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An act to amend Section 4799.05 of the Public Resources Code, relating to forestry.



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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 4799.05 of the Public Resources Code is amended to read:

4799.05. (a) (1) The director may provide grants to, or enter into contracts or other cooperative agreements with, entities, including, but not limited to, private or nongovernmental entities, Native American tribes, or local, state, and federal public agencies, for the implementation and administration of projects and programs to improve forest health and reduce greenhouse gas emissions.

(2) (A) ~~Until January 1, 2024, the~~ The director may authorize advance payments to a nonprofit organization, a local agency, a special district, a private forest landowner, or a Native American tribe from a grant awarded pursuant to this section. No single advance payment shall exceed 25 percent of the total grant award.

(B) (i) The grantee shall expend the funds from the advance payment within six months of receipt, unless the department waives this requirement.

(ii) The grantee shall file an accountability report with the department four months from the date of receiving the funds and every four months thereafter.

(C) (i) The department shall provide a report to the Legislature on or before January 1, 2023, on the outcome of the department's use of advance payments.

(ii) A report submitted pursuant to this subparagraph shall be submitted in compliance with Section 9795 of the Government Code.

(iii) The requirement for submitting a report imposed under clause (i) is inoperative on January 1, 2027, pursuant to Section 10231.5 of the Government Code.

(b) Any project or program described in this section that is funded with moneys from the Greenhouse Gas Reduction Fund, created pursuant to Section 16428.8 of the Government Code, shall comply with all statutory and program requirements applicable to the use of moneys from the fund.

(c) Moneys appropriated to the department for landscape-scale projects shall be allocated as follows:

(1) To subsidize the removal of small diameter material, especially surface fuels and ladder fuels, as well as dead trees, in order to help develop markets for beneficial uses of the material, including, but not limited to, animal bedding, biochar, cross-laminated timber, mulch, oriented strand board, pulp, post, shredding, and veneer products.

(2) For multiple benefit projects, such as tree thinning, carbon sequestration, forest resilience, and improved ecological outcome projects, including, but not limited to, restoring watershed health and function and supporting biodiversity and wildlife adaptation to climate change. The department shall give grant funding priority to landowners who practice uneven aged forest management with a resilient forest of diverse age, size, and species class within the boundaries of the project and whose activities are conducted pursuant to an approved timber harvest plan, nonindustrial timber harvest plan, or working forest management plan. An application for a grant for a project under this ~~subparagraph~~ paragraph shall include a description of how the proposed project will increase average stem diameter and provide other site-specific improvement to forest complexity, as demonstrated by the expansion of the variety of tree age classes and species persisting for a period of at least 50 years. The department



shall also give funding priority to landowners who agree to long-term forest management goals prescribed by the department.

(3) For activities on national forest lands to increase tree stand heterogeneity, create forest openings of less than one acre, and increase average tree stand diameter of residual trees. Any grants provided under this ~~subparagraph~~ paragraph shall be approved by the department, in collaboration with appropriate state agencies, including the State Air Resources Board.

(d) (1) Division 13 (commencing with Section 21000) does not apply to ~~prescribed fire, reforestation, habitat restoration, thinning, or fuel reduction projects~~ projects, or to ancillary activities necessary to undertake those projects, undertaken on federal lands to reduce the risk of high-severity wildfire that have been reviewed under the federal National Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321) if either of the following is satisfied:

(A) The primary role of a state or local agency is providing funding or staffing for those projects.

(B) A state or local agency is undertaking those projects pursuant to the federal Good Neighbor Authority (Public Law 113-79) or a stewardship agreement with the federal government entered into pursuant to Public Law 113-79.

(2) Division 13 (commencing with Section 21000) does not apply to the issuance of a permit or other project approval by a state or local agency for projects described in paragraph (1).

(3) This section does not alter, affect, or in any way diminish the authority of a state or local agency to impose mitigation measures or conditions on projects described in paragraph (1) pursuant to other laws or regulations.

~~(4) Commencing December 31, 2019, and annually thereafter, the department shall report to the relevant policy committees of the Legislature the number of times the process in this subdivision was used.~~

(4) If the lead agency, as defined in Section 21067, determines that a project is not subject to Division 13 (commencing with Section 21000) pursuant to this subdivision and it determines to approve or carry out the project, the lead agency shall file a notice of exemption with the Office of Planning and Research and with the county clerk in the county in which the project will be located in the manner specified in subdivisions (b) and (c) of Section 21108 or subdivisions (b) and (c) of Section 21152.

~~(5) (A) This subdivision shall remain operative only if If the Secretary of the Natural Resources Agency certifies on or before January 1 of each year determines that the federal National Environmental Policy Act of 1969 or other federal laws that affect the management of federal forest lands in California have not been substantially amended on or after August 31, 2018, amended, the Secretary of the Natural Resources Agency may report those amendments to the relevant policy committees of the Legislature.~~

~~(B) Any CEQA exemption established under this subdivision shall continue in effect for those projects conducted under a National Environmental Policy Act record of decision, finding of no significant impact, or notice of exemption or exclusion that was issued prior to the date by which the Secretary determines that the National Environmental Policy Act or federal forest management laws were substantially amended.~~

~~(6) This subdivision shall become inoperative on January 1, 2023.~~



(e) Division 13 (commencing with Section 21000) does not apply to any discretionary approval necessary to carry out or implement tribal funding programs that are made subject to the consideration of, or within the purview of, the Tribal Natural Resources Council pursuant to Division 50 (commencing with Section 90000) or tribal culture burn and tribal wildfire funding authorized by Schedule (2) of Item 3540-101-0001 of Section 2.00 of the Budget Act of 2021, as added by Section 46 of Chapter 240 of the Statutes of 2021.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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## LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, \_\_\_\_\_.

General Subject: Forestry: California Environmental Quality Act: exemption: prescribed fire, thinning, and fuel reduction projects.

Existing law authorizes the Director of Forestry and Fire Protection to provide grants to, or enter into contracts or other cooperative agreements with, various entities for the implementation and administration of projects and programs to improve forest health and reduce greenhouse gas emissions. Existing law authorizes the director, until January 1, 2024, to authorize advance payments to certain entities from grants awarded.

This bill would extend indefinitely the authority of the director to authorize those advance payments.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if the lead agency finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

Existing law exempts from the requirements of CEQA prescribed fire, thinning, and fuel reduction projects, including the issuance of permits or other approvals for those projects, undertaken on federal lands to reduce the risk of high-severity wildfire that have been reviewed under the federal National Environmental Policy Act of 1969 (NEPA) if certain conditions are met. Existing law requires the Department of Forestry and Fire Protection to report to the relevant policy committees of the Legislature the number of times this exemption is used. Existing law specifies that the exemption remains operative only if the Secretary of the Natural Resources Agency certifies on or before January 1 of each year that NEPA or other federal laws that affect the management of federal forest lands in California have not been substantially amended. Existing law makes the exemption inoperative on January 1, 2023.

This bill would extend the operation of this CEQA exemption indefinitely, and would eliminate the Secretary's certification condition and the department's reporting duties relating to the exemption. The bill would expand the exemption to include reforestation and habitat restoration projects, as well as ancillary activities necessary to undertake those projects and projects exempted under existing law. If the lead agency determines that the exemption applies to a project and determines to approve or carry out the project, the bill would require the lead agency to file a notice of exemption, as provided. Because the bill would expand the duties of a lead agency to determine the applicability of the exemption and would require the lead agency to file a notice of exemption, this bill would impose a state-mandated local program. The bill would



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authorize the secretary, if the secretary determines that NEPA or other federal laws that affect the management of federal forest lands in California have been substantially amended, to report those amendments to the relevant policy committees of the Legislature.

This bill would exempt from the requirements of CEQA any discretionary approval necessary to carry out or implement tribal funding programs that are subject to the consideration of, and within the purview of, the Tribal Natural Resources Council, and tribal cultural burn and tribal wildfire funding authorized by the Budget Act of 2021. Because a lead agency would be required to determine the applicability of this exemption to a project, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.



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