
THIRD READING

Bill No: SB 997
Author: Caballero (D)
Introduced: 2/9/26
Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 7-0, 4/7/26
AYES: Becker, Seyarto, Allen, Blakespear, Cabaldon, Grove, Stern

SENATE JUDICIARY COMMITTEE: 13-0, 4/28/26
AYES: Umberg, Niello, Allen, Alvarado-Gil, Ashby, Caballero, Durazo, Laird,
Reyes, Stern, Wahab, Weber Pierson, Wiener

SUBJECT: North Fork Kings Groundwater Sustainability Agency: lien authority

SOURCE: North Fork Kings Groundwater Sustainability Agency

DIGEST: This bill authorizes the North Fork Kings Groundwater Sustainability Agency (GSA) to impose civil penalties when enforcing its groundwater sustainability plan and authorizes the agency to file a lien for any unpaid charges or other services upon any real property in the county owned by the person who is liable for the charges.

ANALYSIS:

Existing law:

- 1) Under the Sustainable Groundwater Management Act (SGMA),
 - a) Requires all groundwater basins designed as high- or medium-priority basins by the Department of Water Resources (DWR) to be managed under a groundwater sustainability plan (GSP) or coordinated GSP, except as specified (Water Code (WAT) §10727).
 - b) Authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a GSA for that basin (WAT §10723).

- c) Deems specified agencies created by statute to manage groundwater the exclusive local agencies within their respective statutory boundaries with powers to comply with SGMA. These include, for example:
 - i) Alameda County Water District.
 - ii) Desert Water Agency.
 - iii) Monterey Peninsula Water Management District.
 - iv) North Fork Kings Groundwater Sustainability Agency.
 - v) Santa Clara Valley Water District.
 - vi) Willow Creek Groundwater Management Agency.
(WAT §10723).

 - d) Provides that SGMA is in addition to, and not a limitation on, the authority granted to a local agency under any other law and authorizes the local agency to use the local agency's authority under any other law to apply and enforce SGMA (WAT §10726.8).

 - e) Imposes civil liability on a person who extracts groundwater in excess of the amount authorized under a rule, regulation, ordinance, or resolution (WAT §10732).
- 2) Under the North Fork Kings Groundwater Sustainability Agency Act (SB 564, Cannella, Chapter 392, Statutes of 2016),
- a) Creates the North Fork Kings Groundwater Sustainability Agency in the Counties of Fresno and Kings.

 - b) Authorizes the North Fork Kings GSA, pursuant to SGMA, to impose fees, including but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program.
- 3) Authorizes irrigation districts, county water districts, California water districts, county waterworks districts, water replenishment districts, levee districts, and municipal water districts to file liens, as specified, for taxes or unpaid charges for water or other services, as provided (WAT §§25806, 31701.7, 36729, 55501.1, 60256, 70239, 71637).

This bill:

- 1) Pursuant to SGMA, authorizes the North Fork Kings GSA to impose civil penalties on any person who extracts groundwater in excess of the amount that person is authorized to extract under a rule, regulation, ordinance, or resolution adopted by the agency.
- 2) Authorizes the amount of unpaid charges for water or other services that remain unpaid to, in the discretion of the North Fork Kings GSA, be secured at any time by filing for record in the office of the county recorder of any county a certificate specifying the amount of the charges and the name and address of the person liable.
- 3) Provide that the amount required to be paid together with any interest and penalties constitutes a lien upon all real property in the county owned by the person or afterwards, and before the lien expired, acquired by that person.

Background

Sustainable Groundwater Management Act (SGMA). SGMA was enacted in 2014 to create a statewide requirement for sustainably managing groundwater resources. The objective of SGMA is to ensure the long-term reliability of groundwater resources and connected surface water resources. SGMA provides for the management of groundwater resources by local agencies subject to state oversight and, in the event that actions of local agencies are insufficient, state intervention by the State Water Resources Control Board (State Water Board).

Under SGMA, a local agency or combination of local agencies overlying a groundwater basin may become a GSA for that basin. A GSA has broad management authority of the groundwater basin or basins under their jurisdiction, including defining the basin's or basins' sustainable yield, limiting groundwater extraction, and imposing fees.

In general, GSAs are authorized to perform any act necessary to carry out the purposes of SGMA, including adopting rules, regulations, and ordinances and developing the GSP. GSAs are also authorized to, among other regulatory authorities, establish groundwater extraction allocations. A person who extracts groundwater in excess of the amount authorized under a rule, regulation, ordinance or regulation adopted by the GSA may be civilly liable for up to \$500 per acre-foot

exacted in excess.

Often, member agencies create GSAs by either forming a Joint Powers Authority (JPA) or through a memorandum of agreement or other legal agreement. SGMA provides its authorities are not a limitation on the authority granted to a local agency under any other law and authorizes the local agency to use the local agency's authority under any other law to apply and enforce SGMA. As a JPA, these GSAs have the authority to exercise the powers granted to its member agencies, in addition to the powers described in SGMA itself. Thus, GSAs that have member agencies with powers that are not included in SGMA are able to use those powers to enforce the GSA's groundwater sustainability program.

Many member agencies, such as county water districts, irrigation districts, city water districts, and reclamation districts, have enforcement powers that are not included in SGMA. Specifically, these agencies are authorized to impose a lien on a landowner's property to enforce and collect unpaid charges or fees.

However, some GSAs, such as the North Fork Kings GSA, have been created by statute to manage groundwater within certain boundaries. Those GSAs' authorities are laid out in their enacting statute and those provided for under SGMA.

North Fork Kings GSA. In 2016, SB 564 (Cannella, Chapter 392, Statutes of 2016) established the North Fork Kings GSA and deemed it the exclusive local agency within its statutory boundaries with powers to comply with SGMA. The North Fork Kings GSA enacting statute gave its board the authority to adopt ordinances for the purpose of regulating, conserving, managing, and controlling the use and extraction of groundwater within the agency's territory and the authority to impose fees to fund the cost of its implementing its GSP. The enacting statute did not, however, provide authorization to file liens for unpaid charges.

Comments

Purpose of this bill. According to the author, "[t]he Sustainable Groundwater Management Act (SGMA) sets forth a rigorous framework for reaching and maintaining groundwater sustainability in California. Groundwater Sustainability Agencies (GSAs) formed under SGMA are charged with implementing groundwater sustainability plans (GSPs) to avoid groundwater overdraft and state intervention. SGMA authorized GSAs to be formed through either joint powers agreements (JPAs) or through special statutes. All GSAs formed in accordance

with SGMA have a minimum enforcement authority provided by the SGMA statute which includes imposing penalties and bringing civil lawsuits.”

“GSAs created through a JPA have additional enforcement authority inherent to all JPAs, which includes lien authority for uncollected fees. GSAs formed under special statute, such as [North Fork GSA] are limited to the minimal enforcement powers under SGMA, which does not explicitly grant the authority to impose liens to collect unpaid fees like other GSAs formed through a JPA. SB 997 is a straightforward district bill that aligns [North Fork Kings GSA]’s enforcement authority with that of the majority of GSAs statewide to ensure the effective implementation of its groundwater sustainability program under SGMA.”

See you in court. According to the author, the North Fork Kings GSA’s only avenue to collect unpaid charges and fees is through a civil action. This, however, can be a lengthy process and expensive. Instead, North Fork Kings GSA is seeking authority to impose a lien for such unpaid charges and fees, an enforcement pathway that is already afforded to many other local agencies such as irrigation districts, county water districts, California water districts, county waterworks districts, water replenishment districts, levee districts, and municipal water districts.

Lien on me. Many of the GSAs that were statutorily created contain similar language to the language found in the North Fork Kings GSA enacting statute and, to the extent their membership also does not have underlying authority to impose liens, may encounter similar enforcement issues.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 4/29/26)

North Fork Kings Groundwater Sustainability Agency (source)

American Pistachio Growers

California Farm Bureau Federation

California State Association of Counties

Kings River Conservation District

Kings River Water Association

Rural County Representatives of California

Valley Ag Waer Coalition

OPPOSITION: (Verified 4/29/26)

None received

ARGUMENTS IN SUPPORT: According to North Fork Kings GSA, the sponsor of the bill, “SB 997 aligns [North Fork Kings GSA]’s authority with that of other GSAs formed as JPAs statewide to strengthen the agency’s enforcement and fee collection capability and supports the fair and effective implementation of our groundwater sustainability efforts now and into the future. ... SB 997 (Caballero) is a critical tool that will assist [North Fork Kings GSA] in meetings in requirements in its Groundwater Sustainability Plan.”

Prepared by: Genevieve Wong / N.R. & W. / (916) 651-4116
5/1/26 13:13:00

**** **END** ****