SB 618 Provides Limited Williamson Act Relief for Solar Developers

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Just signed by Governor Brown, SB 618 (Wolk) creates, for the first time, an explicit mechanism for landowners and solar developers to remove non-prime agricultural land from existing Williamson Act contracts in order to use it for photovoltaic solar energy production.

Designed to protect California's agricultural lands from development, the Williamson Act has long allowed cities and counties to enter into 10-year contracts with landowners who agree to limit their land to agricultural uses in exchange for lower property taxes. But the State's mandate for large utilities to achieve 33% renewable (retail) energy by 2020 has put solar development and the Williamson Act on a collision course. A significant amount of under-productive agricultural land around the State well suited for utility-scale solar projects is already protected from non-agricultural use under Williamson Act contracts; but the high cost of early contract termination can make those otherwise viable locations unaffordable for solar developers working with tight margins in a young, dynamic industry.

SB 618 is designed to help resolve this conflict. While preserving the existing discretion of cities and counties to find solar development compatible with the Williamson Act (and the existing right of landowners to terminate or non-renew), SB 618 provides a mechanism for rescinding Williamson Act contracts for non-prime agricultural land for half the normal cost, provided that the landowner simultaneously enters into a newly defined "solar easement" for a term of no less than 20 years, which is approved by the Department of Conservation. In addition to providing guidance to local tax assessors valuing such properties, SB 618 also requires that when the solar easement ends or is terminated, the land must be restored to its pre-solar easement condition.

Click here to obtain a full copy of SB 618.

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