

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 675 (Padilla) – As Amended June 18, 2026

Policy Committee: Natural Resources

Vote: 9 - 4

Urgency: No

State Mandated Local Program: Yes

Reimbursable: Yes

SUMMARY:

This bill prescribes the membership of the governing board of the Imperial County Air Pollution Control District (ICAPCD or district) and imposes several new reporting and planning duties on the district.

Specifically, this bill, among other things:

- 1) Requires, effective July 1, 2027, 10 members of the ICAPCD governing board be appointed as follows: (a) one member representing the board of supervisors, appointed by a majority of the board of supervisors; (b) one city council member from each of the five supervisorial districts, as specified; and (c) four public members with specified areas of expertise, appointed by the supervisor and city council members at a public hearing.
- 2) Specifies additional requirements, qualifications, term limits, compensation amounts, and vacancy appointment procedures for board members, including that the governing board designate one member to serve as the liaison to the U.S. Navy and the U.S. Marine Corps and that the board consult with the Navy and Marine Corps on all permitting, rules, regulations, and planning issues that have the potential to impact the mission of the Navy and Marine Corps.
- 3) Requires the ICAPCD to do the following by specified deadlines: (a) create a website separate from the Imperial County website and post specified information, including information related to permits and enforcement actions, face sheets of notices of violation or notices to comply, and the district budget, including revenue and expense projections and actuals; (b) apply for specified statewide grant and incentive programs; (c) evaluate the current public complaint process and provide a plan for updating the process; (d) develop a plan for a comprehensive air monitoring program; (e) publish an annual air quality report; and (f) prepare a report for consideration by the ICAPCD governing board that summarizes all of the actions taken on applications for an authority to construct or a permit to operate in the 2027 calendar year and consider, based on this report, amendments to district rules to ensure adequate opportunity for public comment on applications within the district's deadline for action on those applications.
- 4) Requires expenses of the ICAPCD not met by specified existing district funding sources be provided by an annual assessment imposed on an equitable per-capita basis on each city and county included in the district, as specified.

FISCAL EFFECT:

The ICAPCD preliminarily anticipates substantial one-time and ongoing annual costs in the tens of millions of dollars to implement the requirements of this bill and contends that the bill's proposed timelines are both stringent and infeasible for a rural district like ICAPCD without significant new funding and implementation support. Among a lengthy list of cost-drivers, the district estimates approximately \$1.5 million in one-time information technology (IT)-related costs, \$4.5 million in ongoing annual costs for additional positions and services previously provided through the county, significant one-time facility costs "to meet current and mandated expansion needs," \$410,000 annually for monitoring, numerous costs associated with establishing and supporting the new 10-member governing board, complaint system upgrades (including 24-hour hotline capacity), new public comment tracking and response procedures, creation of searchable public permit and enforcement databases, annual air quality reporting, and other tasks.

The ICAPD insists that the resources it requires to implement this bill are not absorbable within its existing budget or recoverable through fees. If the Commission on State Mandates determines these costs to be a reimbursable state mandate, the state would be obligated to reimburse the county for its expenses (General Fund). See background below for a discussion of ICAPD's reasoning.

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

The residents of Imperial County are uniquely situated at an intersection of multiple air quality issues. The county has some of the worst air pollution in the country, the lakebed of the receding Salton Sea and dust storms contributing to some of the highest asthma hospitalization rates in the state. Imperial County's Air Pollution Control District board should properly reflect the region's diverse range of voices on air quality issues.

2) Background. ICAPCD. Like other rural, single-county air districts, the ICAPCD is governed by the county board of supervisors. Imperial is the most populous county with a district governed solely by the county board of supervisors. The county also has relatively more complex and challenging air pollution issues than other rural counties.

San Diego Model. In 2019, AB 423 (Gloria), Chapter 744, Statutes of 2019, restructured the governing board of the San Diego County Air Pollution Control District (SDAPCD) to be governed by an 11-member board consisting of two county supervisors, six council members or mayors from specified cities, and three public members. Prior to AB 423, SDAPCD was the only urban county air district with no city representation. This bill is largely based on AB 423.

ICAPCD's Costs. While the ICAPCD may levy fees and charges to offset any administrative costs imposed by the bill, and while the bill explicitly states that expenses of the district not met by existing funding sources (such as grants, subventions, permit fees, penalties, and certain surcharges or fees) shall be provided by an annual per-capita assessment imposed on

each city and county included in the ICAPCD by the governing board, the ICAPCD insists that the resources it requires to implement this bill are not absorbable within its existing budget or recoverable through fees.

Specifically, the district argues it has limited administrative capacity and many of its funding sources are legally restricted, program-specific, grant-dependent, variable, or tied to specific regulatory purposes. The district contends that penalties are not a stable or appropriate funding source for ongoing operations and permit fees also cannot automatically be used as a catch-all funding source for broad new governance, transparency, website, complaint-response, monitoring, public records, reporting, facility, and administrative mandates. Any fee increases or new fee structure, according to the ICAPCD, would require legal and fiscal analysis, including nexus and proportionality considerations and would also likely require a fee study, public process, and board approval. Preliminary analysis by the ICAPCD indicates the district may need to increase fees (on local businesses, farmers, public agencies, energy producers, agricultural processors, and other permittees) by approximately 40% to meet the mandates in this bill. As for the authority to impose an annual per-capita assessment, Imperial County writes it is “concerned that the bill could effectively shift state-mandated implementation costs onto local governments without a dedicated state appropriation, reimbursement mechanism, or clear fiscal framework.” For example, the district preliminarily estimates it would need to charge the City of El Centro about \$880,00 annually to meet its needs.

For context and comparison, AB 423 included similar requirements for the SDAPCD, which incurred one-time implementation costs of about \$1.3 million for IT projects as well as ongoing annual costs of \$3 million for eight new positions and independent financial audits and insurance. SDAPCD reports its one-time costs were absorbed within its existing budget and its ongoing costs are being included as overhead in its existing fees; the district is not charging any new fees to recover these costs.

- 3) **Support and Opposition.** Among others in support of the bill, the City of Imperial writes that its residents, who continually deal with poor air quality, find it difficult to get information about pollution sources from the ICAPCD and “feel disconnected from oversight of pollution sources given the structure of the [ICAPCD] board.” The city argues that restructuring the district’s governing board from the current makeup of five county supervisors and replacing it with 10 members representing the county, cities in the valley, and community members that have relevant expertise will result in “a broader representation of community interests.” The city further contends that this bill addresses transparency issues by requiring the district to post on its website “information on all current permits, pending applications, as well as enforcement actions. Additionally, detailed budget information for the district will need to be publicly available as well.”

A coalition of organizations opposed to the bill objected to a provision that prohibited the ICAPCD from issuing any “major air permit” until March 1, 2028. This provision has since been removed from the bill. Among others in opposition to the bill, the Imperial County Board of Supervisors writes that restructuring the governing board represents a significant shift away from local accountability and County oversight over an agency “that is closely tied to land use, agriculture, public health, emergency response, infrastructure, economy development, Lithium Valley implementation, and regional planning.” The county states it is afraid this governance change “could create uncertainty regarding administrative

responsibility, staffing, legal oversight, fiscal accountability, and coordination with County priorities.” Finally, the county notes it “has serious concerns regarding the bill’s unfunded mandates.”

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