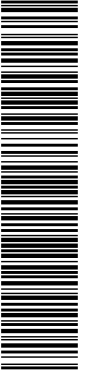


An act to add and repeal Sections 4799.12.1 and 75245 of the Public Resources Code, and to add and repeal Article 4 (commencing with Section 18734) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to urban forestry, and making an appropriation therefor.



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

## SECTION 1. The Legislature finds and declares all of the following:

(a) Urban forestry is an important tool to mitigate the impact of climate change and to improve air quality, water quality, public health, economies, and other conditions.

(b) Trees reduce air pollution and improve the atmosphere through oxygen production.

(c) A lack of trees in urbanized areas creates a “heat-island” that denies communities of positive carbon dioxide and pollutant reduction qualities from trees.

(d) Trees decrease air temperatures in “heat-islands” through collective water evaporation, and shade.

(e) Trees increase homeowner property values, and benefit landlords with higher rents and longer tenancies.

(f) Disadvantaged communities, unincorporated county areas, and poorer areas suffer the worst heat-islands and struggle to fund urban forestry programs.

(g) These communities will benefit from a robust urban tree canopy in public and private spaces.

## SEC. 2. Section 4799.12.1 is added to the Public Resources Code, to read:

4799.12.1. (a) Moneys appropriated from the California Tree Fund, established pursuant to Section 18735 of the Revenue and Taxation Code, to the department shall be used to provide grants to eligible projects described in the Urban Forest Management Activities section in the California Department of Forestry and Fire Protection 2019/2020 - California Climate Investments Urban and Community Forestry Program Grant Guidelines.

(b) This section shall become inoperative one year after the date on which Article 4 (commencing with Section 18734) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code becomes inoperative and is repealed on January 1 of the following year.

## SEC. 3. Section 75245 is added to the Public Resources Code, to read:

75245. (a) For purposes of this section, the following definitions apply:

(1) “District” includes, but is not limited to, school, park, recreation, water, and local taxing districts.

(2) “Eligible applicant” means a city, county, district, or nonprofit organization qualified under Section 501(c)(3) of the Internal Revenue Code.

(3) “Eligible project” means a tree planting project or green infrastructure project undertaken by an eligible applicant.

(4) “Fund” means the California Tree Fund established pursuant to Section 18735 of the Revenue and Taxation Code.

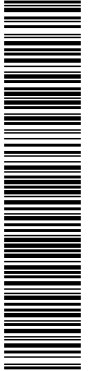
(5) “Green infrastructure project” includes either of the following:

(A) Multiobjective storm water project, including construction of permeable surfaces and collection basins and barriers through low impact development strategies.

(B) Innovative urban forest site improvement project to create larger, more functional planting sites for trees, such as bioswales, urban forestry education centers, edible landscaping, or community gardens and orchards.

(6) “Tree planting project” includes either of the following:

(A) Planting of trees in sites that are strategically selected to shade buildings, such as planting a tree within 60 feet of an air conditioned building. Fundable elements



include tree or vegetation planting, including costs for tree or vegetation establishment care and planting site preparation, and urban heat mitigation by tree shading.

(B) Planting of trees in sites that do not shade buildings. Fundable elements include the enhancement or expansion of neighborhood park and community space that include a tree planting component; planting trees in public lands and structures, which may include incorporation of riparian habitat for water capture and provide for other public and wildlife benefits; and tree inventory, or urban forest mapping and analysis; or long-term management plan that includes a tree planting component.

(b) (1) Moneys appropriated from the fund to the Strategic Growth Council shall be used to provide grants for the implementation of eligible projects. Eligible costs include all of the following:

(A) Signs and interpretive aids, including exhibits, kiosks, display boards, or signs about the project and funding acknowledgment.

(B) Costs associated with the implementation of the project.

(C) Land purchase for developing new parks and urban forest area.

(D) Tree establishment and maintenance cost during the grant term.

(2) Moneys from the fund shall not be expended for any of the following:

(A) Projects that are not in accordance with the California Urban Forestry Act of 1978 (Chapter 2 (commencing with Section 4799.06) of Part 2.5 of Division 4) or standards adopted by the Department of Forestry and Fire Protection pursuant to that act.

(B) Decorative tree grates and decorative tree guards.

(C) Tree removal.

(D) Inefficient irrigation valves, pumps, sprinkler control timers, or overly costly and elaborate irrigation systems.

(E) Urban wood and biomass projects that remove trees solely for the purpose of utilization.

(F) Root barriers.

(G) Invasive species.

(H) Palm trees.

(I) Trees that have any of the following characteristics:

(i) The trees rely on excessive amounts of water to survive.

(ii) The trees rely on synthetic fertilizer to survive.

(iii) The trees are inappropriate for the site selected or require excessive maintenance.

(iv) The trees conflict with overhead or underground utilities or ground-located infrastructure.

(c) This section shall become inoperative one year after the date on which Article 4 (commencing with Section 18734) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code becomes inoperative and is repealed on January 1 of the following year.

SEC. 4. Article 4 (commencing with Section 18734) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

#### Article 4. California Tree Fund



18734. (a) An individual may designate on the tax return that a contribution in excess of the personal income tax liability, if any, be made to the California Tree Fund established by Section 18735. That designation is to be used as a voluntary contribution on the tax return.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation under subdivision (a) shall be made for any taxable year on the original return for that taxable year and once made is irrevocable. If payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as if no designation has been made.

(d) Except as provided by Section 18737, for taxable years beginning on or after January 1, 2021, the Franchise Tax Board shall revise the form of the return to include a space labeled the "California Tree Fund" to allow for the designation permitted. The form shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used to support the following:

(1) Department of Forestry and Fire Protection's urban forestry management activities and projects.

(2) The Strategic Growth Council Transformative Climate Communities urban greening and green infrastructure projects.

(e) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18735. There is hereby established in the State Treasury the California Tree Fund to receive contributions made pursuant to Section 18734. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money that taxpayers have designated pursuant to Section 18734 to be transferred to the California Tree Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Tree Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18734 for payment into that fund.

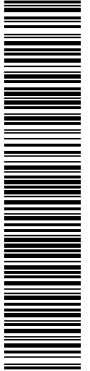
18736. (a) Notwithstanding Section 13340 of the Government Code, all money transferred to the California Tree Fund shall be continuously appropriated and allocated as follows:

(1) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(2) Fifty percent of the funds to the Department of Forestry and Fire Protection for purposes of Section 4799.12.1 of the Public Resources Code.

(3) Fifty percent of the funds to the Strategic Growth Council for purposes of Section 75245 of the Public Resources Code.

(b) The Department of Forestry and Fire Protection and the Strategic Growth Council shall report on an internet website the number of trees planted, the location of the trees planted, and the volume of projected carbon captured by the trees planted, and information to assist contributors to the California Tree Fund in interacting with local and regional tree planting programs.



(c) Money in the California Tree Fund shall not be used to supplant state General Fund money for any purpose.

18737. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only until January 1, 2028, and is repealed on December 1, 2028.

(b) (1) By September 1 of the second calendar year and each subsequent calendar year that the California Tree Fund appears on the tax return, the Franchise Tax Board shall determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contribution amount for the calendar year. The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article shall be inoperative with respect to taxable years beginning on or after January 1 of that calendar year, and shall be repealed on December 1 of that year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000).

- 0 -



## LEGISLATIVE COUNSEL'S DIGEST

Bill No.  
as introduced, \_\_\_\_\_.  
General Subject: Urban forestry: California Tree Fund.

The California Urban Forestry Act of 1978 requires the Department of Forestry and Fire Protection to implement a program in urban forestry to encourage better tree management and planting in urban areas. Under the act, the department has established a grant program to provide grants for, among other projects, projects for urban forest management activities.

Existing law creates the Transformative Climate Communities Program, which is administered by the Strategic Growth Council. Existing law requires the council to award competitive grants to specified eligible entities for the development and implementation of neighborhood-level transformative climate community plans that include greenhouse gas emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities, as defined. Under that program, the council has established a grant program to provide grants for urban greening and green infrastructure projects, as specified.

Existing law authorizes an individual to contribute amounts in excess of their personal income tax liability for the support of specified funds. Existing law sets forth general administrative provisions applicable to voluntary contributions, which, among other things, repeal funds that fail to meet a minimum contribution amount of \$250,000 in a given taxable year.

This bill would allow a taxpayer to designate an amount in excess of personal income tax liability to be transferred into the California Tree Fund, which the bill would create. The bill would require the Franchise Tax Board to revise the tax return to include a space for this fund for taxable years beginning on or after January 1, 2021, and until January 1, 2028, unless the fund fails to meet an annual minimum contribution amount of \$250,000, in which case these provisions would be repealed on December 1 of that year. The bill would require moneys transferred to the California Tree Fund to be continuously appropriated and allocated to the Department of Forestry and Fire Protection to the grant program for urban forest management activities under the California Urban Forestry Act of 1978 and the Strategic Growth Council for the grant program for urban greening and green infrastructure projects under the Transformative Climate Communities Program, and to the Franchise Tax Board and the Controller for



86273

02/08/21 01:01 PM  
RN 21 06157 PAGE 2

related administrative costs, as provided. By continuously appropriating these funds, the bill would make an appropriation.

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



210615786273BILLS12