

- 2) Establishes The Regional Wildfire Partnership Revolving Fund in the State Treasury and specifies that moneys in the fund are continuously appropriated to IBank without regard to fiscal year and that moneys generated from the sale of bonds must be deposited into the fund. Authorizes IBank to distribute proceeds from the fund to regional wildfire partnerships and authorizes IBank to provide technical assistance to regional wildfire partnerships.
- 3) Specifies that only regional wildfire partnerships are eligible for financing from the Regional Wildfire Partnership Revolving Fund but that other regional entities that are not Regional Wildfire Partnerships remain eligible for grants and other financing that are not the Regional Wildfire Partnership Fund.
- 4) Requires a regional wildfire partnership, no later than December 31 of the year it was created, and annually thereafter, to submit a report to the Department of Conservation regarding whether any funds, other than Regional Forest and Fire Capacity Program grants, were utilized to achieve projects identified in their regional priority and requires the Department of Conservation to make the report publicly available on its website.
- 5) States findings and declarations that wildfire poses an existential threat to communities in the wildland-urban interface, causing catastrophic loss of life, property, and natural resources and imposing escalating costs on homeowners, local governments, utilities, insurers, and the state; that effective wildfire risk reduction requires landscape-scale, regionally coordinated investment strategies that integrate vegetation management, structure hardening, community preparedness, and infrastructure resilience; that current wildfire spending is insufficient to result in the needed risk reduction; that in the 2025–26 fiscal year, the state spent roughly \$4 billion on wildfires, 90 percent of which went towards firefighting and fire suppression, and only 10 percent towards prevention; that Stanford University researchers say investor-owned utility planned wildfire expenditures totaled more than \$9 billion to be spent primarily on distribution line right-of-way clearance; that regional entities with established relationships, local expertise, and accountability to affected communities are best positioned to develop and implement strategies tailored to their regions' distinct risk profiles, resources, and stakeholder networks; that sustainable financing for wildfire resilience requires aligning the financial interests of the many parties that benefit from risk reduction, including local governments, water agencies, electrical corporations, insurers, reinsurers, and state and federal agencies, so that each contributor participates on terms that serve its institutional objectives; that innovative financing models hold significant promise for mobilizing private capital to supplement public funding for wildland-urban interface resilience; that IBank financing tools, catalytic state funding, and a clear statutory framework can lower transaction costs and attract participation by entities that might otherwise lack a pathway for investment and: that the state's existing Regional Forest and Fire Capacity (RFFC) program and the Wildfire and Forest Resilience Task Force framework provides an appropriate institutional foundation upon which to build a more comprehensive regional resilience financing system.
- 6) States Legislative intent, on a voluntary basis, to incentivize Regional Fire and Forest Capacity regional entities and other capable regional organizations to

develop and implement wildfire resilience financing plans through regional public-private partnerships that improve regional wildfire prevention, reduce future losses from wildfire, prioritize communitywide risk reduction, improve the availability and affordability of insurance, and reduce the risk of utility sparked fires. State Legislative intent to provide a flexible suite of financing tools including, but not limited to, revenue bond financing that regional entities may deploy as appropriate to their circumstances; to establish a catalytic state investment sufficient to demonstrate the viability of regional financing strategies and attract participation by private utilities, insurers, and other private entities; to enable performance-based financing structures in which upfront capital investments are supported by multi-year revenue commitments from beneficiary entities tied to verified reductions in wildfire risk and losses; to encourage private utilities, insurers, and other private entities to participate in regional wildfire resilience financing plans by creating a clear legal and institutional framework for their contributions, while preserving regulatory flexibility and recognizing each entity's distinct institutional objectives and; to maintain flexibility so that regions may design programs consistent with their own circumstances, available resources, and stakeholder composition, without requiring participation by any particular entity.

FISCAL EFFECT: Unknown. This bill is keyed fiscal by Legislative Counsel.

COMMENTS:

1. **Purpose.** The Author is the Sponsor of this bill. According to the Author, “Californians have been suffering from more frequent and catastrophic wildfires over recent years, leading to greater losses and damage. The 2025 Palisades and Eaton fires killed 31 people, displaced about 12,900 households, and caused about \$30 billion in losses. The fire survivors are now navigating the costly process of rebuilding and are still healing from the trauma of the disaster. The government has the responsibility to take action to prevent these kinds of disasters in the future.

SB 1297 builds on the existing Regional Forest and Fire Capacity program, which only focuses on landscape-level mitigation, by allowing for the creation of Regional Wildfire Public Private Partnerships that enables entities which benefit from wildfire risk reduction to be involved in planning and funding mitigation projects. Participating entities could include public agencies, insurers, utilities, and non-profit organizations that all serve an area. The Partnerships will develop plans that focus not just on landscape mitigation, but also on community-scale hardening and structural hardening shaped by participant feedback on what will meaningfully reduce the risk of substantial losses following a wildfire, improve insurability, and lead to saved costs. Partnership participants would help fund those plans over time but be eligible to receive the initial project funding from bonds coordinated by the IBank.

SB 1297 avoids the pitfalls of current mitigation planning processes by encouraging all beneficiaries of wildfire risk reduction to come together and collaborate on the planning process, rather than operating in their own silos. Additionally, this bill opens new financing opportunities to make available more stable and reliable sources of funds for regional projects.”

2. Background.

GO-Biz. In February 2010, the Little Hoover Commission undertook a review of the state's economic and workforce development programs. In its final report, *Making up for Lost Ground: Creating a Governor's Office of Economic Development*, it analyzed the status and effectiveness of current programs since the 2003 demise of the Technology, Trade and Commerce Agency (TTCA) and recommended the creation of a new governmental entity to fill the void left by the dismantled agency.

The report called for a single entity that would promote greater economic development, foster job creation, serve as a policy advisor and deliver specific services (i.e., permitting, tax, regulatory, and other information) directly to the California business community. In April 2010, Governor Schwarzenegger issued Executive Order S-05-10 as a means to operationalize the report recommendations including the creation of the Governor's Office of Economic Development (GOED).

In October 2011, the Governor signed AB 29 (John A. Pérez, Chapter 475, Statutes of 2011), which effectively codified GOED and changed its name to GO-Biz. Since its inception, the office has served thousands of businesses, 95 percent of which are small businesses. The most frequent types of assistance include help with permit streamlining, starting a business, relocation and expansion of businesses, and regulatory challenges.

In March 2012, Governor Brown initiated a reorganization process to realign the state's administrative structure. Key changes include dismantling of the Business, Transportation and Housing Agency and the shifting of a number of key programs to GO-Biz including the Small Business Loan Guarantee Program, the California Travel and Tourism Commission, the California Film Commission, the Film California First Program, and the Infrastructure and Economic Development Bank (IBank). Currently, GO-Biz administers the following programs and units:

- Made In California program for the purpose of encouraging consumer product awareness and to foster the purchases of products manufactured in California.
- The California Inclusive Innovation Hub Program (iHub2) to incubate and/or accelerate technology and science-based firms, with a focus on underserved regions and communities.
- The California Competes Tax Credit Program under which “businesses who want to come to California or stay and grow in California” can receive an income tax credit.
- The California Business Investment Services Unit, which provides no-fee, tailored site selection services to employers and others who may be considering California for relocation or expansion.
- The California Business Portal, which provides information to California businesses about common questions, permitting, financial options, and more.
- The California Community Reinvestment Grants Program, which was included in Proposition 64, authorized GO-Biz to award grants to local health departments and certain nonprofit organizations to support communities disproportionately affected by the War on Drugs.

- Office of the Small Business Advocate which provides information and assistance to small businesses.
- The Zero Emission Vehicles (ZEV) Infrastructure Unit which works to accelerate the deployment of ZEV infrastructure.
- The International Affairs and Business Development Unit, which serves as California's primary point of contact for expanding international trade and investment relations. This unit focuses on foreign direct investment (services for foreign investors, foreign investment technical assistance, and the EB-5 Investor Visa Program), international trade promotion (STEP program, trade missions, export assistance, and the California-China Trade Office), and international agreements.

IBank and Infrastructure Loans. According to its website, IBank exists within GO-Biz and “was created in 1994 to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy and improve the quality of life in California communities. IBank has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds. IBank's current programs include the Infrastructure State Revolving Fund (ISRF) Loan Program, California Lending for Energy and Environmental Needs (CLEEN) Center, the Climate Catalyst Revolving Loan fund, Small Business Finance Center and the Bond Financing Program.”

Regional Forest and Fire Capacity (RFFC) Program. According to the California Department of Conservation, the Regional Forest and Fire Capacity (RFFC) Program supports the development of regional strategies and partnerships for landscape-scale wildfire resilience. The program provides block grant funding to designated regional entities to build local and regional capacity, convene cross-jurisdictional partners, and coordinate among state, local, federal, tribal, and nonprofit stakeholders. RFFC grantees develop Regional Priority Plans that identify and prioritize forest health and wildfire mitigation projects, align regional efforts with state goals, and advance projects through early planning, permitting, and design.

According to the California Wildfire and Forest Resilience Task Force, the program is intended to address fragmentation in wildfire planning by supporting sustained regional governance structures and collaboration, with the goal of creating a pipeline of ready-to-implement projects that improve forest health, reduce wildfire risk, and promote fire-adapted communities.

3. **Arguments in Support.** Net-Zero California and Sierra Business Council write that “while California spends tens of billions of dollars each year on wildfire-related activities, these funds are not targeted toward prevention. In 2025-26, for example, the State allocated \$4.1 billion to wildfire, with 91% (\$3.75 billion) devoted to fire suppression and only 9% (\$0.35 billion) to prevention. Investor-owned utilities spent nearly \$10 billion on measures specifically to reduce equipment-related ignition risk. Insurers have paid \$22 billion in claims for the Eaton and Palisades fires alone - losses which could have be substantially reduced through more strategic, upfront investments in wildfire prevention. What is needed is a mechanism to better coordinate these existing funding streams and align them toward cost-effective wildfire prevention. This was most recently identified in the SB 254 Catastrophe

Resiliency study, authored by the California Earthquake Authority, which specifically called for blended public and private capital to finance community wildfire mitigation...New strategies to finance wildfire prevention are urgently needed. SB 1297 proposes to take a proven model from conservation finance and apply it to wildfire prevention in California. The model seeks to coordinate and align private entity objectives with state policy goals, in doing so unlocking significant new funding for wildfire prevention.”

SUPPORT AND OPPOSITION:Support:

Net-Zero California
Sierra Business Council

Opposition:

None received

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