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


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.


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

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

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

CHAPTER 1. GENERAL PROVISIONS

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

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

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

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

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

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

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

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

(c) “Fund” means the Wildfire, Drought, and Flood Protection Fund created pursuant to Section 80210.
80203. An amount that equals not more than 5 percent of the funds allocated for a grant program pursuant to this division may be used to pay the administrative costs of that program.

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

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

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

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

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

(b) This section shall not apply to Chapter 3 (commencing with Section 80230), Chapter 5 (commencing with Section 80250),
Chapter 6 (commencing with Section 80260), Chapter 8 (commencing with Section 80280), or Chapter 10 (commencing with Section 80300).

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

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

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

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

1. ____ dollars ($____) for restoring fire damaged areas.
2. ____ dollars ($____) for reducing wildfire risk.
3. ____ dollars ($____) for creating healthy forests and watersheds.
4. ____ dollars ($____) for reducing climate impacts on urban areas and vulnerable populations.
5. ____ dollars ($____) for protecting water supply and water quality.
6. ____ dollars ($____) for protecting rivers, lakes, and streams.
7. ____ dollars ($____) for reducing flood risks.
8. ____ dollars ($____) for protecting fish and wildlife and natural resources from climate impacts.
9. ____ dollars ($____) for improving climate resilience of agricultural lands.
10. ____ dollars ($____) for protecting coastal lands and resources.

80211. The Legislature may enact legislation necessary to implement programs funded by this division.
Chapter 2. Restoring Fire Damaged Areas

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

Chapter 3. Reducing Wildfire Risk

80230. The sum of ____ dollars ($____) shall be available for appropriation by the Legislature for the reduction in the risk of wildfire threat to lives, properties, and natural habitats. Eligible projects include, but are not limited to, grants to assist with any of the following:
(a) Structure and community retrofit projects.
(b) Improvement in the alert and evacuation systems.
(c) Establishment of urban-wildland buffers in high fire hazard areas.
(d) Science-based vegetation treatment programs near urban areas.

Chapter 4. Creating Healthy Forest and Watersheds

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

Chapter 5. Reducing Climate Risks in Urban Areas and on Vulnerable Populations

80250. The sum of ____ dollars ($____) shall be available for appropriation by the Legislature for the reduction of climate impacts on urban areas and vulnerable populations. Eligible
projects include, but are not limited to, urban greening, urban forestry projects, and other projects to reduce urban heat island effects, to establish cooling centers, and to safeguard vulnerable populations.

**CHAPTER 6. PROTECTING WATER SUPPLY AND WATER QUALITY**

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

(a) Safe drinking water projects.

(b) Water quality projects.

(c) Sustainable groundwater management projects.

**CHAPTER 7. PROTECTING RIVERS, LAKES, AND STREAMS**

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

(a) River parkway projects.

(b) Projects to implement the Lake Tahoe Environmental Improvement Program.

(c) Projects to restore the Salton Sea authorized pursuant to Public Law 105-372, the Salton Sea Reclamation Act of 1998.

(d) Projects for the acquisition or restoration of public lands within the Los Angeles River Watershed.

**CHAPTER 8. REDUCING FLOOD RISK**

80280. The sum of ____ dollars (_____) shall be available for appropriation by the Legislature for the reduction of flood risks, including the establishment of flood corridors, bypasses, and associated infrastructure.
CHAPTER 9. PROTECTING FISH AND WILDLIFE FROM CLIMATE IMPACTS

80290. The sum of ____ dollars ($_____) shall be available for appropriation by the Legislature for the protection of California’s fish and wildlife resources. Eligible projects include, but are not limited to, the following:
(a) Salmon and other fishery restoration projects.
(b) Projects to protect wetlands and wildfire refuges for migratory birds.
(c) Establishment, protection, and restoration of wildlife corridors and habitat linkages.
(d) Conservation actions on private lands.

CHAPTER 10. IMPROVING CLIMATE RESILIENCE OF AGRICULTURAL LANDS

80300. The sum of ____ dollars ($_____) shall be available for appropriation by the Legislature for the improvement in climate resilience of agricultural lands. Eligible projects include, but are not limited to, the following:
(a) Grants to promote practices on farms and ranches that improve agricultural and open space soil health, carbon sequestration, and erosion control, water quality and water retention.
(b) California Farmland Conservancy Program established pursuant to Division 10.2 (commencing with Section 10200) of the Public Resources Code.

CHAPTER 11. PROTECTING COASTAL LANDS AND RESOURCES

80310. The sum of ____ dollars ($_____) shall be available for appropriation by the Legislature for the protection of coastal lands, waters and natural resources, and wildlife from climate impacts. Eligible projects include, but are not limited to, projects to restore coastal wetlands and projects to address sea level rise and temperature increase.
80400. (a) Bonds in the total amount of ____ dollars ($____), and any additional bonds authorized, issued, and appropriated in accordance with this division pursuant to other provisions of law, not including the amount of any refunding bonds issued in accordance with Section 80412, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, issued, and delivered, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both the principal of, and interest on, the bonds as the principal and interest become due and payable.

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

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

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

(b) The committee consists of the Director of Finance, the Treasurer, and the Controller. Notwithstanding any other law, any member may designate a representative to act as that member in
his or her place for all purposes, as though the member were
personally present.
(c) The Treasurer shall serve as the chairperson of the
committee.
(d) A majority of the committee may act for the committee.
80403. The committee shall determine whether or not it is
necessary or desirable to issue bonds authorized by this division
in order to carry out the actions specified in this division and, if
so, the amount of bonds to be issued and sold. Successive issues
of bonds may be authorized and sold to carry out those actions
progressively, and it is not necessary that all of the bonds
authorized to be issued be sold at any one time.
80404. For purposes of the State General Obligation Bond
Law, “board,” as defined in Section 16722 of the Government
Code, means the Secretary of the Natural Resources Agency.
80405. There shall be collected each year and in the same
manner and at the same time as other state revenue is collected,
in addition to the ordinary revenues of the state, a sum in an amount
required to pay the principal of, and interest on, the bonds each
year. It is the duty of all officers charged by law with any duty in
regard to the collection of the revenue to do and perform each and
every act that is necessary to collect that additional sum.
80406. Notwithstanding Section 13340 of the Government
Code, there is hereby appropriated from the General Fund in the
State Treasury, for the purposes of this division, an amount that
will equal the total of the following:
(a) The sum annually necessary to pay the principal of, and
interest on, bonds issued and sold pursuant to this division, as the
principal and interest become due and payable.
(b) The sum that is necessary to carry out the provisions of
Section 80409, appropriated without regard to fiscal years.
80407. The board may request the Pooled Money Investment
Board to make a loan from the Pooled Money Investment Account,
including other authorized forms of interim financing that include,
but are not limited to, commercial paper, in accordance with
Section 16312 of the Government Code for the purpose of carrying
out this division. The amount of the request shall not exceed the
amount of the unsold bonds that the committee has, by resolution,
authorized to be sold for the purpose of carrying out this division,
excluding refunding bonds authorized pursuant to Section 80412,
less any amount loaned and not yet repaid pursuant to this section
and withdrawn from the General Fund pursuant to Section 80409
and not yet returned to the General Fund. The board shall execute
those documents required by the Pooled Money Investment Board
to obtain and repay the loan. Any amounts loaned shall be
deposited in the fund to be allocated in accordance with this
division.

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

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

80410. All moneys deposited in the fund that are derived from
premium and accrued interest on bonds sold pursuant to this
division shall be reserved in the fund and shall be available for
transfer to the General Fund as a credit to expenditures for bond
interest, except that amounts derived from premiums may be reserved and used to pay the cost of bond issuance before any transfer to the General Fund.

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

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

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

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

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

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:
In order to fund wildfire, drought, and flood protection programs at the earliest possible date, it is necessary that this act take effect immediately.