

**SENATE JUDICIARY COMMITTEE**  
**Senator Thomas Umberg, Chair**  
**2025-2026 Regular Session**

AB 735 (Carrillo)  
Version: June 25, 2025  
Hearing Date: July 15, 2025  
Fiscal: Yes  
Urgency: No  
AM

**SUBJECT**

Planning and zoning: logistics use developments: truck routes

**DIGEST**

This bill makes various changes to the statutes that prescribe statewide warehouse design and build standards for any proposed new or expanded logistics use developments.

**EXECUTIVE SUMMARY**

Last year the Legislature enacted AB 98 (Juan Carillo, Ch. 931, Stats. 2024) in response to growing concerns about the effects of warehouses on the health of local communities. AB 98 prescribed various statewide warehouse design and build standards for any proposed new or expanded logistics use developments, as specified. Additionally, AB 98 required local agencies to update their circulation element by 2028 or by 2026 for jurisdictions in the “warehouse concentration region,” as provided. (Gov. Code § 65302.02.) To ensure compliance, AB 98 authorized the Attorney General (AG) to impose a civil penalty against a jurisdiction that is in violation of the updated circulation requirement of up to \$50,000 every six months if the required updates are not made. (*Id.* at subd. (i).)

This bill seeks to provide clarity to the provisions of AB 98 and address implementation issues identified by stakeholders. The provision of the bill in this Committee’s jurisdiction is the AG enforcement provision. The bill is author sponsored. No timely support or opposition was received by the Committee. The bill passed the Senate Local Government Committee on a vote of 5 to 0.

**PROPOSED CHANGES TO THE LAW**

Existing law:

- 1) Establishes design and operation standards, setback requirements, housing replacement requirements for non-deed restricted units, and requirements on truck routes for logistics use developments across California and the “warehouse concentration region”, as defined. (Gov. Code §§ 65098-65098.9.)
- 2) Requires local agencies to update their circulation element by 2028 or by 2026 for jurisdictions in the “warehouse concentration region,” as provided. (Gov. Code § 65302.02.)
- 3) Authorizes the Attorney General (AG) to enforce the requirements in 2), above, and to impose a fine against a jurisdiction that is in violation of up to \$50,000 every six months if the required updates under 2), above, are not made. (*Id.* at subd. (i).)

This bill:

- 1) Makes various changes to the requirements on truck routes for logistics use developments across California and the “warehouse concentration region”, including:
  - a) ensuring that all electrification requirements only apply if sufficient power is available;
  - b) providing that the building codes that apply are those that are in effect at the time the building permit is issued; and
  - c) standardizing terms and other technical changes.
- 2) Revises the implementation dates for updating a circulation element to January 1, 2028 for a city with a population that is greater than 50,000 persons or a county with a population that is greater than 100,000 persons. For a city with a population that is equal to, or less than, 50,000 persons or a county with a population that is equal to, or less than, 100,000 persons the implementation date is by January 1, 2035.
  - a) The population of a county shall be determined based upon the population of the unincorporated areas.
- 3) Provides that a jurisdiction that has been found by the AG not to have made a good faith effort to meet the requirement of updating the circulation element is subject to all of the following:
  - a) a civil penalty of \$50,000 every six months, for each violation, accrued from the date of the violation until the violation is cured;
  - b) all costs of investigating and prosecuting an action by the AG, including expert fees, reasonable attorney’s fees, and costs; and

- c) other relief deemed appropriate by the court, including equitable and injunctive relief.
- 4) Requires the civil penalties collected pursuant to 3), above, to be paid to the office of the Attorney General. Provides that, upon appropriation by the Legislature, any civil penalties collected shall be distributed by the Attorney General and returned to the local air quality management district in which the civil penalty was imposed and be used for the district's efforts to improve air quality.
- 5) Specifies that the liability, penalties, and remedies imposed by 3), above, are in addition to any other liability, penalties, and remedies imposed by any other law.

### COMMENTS

#### 1. Stated need for the bill

The author writes:

Last year, AB 98 established statewide standards for the siting, design, development, and operation of warehouses. AB 735 follows in AB 98's momentum and makes technical and clarifying changes to the state law established by AB 98. This bill responds to the questions my office has received from a wide range of stakeholders on how AB 98 should be implemented.

#### 2. AB 98 (Juan Carillo, Ch. 931, Stats. 2024)

Last year the Legislature enacted AB 98 (Juan Carillo, Ch. 931, Stats. 2024) in response to growing concerns about the effects of warehouses on the health of local communities. AB 98 prescribes various statewide warehouse design and build standards for any proposed new or expanded logistics use developments, as specified, including, among other things, standards for building design and location, parking, truck loading bays, landscaping buffers, entry gates, and signage. In order to ensure these standards were adopted by local jurisdictions, AB 98 required local agencies to update their circulation element by 2028 or by 2026 for jurisdictions in the "warehouse concentration region," as provided. (Gov. Code § 65302.02.) To ensure compliance, AB 98 authorized the AG to impose a fine against a jurisdiction that is in violation of updated circulation requirement of up to \$50,000 every six months if the required updates are not made. (*Id.* at subd. (i).)

This bill makes various changes to the AG enforcement provision. First, the bill only authorizes a civil penalty to be assessed against a jurisdiction that has been found by the AG not to have made a good faith effort to meet the circulation element update requirements. Second, the bill authorizes the AG to receive all costs of investigating and prosecuting an action to enforce the circulation element update provisions, including

expert fees, reasonable attorney's fees, and costs. Lastly, the bill authorizes other relief deemed appropriate by the court, including equitable and injunctive relief, to be granted.

### 3. Stakeholders

This Committee received no timely support or opposition for the bill. Numerous stakeholders, both businesses and local governments, have submitted letters of concern or support if amended seeking various changes to this bill.

The League of California Cities writes they are appreciative of recent amendments, including "a good-faith-enforcement provision for cities and counties to complete the Circulation Element update. This would allow local governments working in good faith to not have punitive and costly fines when they are attempting to meet the intent of the law." They are seeking further amendments to:

1. Remove the Circulation Element requirements if a local government does not have any proposed new or expanded logistic use development within their jurisdiction, consistent with the Senate's request last session for this clean up legislation.
2. Allow flexibility for how cities and counties meet the truck route requirements through adopted ordinances or local transportation plans to effectively implement these measures, rather than solely in the Circulation Element in the General Plan.
3. Clarify that the Circulation Element update does not trigger the mobility requirements from SB 932 (2022), including the principles of the Federal Highway Administration's Safe System Approach and development of bicycle plans, which would need to be completed under the same timelines as the AB 98 Circulation Element update.
4. Avoid unintended consequences like preventing industrial development on rural lands and allow truck traffic to access local roads, so as to ensure logistic use development is located away from sensitive receptors.

A coalition of various business organizations, including the California Retailers Association and the California Grocers Association, write seeking changes on the following items to "ensure clarity, predictability, and practical application of AB 98's original intent[:]"

1. Clarifies that existing industrial property can be redeveloped with more environmentally friendly buildings (specifically states the intent that older buildings can be demolished and replaced with newer [more environmental superior] buildings).

2. Buffer Area Clarification (clarifies that the buffer does not need to be 100% landscaping).
3. Internal Circulation / Orientation of the Buildings (clarifies environmentally superior land use planning about onsite loading dock and truck circulation).
4. Multiple Building over 250,000 are not subject to more stringent standards and buildings more than 900 feet away from sensitive receptor not subject to design/operational restrictions.

**SUPPORT**

None received

**OPPOSITION**

None received

**RELATED LEGISLATION**

Pending Legislation: SB 415 (Reyes, 2025) is identical to this bill. SB 415 is currently pending in the Assembly Local Government Committee.

Prior Legislation: AB 98 (Juan Carrillo, Ch. 931, Stats. 2024) *see* Comment 2.

**PRIOR VOTES**

Senate Local Government Committee (Ayes 5, Noes 0)  
Assembly Floor (Ayes 61, Noes 4)  
Assembly Appropriations Committee (Ayes 11, Noes 1)  
Assembly Local Government Committee (Ayes 8, Noes 0)

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