

Date of Hearing: March 25, 2025

ASSEMBLY COMMITTEE ON ENVIRONMENTAL SAFETY AND TOXIC MATERIALS

Damon Connolly, Chair

AB 961 (Ávila Farías) – As Introduced February 20, 2025

SUBJECT: Hazardous materials: California Land Reuse and Revitalization Act of 2004

SUMMARY: Extends the sunset on the California Land Reuse and Revitalization Act (Act). Specifically, **this bill**:

- 1) Extends, from January 1, 2027, to January 1, 2037, the sunset on the Act.
- 2) Extends, from January 1, 2027, to January 1, 2037, the sunset on the qualification for immunity under the Act.

EXISTING LAW:

- 1) Establishes the Act to cleanup and reuse hazardous material contaminated sites in a manner protective of public health and safety and the environment, and to encourage the development and redevelopment of unused or underused properties in urban areas. (Health & Safety Code (HSC) § 25395.61, et seq.)
- 2) Sunsets the Act on January 1, 2027. (HSC § 25395.109)
- 3) Provides immunity from response costs or other relief associated with the release or threatened release of a hazardous material at a site for a bona fide ground tenant. (HSC § 25395.104)
- 4) Authorizes a person who, before January 1, 2027, qualifies for immunity to continue to have that immunity on and after January 1, 2027, if the person continues to be in compliance with the requirements of the Act. (HSC § 25395.110)

FISCAL EFFECT: Unknown.

COMMENTS:

Need for the bill: According to author: "AB 961 extends the sunset date of the California Land Reuse and Revitalization Act (CLRRA) from January 1, 2027, to January 1, 2037. CLRRA has been a critical tool since 2005 for transforming contaminated and underutilized properties—often in disadvantaged communities—into spaces that can support housing, commercial activity, and community development.

By providing limited liability protections to innocent landowners, prospective purchasers, and adjacent property owners, CLRRA makes it possible to clean up and reuse properties that would otherwise remain vacant and blighted. These protections encourage private investment and streamline the process of environmental remediation by allowing agreements with the Department of Toxic Substances Control or Regional Water Boards.

Without this extension, communities would lose a proven pathway to revitalization. AB 961 ensures California maintains this important tool for supporting infill development, environmental justice, and sustainable land use in areas that need it most."

Brownfield cleanup: Brownfields are properties that are contaminated, or thought to be contaminated, and are underutilized due to perceived remediation cost and liability concerns. Many of these properties are in the urban core, near transit, and often in underserved communities with housing and economic development needs. Cleaning up brownfield properties not only eliminates the threat to residents and neighborhoods from hazardous substances, it frees abandoned or underutilized land for productive reuse. Redevelopment of brownfields also takes development pressures off previously undeveloped property, thereby preserving open space and agricultural land.

Brownfields remain a continuing problem in California and nationwide, as abandoned, idled, or under-used sites formerly utilized for industrial or commercial purposes result in perceived or actual contamination that deters redevelopment of the site. As cleanup costs can be expensive, especially when uncovering unexpected hazardous materials during the cleaning of the site, many of the sites remain vacant for many years.

California Land Reuse and Revitalization Act of 2004 (Act): Traditionally, federal and state law provided that both current and previous owners of a property are potentially liable for the cost of cleanup of hazardous materials released on the property. In 2002, federal law was modified to grant conditional immunity to innocent and prospective purchasers and to innocent contiguous property owners for previously occurring contamination for which the innocent or prospective purchaser had no responsibility.

In 2004, California enacted AB 389 (Montanez, Chapter 705, Statutes of 2004), which created the Act, providing qualified immunity to innocent landowners, bona fide purchasers, and contiguous property owners who did not cause or contribute to a release of contaminants. Under the Act, in order to take advantage of the provided immunity, qualifying individuals must enter into an agreement with an oversight agency that would require the individual to undertake various tasks relating to cleanup of the hazardous materials on the property. The Act then provides liability protections to bona fide purchasers, innocent landowners, contiguous property owners, prospective purchasers, and bona fide ground tenants. This is intended to promote the cleanup and redevelopment of blighted contaminated properties. The Act establishes a process for eligible property owners to obtain statutory immunity, conduct a site assessment, and implement a response action, if necessary, to ensure that the property is ready for reuse. The original sunset date for the enacting legislation, AB 389, was in 2010.

Subsequent changes to the Act: Since enactment of the Act, there have been a few additions to the protections provided by the Act, as well as extending the protections of the program several times. SB 989 (Senate Environmental Quality, Chapter 510, Statutes of 2006) made the immunity protections available to a bona fide ground tenant. SB 143 (Cedillo, Chapter 167, Statutes of 2009) authorized a prospective purchaser who is in contract to acquire a site and who qualifies as a bona fide purchaser to enter into an agreement that provides the qualified bona fide prospective purchaser with immunity upon site acquisition. Additionally, SB 143 extended the sunset for the program from January 1, 2010 until January 1, 2017. Lastly, SB 820 (Hertzberg, Chapter 166, Statutes of 2016), extended the Act until January 1, 2027.

Without a legislative sunset extension, the Act will expire on January 1, 2027.

This bill: AB 961 extends the protections under the Act, for bona fide purchasers; innocent landowners; contiguous property owners; prospective purchasers; and bona fide ground tenants, until January 1, 2037.

Related legislation:

- 1) SB 820 (Hertzberg, Chapter 166, Statutes of 2016). Extends the sunset date for the Act from January 1, 2017 to January 1, 2027, and makes corresponding changes to provide continued immunity after the repeal of the Act.
- 2) SB 143 (Cedillo, Chapter 167, Statutes of 2009). Extends the sunset date of the Act from January 1, 2010, to January 1, 2017, and extends the provisions for continued immunity after the Act is repealed. Authorizes a prospective purchaser who is in contract to acquire a site and who qualifies as a bona fide purchaser to receive immunity under specified conditions.
- 3) SB 989 (Senate Environmental Quality, Chapter 510, Statutes of 2006). Adds to the Act qualified immunity for bona fide ground tenants under specified conditions.
- 4) AB 389 (Montanez, Chapter 705, Statutes of 2004). Enacted the Act, which provides qualified immunity to innocent landowners, bona fide purchasers, and contiguous property owners who did not cause or contribute to a release of contaminants. Sunsets the Act on January 1, 2010.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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