

Introduced by Senator AllenDecember 3, 2018

An act to add Division 46 (commencing with Section 80200) to the Public Resources Code, relating to public resources, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 45, as introduced, Allen. Wildfire, Drought, and Flood Protection Bond Act of 2020.

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, approved by the voters as Proposition 68 at the June 5, 2018, statewide primary direct election, authorizes the issuance of bonds in an amount of \$4,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.

This bill would enact the Wildfire, Drought, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in an unspecified amount pursuant to the State General Obligation Bond Law to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forest and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk, protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources.

This bill would provide for the submission of these provisions to the voters at the ____, 2020, ____ election.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 46 (commencing with Section 80200)
2 is added to the Public Resources Code, to read:

3
4 DIVISION 46. WILDFIRE, DROUGHT, AND FLOOD
5 PROTECTION BOND ACT OF 2020

6
7 CHAPTER 1. GENERAL PROVISIONS

8
9 80200. This division shall be known, and may be cited, as the
10 Wildfire, Drought, and Flood Protection Bond Act of 2020.

11 80201. The people of California find and declare all of the
12 following:

13 (a) California’s changing climate creates increased risk of
14 catastrophic wildfire, drought, severe heat events, sea level rise,
15 as well as impacts to agriculture, water supply and water quality,
16 and the health of the forests, watershed, and wildlife.

17 (b) These risks and impacts vary by region and can overwhelm
18 the resources of local governments that must cope with severe
19 climate change-related events.

20 (c) Reducing vulnerability to fire, flood, drought, and other
21 climate-change related events require a statewide investment to
22 increase climate resilience of communities and natural systems.

23 80202. For purposes of this division, the following definitions
24 apply:

25 (a) “Committee” means the Wildfire, Drought, and Flood
26 Protection Finance Committee created pursuant to Section 80402.

27 (b) “Disadvantaged community” means a community with a
28 median household income less than 80 percent of the statewide
29 average.

30 (c) “Fund” means the Wildfire, Drought, and Flood Protection
31 Fund created pursuant to Section 80210.

1 80203. An amount that equals not more than 5 percent of the
2 funds allocated for a grant program pursuant to this division may
3 be used to pay the administrative costs of that program.

4 80204. (a) Except as provided in subdivision (b), up to 10
5 percent of funds allocated for each program funded by this division
6 may be expended, including, but not limited to, by grants, for
7 planning and monitoring necessary for the successful design,
8 selection, and implementation of the projects authorized under that
9 program. This section shall not otherwise restrict funds ordinarily
10 used by an agency for “preliminary plans,” “working drawings,”
11 and “construction” as defined in the annual Budget Act for a capital
12 outlay project or grant project. Planning may include feasibility
13 studies for environmental site cleanup that would further the
14 purpose of a project that is eligible for funding under this division.
15 Monitoring may include measuring greenhouse gas emissions
16 reductions and carbon sequestration associated with program
17 expenditures under this division.

18 (b) Funds used for planning projects that benefit disadvantaged
19 communities may exceed 10 percent of the funds allocated if the
20 state agency administering the moneys determines that there is a
21 need for the additional funding.

22 80205. To the extent feasible, a project that includes water
23 efficiencies, stormwater capture for infiltration or reuse, or carbon
24 sequestration features in the project design may be given priority
25 for grant funding under this division.

26 80206. Moneys allocated pursuant to this division shall not be
27 used to fulfill any mitigation requirements imposed by law.

28 80207. (a) To the extent feasible in implementing this division
29 and except as provided in subdivision (b), a state agency receiving
30 funding under this division shall seek to achieve wildlife
31 conservation objectives through projects on public lands or
32 voluntary projects on private lands. Projects on private lands shall
33 be evaluated based on the durability of the benefits created by the
34 investment. Funds may be used for payments for the protection or
35 creation of measurable habitat improvements or other
36 improvements to the condition of endangered or threatened species,
37 including through the development and implementation of habitat
38 credit exchanges.

39 (b) This section shall not apply to Chapter 3 (commencing with
40 Section 80230), Chapter 5 (commencing with Section 80250),

1 Chapter 6 (commencing with Section 80260), Chapter 8
2 (commencing with Section 80280), or Chapter 10 (commencing
3 with Section 80300).

4 80208. Funds provided pursuant to this division, and any
5 appropriation or transfer of those funds, shall not be deemed to be
6 a transfer of funds for the purposes of Chapter 9 (commencing
7 with Section 2780) of Division 3 of the Fish and Game Code.

8 80209. For grants awarded for projects that serve a
9 disadvantaged community, the administering entity may provide
10 advanced payments in the amount of 25 percent of the grant award
11 to the recipient to initiate the project in a timely manner. The
12 administering entity shall adopt additional requirements for the
13 recipient of the grant regarding the use of the advanced payments
14 to ensure that the moneys are used properly.

15 80210. (a) The proceeds of bonds issued and sold pursuant to
16 this division, exclusive of refunding bonds issued and sold pursuant
17 to Section 80412, shall be deposited in the Wildfire, Drought, and
18 Flood Protection Fund, which is hereby created in the State
19 Treasury.

20 (b) Proceeds of bonds issued and sold pursuant to this division
21 shall be allocated according to the following schedule:

- 22 (1) ____ dollars (\$____) for restoring fire damaged areas.
- 23 (2) ____ dollars (\$____) for reducing wildfire risk.
- 24 (3) ____ dollars (\$____) for creating healthy forests and
25 watersheds.
- 26 (4) ____ dollars (\$____) for reducing climate impacts on urban
27 areas and vulnerable populations.
- 28 (5) ____ dollars (\$____) for protecting water supply and water
29 quality.
- 30 (6) ____ dollars (\$____) for protecting rivers, lakes, and streams.
- 31 (7) ____ dollars (\$____) for reducing flood risks.
- 32 (8) ____ dollars (\$____) for protecting fish and wildlife and
33 natural resources from climate impacts.
- 34 (9) ____ dollars (\$____) for improving climate resilience of
35 agricultural lands.
- 36 (10) ____ dollars (\$____) for protecting coastal lands and
37 resources.

38 80211. The Legislature may enact legislation necessary to
39 implement programs funded by this division.

1 CHAPTER 2. RESTORING FIRE DAMAGED AREAS

2
3 80220. The sum of ____ dollars (\$____) shall be available for
4 appropriation by the Legislature for the restoration of wildfire
5 damaged areas. Eligible projects include, but are not limited to,
6 grants to public agencies for revegetation and other projects to
7 reduce erosion, flood, and mudslide risk, clean up of hazardous
8 sites, and habitat restoration.

9
10 CHAPTER 3. REDUCING WILDFIRE RISK

11
12 80230. The sum of ____ dollars (\$____) shall be available
13 for appropriation by the Legislature for the reduction in the risk
14 of wildfire threat to lives, properties, and natural habitats. Eligible
15 projects include, but are not limited to, grants to assist with any
16 of the following:

- 17 (a) Structure and community retrofit projects.
18 (b) Improvement in the alert and evacuation systems.
19 (c) Establishment of urban-wildland buffers in high fire hazard
20 areas.
21 (d) Science-based vegetation treatment programs near urban
22 areas.

23
24 CHAPTER 4. CREATING HEALTHY FOREST AND WATERSHEDS

25
26 80240. The sum of ____ dollars (\$____) shall be available
27 for appropriation by the Legislature for the protection and
28 restoration of forests, including redwoods, conifers, oak woodlands,
29 chaparral, deserts, and other habitat types to ensure the long-term
30 ecological health of these natural systems, to reduce risk of extreme
31 wildfires, floods, and other climate impacts, and to improve water
32 supply and water quality, carbon sequestration, community access,
33 and other public benefits.

34
35 CHAPTER 5. REDUCING CLIMATE RISKS IN URBAN AREAS AND
36 ON VULNERABLE POPULATIONS

37
38 80250. The sum of ____ dollars (\$____) shall be available
39 for appropriation by the Legislature for the reduction of climate
40 impacts on urban areas and vulnerable populations. Eligible

1 projects include, but are not limited to, urban greening, urban
2 forestry projects, and other projects to reduce urban heat island
3 effects, to establish cooling centers, and to safeguard vulnerable
4 populations.

5

6 CHAPTER 6. PROTECTING WATER SUPPLY AND WATER QUALITY

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8 80260. The sum of ____ dollars (\$____) shall be available
9 for appropriation by the Legislature for the protection of
10 California’s water supply and water quality. Eligible projects
11 include, but are not limited to, the following:

- 12 (a) Safe drinking water projects.
- 13 (b) Water quality projects.
- 14 (c) Sustainable groundwater management projects.

15

16 CHAPTER 7. PROTECTING RIVERS, LAKES, AND STREAMS

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18 80270. The sum of ____ dollars (\$____) shall be available
19 for appropriation by the Legislature for the protection and
20 restoration of rivers, lakes, and streams. Eligible projects include,
21 but are not limited to, the following:

- 22 (a) River parkway projects.
- 23 (b) Projects to implement the Lake Tahoe Environmental
24 Improvement Program.
- 25 (c) Projects to restore the Salton Sea authorized pursuant to
26 Public Law 105-372, the Salton Sea Reclamation Act of 1998.
- 27 (d) Projects for the acquisition or restoration of public lands
28 within the Los Angeles River Watershed.

29

30 CHAPTER 8. REDUCING FLOOD RISK

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32 80280. The sum of ____ dollars (\$____) shall be available
33 for appropriation by the Legislature for the reduction of flood risks,
34 including the establishment of flood corridors, bypasses, and
35 associated infrastructure.

1 CHAPTER 9. PROTECTING FISH AND WILDLIFE FROM CLIMATE
2 IMPACTS

3
4 80290. The sum of ____ dollars (\$____) shall be available
5 for appropriation by the Legislature for the protection of
6 California’s fish and wildlife resources. Eligible projects include,
7 but are not limited to, the following:

- 8 (a) Salmon and other fishery restoration projects.
- 9 (b) Projects to protect wetlands and wildfire refuges for
10 migratory birds.
- 11 (c) Establishment, protection, and restoration of wildlife
12 corridors and habitat linkages.
- 13 (d) Conservation actions on private lands.

14
15 CHAPTER 10. IMPROVING CLIMATE RESILIENCE OF
16 AGRICULTURAL LANDS

17
18 80300. The sum of ____ dollars (\$____) shall be available
19 for appropriation by the Legislature for the improvement in climate
20 resilience of agricultural lands. Eligible projects include, but are
21 not limited to, the following:

- 22 (a) Grants to promote practices on farms and ranches that
23 improve agricultural and open space soil health, carbon
24 sequestration, and erosion control, water quality and water
25 retention.
- 26 (b) California Farmland Conservancy Program established
27 pursuant to Division 10.2 (commencing with Section 10200) of
28 the Public Resources Code.

29
30 CHAPTER 11. PROTECTING COASTAL LANDS AND RESOURCES

31
32 80310. The sum of ____ dollars (\$____) shall be available
33 for appropriation by the Legislature for the protection of coastal
34 lands, waters and natural resources, and wildlife from climate
35 impacts. Eligible projects include, but are not limited to, projects
36 to restore coastal wetlands and projects to address sea level rise
37 and temperature increase.

CHAPTER 12. FISCAL PROVISIONS

1
2
3 80400. (a) Bonds in the total amount of _____ dollars (\$ _____),
4 and any additional bonds authorized, issued, and appropriated in
5 accordance with this division pursuant to other provisions of law,
6 not including the amount of any refunding bonds issued in
7 accordance with Section 80412, may be issued and sold to provide
8 a fund to be used for carrying out the purposes expressed in this
9 division and to reimburse the General Obligation Bond Expense
10 Revolving Fund pursuant to Section 16724.5 of the Government
11 Code. The bonds, when sold, issued, and delivered, shall be and
12 constitute a valid and binding obligation of the State of California,
13 and the full faith and credit of the State of California is hereby
14 pledged for the punctual payment of both the principal of, and
15 interest on, the bonds as the principal and interest become due and
16 payable.

17 (b) The Treasurer shall sell the bonds authorized by the
18 committee pursuant to this section. The bonds shall be sold upon
19 the terms and conditions specified in a resolution to be adopted
20 by the committee pursuant to Section 16731 of the Government
21 Code.

22 80401. The bonds authorized by this division shall be prepared,
23 executed, issued, sold, paid, and redeemed as provided in the State
24 General Obligation Bond Law (Chapter 4 (commencing with
25 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
26 Code), as amended from time to time, and all of the provisions of
27 that law apply to the bonds and to this division.

28 80402. (a) Solely for the purpose of authorizing the issuance
29 and sale, pursuant to the State General Obligation Bond Law
30 (Chapter 4 (commencing with Section 16720) of Part 3 of Division
31 4 of Title 2 of the Government Code), of the bonds authorized by
32 this division, the Wildfire, Drought, and Flood Protection Finance
33 Committee is hereby created. For purposes of this division, the
34 Wildfire, Drought, and Flood Protection Finance Committee is the
35 “committee” as that term is used in the State General Obligation
36 Bond Law.

37 (b) The committee consists of the Director of Finance, the
38 Treasurer, and the Controller. Notwithstanding any other law, any
39 member may designate a representative to act as that member in

1 his or her place for all purposes, as though the member were
2 personally present.

3 (c) The Treasurer shall serve as the chairperson of the
4 committee.

5 (d) A majority of the committee may act for the committee.

6 80403. The committee shall determine whether or not it is
7 necessary or desirable to issue bonds authorized by this division
8 in order to carry out the actions specified in this division and, if
9 so, the amount of bonds to be issued and sold. Successive issues
10 of bonds may be authorized and sold to carry out those actions
11 progressively, and it is not necessary that all of the bonds
12 authorized to be issued be sold at any one time.

13 80404. For purposes of the State General Obligation Bond
14 Law, “board,” as defined in Section 16722 of the Government
15 Code, means the Secretary of the Natural Resources Agency.

16 80405. There shall be collected each year and in the same
17 manner and at the same time as other state revenue is collected,
18 in addition to the ordinary revenues of the state, a sum in an amount
19 required to pay the principal of, and interest on, the bonds each
20 year. It is the duty of all officers charged by law with any duty in
21 regard to the collection of the revenue to do and perform each and
22 every act that is necessary to collect that additional sum.

23 80406. Notwithstanding Section 13340 of the Government
24 Code, there is hereby appropriated from the General Fund in the
25 State Treasury, for the purposes of this division, an amount that
26 will equal the total of the following:

27 (a) The sum annually necessary to pay the principal of, and
28 interest on, bonds issued and sold pursuant to this division, as the
29 principal and interest become due and payable.

30 (b) The sum that is necessary to carry out the provisions of
31 Section 80409, appropriated without regard to fiscal years.

32 80407. The board may request the Pooled Money Investment
33 Board to make a loan from the Pooled Money Investment Account,
34 including other authorized forms of interim financing that include,
35 but are not limited to, commercial paper, in accordance with
36 Section 16312 of the Government Code for the purpose of carrying
37 out this division. The amount of the request shall not exceed the
38 amount of the unsold bonds that the committee has, by resolution,
39 authorized to be sold for the purpose of carrying out this division,
40 excluding refunding bonds authorized pursuant to Section 80412,

1 less any amount loaned and not yet repaid pursuant to this section
2 and withdrawn from the General Fund pursuant to Section 80409
3 and not yet returned to the General Fund. The board shall execute
4 those documents required by the Pooled Money Investment Board
5 to obtain and repay the loan. Any amounts loaned shall be
6 deposited in the fund to be allocated in accordance with this
7 division.

8 80408. Notwithstanding any other provision of this division,
9 or of the State General Obligation Bond Law, if the Treasurer sells
10 bonds that include a bond counsel opinion to the effect that the
11 interest on the bonds is excluded from gross income for federal
12 tax purposes under designated conditions or is otherwise entitled
13 to any federal tax advantage, the Treasurer may maintain separate
14 accounts for the bond proceeds invested and for the investment
15 earnings on those proceeds, and may use or direct the use of those
16 proceeds or earnings to pay any rebate, penalty, or other payment
17 required under federal law or take any other action with respect
18 to the investment and use of those bond proceeds, as may be
19 required or desirable under federal law in order to maintain the
20 tax-exempt status of those bonds and to obtain any other advantage
21 under federal law on behalf of the funds of this state.

22 80409. For the purposes of carrying out this division, the
23 Director of Finance may authorize the withdrawal from the General
24 Fund of an amount or amounts not to exceed the amount of the
25 unsold bonds that have been authorized by the committee to be
26 sold for the purpose of carrying out this division, excluding
27 refunding bonds authorized pursuant to Section 80412, less any
28 amount loaned pursuant to Section 80407 and not yet repaid and
29 any amount withdrawn from the General Fund pursuant to this
30 section and not yet returned to the General Fund. Any amounts
31 withdrawn shall be deposited in the fund to be allocated in
32 accordance with this division. Any moneys made available under
33 this section shall be returned to the General Fund, with interest at
34 the rate earned by the moneys in the Pooled Money Investment
35 Account, from proceeds received from the sale of bonds for the
36 purpose of carrying out this division.

37 80410. All moneys deposited in the fund that are derived from
38 premium and accrued interest on bonds sold pursuant to this
39 division shall be reserved in the fund and shall be available for
40 transfer to the General Fund as a credit to expenditures for bond

1 interest, except that amounts derived from premiums may be
2 reserved and used to pay the cost of bond issuance before any
3 transfer to the General Fund.

4 80411. Pursuant to Chapter 4 (commencing with Section
5 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
6 the cost of bond issuance shall be paid or reimbursed out of the
7 bond proceeds, including premiums, if any. To the extent the cost
8 of bond issuance is not paid from premiums received from the sale
9 of bonds, these costs shall be allocated proportionally to each
10 program funded through this division by the applicable bond sale.

11 80412. The bonds issued and sold pursuant to this division
12 may be refunded in accordance with Article 6 (commencing with
13 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
14 the Government Code, which is a part of the State General
15 Obligation Bond Law. Approval by the voters of the state for the
16 issuance of the bonds under this division shall include approval
17 of the issuance of any bonds issued to refund any bonds originally
18 issued under this division or any previously issued refunding bonds.
19 Any bond refunded with the proceeds of a refunding bond as
20 authorized by this section may be legally defeased to the extent
21 permitted by law in the manner and to the extent set forth in the
22 resolution, as amended from time to time, authorizing that refunded
23 bond.

24 80413. The proceeds from the sale of bonds authorized by this
25 division are not “proceeds of taxes” as that term is used in Article
26 XIII B of the California Constitution, and the disbursement of these
27 proceeds is not subject to the limitations imposed by that article.

28 SEC. 2. Section 1 of this act shall take effect upon the approval
29 by the voters of the Wildfire, Drought, and Flood Protection Bond
30 Act of 2020.

31 SEC. 3. Section 1 of this act shall be submitted to the voters
32 at the ____, 2020, statewide ____ election in accordance with
33 provisions of the Government Code and the Elections Code
34 governing the submission of a statewide measure to the voters.

35 SEC. 4. This act is an urgency statute necessary for the
36 immediate preservation of the public peace, health, or safety within
37 the meaning of Article IV of the Constitution and shall go into
38 immediate effect. The facts constituting the necessity are:

- 1 In order to fund wildfire, drought, and flood protection programs
- 2 at the earliest possible date, it is necessary that this act take effect
- 3 immediately.

O