design of warehouses the memo notes that a best practice includes siting warehouse facilities so that their property lines are at least 1,000 feet from the property lines of the nearest sensitive receptors. Sensitive receptors are areas that children, the elderly, and other vulnerable populations congregate, such as residences or schools.

***2024 warehouse development legislation.*** In response to growing concerns about the effects of warehouses on sensitive receptors, the Legislature enacted AB 98 (Carrillo and Reyes, 2024). AB 98 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. These standards require logistics uses to be located on larger roads, unless it is impractical to do so, and establish, 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 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. 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 (South Coast AQMD) 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.

### **Proposed Law**

Assembly Bill 735 makes various changes to AB 98.

***Definitional changes.*** Current law defines a logistics use to mean a building in which cargo, goods, or products are moved or stored for later distribution, as specified. **AB 735** standardizes the use of the term “logistics use development” throughout the law and narrows the definition of “logistics use development” 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. **AB 735** also defines “logistics park” to mean a development consisting of multiple buildings containing logistics use.

***Changes to site and design requirements.*** Current law defines a sensitive receptor to include schools, homes, daycares, nursing homes, hospitals, and parks or playgrounds. **AB 735** adds to this list:

- Land that will be used to ensure the public’s right of access to the sea or other public access pursuant to the California Coastal Act of 1976 or the McAteer-Petris Act; and
- Land developed at or adjacent to an airport or seaport for the express purpose of creating a buffer area between sensitive receptors and an airport or seaport facility.

Current law requires a logistics use to orient truck loading bays on the opposite side of the logistics use from sensitive receptors, to the extent feasible. **AB 735** requires truck loading bays to be on the side that is away from the nearest sensitive receptor, to the extent feasible.

Current law requires specified buffer areas of at least 50 feet between adjacent sensitive receptors and the logistics use that include landscaping and other measures to screen sensitive receptors from the use. The buffer requirement is 100 feet for uses in areas that were not previously zoned for industrial use. **AB 735** provides that these can include the public right of way, and passenger vehicle parking improvements, and other hardscape.

Current law provides that the standards in AB 98 must not be construed to restrict the existing authority of a city, county, or city and county to deny a logistics use facility altogether. **AB 735** prohibits a city or county from adopting or enforcing a requirement on a logistics uses to the extent that the requirement would prohibit or have the effect of physically precluding compliance *with specified standards that are required by AB 98*. However, **AB 735** also provides that it does not restrict the existing authority of a city or county to adopt or enforce a requirement that prohibits or has the effect of physically precluding a new or expanded logistics use development on any parcel.

Current law under AB 98 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. Current law under the Housing Crisis Act requires one to one replacement of demolished housing units, as well as specified relocation assistance and a right to return. **AB 735** provides that nothing in AB 98 limits or precludes compliance with the Housing Crisis Act's requirements and requires a logistics use developer to comply with the Housing Crisis Act's requirements before complying with any additional requirements imposed by AB 98.

Current law applies specified standards to projects that are located on land zoned for industrial use or rezoned to industrial uses prior to September 30, 2024. **AB 735** excludes from the definition of "rezone" land that meets both of the following:

- The land is annexed by a jurisdiction through a boundary change; and
- The zoning in the new jurisdiction is consistent with the zoning assigned by the original jurisdiction.

**Truck route changes.** Current law requires a city or county to update its circulation element to include truck routes by January 1, 2026 in the WCR, and by January 1, 2028 in the rest of the state, and allows the AG to administratively fine a city or county \$50,000 every six months if it does not comply. **AB 735** instead allows cities and counties outside of the WCR to instead adopt an ordinance establishing the truck routes, and delays the requirement for cities with populations of fewer than 50,000 and cities populations of fewer than 100,000 until January 1, 2030. **The bill** also exempts cities and counties that did not have any logistics use within its jurisdiction as of January 1, 2025, but requires a city or county to adopt an ordinance within two years of approving a logistics use development.

**AB 735** also repeals the administrative fine authority for the AG and instead allows the Attorney general to bring an action against a city or county that is in violation of the law's requirements to adopt a circulation element or an ordinance. Instead, the bill makes local governments that a court finds to have violated those requirements subject to any of the following penalties:

- A civil penalty of up to \$50,000 every six months, accrued from the date of the violation until the violation is cured.
- Costs of investigating and prosecuting this action, including expert fees, reasonable attorney's fees, and costs.
- Other relief deemed appropriate by the court, including equitable and injunctive relief.

**AB 735** provides that a court must consider whether there are any mitigating circumstances delaying the jurisdiction from coming into compliance with the truck route requirements, and may consider whether a city or county is making a good faith effort to come into substantial compliance or is facing substantial undue hardships. **The bill** also provides that civil penalties collected pursuant to this section must be paid to the AG and returned to the local air quality management district in which the civil penalty was imposed for the district's efforts to improve air quality.

Current law requires a logistics use development operator to submit to a jurisdiction's planning director a truck routing plan for trucks that will travel along truck routes to the logistics use development, and requires the operator to include enforcement measures. A revised truck

routing plan man **AB 735** deletes the enforcement measure requirement and instead requires the California Department of Highway Patrol (CHP) to make the following available to city and county law enforcement agencies subject to this section:

- At no charge, training on enforcement of laws related to commercial vehicles, including, but not limited to, truck route enforcement; and
- Course completion certificates for city and county law enforcement personnel who have completed the training.

**AB 735** also requires those jurisdictions that must adopt truck routes to have at least one enforcement officer that has received a completion certificate. CHP is not required to provide training for which it has not received funding, and a city or county is not required to have an enforcement officer that has received a course completion certificate if CHP has not made the training available to law enforcement personnel at no charge.

Current law specifies that the truck routes must direct travel along arterial roads, major thoroughfares, or “local roads that predominantly serve commercially oriented uses,” and 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. **AB 735** adds agricultural uses to this list and states that the 1,000 foot length of road must be measured from the truck entrances and exits.

Current law requires a separate entrance for trucks from a truck route to a logistics use. **AB 735** allows a *logistics park* to have a separate entrance, and provides that a separate entrance for heavy-duty trucks may include a driveway with a lane dedicated to heavy-duty trucks and a lane dedicated for automobiles or other vehicles.

**South Coast AQMD changes.** Current law requires the South Coast AQMD to beginning on January 1, 2026, and until January 1, 2032, deploy mobile air monitoring systems within the Counties of Riverside and San Bernardino to collect air pollution measurements in communities that are near operational logistics use developments, upon appropriation, and use this data to evaluate the impact of air pollution on sensitive receptors in the Counties of Riverside and San Bernardino, including relative pollution concentrations from logistics use developments. The AQMD must complete an interim report by January 1, 2028, and a final report by January 1, 2033. **AB 735** instead allows the South Coast AQMD to use a combination of new air monitoring data or other measurement data to evaluate pollutant concentrations at varying distances from new logistics use projects.

**Other changes.** **AB 735** makes other changes that:

- 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;
- Ensure that all electrification requirements only apply if sufficient power is available;
- Clarify that the law does not apply to projects that were subject to a local entitlement project prior to September 30, 2024 or approved, as defined, before January 1, 2026.and
- Make other technical changes.

### Comments

1. Purpose of the 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.”

2. Keep on truckin’. Current law 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. AB 735 instead allows communities outside the WCR to adopt truck routes via ordinance, which is a simpler process, instead of updating their circulation element. The bill also includes other measures to ease implementation of the truck routing provisions for cities and counties, including to give an additional two years to adopt the ordinance for smaller jurisdictions outside of the WCR, to only require jurisdictions that have logistics uses within their communities to develop truck routes, and to limit penalties for cities and counties that have made good faith efforts to comply.

3. Getting physical. AB 98 established a wide range of standards for building and site design for logistics uses. Logistics use developers are concerned that a local government might have standards that conflict with requirements in AB 98 and therefore make it physically impossible to build a warehouse that complies both with local requirements and state law. For example, if a local government prohibits walls of higher than six feet, a developer could not comply with both AB the local requirement and AB 98’s requirement that walls be at least 10 feet tall. AB 735 proposes changes to specify that local agencies cannot adopt or enforce standards that would prohibit or have the effect of physically precluding specified standards in the law. This provision may override some specific local government standards. However, the bill’s limitation does not apply to setbacks from sensitive receptors, meaning that local governments clearly can require additional setbacks. Additionally, the bill contains a provision that states generally that local governments can still adopt or enforce standards that physically preclude or prohibit a logistics use as a whole on a particular parcel. This provision is intended to ensure that local governments can still impose standards that exceed AB 98’s standards.

4. Someday? 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. AB 735 does not modify the standards in AB 98 regarding expansion of logistics uses.

5. Mandate. The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because AB 735 imposes new duties on local governments, Legislative Counsel says it imposes a new state mandate. AB 735 disclaims the state’s responsibility for providing reimbursement by citing local governments’ authority to charge for the costs of implementing the bill’s provisions.

6. 29.10(b). As approved by the Committee at its July 9<sup>th</sup> meeting, AB 735 contained a subset of the amendments to AB 98 that are currently contained in the bill. The Senate Rules Committee referred the bill back to the Committee pursuant to Senate Rule 29.10(b) when the author amended it on the Senate Floor to add many new provisions modifying AB 98 that present

significant changes from when the bill was heard in Committee. Under Rule 29.10(b), the Committee has three choices at its September 10<sup>th</sup> hearing: (1) hold the bill, (2) return the bill as approved to the Senate Floor, or (3) re-refer the bill to the Appropriations Committee.

7. Related legislation. SB 415 (Reyes), which the Committee approved at its April 30<sup>th</sup> hearing on a vote of 7-0, is identical to AB 735. That measure is pending in the Assembly Local Government Committee on a referral pursuant to Assembly Rule 77.2. The authors of both AB 735 and SB 415 have committed to a joint process that moves identical bills through the Legislature.

### **Assembly Actions**

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| Assembly Local Government Committee: | 8-0  |
| Assembly Appropriations Committee:   | 11-1 |
| Assembly Floor:                      | 61-4 |

### **Support and Opposition** (7/3/25)

Support: American Planning Association, California Chapter  
 California State Association of Counties (CSAC)  
 League of California Cities  
 Rural County Representatives of California (RCRC)  
 Valley Industry and Commerce Association (VICA)

Opposition: None received

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