

SENATE THIRD READING

SB 226 (Cabaldon)

As Amended June 11, 2026

Majority vote

SUMMARY

SB 226 amends existing state law on Infrastructure Revitalization Financing Districts (IRFDs) to specify that they can be used for entertainment or sports facilities.

Major Provisions

- 1) Allows an IRFD to finance facilities or projects of communitywide significance, including, but not limited to, the acquisition, construction, or repair of commercial or industrial structures for private use, including, but not limited to, entertainment or sports facilities.

COMMENTS

Background. IRFDs were authorized under AB 229 (Pérez, Chapter 775, Statutes of 2014) with the primary purpose of giving local governments tools and resources to fund public infrastructure, affordable housing, economic development and job creation, and environmental protection and remediation. To that end, IRFDs are authorized to undertake and finance specified activities to meet those goals. IRFDs are formed through an approval process that is subject to a vote of qualified electors, requires a 2/3 vote in favor of creating the district, and have a maximum term of 40 years. In comparison to other types of financing districts, IRFDs are unique in that they allow for the acquisition, construction, or repair of commercial structures for private use, without conditions that would apply to funding by an Enhanced Infrastructure Refinancing District (EIFDs).

IRFDs may use two sources of funds. The first is property tax increment generated by properties within the boundaries of the district that is voluntarily dedicated by participating taxing agencies. The second is eligible distributions to the sponsoring jurisdiction's Redevelopment Property Tax Trust Fund after all legal obligations from that revenue have been made.

Potential impacts of a new sports and entertainment facility. Sutter Health Park, home of the Sacramento River Cats and temporary home of the Major League Baseball Athletics, has been an important aspect associated with two decades of investment and redevelopment of West Sacramento. Since opening in 2000, the ballpark has served as the primary anchor of the city's riverfront revitalization strategy, transforming what was once a largely industrial waterfront into the mixed-use Bridge District. City officials have credited the stadium with attracting housing, restaurants, entertainment venues, and other private investment to the riverfront, while helping secure infrastructure funding and economic development opportunities that may not otherwise have occurred. Of note, the original ballpark was privately financed and did not require direct taxpayer funding for construction.

The facility has generated substantial indirect economic benefits through adjacent development and increased visitor activity. The Bridge District now encompasses a significant concentration of residential, commercial, and entertainment uses, with city planning documents envisioning up to 12.5 million square feet of development at full buildout. Local businesses have reported that game-day activity serves as an important driver of customer traffic, and city leaders have

consistently described the ballpark as a catalyst for ongoing investment in the surrounding district.

Of note, when comparing revenue that the City of West Sacramento received in the form of sales tax, transient occupancy tax, and City parking revenues associated with the 2025 combined A's/River Cats season vs. the 2024 River Cats-only season, the city saw a net increase of \$872,814 (51%) in revenue associated with the stadium and the surround area in 2025.

Using an IRFD to potentially build or renovate an entertainment and sports facility could potentially attract or allow for the expansion of a new Major League Baseball team, which would further expand the economic activity generated by the riverfront district by supporting additional mixed-use development, increasing tourism and visitor spending, and enhancing the region's national profile.

According to the Author

"The City of West Sacramento has emerged as one of the jurisdictions in California effectively using infrastructure financing districts and similar tools to drive development. When putting together large revitalization and infrastructure projects representing hundreds of millions or billions of dollars in investments, certainty matters. By making this straightforward clarification to existing law, any ambiguity would be removed, providing legal certainty to local agencies. Importantly, the major economic development opportunities utilizing IRFDs and the like, generate jobs and revitalize communities without burdening taxpayers or general fund resources."

Arguments in Support

According to the City of West Sacramento, "IRFDs are a valuable tool for local governments seeking to finance major infrastructure and economic development projects without relying on General Fund resources. SB 226 offers a straightforward clarification that entertainment and sports facilities qualify as commercial or industrial structures eligible for IRFD financing, providing greater certainty to local agencies, investors, and financing partners."

"For communities pursuing transformative projects, certainty in state law is critical. Ambiguity regarding project eligibility can create unnecessary risk, delay investment, and hinder economic development opportunities. By clearly affirming the eligibility of entertainment and sports facilities, SB 226 strengthens a financing mechanism that helps local governments leverage future tax increment generated by development to fund projects of communitywide significance."

"West Sacramento has been a leader in utilizing innovative financing tools to support economic growth and community revitalization, including establishing the state's first Enhanced Infrastructure Financing District. As our city advances significant waterfront and economic development initiatives, including the pursuit of a Major League Baseball expansion franchise, the clarification provided by SB 226 will help ensure that local governments can confidently utilize IRFDs consistent with state law. If successful, a new MLB stadium in the City's Bridge District will catalyze dense urban infill development for which the City has long planned, generating significant private investment, jobs, housing, and public infrastructure improvements."

"Beyond its local economic benefits to the Greater Sacramento region, this effort carries statewide significance. With the Athletics departing for Las Vegas, securing a new franchise in

West Sacramento would allow California to maintain its current number of Major League Baseball teams.

"It is also important to note that SB 226 does not expand taxing authority or require the use of public funds. Rather, it simply provides needed statutory clarity that will support responsible local economic development efforts throughout California."

Arguments in Opposition

None on file.

FISCAL COMMENTS

None. This measure was keyed non-fiscal by Legislative Counsel

VOTES

SENATE FLOOR: 32-0-8

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Padilla, Pérez, Richardson, Rubio, Seyarto, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Alvarado-Gil, Choi, Dahle, Durazo, Hurtado, Ochoa Bogh, Reyes, Smallwood-Cuevas

ASM ARTS, ENTERTAINMENT, SPORTS, AND TOURISM: 9-0-0

YES: Ward, Lackey, Elhawary, Jeff Gonzalez, McKinnor, Ortega, Quirk-Silva, Valencia, Zbur

ASM LOCAL GOVERNMENT: 10-0-0

YES: Carrillo, Ta, Johnson, Pacheco, Ramos, Ransom, Blanca Rubio, Stefani, Ward, Wilson

UPDATED

VERSION: June 11, 2026

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FN: 0003292