

AMENDED IN SENATE JUNE 15, 2026

AMENDED IN ASSEMBLY MAY 22, 2026

AMENDED IN ASSEMBLY APRIL 8, 2026

AMENDED IN ASSEMBLY MARCH 16, 2026

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 2469**

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### **Introduced by Assembly Member Papan**

February 20, 2026

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An act to add Section 65964.7 to the Government Code, and to add Section 10609.13 to the Water Code, relating to water.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2469, as amended, Papan. Data centers: water use disclosures.

The Planning and Zoning Law authorizes the legislative body of any county or city to adopt ordinances that, among other things, regulate the use of buildings, structures, and land as between industry, businesses, residences, and open space, as specified.

This bill would prohibit a city, county, or city and county from approving a discretionary or ministerial permit or other entitlement that would result in the construction, or an expansion that increases the maximum peak water use, of a data center unless specified conditions are satisfied, including, among others, that the applicant provides the city, county, or city and a county prescribed information. The bill would include in this prescribed information a water scarcity plan, a water supply assessment, and a water use assessment, each as provided. The bill would also include in the specified conditions that the applicant assumes responsibility for the full cost of any required water

conveyance, treatment or storage, or distribution infrastructure improvements necessary to serve the project, as determined by the Department of Water Resources or the applicable water supplier. By expanding the duties of local agencies to administer these provisions, this bill would impose a state-mandated local program.

Existing law requires the Department of Water Resources to recommend, and the State Water Resources Control Board to adopt, as prescribed, performance measures for water used by commercial, industrial, institutional, and large landscape water users (CII water use). Existing law requires each urban retail water supplier, as defined, to implement the performance measures adopted by the board under these provisions.

This bill would require the department to recommend no later than June 30, 2028, and the board to adopt, no later than December 31, 2029, a CII water use classification for users that qualify as large consumptive use facilities, including data centers. The bill would require that this classification be separate and distinct from classifications applicable to other CII water use.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

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.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 65964.7 is added to the Government
- 2 Code, to read:
- 3 65964.7. (a) For purposes of this section:
- 4 (1) "Water scarcity plan" means a report that includes measures
- 5 to be implemented during an abnormally dry year, as moderate
- 6 drought year, a severe drought year, and extreme drought year,
- 7 and an exceptional drought year, as defined by the United States
- 8 drought monitor, including staged withdrawal reductions,

1 nonessential use curtailment, recycling and reuse, thermal load  
2 reductions, and temporary load shedding where necessary.

3 (2) "Water use assessment" means a report that includes all of  
4 the following:

5 (A) A description of the data center, including its location,  
6 identification of the owner and operator, and a detailed description  
7 of operations.

8 (B) A detailed accounting of expected water intake, expressed  
9 in gallons per day and total volume, including:

- 10 (i) Maximum and average daily demand.
- 11 (ii) Maximum and average monthly demand.
- 12 (iii) Demand over an average 12-month consecutive period.
- 13 (iv) Water withdrawals.
- 14 (v) Phases of growth or expansion.
- 15 (vi) Trigger points for additional demand.
- 16 (vii) Full build-out and peak operation scenarios.

17 (C) A detailed explanation of each direct water use, including,  
18 but not limited to, cooling systems, humidification, potable and  
19 sanitary uses, fire suppression systems, and maintenance  
20 operations. For each use, the assessment includes identification of  
21 all of the following:

- 22 (i) Input water quality requirements.
- 23 (ii) Whether the use is consumptive.
- 24 (iii) Average daily consumptive volume.
- 25 (iv) Whether the use is continuous, intermittent, or seasonal.
- 26 (v) Opportunities for reuse or closed-loop systems.

27 (D) A cooling alternatives analysis that compares the proposed  
28 cooling method to a range of alternatives, including all of the  
29 following:

- 30 (i) Evaluation of water use at the data center and at the site of  
31 energy generation.
- 32 (ii) Evaluation of impact on source water and water scarcity.
- 33 (iii) Consideration of closed-loop cooling.

34 (E) A detailed estimate of indirect water use associated with  
35 energy production disaggregated by generation type.

36 (F) A cost-of-service study completed by the applicable water  
37 provider within the last five years, or funded by the data center if  
38 none exists.

39 (b) Notwithstanding any other law, a city, county, or city and  
40 county shall not approve a discretionary or ministerial permit or

1 other entitlement that would result in the construction, or expansion  
2 that increases the maximum peak water use, of a data center unless  
3 all of the following conditions are satisfied:

4 (1) The applicant has provided the city, county, or city and  
5 county with all of the following:

6 (A) A water supply assessment that was completed pursuant to  
7 assessment, as described in Part 2.10 (commencing with Section  
8 10910) of Division 6 of the Water Code, if applicable. Code, for  
9 the construction or expansion.

10 (B) Upon request of the city, county, or city and county, a water  
11 use assessment, as defined in paragraph (2) of subdivision (a).

12 (C) Beginning January 1, 2028, a water scarcity plan, as defined  
13 in paragraph (1) of subdivision (a).

14 (D) Projected water use and water efficiency measures.

15 (E) Disclosures regarding workforce needs associated with the  
16 project, including all of the following:

17 (i) Workforce composition.

18 (ii) Job classifications.

19 (iii) Employment duration.

20 (iv) Wage ranges and benefits.

21 (v) The proportion of the workforce residing within the county  
22 in which the project is located.

23 (vi) The proportion of the workforce residing within the state.

24 (vii) All water resource plans, water usage reports, supporting  
25 documentation, and any approvals issued by a state or local agency  
26 related to the plans or applications.

27 (2) The applicant assumes responsibility for the full cost of any  
28 required water conveyance, treatment or storage, or distribution  
29 infrastructure improvements necessary to serve the project, as  
30 determined by the Department of Water Resources or the applicable  
31 water supplier.

32 SEC. 2. Section 10609.13 is added to the Water Code, to read:

33 10609.13. (a) The department, in coordination with the board,  
34 shall conduct necessary studies and investigations and recommend,  
35 no later than June 30, 2028, a CII water use classification system  
36 for users that qualify as large consumptive use facilities, including  
37 data centers. The classification system required by this section  
38 shall be separate and distinct from classifications applicable to  
39 other CII water use.

1 (b) (1) The board, in coordination with the department, shall  
2 adopt the classification for CII water use required by this section  
3 on or before December 31, 2029.

4 (2) Each urban retail water supplier shall implement the  
5 classification adopted by the board pursuant to paragraph (1).

6 SEC. 3. The Legislature finds and declares that water  
7 conservation is a matter of statewide concern and is not a municipal  
8 affair as that term is used in Section 5 of Article XI of the  
9 California Constitution. Therefore, Section 1 of this act adding  
10 Section 65964.7 to the Government Code applies to all cities,  
11 including charter cities.

12 SEC. 4. No reimbursement is required by this act pursuant to  
13 Section 6 of Article XIII B of the California Constitution because  
14 a local agency or school district has the authority to levy service  
15 charges, fees, or assessments sufficient to pay for the program or  
16 level of service mandated by this act, within the meaning of Section  
17 17556 of the Government Code.