

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

SB 997 (Caballero)
Version: February 9, 2026
Hearing Date: April 28, 2026
Fiscal: No
Urgency: No
AM

SUBJECT

North Fork Kings Groundwater Sustainability Agency: lien authority

DIGEST

This bill authorizes the North Fork Kings Groundwater Sustainability Agency (GSA) to impose civil penalties when enforcing its groundwater sustainability plan. Additionally, the bill authorizes the agency to file a lien for any unpaid charges or civil penalties upon any real property in the county owned by the person who is liable for the charges and penalties.

EXECUTIVE SUMMARY

In 2014, the Legislature passed the Sustainable Groundwater Management Act (SGMA), which put in place a statewide framework for groundwater management for the first time. Two year later, SB 564 (Cannella, Ch. 392, Stats. 2016) established the North Fork Kings GSA and deemed it the exclusive local agency within its statutory boundaries with the powers to comply with SGMA. The North Fork Kings GSA enacting statute granted its board the authority to adopt ordinances for the purpose of regulating, conserving, managing, and controlling the use and extraction of groundwater within the agency's territory and the authority to impose fees to fund the cost of implementing its groundwater sustainability plan (GSP). However, the enacting statute did not authorize the North Fork Kings GSA to file liens for unpaid charges or civil penalties. This bill seeks to expand the statute to provide this authority.

The bill is sponsored by the North Fork Kings GSA and is supported by advocates for state counties, the American Pistachio Growers, the Gualco Group, the Kings River Conservation District, and the Kings River Water Association. No timely opposition was received by the Committee. The bill passed the Senate Natural Resources and Water Committee on a vote of 7 to 0.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Declares that because of the conditions prevailing in this state the general welfare requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare, and that the right to water or to the use or flow of water in or from any natural stream or water course in this state is to be limited to such water as is reasonably required for the beneficial use to be served, and such right does not extend to the waste or unreasonable use or unreasonable method of use or unreasonable method of diversion of water. (Cal. Const. art. X, § 2.)
- 2) Provides that no water is to be available for appropriation by storage in, or by direct diversion from, any of the components of the California Wild and Scenic Rivers System, as such system exists on January 1, 1981, where such appropriation is for export of water into another major hydrologic basin of the State, as defined by the Department of Water, unless such export is expressly authorized prior to such appropriation by an initiative statute approved by the electors, or the Legislature, by statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring. (*Ibid.*)
- 3) Establishes SGMA with the goal of providing for the sustainable management of groundwater basins, enhancing local management of groundwater consistent with rights to use or store groundwater, providing local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater, and establishing minimum standards for sustainable groundwater management.
 - a) Defines sustainable management of groundwater as the avoidance of the following six “undesirable results:”
 - i. chronic lowering of groundwater levels;
 - ii. reduction of groundwater storage;
 - iii. seawater intrusion;
 - iv. degraded water quality;
 - v. land subsidence; and
 - vi. depletions of interconnected surface water. (Wat. Code §§ 10720 et seq.)

- 4) Provides that nothing in SGMA determines or alters surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights. (Wat. Code § 10720.5(b).)
- 5)
- 6) Authorizes the creation of local GSAs and requires GSAs to consider the interests of all beneficial uses and users of groundwater, as well as those responsible for implementing groundwater sustainability plans. (Wat. Code § 10723.2.)
 - a) Authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a GSA for that basin (Wat. Code § 10723.)
 - b) Specifies that SGMA is in addition to, and not a limitation on, the authority granted to a local agency under any other law and authorizes the local agency to use the local agency's authority under any other law to apply and enforce SGMA. (Wat. Code § 10726.8.)
- 7) Imposes civil liability on a person who extracts groundwater in excess of the amount authorized under a rule, regulation, ordinance, or resolution of the GSA not to exceed \$500 per acre-foot extracted in excess of the amount that person is authorized to extract. This liability is in addition to any liability under a), below, or fee for the extraction. (Wat. Code § 10732.)
 - a) A person who violates any rule, regulation, ordinance, or resolution adopted by the GSA is liable for a civil penalty not to exceed \$1,000 plus \$100 for each additional day on which the violation continues if the person fails to comply within 30 days after the local agency has notified the person of the violation.
- 8) Establishes the North Fork Kings GSA in the Counties of Fresno and Kings. (SB 564 (Cannella, Ch. 392, Stats. 2016.))
 - a) Authorizes the North Fork Kings GSA, pursuant to SGMA, to impose fees, including but not limited to, permit fees and fees on groundwater extraction or other regulated activity, to fund the costs of a groundwater sustainability program.
- 9) Authorizes irrigation districts, county water districts, California water districts, county waterworks districts, water replenishment districts, levee districts, and municipal water districts to file liens, as specified, for taxes or unpaid charges for water or other services, as provided. (Wat. Code §§ 25806, 31701.7, 36729, 55501.1, 60256, 70239, & 71637.)

This bill:

- 1) Authorizes the North Fork Kings GSA, pursuant to SGMA, to impose civil penalties on any person who extracts groundwater in excess of the amount that person is

authorized to extract under a rule, regulation, ordinance, or resolution adopted by the agency.

- 2) Authorize the amount of unpaid charges for water or other services, or the above described civil penalties, that remain unpaid to, in the discretion of the North Fork Kings GSA, be secured at any time by filing for record in the office of the county recorder of any county a certificate specifying the amount of the charges or penalties and the name and address of the person liable.
- 3) Provide that the amount required to be paid together with any interest and penalties constitutes a lien upon all real property in the county owned by the person or afterwards, and before the lien expired, acquired by that person.

COMMENTS

1. Stated need for the bill

The author writes:

The Sustainable Groundwater Management Act (SGMA) sets forth a rigorous framework for reaching and maintaining groundwater sustainability in California. Groundwater Sustainability Agencies (GSAs) formed under SGMA are charged with implementing groundwater sustainability plans (GSPs) to avoid groundwater overdraft and state intervention. SGMA authorized GSAs to be formed through either joint powers agreements (JPAs) or through special statutes. All GSAs formed in accordance with SGMA have a minimum enforcement authority provided by the SGMA statute which includes imposing penalties and bringing civil lawsuits.

GSAs created through a JPA have additional enforcement authority inherent to all JPAs, which includes lien authority for uncollected fees. GSAs formed under special statute, such as North Fork Kings Groundwater Sustainability Agency (NFKGSA) are limited to the minimal enforcement powers under SGMA, which does not explicitly grant the authority to impose liens to collect unpaid fees like other GSAs formed through a JPA. SB 997 is a straightforward district bill that aligns NFKGSA's enforcement authority with that of the majority of GSAs statewide to ensure the effective implementation of its groundwater sustainability program under SGMA

2. SGMA, fines, and civil penalties

a. SGMA

The purpose of SGMA was to address overdraft and other adverse effects of excessive pumping of groundwater by avoiding six specified "undesirable results" to ensure long-term sustainability. SGMA specifically provides that its provisions do not

determine or alter surface water rights or groundwater rights under common law or any provision of law that determines or grants surface water rights. (Wat. Code § 10720.5(b).) Under SGMA, a GSA is to adopt a GSP to accomplish these goals. The initial and most significant step, in establishing a GSP is determining the “sustainable yield” for the basin. The sustainable yield is the maximum quantity of water, calculated over a base period representative of long-term conditions in the basin and including any temporary surplus, that can be withdrawn annually from a groundwater supply without causing an undesirable result. (Wat. Code § 10721(w).) Essentially, how much water is available to be pumped without causing undesirable results. Existing law provides that GSPs adopted by a GSA are subject to the validation statutes. (Wat. Code § 10726.6(a).) Any other actions of a GSA are subject to judicial review pursuant to Section 1085 of the Code of Civil Procedure, which provides for a writ of mandamus. (*Id.* at subd. (e).)

Under SGMA, a GSA possesses the authority to adopt rules, regulations and ordinances to carry out the GSP. The development of the GSP is required to be developed in a manner that considers the interests of all beneficial water users in a basin. While the statute does not specify the exact manner in which a GSA must engage the public and receive comment on a proposed GSP, the statute does specify the parties a GSA is to seek input from, including holders of overlying groundwater rights, public water systems, the federal government, California Native American, tribes, and disadvantaged communities. (Water Code Section 10723.2.) Once the sustainable yield is determined and the GSP is completed, it is submitted to the Department of Water Resources (DWR) for review, where the public is entitled to submit comments to DWR regarding the plan and DWR evaluates the plan and issues an assessment of it. (Wat. Code § 10733.4.) Even after a GSP has been approved by DWR and implemented by the GSA, the plan must be reviewed by DWR every five years. (Wat. Code § 10733.8.)

b. Liens authority for fees other charges

Member agencies often create GSAs by either forming a Joint Powers Authority (JPA) or through a memorandum of agreement or other legal agreement. As a JPA, these GSAs have the authority to exercise the powers granted to its member agencies, in addition to the powers proscribed in SGMA. Consequently, GSAs that have member agencies with powers that are not included in SGMA are able to use those powers to enforce the GSA’s GSP. Many member agencies, such as county water districts, irrigation districts, city water districts, and reclamation districts, have enforcement powers that are not included in SGMA. Specifically, these agencies are authorized to impose a lien on a landowner’s property to enforce and collect unpaid charges or fees. (*See* Wat. Code §§ 25806, 31701.7, 36729, 55501.1, 60256, 70239, & 71637.)

However, some GSAs, such as the North Fork Kings GSA, have been created by statute to manage groundwater within certain boundaries. Those GSAs’ authorities are laid out in their enacting statute and those provided for under SGMA. As such, the North Fork

King GSA does not have authority to place a lien on property for charges for water or other service in a similar manner. This bill would authorize the North Fork Kings GSA to secure a lien by filing for record in the office of the county recorder of any county a certificate specifying the amount of the charges and the name and address of the person liable for the fees. The lien is to have the force, priority, and effect of a judgment lien and is to continue for 10 years from the date of the filing of the certificate unless sooner released or otherwise discharged. The lien may be extended by filing for record a new certificate in the office of the county recorder of any county, and from the time of that filing, the lien will be extended to the real property in that county for 10 years unless sooner released or otherwise discharged.

c. Civil Penalties and Due Process

The bill also provides explicit authority to the North Fork Kings GSA to impose civil penalties under SGMA. The North Fork Kings GSA is already able to exercise all powers granted under SGMA. This includes the authority under Section 10732 of the Water Code that imposes civil liability on a person who extracts groundwater in excess of the amount authorized under a rule, regulation, ordinance, or resolution of the GSA not to exceed \$500 per acre-foot extracted in excess of the amount that person is authorized to extract. Section 10732 provides that a person who violates any rule, regulation, ordinance, or resolution adopted by the GSA is liable for a civil penalty not to exceed \$1,000 plus \$100 for each additional day on which the violation continues if the person fails to comply within 30 days after the local agency has notified the person of the violation. A GSA may bring an action in the superior court to determine whether a violation occurred and to impose a civil penalty. A GSA is also authorized to administratively impose a civil penalty for a violation after providing notice and an opportunity for a hearing.

This Committee has addressed the issue of lien authority for civil penalties before and noted that due process concerns are raised. The Fourteenth Amendment of the United States Constitution, and Section 15 of Article I of the California Constitution, prohibit the state from denying a person of life, liberty, or property without due process of law. The state's protection of procedural due process "is much more inclusive and protects a broader range of interests than under the federal Constitution." California's "approach presumes that when an individual is subject to deprivatory governmental action, he always has a due process liberty interest in both fair and unprejudiced decision making," which "places front and center the issue of critical concern, i.e., what procedural protections are warranted in light of governmental and private interests." The question of whether it is appropriate to authorize a local government to place a lien on property for which a judgment of enforcement has been entered is derivative of the question of whether the landowner was given adequate process before the judgment was entered. To place a judgment debtor lien on real property a court order is required unless a statute grants authority otherwise. (Code of Civ. Proc. § 697.310(a).) This

process affords due process and other protections to the person upon whose property the lien is being placed.

In light of the due process concerns that are implicated by authorizing the North Fork Kings GSA to place a lien on property without a court order, the author has agreed to amend the bill to remove this provision from the bill.

3. Amendments

In light of the due process concerns that are implicated by authorizing the North Fork Kings GSA to place a lien on property without a court order, the author has agreed to amend the bill to remove this provision from the bill.

Amendment¹

SEC. 3. Section 803 as added to the North Fork Kings Groundwater Sustainability Agency (Chapter 392 of the Statutes of 2016), is amended to read:

Sec. 803. (a) In the event that any charges for water and other ~~services, or civil penalties~~ *services* imposed by the agency pursuant to its authority pursuant to Chapter 8 (commencing with Section 10730) ~~or Chapter 9 (commencing with Section 10732) of Part 2.74 of Division 6 of the Water Code~~, remain unpaid, the amount of unpaid charges ~~or penalties~~ may, in the discretion of the agency, be secured at any time by filing for record in the office of the county recorder of any county a certificate specifying the amount of the charges ~~or penalties~~ and the name and address of the person liable therefor.

(b) From the time of recordation of the certificate, the amount required to be paid together with any interest and penalties constitutes a lien upon all real property in the county owned by the person or afterwards, and before the lien expired, acquired by that person. The lien has the force, priority, and effect of a judgment lien and shall continue for 10 years from the date of the filing of the certificate unless sooner released or otherwise discharged. The lien may, within 10 years from the filing of the certificate or within 10 years from the date of the last extension of the lien in the manner herein provided, be extended by filing for record a new certificate in the office of the county recorder of any county, and from the time of that filing, the lien shall be extended to the real property in that county for 10 years unless sooner released or otherwise discharged.

¹ The amendments may include nonsubstantive changes as identified by Legislative Counsel.

4. Stakeholder statements

The North Fork Kings GSA, the sponsor of the bill, writes in support stating:

[...] Groundwater Sustainability Agencies (GSAs) are the mechanism by which SMGA is implemented and enforced throughout the state. Generally, GSAs are created by member agencies forming a Joint Powers Authority (JPA), and the JPA then elects to become the GSA.

In contrast, North Fork Kings Groundwater Sustainability Agency (“Agency”) was created by special legislation (“Enabling Act”). The Enabling Act delineates the Agency's powers, which are limited to those expressly set forth in SGMA. Therefore, unlike most Groundwater Sustainability Agencies (GSAs) across the state, formed as Joint Powers Authorities (JPAs), NFKGSA does not have the ability to impose property liens for unpaid fees or penalties.

SB 997 aligns NFKGSA’s authority with that of other GSAs formed as JPAs statewide to strengthen the agency’s enforcement and fee collection capability and supports the fair and effective implementation of our groundwater sustainability efforts now and into the future. Governor Brown signed the SGMA implementation bills, understanding that these difficult sustainability decisions were best made at the local level. NFKGSA has undertaken a tremendous public outreach and planning process in our high-priority basin in order to identify local programs to best meet our sustainability requirements. We are proud of the work we have done to date and see this bill as an additional tool needed in order for us to build on our work locally.

SB 997 (Caballero) is a critical tool that will assist NFKGSA in meeting its requirements in its Groundwater Sustainability Plan. [...]

SUPPORT

American Pistachio Growers
California State Association of Counties
Kings River Conservation District
Kings River Water Association
North Fork Kings Groundwater Sustainability Agency
Rural County Representatives of California
The Gualco Group, Inc.
The Valley Ag Water Coalition

OPPOSITION

None received

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

SB 564 (Cannella, Ch. 392, Stats. 2016) established the North Fork Kings Groundwater Sustainability Agency (GSA) and deemed it the exclusive local agency within its statutory boundaries with the powers to comply with SGMA.

SB 1168 (Pavley, Ch.346, Stats. 2014) was part of the three-bill package that enacted SGMA.

SB 1319 (Pavley, Ch. 348, Stats. 2014) was part of the three-bill package that enacted SGMA.

AB 1739 (Dickinson, Ch. 347, Stats. 2014) was part of the three-bill package that enacted SGMA.

PRIOR VOTES

Senate Natural Resources and Water Committee (Ayes 7, Noes 0)
