Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1075 (Reyes) – As Amended July 2, 2026

Policy Committee: Natural Resources Vote: 9 - 4

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

SUMMARY:

This bill makes changes to the Community Air Protection Program (CAPP) established by AB 617 (C. Garcia), Chapter 136, Statutes of 2017.

More specifically, this bill, among other things:

1) Adds disadvantaged unincorporated communities (as defined in the Government Code) to the definition of "disadvantaged communities" (DACs) eligible for selection by the Air Resources Board (ARB) pursuant to AB 617.

2) Gives air districts two years (instead of one year) to adopt a community emissions reductions program (CERP).

3) Requires that local community emissions reduction plans (L-CERPS) be consistent with ARB's statewide strategy and submitted to ARB for review and approval, and requires that provisions of an L-CERP adopted by an air district be enforceable by the district and ARB.

4) Requires an AB 617 steering committee to remain active until either the emissions objectives identified in the CERP are achieved, as determined by the air district, or a majority of the members of the steering committee vote to disband the committee.

5) Establishes the following requirements for steering committees: (a) all members live, work, or own businesses within the program area and a majority of the members are residents and (b) the steering committee uses an open and transparent nomination process to select members, and the membership of the committee reflects the diverse makeup of the community in the program area.

6) Requires that grants provided by ARB to community-based organizations (CBOs), as specified, support implementation of strategies that directly reduce emissions or exposure to air pollution in DACs and specifies various eligible uses of grant funding.

7) Requires the Secretary for Environmental Protection (CalEPA) to periodically convene representatives of agencies and departments within CalEPA to ensure coordination among those agencies and departments with jurisdiction over pollution sources included in a CERP to address concerns raised about those sources.

8) Requires ARB, on or before June 30, 2027, and annually thereafter, to report to the Legislature about its progress in implementing the CERP provisions of AB 617, as specified.

FISCAL EFFECT:

1) Potentially significant ongoing costs to ARB to approve and enforce L-CERPs and comply with the annual reporting requirement. For its part, ARB estimates ongoing annual costs of approximately $3.6 million (Greenhouse Gas Reduction Fund (GGRF)) for 17 positions to, among other things, comply with the reporting requirement (including updates on lessons learned from and actions to enforce L-CERPs), work with grantees on grant deliverables to ensure L-CERPs align with the statewide strategy, consider disadvantaged unincorporated communities, which is a new community designation type, develop and issue new guidance for air districts on how implementation funds may be used to support L-CERPs, and undertake numerous tasks related to compliance with and enforcement of L-CERPs.

   The committee further notes the annual reporting requirement in this bill is potentially duplicative of the annual AB 617 implementation progress report required by SB 352 (Reyes), Chapter 118, Statutes of 2025. As part of the fiscal year (FY) 2026-27 budget, ARB is requesting $1.6 million ongoing (GGRF) for about five positions and equipment and contract costs to implement SB 352. This request was not included in the 2026 Budget Act but is under consideration as part of the ongoing negotiations around a GGRF expenditure plan.

2) By requiring an air district to, among other things, enforce provisions of an L-CERP adopted by the district, this bill creates a state-mandated local program. Air districts have received annual funding from the state for AB 617 implementation, and some districts use other funds to augment what they receive through the state budget to implement AB 617. For example, the Bay Area Air District has raised fees on stationary sources to cover additional costs of the program. However, while air districts have some authority to collect permit fees, constitutional and statutory limits – especially Proposition 26 and state fee caps – prevent districts from using those fees to fully fund the broad community monitoring, planning, and engagement activities required under AB 617 and presumably under this bill. Air districts have not, to date, challenged the AB 617 program as an unfunded local mandate with the Commission on State Mandates (Commission). However, should the Commission determine that this bill establishes a reimbursable mandated local program, the state would need to reimburse these local costs.

3) By expanding the eligible uses and types of activities that may be funded through AB 617 community air grants, this bill creates potential cost pressures on the state and ARB to reconfigure existing funding or provide additional funding for the priorities outlined in the bill.

   Since 2017, the Legislature has regularly appropriated funding, roughly $250 million annually, primarily from GGRF, to support implementation of AB 617. The Budget Act of 2026 includes $150 million (General Fund) for the program, bringing total funding for AB 617 to about $2.3 billion. There are three categories of AB 617 funding – implementation or operating funds, community air protection incentives, and community air grants.

   As part of last year's extension of the state's cap-and-invest program, SB 840 (Limon), Chapter 121, Statutes of 2025, made various modifications (including creating funding "tiers") to the allocation of GGRF revenues starting in FY 2026-27. This includes a continuous appropriation of $250 million annually to implement AB 617 as part of tier three. However, the only firm continuous appropriation in SB 840 is $1 billion for high-speed rail.

Other "continuous" appropriation amounts are subordinate to the $1 billion reserved for legislative appropriation and are subject to proportional reductions if revenues are insufficient. Analysis by the Legislative Analyst's Office of recent regulatory changes by ARB to the cap-and-invest program seem to indicate there will not be enough GGRF money available annually to fund all of the Legislature's priorities each year, including allocations in tier three.

4) CalEPA and the Office of Environmental Health Hazard Assessment report minor and absorbable costs.

COMMENTS:

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

> Despite the importance of this program there has consistently been a fundamental disconnect between program goals and efforts to maximize emissions reductions in impacted communities…In order for AB 617 to reach its goal of significantly reducing air pollution in overburdened communities, statutory changes are needed to ensure the full implementation of CERPs. SB 1075 will bridge this gap and ensure more effective enforcement and implementation of the Statewide Strategy to reduce emissions.

2) **Background**. ***AB 617 and CERPs.*** AB 617 established the CAPP, which includes a variety of requirements and programs to reduce air emissions in pollution-burdened communities. AB 617 increased data collection and reporting, expedited pollution control retrofits, increased civil and criminal penalties for specified air pollution violations, enhanced community air pollution monitoring, established a statewide emissions reduction strategy targeting pollution-burdened communities, and established CERPs.

   AB 617 requires ARB to select pollution-burdened communities around the state for preparation of CERPs and requires the relevant air district to adopt a CERP to achieve emissions reductions. In recognition of the division of authority between ARB for mobile sources and air districts for stationary sources, AB 617 requires ARB and the district to each be responsible for measures consistent with their respective authorities. Once adopted, compliance with a CERP is enforceable by ARB or the district, as applicable. According to ARB, of the 19 selected communities, 17 have adopted community air monitoring plans and deployed air monitoring networks to measure criteria pollutants, diesel particulate matter, and other air toxins. These monitoring networks inform CERPs and enforcement efforts.

   L-CERPs. L-CERP is not defined in this bill or elsewhere in statute, and it is not clear what "compliance" with an L-CERP might entail. ARB introduced L-CERP as a less formal alternative to a CERP. According to ARB's most recent AB 617 statewide strategy (Blueprint 2.0), an L-CERP is distinguished from a CERP in that the L-CERP is developed and implemented, ideally with air district participation, by a community-based nonprofit organization or California Native American Tribe funded through a community air grant. The report notes that an L-CERP is not required to be adopted and approved by either an air district board or the ARB Board.

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