

SENATE THIRD READING

SB 415 (Reyes)

As Amended July 17, 2025

Majority vote

SUMMARY

Makes various changes to AB 98 (Carrillo, Reyes), Chapter 931, Statutes of 2024, (AB 98), which regulates warehouse development.

Major Provisions

- 1) Revises the definition of "logistics use" and instead defines "logistic use development" to mean a building that is "primarily used as a warehouse for the movement or storage of cargo, goods or products," as specified.
- 2) Specifies "logistics use development" does not include a building that serves a primary agricultural use that is actively operated for a single period of 90 days or less each year.
- 3) Specifies land that will be used to ensure the public's right of access to the sea pursuant to the California Coastal Act is not a "sensitive receptor."
- 4) Clarifies a separate entrance to a logistics use development or logistics park for heavy-duty trucks may include a driveway with a lane dedicated to heavy-duty trucks and lane dedicated for other vehicles.
- 5) Clarifies a buffer area may include other hardscape, access, and passenger parking improvements and may include any landscaped areas within a public right-of-way or public or private pedestrian walkways.
- 6) Prohibits a local agency from disapproving a solid decorative wall, landscaped berm and wall, or landscaped berm 10 feet or more in height, as specified.
- 7) Specifies a local road is considered to predominantly serve commercial, agricultural, or industrial uses if more than 50% of the properties fronting the road within 1,000 feet of the sites' truck entrances and exits are designed for commercial, agricultural, or industrial use.
- 8) Extends the timeline to January 1, 2035, for small cities and counties, as defined, outside the warehouse concentration region to update their circulation elements.
- 9) Deletes the Attorney General's (AG's) authorization to fine a jurisdiction that does not update its circulation element within the required timelines, and instead provides, in an action brought by the AG, a jurisdiction found by the AG to not have made a good faith effort to meet the requirements is subject to all of the following:
 - a) A civil penalty of up to \$50,000 every six months, for each violation, as specified.
 - b) All costs of investigating and prosecuting this action, including expert fees, reasonable attorney's fees, and costs.
 - c) Other relief deemed appropriate by the court.

COMMENTS

AB 98 of 2024. 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 required logistics uses to be located on larger roads, unless it is impractical to do so, and established, among other requirements:

- 1) 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.
- 2) Buffer zones around the properties that screen sensitive receptors using trees and walls.
- 3) Site design requirements, such as orienting loading bays on the opposite side of the facility from sensitive receptors where feasible.
- 4) Building electrification requirements; and operational requirements (including phased-in mandates for zero-emission forklifts and other equipment, where feasible).

The bill also required developers to replace any demolished housing on a two-for-one basis with affordable units, along with providing relocation payments to displaced tenants.

AB 98 applied the 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 mandated 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 bill included requirements for public input and making route maps publicly available.

Finally, AB 98 directed the South Coast Air Quality Management District 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.

According to the Author

"Logistics facilities have proliferated and encroached around all types of communities in the Inland Empire. This proliferation has led to a public health crisis resulting in over 4,000 individual warehouses occupying about 1 billion square feet in the region that generate approximately 600,000 truck trips a day which is equivalent to 50 million pounds of carbon

dioxide. The Department of Justice has identified that other parts of the state, such as the Central Valley, as prime locations for logistics expansion. Without proper guardrails and a framework for logistics development the issue in the Inland Empire could be replicated in other parts of the state.

"This is why last year Assemblymember Carrillo and I authored, and Governor Newsom later signed AB 98 which required new design build standards for '21st Century Warehouses,' planning requirements for local governments, and setbacks from sensitive receptors dependent on the size of the warehouse. While a framework was put into place there were outstanding issues that need to be addressed such as: definitional questions, enforcement, cross applications with other existing laws, general clarifications, and the assessing requests from stakeholders regarding implementation. This year we have authored SB 415 and AB 735 to clarify this area of state law."

Arguments in Support

None on file.

Arguments in Opposition

The City of Ontario writes in opposition, "The City of Ontario strive to be a good steward to the region and our community and to ensure the development of a well-planned, balanced, and self-sustaining community. It is our strong opinion that cities improving the quality of life, supply chain needs, and inflation are critical issues all cities are facing. Applying the proposed requirements to projects currently in the pipeline will significantly disrupt economic development and job creation."

FISCAL COMMENTS

Local costs of an unknown amount to each city and county to implement the changes in this bill. These costs are not reimbursable by the state because local agencies have general authority to charge and adjust planning and permitting fees to offset increased costs associated with the provisions of this bill.

Because many of the changes in this bill modify requirements in AB 98 that do not take effect until January 1, 2026, this bill may reduce AB 98's implementation costs for some local jurisdictions.

VOTES

SENATE FLOOR: 38-0-2

YES: Allen, Alvarado-Gil, Archuleta, Arreguin, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNeerney, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Menjivar, Reyes

ASM LOCAL GOVERNMENT: 7-0-3

YES: Carrillo, Pacheco, Ramos, Blanca Rubio, Stefani, Ward, Wilson

ABS, ABST OR NV: Ta, Hoover, Ransom

ASM APPROPRIATIONS: 11-1-3

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache

NO: Tangipa

ABS, ABST OR NV: Dixon, Jeff Gonzalez, Ta

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