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# SENATE COMMITTEE ON NATURAL RESOURCES AND WATER

Senator Josh Becker, Chair

2025 - 2026 Regular

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**Subject:** Wildfire prevention: state responsibility areas: fire prevention fee

## SUMMARY

This bill would reinstate the State Responsibility Area Fire Prevention Fee, effective January 1, 2027.

## BACKGROUND AND EXISTING LAW

**Department of Forestry and Fire Protection (Department).** The Department, in accordance with a plan approved by the Board of Forestry and Fire Protection, is responsible for the prevention and suppression of forest fires (Public Resources Code (PRC) §§4113, 4114).

**Office of the State Fire Marshal (OSFM).** In the mid-1990s, the OSFM was moved from the State and Consumer Services Agency to the Department. The State Fire Marshal (SFM) is established as a Chief Deputy Director of Forestry and Fire Protection in the Department (Health and Safety Code (HSC) § 13100). The mission of the OSFM is to “[protect] life and property through the development and application of fire prevention, engineering, training and education, and enforcement.”

**State Board of Forestry and Fire Protection (Board).** In 1885, the Governor of California approved an act that authorized the appointment of a three-man State Board of Forestry, the first such body in the nation. That original Board was abolished in 1893. In 1905, an “Act of March 18, 1905,” became law, creating a new Board of Forestry and the first State Forester.

The Board consists of nine members appointed by the Governor and approved by the Senate. There are five public members, three members from the forest products industry, and one member from the range livestock industry. The Governor designates the chair of the Board, who continues to serve in that capacity at the pleasure of the Governor, and the vice chair is elected by the members. The members serve four-year terms.

The Board is responsible for developing the general forest policy of the state, determining the guidance policies of the Department, and representing the state's interest in federal forestland in California. Together, the Board and the Department work to carry out their mandate to protect and enhance the state's unique forest and wildland resources.

**State Responsibility Area (SRA).** The SRA is the area of the state where the state has the financial responsibility for preventing and suppressing wildfires (PRC § 4102). The

Board is required to classify all lands within the state to determine the SRA (PRC § 4125). Lands in the SRA include:

- Lands covered wholly or in part by forests or by trees producing or capable of producing forest products.
- Lands covered wholly or in part by timber, brush, undergrowth, or grass, whether of commercial value or not, which protect the soil from excessive erosion, retard runoff of water, or accelerate water percolation, if such lands are sources of water that is available for irrigation or for domestic or industrial use.
- Lands in areas that are principally used or useful for range or forage purposes, which are contiguous to the lands described above (PRC § 4126).

Lands that are not in SRA are in local or federal responsibility areas (LRA and FRA), as appropriate. Lands that do not qualify as SRA are specified in statute:

- Lands owned or controlled by the federal government or any agency of the federal government (FRA).
- Lands within the exterior boundaries of any city (LRA).
- Any other lands within the state which do not come within any of the classes that are described in PRC § 4126 (PRC § 4127).

Additionally, the Board is authorized, for the purposes of administrative convenience, to designate roads, pipelines, streams, or other recognizable landmarks as arbitrary boundaries in the SRA (PRC § 4128).

These definitions provide the basis for the field evaluation of SRA.

**Contract Counties.** In most areas of the state, the Department directly protects the 31 million acres of SRA by dividing the state into 21 administrative units. However, in Kern, Los Angeles, Marin, Orange, Santa Barbara, and Ventura Counties, the SRA is protected by those counties under a contract with the Department. They are known as “contract counties,” and protect about 3.4 million acres of SRA.

The Department provides funding to the contract counties for the prevention and suppression of wildland fires in the SRA, including salary and wages, facility maintenance, pre-fire management, and administrative services. Projects in contract counties can also be funded through urban forestry grants, resource management assistance, fire investigation support, and training.

**Classification of SRA.** Land is classified as SRA based on a process established by the Board in Article 1, Chapter 7, Division 1.5 of Title 14 in the California Code of Regulations (CCR) and the publication entitled “State Responsibility Area Classification System,” updated October 6, 2010.

SRA was first designated in 1970. It was intermittently reviewed by the Board until the Joint Legislative Budget Committee, in its supplement to the 1980-81 Budget Act, directed the Board to conduct a comprehensive review of the SRA classifications.

The Board began reviewing the SRA boundaries on a five-year basis in 2010; a special review took place in 2013 after the SRA Fire Prevention Fee was instituted. The most recent SRA review took place in 2025.

The SRA designation process has four goals:

- 1) To provide a procedure that ensures statewide consistency in classifying SRA.
- 2) To provide an ongoing procedure that will enable the Department to respond in a timely manner to land-use changes.
- 3) To provide local government sufficient time to plan for changes in the classification of SRA.
- 4) To involve the public in decisions about the classification of SRA.

To accomplish these goals, the classification process has five levels of review:

1) Field evaluation

The field evaluation is conducted by the Department Unit or contract county. Locally-based Department staff identify land that may warrant reclassification, consult with other local agencies to determine areas that may be reclassified, and forward those areas for regional review.

2) Regional review

At the region level, staff ensure the classification criteria has been applied consistently during field review. The region staff then forward areas identified for potential reclassification to the state-level review team.

3) State review

The state review team evaluates the region's determinations and documentation and conducts on-site inspections as necessary. The state review team forwards their recommendations for reclassification to the Director.

4) Director's approval

The Department Director reviews all proposed classification changes, submits approved changes to the Board, and notifies affected local governments of the proposed changes and their potential impacts.

5) Board of Forestry and Fire Protection approval

The Board schedules a public hearing to review the changes and accept public comments on the proposed changes. The Board is the final approving authority for changes to the SRA classifications; the proposed changes are then made effective on July 1.

There are automatic changes that are effective every year on July 1 without this review process – such as when land is incorporated into a local jurisdiction.

**SRA Fire Hazard Severity Zones (FHSZ).** The director of the Department was given the authority to identify FHSZ, based on fuel loading, slope, fire weather, and other relevant factors, in the SRA in the 1980s (PRC § 4202). Recent amendments to Public Resources Code added winds to those factors, transitioned this authority to the SFM,

and required the SFM to identify areas of moderate and high fire hazard severity (SB 63, Stern, Chapter 382, Statutes of 2021). There are no requirements for when these identifications need to be re-reviewed or adjusted. The most recent adjustment became effective on April 1, 2024.

***Bates Bill, Municipal Affairs, and FHSZ.*** After the devastating Oakland Hills “Tunnel Fire” in 1991, the “Bates Bill” (AB 337, Bates, Chapter 1188, Statutes of 1992) was signed into law. The Bates Bill established that the prevention of fires is not a municipal affair as that term is used in the California Constitution, but rather a statewide concern (Government Code (GOV) § 51175).

The bill also required the director of the Department to identify LRAs of the state as very high FHSZ based on fuel loading, slope, fire weather, and other relevant factors. Recent amendments to the Government Code added winds to those factors, transitioned this authority to the SFM, and required the SFM to identify areas of moderate and high fire hazard severity (SB 63, Stern, Chapter 382, Statutes of 2021).

***Impact of FHSZ designation.*** Many fire safety requirements correspond to an area’s designated FHSZ. In particular, the state’s defensible space, minimum fire safety standards, and Wildland-Urban Interface (WUI) Code building standards apply in the SRA and very high FHSZs in the LRA. Existing law also requires at least Class A or Class B roofs, as defined, for certain structures located in very high FHSZs, and imposes property disclosure requirements for homes built in high or very high FHSZs in the LRA or SRA.

According to the OSFM website:

Fire Hazard Severity Zone maps evaluate “hazard,” not “risk”. They are like flood zone maps, where lands are described in terms of the probability level of a particular area being inundated by floodwaters, and not specifically prescriptive of impacts. “Hazard” is based on the physical conditions that create a likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire, or fuel reduction efforts. “Risk” is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction.

The WUI Code building standards specifically apply to new home construction in FHSZs, requiring that siding, windows, roofs, and other features be ignition-resistant. California’s building standards are updated every 18 months, and new editions of the codes are published every three years. While a few WUI-related provisions took effect in 2005, the first “full” iteration of WUI fire safety standards took effect in 2008. Since then, there have been six subsequent updates of this code; the 2024 code was adopted on February 26, 2025.

***SRA Fire Prevention Fee (SRA Fee).*** In 2011, the California Legislature passed Assembly Bill X1 29 (Blumenfeld), which established the SRA Fee to provide funding

for statewide fire prevention activities in areas designated as SRA. The fee was applied to all “habitable structures.”<sup>1</sup>

The Legislature authorized the Board to charge the SRA Fee in an amount not to exceed \$150 per habitable structure, and the Board was authorized to increase the SRA Fee annually for inflation.<sup>2</sup> Owners of habitable structures who were also within the boundaries of a local fire protection agency or district received a reduction of \$35 per habitable structure (14 CCR § 1665.7).

In 2017, Governor Edmund G. Brown signed Assembly Bill 398 (Garcia, Chapter 135, Statutes of 2017), which suspended the SRA Fee from July 1, 2017, until 2031. AB 398 also stated the intent of the Legislature to replace the moneys that would have been collected from the Fee with money from the program now known as Cap and Invest (formerly Cap and Trade; the fund is known as the Greenhouse Gas Reduction Fund, or GGRF) to fund fire prevention activities (PRC § 4213.05(b)).

**Administration of the Fee.** The SRA Fee was administered by the Board of Equalization (BOE) through the California Department of Tax and Fee Administration (CDTFA). The Department provided the boundaries of the SRA to county assessor offices, who then provided the Department with parcels in those boundaries, which the Department sent to CDTFA to bill. The process was circular, bureaucratic, and prone to error. The Fee also had an unusually high administrative cost, nearing 10% of annual billings. CDTFA typically sees administrative costs of taxes and fees closer to, if not under, 5%.

*CDTFA Budgeted Expenditures, Actual Expenditures, & Total Fee Revenues, by fiscal year:*

<u>FY</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Revenues</u>
2011-2012	\$0	\$1,114,730	\$0
2012-2013	\$6,524,000	\$8,048,096	\$75,202,000
2013-2014	\$6,437,000	\$9,829,964	\$143,500,000
2014-2015	\$9,227,000	\$9,370,319	\$81,860,000
2015-2016	\$9,068,000	\$8,914,175	\$81,728,000
2016-2017	\$7,566,000	\$7,505,947	\$81,479,000
2017-2018	\$0	\$2,322,126	\$15,330,000
2018-2019	\$0	\$0	\$0
<b>Total</b>	<b>\$38,822,000</b>	<b>\$47,105,357</b>	<b>\$479,099,000</b>

<sup>1</sup> “Habitable structure” is defined as “a building that contains one or more dwelling units or that can be occupied for residential use. Buildings occupied for residential use include single family homes, multidwelling structures, mobile and manufactured homes, and condominiums. Habitable structures do not include commercial, industrial, or incidental buildings such as detached garages, barns, outdoor sanitation facilities, and sheds” (PRC § 4211).

<sup>2</sup> Initially, the Board was required to annually adjust the fee for inflation. AB 2048 (Dahle, Chapter 895, Statutes of 2014) changed this requirement to an authorization. After one Legislatively-mandated inflation increase in February 2014, bringing the fee to \$152.33, the Board declined to authorize additional adjustments for inflation.

CDTFA estimates that 10% of people did not pay the SRA Fee, resulting in an arrears balance of \$56 million by FY 16-17. Fee payers could file a “petition for redetermination” to require CDTFA to evaluate whether they were being billed properly.

<b><u>FY Year</u></b>	<b><u>Petitions Received</u></b>
12/13	90,081
13/14	42,897
14/15	20,930
15/16	41,593
16/17	23,127
17/18	7,739
<b>Total</b>	<b>226,367</b>

***Howard Jarvis Taxpayers Association v. Department of Forestry.*** The Howard Jarvis Taxpayers Association (HJTA) was the primary legal voice leading the crusade against the SRA Fee over its life. They created a website to share information with feepayers, FireTaxProtest.org. Although they encouraged people to pay the fee to avoid late fines, interest, and other penalties, HJTA provided information on submitting petitions for redetermination and recommended feepayers write “under protest” on their checks, to ensure they would be reimbursed if a court overturned the fee.

HJTA filed a class-action lawsuit against the Department in Sacramento County Superior Court on October 4, 2012, arguing that the SRA Fee was actually a tax that required a two-thirds vote of the Legislature, and that feepayers were entitled to a refund.

After the SRA Fee was suspended in 2017, HJTA requested a hearing on a motion for summary judgment they intended to file. The motion for summary judgment was filed September 20, 2017, but the earliest hearing date was in December 2017.

The Department filed a motion to dismiss the case on October 5, 2017, arguing that the plaintiffs had not brought the case to trial within five years, as required by section 583.310 of the Code of Civil Procedure. The court granted the motion to dismiss and vacated the motion for summary judgment.

**Existing law:**

- 1) Establishes the Department (PRC § 4113).
- 2) Establishes the OSFM within the Department and the SFM as a Chief Deputy Director at the Department (HSC § 13100).
- 3) Requires the Board of Forestry and Fire Protection (Board) to classify all lands within the state for the purposes of determining areas in which the financial responsibility for the prevention and suppression of fire is primarily the responsibility of the state (PRC § 4125).
- 4) Provides for the classification of lands within the SRA in accordance with the severity of fire hazard present for the purpose of identifying measures to be taken to

slow the rate of fire spread and reduce the potential intensity of uncontrolled fires that threaten to destroy resources, life, or property (PRC § 4201).

- a) Requires those fire hazard zones to be based on fuel loading, slope, fire weather, other relevant factors, and winds (PRC § 4202).
  - b) Requires the SFM to designate FHSZs and assign to each zone a rating reflecting the degree severity of fire hazard expected to prevail in the zone. Requires those zones to be adopted via regulation and a public hearing to be held in each county (PRC § 4203).
  - c) Requires the SFM to periodically review the zones (PRC § 4204).
- 5) Requires the SFM to identify areas in the state as moderate, high, and very high fire hazard severity zones based on fuel loading, slope, fire weather, other relevant factors, and wind (GOV § 51178).
- a) Requires those fire hazard zones to be based on fuel loading, slope, fire weather, other relevant factors, and winds (PRC § 4202).
  - b) Requires the SFM to designate fire hazard severity zones and assign to each zone a rating reflecting the degree severity of fire hazard expected to prevail in the zone (PRC § 4203).
  - c) Requires the SFM to periodically review the zones (PRC § 4204).
- 6) Requires the Board to adopt emergency regulations to establish an SRA Fee to be charged on each habitable structure on a parcel within the SRA (PRC § 4212(a)(1)).
- a) The Legislature established that a fee of not more than \$150 was reasonable for funding the necessary fire prevention activities of the state that benefit owners of habitable structures in the SRA (PRC § 4212(a)(2)).
- 7) Authorizes the Board to annually adjust the SRA Fee for inflation (PRC § 4212(b)).
- 8) Requires the Department annually transmit to the BOE the name and address of each person liable for the SRA Fee and the amount to be assessed (PRC § 4213(c)).
- 9) Establishes the SRA Fire Prevention Fund (SRA Fund) in the State Treasury, and authorizes the Board and the Department to expend those funds for fire prevention activities that benefit the owners of habitable structures within the SRA who are required to pay the fee (PRC § 4214(a)(2)).
- 10) Establishes that, if in any given fiscal year there is enough money in the SRA Fund to finance the costs of the program, the SRA Fee may not be collected that year (PRC § 4213(d)).
- 11) Authorizes the Board to exempt a habitable structure from the SRA Fee that is deemed uninhabitable due to a natural disaster during the year for which the SRA Fee is due, and one year afterward (PRC § 4213.1(b)).

- 12) Requires the BOE to retain moneys necessary for the payment of refunds of the SRA Fee and for the reimbursement of the BOE for expenses incurred in the collection of the SRA Fee (PRC § 4214(a)(1)).
- 13) Requires that the SRA Fund be used only for certain purposes:
- a) Local assistance grants.
    - i) The Board is required to establish a local assistance grant program (PRC § 4214(e)).
  - b) Grants to Fire Safe Councils, the California Conservation Corps, or certified local conservation corps for fire prevention projects and activities in the SRA.
  - c) Grants to a qualified nonprofit organization with a demonstrated ability to satisfactorily plan, implement, and complete a fire prevention project applicable to the SRA. The Department may establish other qualifying criteria.
  - d) Inspections by the Department for compliance with defensible space requirements around habitable structures in the SRA as required by Section 4291.
  - e) Public education to reduce fire risk in the SRA.
  - f) Fire severity and fire hazard mapping by the Department in the SRA.
  - g) Other fire prevention projects in the SRA, authorized by the Board (PRC § 4214(d)).
- 14) Requires the Board, by January 31, 2015, and annually thereafter, to submit a report to the Legislature on the status and uses of the SRA Fund, including:
- a) Evaluation of the benefits received by counties based on the number of habitable structures in the SRA within their jurisdictions,
  - b) The effectiveness of the Board's grant programs,
  - c) The number of defensible space inspections in the reporting period,
  - d) The degree of compliance with defensible space requirements,
  - e) Measures to increase compliance, if any, and
  - f) Any recommendations to the Legislature (PRC § 4214(f)).
- 15) Sunsets the reporting requirement on January 31, 2017 (PRC § 4214(g)).
- 16) Suspends the SRA Fee effective January 1, 2017 (PRC § 4213.05(a)).
- a) Establishes the intent of the Legislature to use moneys derived from the auction or sale of allowances pursuant to a market-based compliance mechanism established pursuant to Division 25.5 (commencing with Section 38500) of the

Health and Safety Code (“Cap and Invest”) to fund fire prevention activities that otherwise would have been funded by the SRA Fee (PRC § 4213.05(b)).

- b) Makes the section of law suspending the SRA Fee inoperative on January 1, 2031 (PRC § 4213.05(d)).

17) Repeals the Chapter in PRC authorizing the SRA Fee on January 1, 2031 (PRC § 4229).

18) Establishes a continuous appropriation from GGRF in the amount that would have been collected by the SRA Fee (HSC § 39719.4).

### **PROPOSED LAW**

This bill would:

- 1) Reinstates the SRA Fee effective January 1, 2027.
- 2) Require that Cap and Invest moneys be used to fund fire prevention activities that would have otherwise been funded by the SRA Fee from July 1, 2017, to January 1, 2027, inclusive.
- 3) Repeal the provision of law making the SRA Fee suspension inoperable on January 1, 2031.
- 4) Make relevant findings and declarations.

### **ARGUMENTS IN SUPPORT**

According to the author, “California must be strategic in how it uses limited resources to meet two urgent priorities: reducing emissions and strengthening wildfire resilience. SB 1404 strikes that balance by reinstating the State Responsibility Area (SRA) Fee, a proven, adjustable mechanism that ensures communities in high-risk areas contribute to and receive dedicated wildfire prevention services.”

“While the state may have been able to withstand the fee suspension in budget surplus years with a growing cap-and-invest market, California’s standing today requires thoughtful, grounded approaches to how it achieves both its climate and fire resiliency goals. At a time when the federal government has abdicated its responsibility to reduce pollution and hamstrung California’s efforts to protect its own citizens, reinstating the SRA Fee allows the state to maintain current fire prevention efforts while allowing flexibility for state dollars to go towards climate change mitigation initiatives.”

In support, the Natural Resources Defense Council (NRDC) writes:

“California’s budgetary spending on wildfire prevention lags severely, resulting in an upward pressure on costs elsewhere throughout the state.

- Climate change is rapidly accelerating wildfire damage in California, particularly within SRA areas, increasing value of damage to homes and communities, and increasing civilian and firefighter deaths.
- Wildfire-related spending was the primary driver of electricity bill increases between 2018 and 2024, with rates rising by 80 percent. Electricity ratepayers

are now the top contributor to wildfire prevention, providing \$14.2 billion to wildfire prevention as compared to only \$3.623 from the state budget and bonding in the last half decade. These costs are disproportionately paid for by low-income inland customers who depend on air conditioning in the summer, and discourage building and vehicle electrification.

- State budget spending on fire suppression has grown 86 percent between 2017 and 2025, crowding out other important funding within the budget.
- Home insurance premiums have risen 25 percent from 2021 to 2024. As a result, an unprecedented, growing number of families are forced to go uninsured or to opt for the lower coverage insurer of last resort.”

“Investment in wildfire prevention now not only can counteract these cost pressures but also maintains positive economic activity. The U.S. Chamber of Commerce and Allstate find that for every \$1 invested in wildfire prevention within the Western US, \$22 of future economy activity is retained.”

Climate Resolve writes:

“We are deeply concerned that the increasing number and size of wildfires could undo the hard work California has done to lower greenhouse gas levels. When forests burn, they release massive amounts of carbon back into the air. This makes it much harder for us to meet our climate goals and protect our environment for the future.”

“Furthermore, we are worried about the health of people living in the Los Angeles basin. When big fires break out, smoke often covers our city for days or weeks. This air pollution is especially dangerous for our most vulnerable neighbors who already face health challenges or live in areas with high pollution. By funding fire prevention, we can help keep our air cleaner and our communities safer.”

“SB 1404 brings back a necessary fee to fund the Department of Forestry and Fire Protection. These funds will go directly toward activities that prevent fires before they start. While no one likes an extra cost, the price of doing nothing is much higher for our health, our air, and our climate.”

## **ARGUMENTS IN OPPOSITION**

Writing in a joint letter, Rural County Representatives of California (RCRC) and the California State Association of Counties (CSAC) argue:

“The SRA fee was discontinued in 2017 by the California Legislature on the condition of continuing the Cap-and-Trade program, now known as Cap-and-Invest. The agreement is reflected in Assembly Bill 398 (Chapter 135, Statutes of 2017), which repealed the fee through 2031. By reinstating the SRA fee, the Legislature is reneging on its promise to relieve residents living in the wildland urban interface of a burdensome and unfair fee so that CAL FIRE can remain fully funded in a tough budget landscape. Forest resilience and wildfire mitigation has already been deprioritized in the reauthorized version of the program in order to fund other projects. Our organizations believe it is inappropriate to violate the 2017 agreement in order to backfill these reprioritized funds.”

“Approximately 4 million Californians live in the Wildland Urban Interface (WUI), many of which are socioeconomically disadvantaged. A large percentage of rural residents in the WUI consists of elderly residents on fixed incomes. Residents in the SRA are already grappling with the affordability issues surrounding property insurance. Similarly, the state is asking residents across California to invest in wildfire retrofits that cost \$40,000-60,000 per home in order to secure insurance that may not even be affordable. Many of these Californians already cannot afford the costs associated with living in the WUI.”

“Furthermore, implementation of the original SRA fee was logistically and administratively confusing for both the administrators and fee payors. Homeowners that did not even live in the SRA were routinely charged fees, while upfront costs to launch the program approached \$15 million—nearly 19 percent of the total revenue of the program. The time, staffing, and effort to relaunch the fee could very well outpace the overall benefits of collecting the funds, just as it did in 2012.”

“Finally, many rural county residents already pay for local fire services, even if they have no CAL FIRE presence in their areas at all. The proposed SRA fees will result in double or triple taxation with no added benefit for many rural Californians and hurt local fire departments by making the already-difficult task of raising local revenues to support local firefighting efforts nearly impossible. In turn, this could very well impact urban areas by weakening the state’s mutual aid system that allows it to respond to any type of major disaster.”

## COMMENTS

**Double referral.** This bill is double referred to this Committee and the Committee on Revenue and Taxation. This Committee is the committee of first referral. Comments regarding issues under the portfolio of the Revenue and Taxation Committee are included here for context and completeness only.

**Legislative statements on fire prevention cost burdens.** AB x1 29 (Blumenfield, 2011), the Resources Budget Trailer bill, made several key findings and declarations regarding the presence of structures in the state’s wildlands and their impact on potential fire damage to the wildlands and watersheds and who should bear the costs of fire prevention activities aimed at reducing the effects of structures in the wildlands.

The findings made several clear statements:

- The presence of structures within the SRA can pose an increased risk of fire ignition and an increased potential for fire damage within the state’s wildlands and watersheds.
- The presence of structures within the SRA can also impair wild land firefighting techniques and could result in greater damage to state lands caused by wildfires.
- The costs of fire prevention activities aimed at reducing the effects of structures in the SRA should be borne by the owners of these structures.
- Individual owners of structures within the SRA receive a disproportionately larger benefit from fire prevention activities than the state’s citizens generally.
- A fire prevention fee is necessary to pay for fire prevention activities in the SRA that specifically benefit owners of structures in the SRA.

**Appropriate uses of the SRA Fee.** There are limits to what the SRA Fee may be used for (PRC § 4214):

- The costs of administering the SRA Fee by CDTFA.
- Local assistance grants administered by the Board.<sup>3</sup>
- Grants to Fire Safe Councils, the California Conservation Corps, or certified local conservation corps for fire prevention projects and activities in the SRA.
- Grants to a qualified nonprofit organization with a demonstrated ability to satisfactorily plan, implement, and complete a fire prevention project applicable to the SRA. The Department may establish other qualifying criteria.
- Inspections by the Department for compliance with defensible space requirements around structures in the SRA as required by Section 4291 of the Public Resources Code.
- Public education to reduce fire risk in the SRA.
- Fire severity and fire hazard mapping by the Department in the SRA.
- Other fire prevention projects in the SRA, authorized by the Board.

When the SRA Fee was suspended in 2017, the GGRF (the proceeds and income from the cap-and-invest program, as noted above) was authorized to fund these programs instead.

**Groundhog Day, but make it budget crises.** The Great Recession caused lingering effects in California's budget through the early 2010s thanks to a volatile revenue system dependent on high income earners and sales and use taxes. Proposition 13 has limited the degree to which California can rely on property tax, which is a relatively stable revenue source compared to income and sales taxes.

This volatile revenue system again caused budget shortfalls when, after capital gains spikes caused state tax revenues to rise 55% in fiscal year 2021-22, Governor Newsom's staff predicted those spikes would continue and even grow, projecting revenues for fiscal years 2022-23 and 2023-24 that were \$80 billion higher than what was realized.

Based on these assumptions, the state increased its spending, but the unrealized gains led to budget deficits in the mid-2020s. The budget deficits were further pressured by drops in federal spending by the Trump Administration on programs like Medi-Cal.

**Legislative Analyst's Office (LAO) Take.** According to the LAO, most of the Department's budget (\$3.3 billion out of \$3.8 billion in fiscal year 2022-23) funds wildfire suppression. In addition to the base budget, the Department is budgeted funds for emergency fire protection, known as the E-Fund. The amount the state budgets for the E-Fund each year is based on an average of the fund's expenditures in recent prior years. For example, for 2022-23, the enacted budget included \$843 million for the

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<sup>3</sup> This program was enacted by the Board (see Title 14 of the California Code of Regulations, §§ 1666.0-1666.16, inclusive) but was never funded by the Legislature.

E-Fund. Some of that money is from the General Fund, but other moneys come from reimbursements from the federal and local governments, such as when the Department conducts fire suppression on federal lands.

In their report titled “Framework for Approaching the Natural Resources, Environmental Protection, and Agriculture [2026-27] Budget,” the LAO notes that the Legislature has the option of using money from the GGRF to support almost any purpose. Given the pressures on the General Fund, the report encourages the Legislature to find alternative sources to General Fund dollars through the use of the GGRF. However, the LAO notes that certain programs, such as the Department’s Defensible Space Inspector Program, would need to find other funding if GGRF was used in lieu of the General Fund. The report suggests the Legislature consider reinstating the SRA Fee to cover the increased costs of these inspections.

***Please cancel my subscription.*** The SRA Fee was not met with rejoicing among feepayers. There were errors in billing, start up was costly, and feepayers were not clear about what projects were paid for by the SRA Fee and how those projects benefited them, specifically, as fees are required to do.

Some of the common complaints about the SRA Fee included:

- The fee provided for no special benefit to feepayers, thus the fee was actually a tax requiring a two thirds vote of the Legislature (the fee was passed with a simple majority vote<sup>4</sup>).
- Fire prevention projects were not “visible” to feepayers, so they did not feel they were getting value out of the fee, even if in fact a project was implemented nearby.
- The use of lines of convenience caused some awkwardness between neighbors – if a major road was used to divide the SRA from the LRA or FRA, folks on one side of the road might be paying the fee and folks on the other side wouldn’t.
- Early attempts to properly bill feepayers were so discombobulated the Board initiated an interim review of SRA parcels in 2013, rather than waiting until 2015 for the next statutory review.
- Start up costs were twice the usual proportion of fee costs, compared to other fees implemented by the BOE and CDTFA.
- The SRA Fee was not a deductible item under the federal real property tax deduction, according to a memorandum issued by the Internal Revenue Service.<sup>5</sup>

***If they wanted to, they would.*** The opposition letter from RCRC and CSAC illuminates the history of the SRA Fee suspension – to secure passage of the re-authorization of the Cap and Invest program, the Legislature suspended the SRA Fee until January 1, 2031, and used the proceeds from Cap and Invest to fund projects previously funded by the SRA Fee.

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<sup>4</sup> ABX1 29 was passed in the Assembly with a 52-26 vote, and the Senate 23-16.

<sup>5</sup> ILM 201310029; <https://www.taxnotes.com/research/federal/irs-private-rulings/legal-memorandums/california-fire-prevention-fee-isnt-deductible-real-property-tax/1fgf1>

The opposition argues that the Legislature is going back on a promise to relieve residents in the SRA of the SRA Fee. However, residents were not relieved of the SRA Fee. The SRA Fee was temporarily suspended until 2031.

The structure of the SRA Fee takes up an entire Chapter in Part 2, Division 4, of the Public Resources Code. If the Legislature intended to permanently relieve SRA residents of the SRA Fee, they could have repealed the entire Chapter authorizing the SRA Fee or the specific authorizing sections (PRC § 4212, 4213, and 4213.1). Instead, the Legislature authorized a new section of code (PRC § 4213.05) to temporarily suspend the fee.

At the same time, the Legislature adopted a new section of code, PRC § 4229, that states:

This chapter shall remain in effect only until January 1, 2031, and as of that date is repealed, unless a later enacted statute that is enacted on or before January 1, 2031, deletes or extends that date.

The Legislature, in this compromise, left open the possibility that the SRA Fee would not be repealed, and in fact could be re-authorized and assessed once again on habitable structures in the SRA.

Given the current budgetary landscape, it is reasonable to expect that the Legislature may lift the SRA Fee suspension early.

***Fire prevention funding is scarce across the state.*** Over the last ten years, since the SRA Fee was suspended, local governments have tried to raise local funds to support fire prevention services, to varying levels of success:

- Placer Hills Fire Protection District: Residents in its 34-square mile service area authorized the District to levy a parcel tax of \$185 to fund paramedic and fire response, firefighter staffing, and emergency response equipment.
- Marin County: Voters in Marin County approved a parcel tax in March 2020 to prevent and mitigate wildfires in the county. There is a low-income senior exemption available, as well as exemptions for mobile homes, house boats, and other structures that are typically exempt from ad valorem taxes.
- Los Angeles County: Voters passed the Emergency Response and Infrastructure Special Parcel Tax in 2024, levied at a rate of six cents per square foot of structural improvements. There is a low-income senior exemption available.
- Mono County: In the November 2024 election, voters in Mono County approved Measure M to authorize the Mammoth Lakes Fire Protection District to levy \$98 per parcel for nine years to fund, among other fire-related projects, defensible space inspections. The measure authorized senior and low-income exemptions.
- Tuolumne County: On the other hand, in 2021, Tuolumne County voters rejected a ballot measure that would authorize a \$150 annual parcel tax, adjusted annually for inflation.

- Calaveras Consolidated Fire Protection District: Voters in this district also rejected an annual parcel tax, declining to fund fire protection and emergency services with a \$96 tax on residential units.

**Utah's approach.** Utah passed House Bill (HB) 48, "Wildland Urban Interface Modifications," in their 2025 General Legislative Session. HB 48 requires all structures within the High Risk Wildland Urban Interface Boundary to pay a fee. The fee funds the costs of implementing the law and the costs of lot assessments. Lot assessments are performed to determine what a structure owner can do to reduce their risk of loss from wildfire. As recommendations and mitigations from the lot assessment are implemented on the structure, the fee is reduced.

**Consider exemptions or reductions.** As this bill moves through the Legislative process, the author may wish to consider a more nuanced fee that considers what, if any, exemptions or reductions would reduce the burden of the fee, while maintaining an appropriate level of funding. Feepayers already receive a \$35 discount if they are served by a local fire agency. Would a fee reduction or exemption for a structure with sufficient defensible space or home hardening mitigation measures be appropriate? Would a low income or senior exemption make the fee more palatable? A reduction of the SRA Fee if the feepayer already pays a local parcel tax for fire prevention?

The Committee may wish to encourage the author to investigate these options as the bill is heard in future Committees.

**Consider whether the appropriate parcels are being charged, as the prevention of fires is a statewide concern.** Most ignitions in the SRA are the direct result of human incursion into the wildlands: electrical infrastructure, vehicles, campfires, fireworks, home wiring, and arson are frequent causes of wildfires. In 2024, 85% of wildfires in the SRA were human caused (3% natural; 12% undetermined).

Regardless of jurisdiction, out of the top 20 most destructive wildfires in California, 14 were caused by humans. 10 of the top 20 largest and 14 of the top 20 deadliest wildfires were human-caused.

Human-caused wildfires resulted in \$527,299,834 of property and contents loss ("dollar damage") in the SRA (excluding contract counties) in 2024.

The Legislature acknowledges that "[t]he wildfire front is not the only source of risk since embers, or firebrands, travel far beyond the area impacted by the front and pose a risk of ignition to a structure or fuel on a site for a longer time" and that "[s]ince fires ignore civil boundaries, it is necessary that cities, counties, special districts, state agencies, and federal agencies work together to bring raging fires under control" (GOV § 51175).

The Legislature continues: "[p]reventive measures are therefore needed to ensure the preservation of the public peace, health, or safety...[t]he prevention of wildland fires is not a municipal affair, ... but is instead, a matter of statewide concern" (GOV § 51175).

The Legislature made those findings in the 1990s via the Bates Bill, in the context of mapping FHSZ in the LRA and applying wildfire prevention mitigation requirements to

those areas. These LRA FHSZ requirements, such as WUI Code compliance, fire safe development regulations, and defensible space requirements, are the same requirements imposed on structures in the SRA to reduce structure ignition and the resulting negative impacts.

Reopening the conversation around the SRA Fee asks the Legislature to confront the question: is there a point at which the cost of fire prevention activities in the SRA that benefit structures in the LRA should be borne by those owners in the LRA?

The recent Eaton and Palisades fires and the 2013 Rim Fire provide interesting hypothetical situations where structures in the LRA very high FHSZ, and even LRA not in a FHSZ, may have been protected by projects funded by the SRA Fee, demonstrating how fire prevention in the SRA and LRA are inextricably linked to each other's health and success.

The Eaton Fire began on January 7, 2025, in Eaton Canyon in the San Gabriel Mountains. High tension power lines operated by Southern California Edison (SCE) sparked the fire.<sup>6</sup>

The Eaton Fire burned more than 9,000 structures and killed 19 people in the LRA communities of Altadena and Sierra Madre. Altadena and Sierra Madre are LRA lands tucked into the foothills of the San Gabriel Mountains, bordered by SRA land that transitions into the Angeles National Forest. Being in the LRA, structures in the Eaton Fire footprint would not have had to pay the SRA Fee. However, the SCE power lines found responsible for the fire would not have been present but for the structures in the LRA. Theoretically, SRA Fee-funded fuel reduction projects in the SRA in the San Gabriel Mountains may have mitigated some of the impacts to the structures in the Eaton Fire.

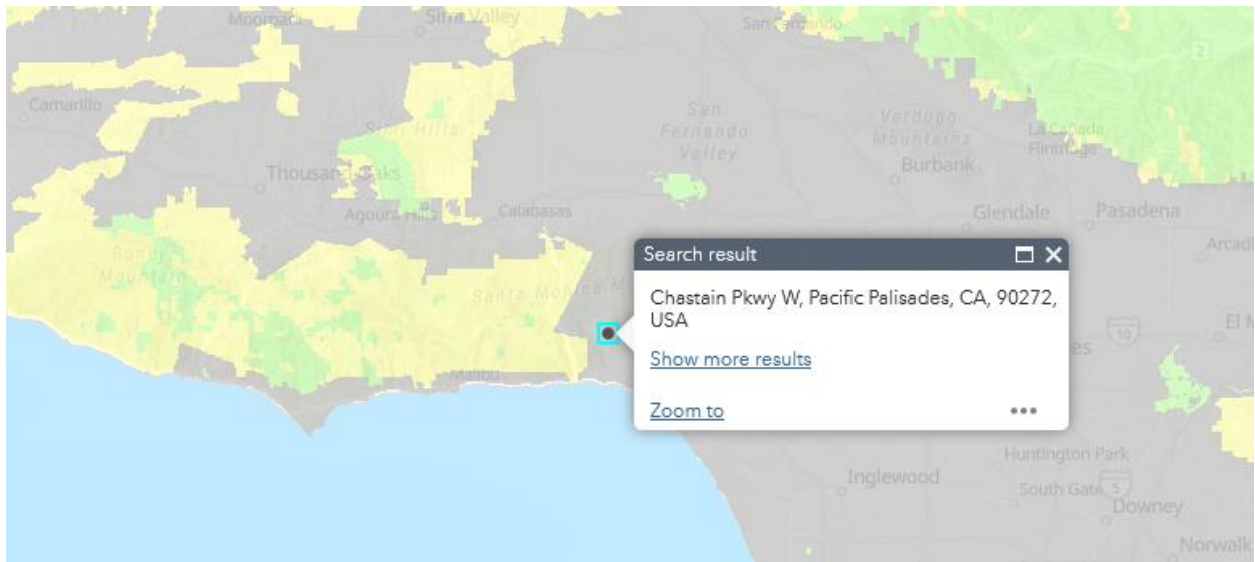
The Palisades Fire began almost simultaneously with the Eaton Fire on January 7, 2025, and has a very similar story. The fire began in the Santa Monica Mountains and destroyed foothill communities in Pacific Palisades, Topanga, and Malibu. It burned 6,837 structures and killed 12 people. Federal authorities have charged a 29-year-old man with starting the fire near a popular hiking area.<sup>7</sup>

The Palisades Fire burned in a mix of LRA and SRA mountainous areas. Many of the structures destroyed in Malibu burned in very high FHSZ LRA adjacent to SRA (see maps below). Much like in the San Gabriel Mountains, SRA Fee-funded fuel reduction work in the Santa Monica Mountains might have mitigated the impact of the Palisades fire on structures in the community.

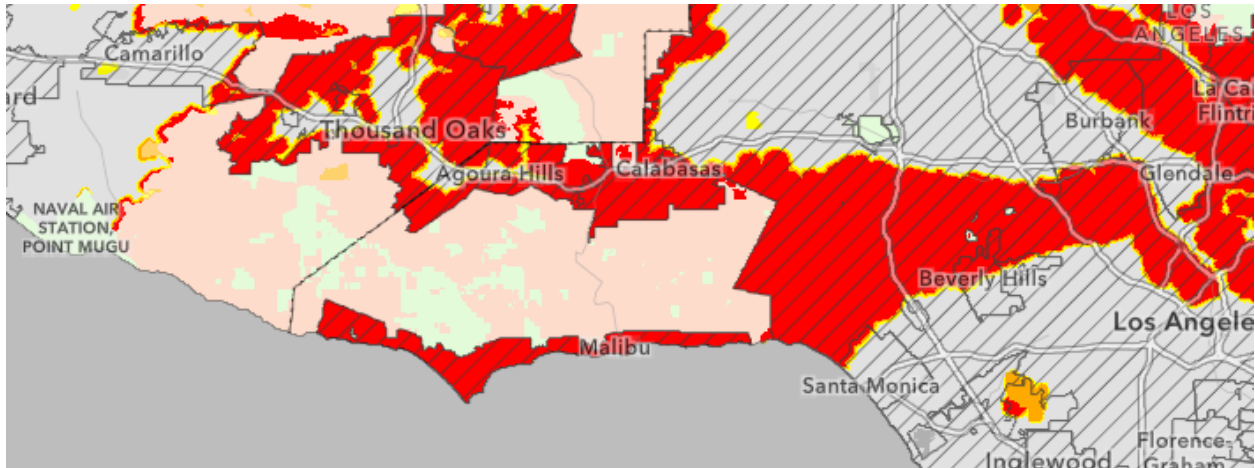
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<sup>6</sup> "Feds say Southern California Edison started Eaton fire, sue for damages"  
<https://calmatters.org/environment/wildfires/2025/09/edison-caused-eaton-fire-feds-say/>

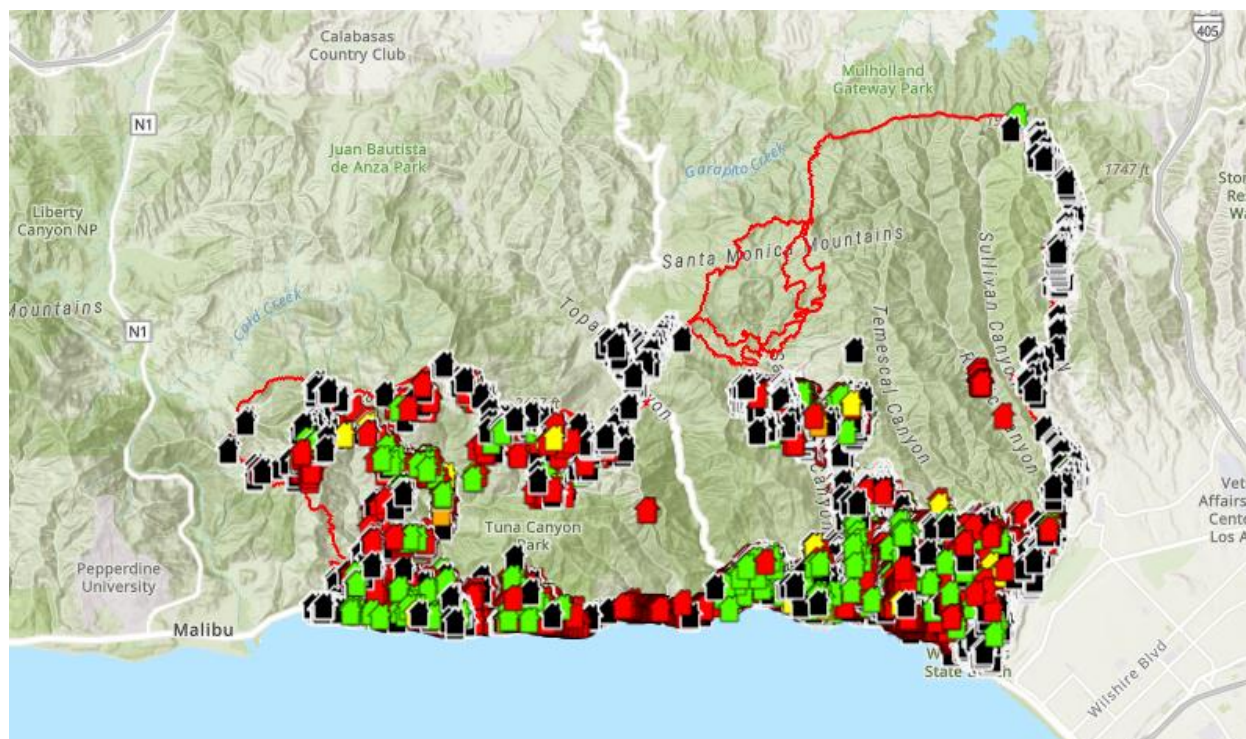
<sup>7</sup> "A 'reignition' led to the Palisades fire, a finding sure to enrage thousands of victims"  
<https://www.latimes.com/california/newsletter/2025-10-09/essential-california-reignition-caused-palisades-fire>



Approximate location of the Palisades Fire ignition point. LRA is in gray; SRA in yellow; FRA in green.



Palisades Fire area. LRA very high FHSZ in striped bright red; SRA FHSZ in muted red and orange.



Palisades Fire Damage Inspection Map. Structures more or less on the south and east side of the map are in LRA very high FHSZ, structures in the mountainous areas to the west of the map are in SRA (to the right and left, respectively, of the road in white in the middle of the map).

The Rim Fire began from an illegal, abandoned campfire on August 17, 2013, in the Stanislaus National Forest.<sup>8</sup> It burned over 255,000 acres and destroyed 112 structures, including 11 residences. Approximately 77,254 acres burned in Yosemite National Park. At the time, it was the largest forest fire in California history and the largest in Park history. It threatened thousands of residential structures in Tuolumne County. The lack of fire prevention activities in the Rim Fire footprint – in this case, prescribed fire – led to higher burn severities in areas that had not experienced fire in the last 14 years.<sup>9</sup>

On August 22, 2013, Governor Edmund G. “Jerry” Brown issued a state of emergency for Tuolumne County, where the fire was burning.

The next day, August 23, the Governor issued an emergency proclamation for the City and County of San Francisco. The fire was threatening critical infrastructure that provided power and water to San Francisco, and the emergency proclamation declared “the circumstances of this emergency, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat.”

The health of the Central Sierra watershed that burned in the Rim Fire had a direct impact on San Francisco’s power and water supplies. Admittedly, the Rim Fire was

<sup>8</sup> “California Rim Fire Was Started By Hunter’s ‘Illegal’ Fire” <https://www.npr.org/sections/thetwo-way/2013/09/05/219356523/california-rim-fire-was-started-hunters-illegal-fire>

<sup>9</sup> Lydersen, J.M.; North, M.P.; Collins, B.M. 2014. Severity of an uncharacteristically large wildfire, the Rim Fire, in forests with relatively restored frequent fire regimes. *Forest Ecology and Management* 328, 326-334.

burning on federal land, but many of the watersheds that provide clean water and energy to the state are in the SRA – such as land owned by the East Bay Municipal Utility District in the Sierra Foothills. If the Rim Fire had been burning in the SRA, where a fire prevention project funded by the SRA Fee could have been implemented, San Francisco – a LRA hundreds of miles from the fire front – would have benefitted from such fire prevention work.

In fact, the enabling legislation for the SRA Fee states the “[f]ire protection of the public trust resources on lands in the state responsibility areas remains a vital interest to California” (PRC § 4210). Protecting those public trust resources isn’t a limited interest to the SRA, but instead to the whole state.

Considering the impact that the health of SRA watersheds have on the state’s residents as whole, should structures in the LRA – even those not classified in a FHSZ – bear the cost of fire prevention work in the SRA that benefits them?

As this bill moves through the Legislative process, the author may wish to consider balancing additional exemptions or reductions of the fee with expanding the scope of the fee. The feepayers might expand to include LRA residents that gain a special benefit from fire prevention projects in the SRA, or fee revenues might be increased by applying the fee to other types of structures in the SRA that are subject to defensible space and WUI Code requirements and also benefit from SRA fire prevention work, but are not habitable, such as commercial buildings. The author may wish to be mindful of expansions of the fee that might turn the fee into a tax, and the corresponding changes to Legislative processes that would result.

***Projects funded by the SRA Fee.*** According to the latest annual report on the SRA Fee by the Department,<sup>10</sup> fire prevention services and programs funded by the fee included:

- Fuel reduction projects that lessened the risk of wildfire to communities, evacuation routes, and infrastructure.
- Defensible space inspections.
- Assisting communities with updating wildfire mitigation plans.
- Fire prevention education.
- Fire hazard severity mapping.
- Implementation of State and local fire plans.
- Fire related law enforcement activities.

As opposed to new capital projects such as a fire station or truck, these kinds of projects often happen in either forested environments that are not heavily populated, or “behind the scenes” to improve fire prevention and mitigation in the SRA. The impacts of the fee that were benefitting SRA residents were not as visible to residents as feepayers might have expected them to be, given the structure of the SRA Fee as a specific benefit fee rather than a tax.

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<sup>10</sup> Given the suspension of the fee in 2017, the last published report covers the 2016-17 fiscal year.

As this bill moves through the process, the author may wish to consider amendments that would improve fee payers' understanding of the benefits of the fee accruing to them – such as roadside signs near fuel reduction projects, as federally funded transportation projects often do, or a “paid by the SRA Fee” logo to be used on mitigation plans or program websites that are funded by the fee. A dashboard with live updates on projects funded by the fee, and maps showing where the projects are located vis-à-vis SRA fee payers, may also help garner greater public support and knowledge about the SRA Fee, its uses, and how it benefits fee payers.

**Adjust the administrative mechanics of the SRA Fee.** Given the difficulties and expense of implementing the SRA Fee from the administrative side, the author may wish to consider amendments to the bill to ease the administrative burden of implementing the SRA Fee. Technical assistance from CDFTA and the Department may be of benefit. Reducing administrative costs would free up additional money that could be invested in more fire prevention projects or make up for lost revenue due to exemptions or reductions.

**GGRF Continuous Appropriation.** Beginning in the 2026-2027 fiscal year, fire prevention activities that would have been funded by the SRA Fee are granted a continuous appropriation from GGRF, in “[a]mounts described in Sections 4210 to 4214, inclusive, of the Public Resources Code” (HSC § 39719.4).

The amounts in sections 4210 to 4214 of PRC could vary over time, if the fee was active. It is of note that the statute authorizes the Board to charge a fee “in an amount not to exceed one hundred fifty dollars (\$150).” The Board could, at any time, amend its regulations to charge less than \$150, if desired.

Additionally, as new habitable structures are constructed in the SRA, they would be charged the fee each year. As land moves in and out of SRA boundaries, especially after the major five-year reviews, those structures would then not, or perhaps could newly, pay the fee.

In addition, the Board is authorized to adjust the fee for inflation (PRC § 4212(b)). The Board could amend the amount of the fee in regulation to adjust for inflation.

Board regulations offer a \$35 discount on the fee if the structure is in the boundary of a local fire agency (14 CCR § 1665.7(a)). As local fire agencies are established or dissolved, a habitable structure's eligibility for this discount might change.

Would the GGRF appropriation change to account for the difference in fees that might result because of these changes?

As this bill moves through the Legislative process, the author may wish to contemplate if any amendments are necessary to this bill (SB 1404) or section 39719.4 of the HSC to address how the reinstatement of the SRA Fee might affect this continuous appropriation.

**Committee may wish to recommend amendments.** The Committee may wish to recommend amendments to this bill to clarify when the SRA Fee is reinstated, specify

the timelines for the use of GGRF, and repeal the statutes repealing the SRA Fee chapter in PRC.

An NRDC “FAQ” circulating in support of the bill states that funds coming from the reinstatement of the SRA Fee would be in addition to, not in lieu of, fire prevention funding coming from GGRF in lieu of the SRA fee.

The author’s intent, as communicated to the Committee via the author’s Fact Sheet, is for the reinstated SRA Fee to *replace* the annual GGRF appropriations to free up approximately 90 million dollars annually of the GGRF to go to other projects, as the LAO report recommends. The author writes:

“In 2024-2025, \$87 million in Greenhouse Gas Reduction Funds were allocated to CalFire to backfill SRA fee revenue. The cumulative impact since the fee’s suspension sits at roughly \$640-720 million of redirected funding that the SRA fee would otherwise cover.”

The proposed bill reinstates the SRA Fee beginning January 1, 2027, and ends the in lieu GGRF funding on the same date. However, the fee won’t be billed until July 1, 2027, which results in up to a year where projects being implemented during 2027 that under existing law would be funded by GGRF are not able to access funding by either the SRA Fee or GGRF.

The Committee may wish to authorize GGRF in lieu funding until January 1, 2028, to account for the time it would take moneys from the SRA Fee collection to be deposited into the SRA Fee Fund, so critical fire prevention projects do not lose funding, even if temporarily. **[SEE AMENDMENT #1]**

This bill proposes to make the timing of the suspension and reinstatement and GGRF in lieu funding more specific. If there is ever a question about the history of the budget authorizations during this time period, or the desire to again suspend the fee, this section should remain for future Legislators to contemplate.

The Committee may wish to amend the bill to repeal the subsection of code that makes the suspension of the fee and GGRF in lieu funding inoperable on January 1, 2031. **[SEE AMENDMENT #1]**

This Legislative ping-pong game with the SRA Fee – enacting it, suspending it temporarily, reinstating it, and plans to repeal it entirely in 2031 “unless a later enacted statute that is enacted on or before January 1, 2031, deletes or extends that date”<sup>11</sup> – is causing confusion, unpredictability, and instability in the budgets of every day Californians and in the Legislative process.

The Committee may wish to recommend an amendment to delete the statute that requires the chapter to be repealed on January 1, 2031, unless a later enacted statute that is enacted on or before January 1, 2031, deletes that.

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<sup>11</sup> PRC § 4229: This chapter shall remain in effect only until January 1, 2031, and as of that date is repealed, unless a later enacted statute that is enacted on or before January 1, 2031, deletes or extends that date.

In layman's terms, the Committee may wish to recommend an amendment to repeal section 4229 of the PRC. **[SEE AMENDMENT #2]**

***Committee amendments will be taken in Senate Emergency Management Committee.*** Due to Legislative time constraints, if the committee wishes to amend the bill and the bill is passed out of this committee, the amendments will be taken in the Senate Emergency Management Committee's hearing on this bill.

***Related legislation***

SB 840 (Limón, Chapter 121, Statutes of 2025) authorizes GGRF to continuously fund fire prevention activities that would have otherwise been funded by the SRA Fee in the amounts described in statute.

SB 901 (Dodd, Chapter 626, Statutes of 2018) specified that the amount appropriated to the Department in the annual Budget Act for the purposes of funding fire prevention projects in lieu of the SRA Fee shall not be included when determining the amount of annual GGRF proceeds in the fund when making certain appropriation calculations.

SB 398 (Eduardo Garcia, Chapter 135, Statutes of 2017) suspended the SRA Fee beginning January 1, 2017, and established the intent of the Legislature to use GGRF funding to pay for fire prevention projects in lieu of the SRA Fund.

SB 9 (Gaines, 2016) would have repealed the SRA Fee. This bill died in the Senate Natural Resources and Water Committee.

SB 520 (Berryhill, 2015) would have repealed the SRA Fee. This bill died in the Senate Natural Resources and Water Committee.

AB 93 (Weber, Chapter 10, Statutes of 2015), as the Budget Act of 2015, appropriated \$8.6 million from the SRA Fund to the BOE for costs associated with the collection of the SRA Fee. This bill authorized the Director of Finance to augment this expenditure, if necessary.

AB 2048 (Dahle, Chapter 895, Statutes of 2014) authorized the Board to adjust the fee for inflation, rather than require it.

AB 929 (Jones, 2013) would have required the BOE reimburse everyone who paid the SRA Fee between January 1, 2015, and December 31, 2016, if their structure was determined to not be in the SRA. This bill died in the Assembly Natural Resources Committee.

AB 23 (Donnelly, 2013) would have repealed the SRA Fee. This bill died on the Assembly Appropriations suspense file.

SB 1040 (Evans, 2012) would have repealed the SRA Fee. This bill died in the Assembly Budget Committee.

AB 1506 (Jeffries, Cook, et al, 2012) would have repealed the SRA Fee. This bill died on the Assembly Appropriations suspense file.

Abx1 29 (Blumenfield, Chapter 8, Statutes of 2011) authorized the State Responsibility Area Fire Prevention Fee and created the State Responsibility Area Fire Prevention Fee Fund in the State Treasury.

## SUGGESTED AMENDMENTS

### AMENDMENT 1

Amend Section 4213.05 of the Public Resources Code as follows:

**4213.05.** (a) Commencing with the 2017–18 fiscal year, the fire prevention fee imposed pursuant to Section 4212 shall be suspended, effective July 1, 2017, **until January 1, 2027**. Any moneys held in reserve in the State Responsibility Area Fire Prevention Fund shall be appropriated by the Legislature in a manner consistent with subdivision (d) of Section 4214.

(b) It is the intent of the Legislature that moneys derived from the auction or sale of allowances pursuant to a market-based compliance mechanism established pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code shall be used to replace the moneys that would have otherwise been collected under Section 4212 to continue fire prevention activities **from January 1, 2017 until January 1, 2028**.

(c) The amount appropriated in the annual Budget Act pursuant to subdivision (b) shall not be included in determining the amount of annual proceeds of the fund for purposes of the calculations in Section 39719 of the Health and Safety Code.

~~(d) This section shall become inoperative on January 1, 2031.~~

### AMENDMENT 2

Repeal section 4229 of the Public Resources Code.

## SUPPORT

Climate Resolve  
Elevate California  
Natural Resources Defense Council (NRDC)

## OPPOSITION

California Association of Realtors (CAR)  
California State Association of Counties (CSAC)  
Rural County Representatives of California (RCRC)

One individual

-- END --