



## Legislative Wrap-Up September 16, 2025

### Climate Bond Funding

Legislators approved Prop 4 climate bond funding allocations prior to the interim fall recess. Funding allocations include:

- **State Water Efficiency & Enhancement Program** - \$36.9 million for water pump efficiency improvements, low-pressure irrigation conversion, and the integration of renewable energy systems.
- **Healthy Soils** - \$35 million for efforts that improve soil health, sequester carbon, and reduce greenhouse gases.
- **Dam Safety** - \$228.2 million to enhance dam safety and reservoir operations, as well as protect public benefits.
- **Groundwater Projects** - \$28 million for groundwater storage, banking, recharge or instream flow projects that support conjunctive use.
- **Urban Greening** - \$46.1 million for localities to utilize California nursery products to install trees and plants in parks and schoolyards and within local communities.
- **Multibenefit Land Repurposing Program** - \$30 million for projects focused on groundwater sustainability, improving drought resilience or floodwater management, providing wildlife habitat, or supporting implementation of the Sustainable Groundwater Management Act.
- **Invasive Species Council** - \$19.85 million for projects to exclude or rapidly eradicate invasive species from California.
- **Livestock Methane Reduction Programs** - \$7 million (*allocated this year because of a fund shift from a prior budget year - not part of Prop 4*).

### SENATE BILLS

#### **SB 840 (Limon) Greenhouse Gas Reduction Fund (GGRF) Companion bill to AB 1207 described below**

**Summary:** Outlines continuous funding allocations from GGRF, including \$130 million for SAFER (safe drinking water in disadvantaged areas), \$250 million for community air (AB 617) programs, \$800 million for Affordable Housing and Sustainable Community Program, \$200 million for low carbon transit, \$1 billion for high-speed rail, \$200 million for forestry and fire protection, and other allocations. Despite our ag coalition efforts, SB 840 does not include funding for FARMER, the Food Production Investment Program, dairy methane reduction programs, and Sustainable Ag Waste Management.

Ag Council is disappointed these successful ag-related emissions reduction programs were not part of the final measure. We appreciate the legislators who raised this issue as a concern in the Assembly and Senate during the floor discussions, including Senator Caballero, Assemblymember Irwin and Assemblymember Soria. Ag Council's team will continue to work with legislators and the governor's office to address the omissions.

**Status:** Approved by the State Legislature and Gov. Newsom is expected to sign the bill.

**Position:** No position given key ag programs were not included in the GGRF allocations.

**SB 72 (Caballero) California Water Plan: long-term supply targets**

**Summary:** Requires the state to set an interim water supply planning target of nine million-acre-feet by 2040.

**Status:** Passed the State Legislature and pending Gov. Newsom's consideration.

**Position:** Support

**SB 279 (McNerney) Solid waste: compostable materials**

**Summary:** Provides the ability to compost larger amounts of ag products/ag waste onsite rather than shipping it to an offsite facility.

**Status:** Passed the State Legislature and awaiting Gov. Newsom's consideration.

**Position:** Support

**SB 601 (Allen) Water: waste discharge - TWO YEAR BILL**

**Summary:** Adds new water quality permit requirements for dischargers, creates a new category of waters under the highly litigated term "nexus waters" (non-navigable waters), and increases penalties. The measure contains a confusing and complex definition of nexus waters, escalates costs and removes economic considerations relating to permit restrictions.

**Status:** Two-year bill and not moving forward in 2025.

**Position:** Opposed

**SB 88 (Caballero) Air resources: carbon missions - biomass**

**Summary:** Requires CARB and CalFire to publish on its website an assessment of the avoided emissions from not burning agricultural and forestry biomass resources.

**Status:** Passed the State Legislature and pending Gov. Newsom's consideration.

**Position:** Support

**SB 295 (Hurtado) Artificial Intelligence; Pricing Data – FAILED IN ASSEMBLY**

**Summary:** SB 295 broadly bans the ability of businesses to use data generated via pricing algorithms, and the bill was amended in September to include "goods and commodities." SB 295 prohibits the use of data helping agricultural producers negotiate contracts and determine prices. Such data is essential to making business decisions, and pricing algorithms are used to help many in agriculture stay competitive in the market and ensure farmers receive a fair price.

Agricultural cooperatives, bargaining associations, marketing orders and commissions gather data from various sources and utilize it to help producers negotiate contracts and establish prices. This information assists in the understanding of the economy and the marketplace. SB 295 contains severe penalties for violations and has an ambiguous definition of "pricing algorithms" that could lead to unintentional violations.

**Status:** After significant pushback from agriculture and the business community, the bill failed in the Assembly on a vote of 13-23 and over 40 legislators "laid off" of the bill (did not vote). The measure may return in 2026.

**Position:** Ag Council opposed SB 295 after reasonable amendments to address concerns were rejected.

## **ASSEMBLY BILLS**

### **AB 1207 (Irwin) Cap & Trade/Cap & Invest**

**Summary:** Before the interim fall recess, AB 1207 was finalized to reauthorize the cap-and-trade program through 2045 under the new name cap-and-invest. Ag Council has members obligated to comply with this program requiring reductions in greenhouse gas (GHG) emissions and appreciates Assemblymember Irwin for her engagement with our association as a stakeholder throughout the year.

The measure maintains free allowances at their current levels, and CARB will utilize a leakage study to determine allowances after 2030 (leakage refers to whether increased emissions-related regulatory costs lead businesses to move production out of state). Free allowances are vital to cost containment for food producers and processors. AB 1207 also preserves the ability to utilize offsets within existing limits.

**Status:** Approved by the State Legislature, and Gov. Newsom is expected to sign the bill.

**Position:** No position because the companion measure described in the Senate section above – SB 840 (Limon) - did not contain any funding for specific ag programs, as requested.

### **AB 411 (Papan) Livestock disposal: composting**

**Summary:** Allows composting of livestock carcasses from routine mortality events or on-farm processing, if composting follows best management practices for livestock composting approved by the Sec. of Food and Ag.

**Status:** Passed the State Legislature and pending Gov. Newsom's consideration.

**Position:** Support

### **AB 732 (Macedo) Agriculture: neglected or abandoned crops - pests**

**Summary:** Requires landowners to make a good faith effort to address a pest related public nuisance issue within certain timelines. If no such good faith action is taken, AB 732 allows a county agricultural commissioner to levy a civil penalty, in lieu of imposing a lien.

**Status:** Passed the State Legislature and pending Gov. Newsom's consideration.

**Position:** Support

### **AB 942 (Calderon) Climate credit - previously Net Energy Metering (NEM) – TWO YEAR BILL**

**Summary:** Prior versions of AB 942 would have altered the on-site solar generation contract terms for farmers and food processors by placing them on the current tariff under certain conditions, and that language was eliminated from the bill.

**Status:** Two-year bill and not moving forward in 2025.

**Position:** Removed opposition, given the amendments.

### **AB 1042 (Ransom) Managed Honeybee Health Program**

**Summary:** Establishes the Managed Honeybee Health Program at the California Department of Food and Agriculture (CDFA) to improve the health and well-being of managed honeybees, which are crucial for agricultural pollination. The bill authorizes CDFA, as funding is available, to provide incentives and grants for projects that benefit honeybees.

**Status:** Passed the State Legislature and pending Gov. Newsom's consideration.

**Position:** Support

### **AB 1234 (Ortega) Nonpayment of wages – complaints - INACTIVE**

**Summary:** Revises and speed up the investigations and hearings relating to employee complaints. Any award granted after a wage recovery hearing will include up to a 30 percent administrative fee on employers, which goes into a newly created Wage Recovery Fund to support the Labor Commissioner’s activities. We do not oppose the expedited claims provisions in the bill. However, we oppose the administrative penalty (up to 30 percent) provision mandated whether the employer acted in good faith.

**Status:** Moved to “inactive” due to opposition, and AB 1234 did not move forward.

**Position:** Opposed

### **AB 1264 (Gabriel) Ultra-processed food (UPF)**

**Summary:** Defines "ultra-processed food" (UPF) and requires regulations to identify “UPF of concern” and “restricted school foods” by June 1, 2028. This process will involve the California Department of Public Health (CDPH) to evaluate scientific evidence on health risks. Further, schools are mandated to begin phasing out “UPF of concern” and “restricted school foods” July 1, 2029, and vendors are prohibited from supplying them to schools by July 1, 2032.

Amendments to AB 1264 in September ensure the bill is limited to “food and beverages intended for sale or to be served to school pupils on campus during the school day.” To be clear, this makes certain that AB 1264 is school-specific and does not apply to food in settings outside of schools.

Ag Council staff worked extensively to pursue amendments to the bill and appreciates the bill author for accepting multiple amendments over the summer to provide the following exclusions to the definition of UPF: minimally processed food (as defined), Class I milk, alcohol, and the removal of surface finishing agents (e.g. waxes used on fruit).

In September, amendments from Governor Newsom included moving the regulatory entity with authority over AB 1264 from the Office of Environmental Health Hazard Assessment (OEHHA) to CDPH. Ag Council was among those who requested this change given OEHHA does not have expertise in food and nutrition. We appreciate the governor for moving the implementation authority to CDPH.

In addition, the governor’s office updated the definition of UPF in the bill. In the final version of AB 1264, UPF is defined as a food or beverage containing high amounts of saturated fat, sodium or added sugar, and the food or beverage contains one of the substances listed in the bill (e.g., emulsifiers, thickeners, stabilizers, artificial colors/flavors, non-nutritive sweeteners, or surface-active agents, etc). Under the governor’s amendments incorporated into the bill, “high amounts” means the food or beverage: 1) contains 10 percent or greater of total energy from saturated fat (*this is the existing saturated fat standard in schools*), 2) contains a ratio of milligrams of sodium to calories that is equal to or greater than 1:1, or 3) contains 10 percent or greater of total energy from added sugars. This definition is narrower than the previous definition of “high amounts” that was more flexible and was not Ag Council’s preference. However, given the amendments are from the governor and his Administration, they were finalized with no further edits. Keep in mind that food and beverages under the previously described exclusions are not subject to this section.

The governor and CDPH also added a list of 11 non-nutritive sweeteners to AB 1264 in September that would categorize a food or beverage as UPF. The non-nutritive sweeteners include: Erythritol, Sucralose, Luo Han Fruit Concentrate, D-Sorbitol, Steviol glycosides, and Xylitol, among others.

Salt, sodium chloride, natural spices and seasonings as well as natural flavorings and colors - by themselves - do not categorize a food or beverage as UPF. Amendments were also included in AB 1264 to ensure that noncompliance with the bill does not create a private right of action.

**Status:** Passed the State Legislature, and Gov. Newsom is expected to sign the bill.

**Position:** Though certainly not a perfect bill, Ag Council moved to a neutral position due to amendments the author added in the bill after extensive conversations, including the exclusions described above, the move to CDPH, and limiting AB 1264 to schools.

### **AB 1319 (Shultz) ESA protections**

**Summary:** Mandates that the Fish and Game Commission review any species that experiences a decrease in federal protection and consider a California Endangered Species Act (CESA) listing for any California native species with lowered protections under the federal Endangered Species Act (ESA). The measure does not allow for public comment or engagement and eliminates the role of scientific research and justification. Notably, the Commission and California Department of Fish and Wildlife (DFW) can already do that on their own through an emergency process.

**Status:** Passed the State Legislature and pending Gov. Newsom's consideration.

**Position:** Opposed, unless amended.

### **AB 1331 (Elhawary) Workplace surveillance - INACTIVE**

**Summary:** Restricts how employers use workplace surveillance tools. Artificial intelligence, cameras and other surveillance tools are used to protect the safety of both employees and employers, as well as property, and the bill undermines that purpose.

**Status:** Moved to "inactive" due to opposition, and AB 1331 did not move forward.

**Position:** Opposed

### **AB 1413 (Papan) SGMA - groundwater adjudications - INACTIVE**

**Summary:** The Sustainable Groundwater Management Act (SGMA) specifically prohibits a Groundwater Sustainability Agency (GSA) from being the sole decision maker in determining water rights in an adjudication. AB 1413 would have provided this power to GSAs in an adjudication and elevates a Groundwater Sustainability Plan (GSP) from a management document to controlling evidence and allows GSAs to determine water rights, which is prohibited under SGMA.

**Status:** Moved to "inactive" due to opposition, and AB 1413 did not move forward.

**Position:** Opposed, unless amended.

*\*Please note, this is an abbreviated overview and is not a list of all legislation affecting food and agriculture.*