SENATE COMMITTEE ON LOCAL GOVERNMENT
Senator María Elena Durazo, Chair
2025 - 2026 Regular

Bill No:	AB 1156	**Hearing Date:**	7/9/25
Author:	Wicks	**Fiscal:**	Yes
Version:	5/23/25	**Consultant:**	Peterson

SOLAR-USE EASEMENTS: SUSPENSION OF WILLIAMSON ACT CONTRACTS: TERMS OF EASEMENT: TERMINATION

Makes a number of changes to law governing the conversion of agricultural easements into a solar use easement.

Background

Williamson Act. The California Land Conservation Act of 1965, also known as the Williamson Act, is a program administered by the California Department of Conservation (DOC) to conserve agricultural and open space land. The Williamson Act allows private property owners within "an agricultural preserve" to sign voluntary contracts with counties and cities that restrict their land to agriculture, open space, and compatible uses for the next 10 years. These agricultural preserves are areas where a county, or less often a city, wants to protect and promote agricultural uses. To establish an agricultural preserve, the board of supervisors (board) or city council must adopt a resolution that describes the area covered by the preserve.

Williamson Act contracts automatically renew each year, so that the term is always 10 years in the future. In return for these voluntary contracts, county assessors lower the value of Williamson Act contracted lands to reflect the value of their use as agriculture or open space instead of their market value under Proposition 13 (1978). In 1998, the Legislature created an option of establishing a Farmland Security Zone, which offers landowners a greater property tax reduction for a minimum 20-year contract (SB 1182, Costa). The Revenue and Taxation Code sets out valuation procedures for land under Williamson Act and Farmland Security Zone contracts, as well as for other lands whose use is enforceably restricted in various ways, including scenic restrictions, open space easements, restrictions for timber cultivation, and wildlife habitat contracts. The specific procedures vary, but the county assessor determines how much to lower property taxes based on how much value it expects the parcel to produce when used for its intended use.

A landowner who wants to develop land restricted by a Williamson Act contract has three options: nonrenewal, cancellation, or rescission. The normal way to end a Williamson Act contract is for either the landowner or local officials to give "notice of nonrenewal," which stops the automatic annual renewals and allows the contract to run down over the next 10 years.

Alternatively, local officials can cancel a contract at the request of the landowner. To do so, local officials must make findings that cancellation is in the public interest and that cancellation is consistent with the purposes of the Williamson Act. In addition, the landowner must pay a cancellation fee that is equal to 12.5% of the "cancellation valuation" of the property, or 25% in the case of a farmland security contract. The board or city council first issues a notice of

tentative cancellation, which becomes final after the landowner meets any conditions or contingencies of the cancellation and any fees are paid. If the landowner cannot meet the conditions, the board or city council must record a certificate of withdrawal of cancellation.

The third option is rescission. Rescission occurs when the county supervisors cancel a Williamson Act contract, but the landowner simultaneously puts an agricultural conservation easement or open space easement on other land of equal or greater value.

Solar use easements. In 2011, the Legislature enacted SB 618 (Wolk) to modify the Williamson Act to encourage the development of solar panels on marginally productive or physically impaired farmland by creating a method for terminating a Williamson Act contract to use for solar panel development.

Under this measure, the landowner of a parcel that the Department of Conservation (DOC) has determined to be eligible can restrict the use of that land to solar facilities to collect and distribute solar energy, and any subordinate agricultural, open-space, or renewable facilities. This solar use easement can be in perpetuity, for a set number of years, or subject to annual self-renewals. Once restricted, the landowner cannot use the land for other commercial, industrial, or residential uses. This means the landowner cannot construct improvements unless expressly

Upon request from the city or county, DOC, in consultation with the California Department of Food and Agriculture (CDFA), can determine, based on substantial evidence, that a parcel is eligible for rescission of the existing Williamson Act contract and place the parcel into a solar-use easement, if the land isn't prime, unique, or of statewide importance farmland, unless that land is unsuitable for agricultural activities, and either:

- Consists predominately of soils with significantly reduced agricultural productivity due to specified physical reasons; or
- Has severely adverse soil conditions detrimental to continued agricultural use.

To assist DOC in assessing these conditions, the landowner must provide the following information, if applicable:

- A written narrative demonstrating limitations of continued agricultural use;
- A recent soil test showing significantly reduced agricultural productivity;
- An analysis of water availability demonstrating insufficient water supply;
- An analysis of water quality demonstrating reduced agricultural production; and
- Crop and yield information for the past six years.

The landowner must also provide DOC with a proposed management plan describing soil management plans, how they plan to minimize impacts on adjacent agricultural operations, and how the landowner will restore the land to previous condition once the solar use easement terminates. If approved, the city or county must require implementation of the management plan including any recommendations from DOC.

Cities or counties can require any necessary or desirable restrictions, conditions, or covenants to restrict the land to solar facilities, which can include mitigation measures, or financial assurances to ensure the landowner restores the land to its original state when the easement terminates. This can include:

- Mitigation measures on, or beyond, the land subject to the solar use easement;
- If necessary to ensure the landowner meets decommissioning requirements when easement ends, financial assurances that the landowner will restore the land to its previous condition once the solar use easement terminates;
- Provision for necessary amendments; and
- For term-limited or self-renewing easements, these restrictions must require the landowner to post a performance bond or other securities to fund the restoration of the land by the time the easement ends.

Any requirements are not effective until the city or county's governing body accepts or approves them by adopting a resolution. A city or county cannot approve any land use on land the easement covers or issue building permit for any structure that would violate the solar use easement. If the city or county fails to seek an injunction against an activity on the land that would violate the solar use easement, or builds a structure that would violate the easement, any person can seek an injunction.

Extinguishing solar use easements. Solar use easements can be extinguished by nonrenewal, termination, or returning the land to its previous contract, similar to the processes for terminating Williamson Act contracts. If the landowner decides they no longer want to use the land pursuant to their solar-use easement, they can petition the city or county to terminate the easement. Before terminating the easement, the county assessor must calculate the termination fee equivalent to 12.5% of the termination value of the property, or the current fair market value of the parcels as if not easement was in place. Before the city or county terminates the easement, they must certify the termination fee to the county auditor, which the landowner must pay upon termination. The city or county can waive part of, or the entire, payment if it finds it is in the public's interest to do so in certain circumstances.

In the case of a solar-use easement extinguished because nonrenewal by the landowner or due to termination, the landowner must restore the land to the conditions that existed before the easement by the time the easement extinguishes, including following the provisions of any preexisting easement or contract.

The author wants to make it easier for landowners to turn their agricultural parcels into solar facilities.

Proposed Law

Assembly Bill 1156 makes numerous changes to the process for converting an agricultural restriction into a solar use easement.

First, the measure changes the definition of solar-use easement to:

- Remove the ability to restrict land for solar use in perpetuity and requires restrictions to be for a limited number of years;
- Add storage and appurtenant, or accessory, facilities, to the list of allowable projects;
- Allow improvements for appurtenant clean energy facilities; and
- Provide that, during the term of the solar use easement, any existing Williamson Act contract is inoperative and the land is restricted for solar facilities.

Additionally, AB 1156 makes various changes to the process for DOC to approve the request to enter into a solar use easement that:

- Add insufficient surface water and/or groundwater available to list of criteria that would qualify land for an easement;
- Require consultation with any applicable groundwater sustainability agency or services;
- Require landowners, not cities or counties to request DOC to approve the easement;
- Provide that DOC's eligibility determination is not a project under the California Environmental Quality Act; and
- Require DOC to issue its eligibility determination within 120 days following submission of a completed application. Applications not approved within 120 days are deemed approved.

AB 1156 also repeals the requirement that land cannot be prime farmland and instead requires land to both:

- Have an average grade of less than 10% and have been historically used primarily as irrigated cropland rather than having been historically used primarily as unirrigated grazing land; and
- Not be encumbered by a conservation easement or enrolled in a land conservation program for the protection of resources other than agriculture, such as recreation, grazing, open space, or biological resources.

Next, AB 1156 makes changes to the requirements and conditions local agencies can impose on solar use easements. The bill modifies the restrictions, conditions, or covenants that a city or county can require in a deed or other instrument to restrict the land to solar facilities to:

- Removes the ability to include mitigation measures on, or beyond, the land as a condition of entering into the solar use easement;
- Provides that any decommissioning requirement cannot be in addition to other state or local requirements that ensure decommissioning of the facility;
- Removes, for term-limited or self-renewing easements, the requirement for solar use easements to require the landowner to post a performance bond or other security to fund the restoration of the land by the time the easement ends, but continues to allow a city or county to require a security as part of facility decommissioning requirements;
- Provides that these measures do not limit the authority of a city or county to require other measures to ensure that activities on the restricted land do not interfere with activities on adjacent land;
- Removes the authority for a person to seek an injunction if the city or county fails to seek an injunction against an activity on the land that would violate the solar use easement, or builds a structure that would violate the easement; and
- Other minor changes to the requirements a city or county can impose.

However, AB 1156 allows a city or county to require the solar facility to enter into a community benefits agreement with one or more local communities. The measure provides that a requirement to have a community benefits agreement does not limit the authority for the city or county to require other remedies.

AB 1156 modifies the process for extinguishing a solar use easement to require the extinguishment to occur by mutual consent. It also limits when local agencies can decide not to renew a solar use easement to the end of the solar facility's operating life, as specified, or instances where the city or county finds that the landowner has either:

- Materially failed to comply with the terms and conditions of the solar-use easement; or
- Operated the solar facilities in a manner that constitutes a continuing or repeated legal nuisance.

If extinguishing because of nonrenewal, termination by mutual consent, or the result of a boundary adjustment, the landowner must restore the land to the conditions that existed before the easement by the time the easement extinguishes, including following the provisions of any preexisting easement or contract.

The measure also removes the requirement for the landowner to pay termination or rescission fees.

Finally, AB 1156 exempts the recording of a solar use easement from the California Environmental Quality Act.

Comments

1. Purpose of the bill. According to the author, "AB 1156 updates California's Solar-Use Easement statute to permit lands with water constraints to be eligible for an easement, while modernizing eligibility criteria and easement terms. The legislation maintains local discretion, incorporating Groundwater Sustainability Agencies in any review of water limitations, updates the compatibility of solar-use easements with existing permitting processes and provides that land under easement be assessed at its full value. Vitally, the bill provides a path for lands to enter back into a Williamson Act contract at the conclusion of the term of an easement.

"To achieve California's goal of a net-zero economy by 2045, we must add at least 127 gigawatts of new zero-emitting resources to the grid by 2045, more than 48% of which will need to be utility-scale solar. A primary challenge to achieving this goal is land availability due to specific development criteria: projects must be relatively close to transmission infrastructure, have largely contiguous lands, and avoid sensitive environmental habitat.

"Parallel to California's clean energy goals is the Sustainable Groundwater Management Act (SGMA), which mandates that local water management agencies bring groundwater use to sustainable levels by the early 2040s – a timeline aligned with state climate and energy targets. This unavoidably means that thousands of acres of existing farmland will have to transition to other beneficial uses.

"In addition to the state's energy and groundwater goals, the California Land Conservation Act of 1965, known as the Williamson Act, helps protect farmland, enabling local governments to enter contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use in exchange for a tax benefit.

"In 2011, recognizing the opportunity for solar development on constrained agricultural land, the legislature passed a Solar-Use Easement statute (Chapter 596) to provide a path for solar

development. The legislature authorized local governments and landowners to transition existing Williamson Act and Farmland Security Zone contracts while simultaneously entering solar-use easements. Though this authority sunset in 2020, it was revived by an omnibus bill passed in 2022 (Senate Bill 1489). According to the Department of Conservation, solar-use easements were not widely pursued during the nine years before the authority lapsed in 2020, and it is unclear if any easements have been granted since the law has been reauthorized.

"AB 1156 responsibly updates California's Solar-Use Easement law to consider water constrained farmland, providing a unique prospect to accomplish myriad state policy goals while providing farmers with an additional, voluntary economic opportunity."

2. Shot through the heart. For decades, the Williamson Act has provided an incentive for landowners to preserve land for agricultural use instead of converting it for other purposes. The landowner benefits from reduced property taxes while it uses the land for agriculture, but has the opportunity to convert the land into other uses if it pays a fee. AB 1156 removes these fee provisions for solar use easements, meaning a landowner could convert their agricultural land into a solar farm without consequences. According to the opponents of the bill, like the California Farm Bureau, this could significantly impair the effectiveness of the Williamson Act and other agricultural restrictions, removing the incentive for continuing to use land for agricultural uses. Removing financial consequences for converting a Williamson Act easement into a solar use easement provides an incentive to landowners to take land that could still serve agricultural uses out of service.

3. Relic of the past? While the Williamson Act may have provided opportunities for farmers to continue using their land for agricultural uses in the past, whether it continues to serve its purpose has come under scrutiny. A *Fresnoland* investigation revealed that the Williamson Act, "…diverted almost a billion dollars earmarked for local schools, hospitals and roads to Westside mega-farms owned by out-of-state investors and Wall Street firms."[1] The county board of supervisors announced they would look into whether it makes sense to continue the program because, "Since 2016, the annual costs of the Williamson Act in Fresno County have more than doubled to over $50 million, according to county tax records, running up to over $800 million in costs since the 1990s."[2] They are currently facing a $15 million budget deficit. One of the biggest losers if Fresno County ended their program would be the $200 billion pension fund for the Royal Canadian Mounted Police, which receives an annual $1.6 million tax break. Other counties have already ended their Williamson Act programs: Imperial County ended theirs in 2010. This recent evidence may suggest that the current Williamson Act may not continue to serve its intended purpose effectively. AB 1156 may reduce unintended consequences associated with the Williamson Act, but could also open up speculative opportunities for companies, not farmers.

4. Words matter. AB 1156 uses various terms but does not provide clear definitions for their use. For example, the measure expands the ability to convert agricultural easements into solar use easements when there is or will be insufficient surface water or groundwater available, or insufficient surface water and groundwater available, to support commercially viable irrigated agricultural use. However, the measure does not define what conditions constitute insufficient water available, or what constitutes commercially viable agricultural use. Many lands are in basins with limited supplies of surface water and groundwater, but whether those conditions are

[1] https://fresnoland.org/2025/04/09/williamson-act-in-fresno-county/
[2] Ibid.

permanent, or can be alleviated with improved water management practices, is unclear. Additionally, what water supply constitutes commercial viability differs across the state from the coastal zones to more arid interior areas. Without clearly defining these terms, AB 1156 puts these decisions in the hands of DOC, a state agency. While they must consult with CDFA and relevant groundwater sustainability agencies, it is unclear whether the process will adequately consider geographic differences in terms of groundwater sufficiency and commercial viability. The Committee may wish to consider amending the bill to more clearly define these key terms.

5. Leaving people behind. Converting agricultural land into other uses can have tremendous impacts on the community. Replacing productive agricultural land with solar panels potentially reduces opportunities for farmworkers. While AB 1156 attempts to limit conversions to land that no agricultural lands that are no longer commercially viable, the farmworkers working that land may not have other readily available job opportunities. AB 1156 seeks to ameliorate this concern by allowing a local government to require the landowner to enter into a community benefits agreement as condition for converting their agricultural easement into a solar use easement. Such agreements could include job training for local residents, provide opportunities for local businesses, and financial contributions to community development projects. However, AB 1156 leaves the decision about requiring a community benefits agreement in the hands of the local government, which means there is no guarantee that solar use easements will lead to community benefits across the state. Additionally, there is no guarantee that farmworkers displaced by a solar use conversion will receive benefits to support their basic needs. The Committee may wish to consider amending the bill to make entering into a community benefits agreement a requirement and spell out the process for ensuring the landowner follows through on the agreement.

6. Let's get technical. Committee staff recommend the following technical amendments:

- On page 12, line 15, replace "51191" with "51190."

7. Coming and going. The Senate Rules Committee has ordered a double referral of AB 1156: first to the Committee on Local Government to hear issues relating to land use, and second to the Committee on Environmental Quality.

Assembly Actions

Assembly Utilities and Energy Committee:	16-0
Assembly Local Government Committee:	9-0
Assembly Agriculture Committee:	6-1
Assembly Appropriations Committee:	11-1
Assembly Floor:	66-5

Support and Opposition (7/3/25)

Support: Large-scale Solar Association (Sponsor)
Aes Corporation
Almond Alliance
American Clean Power Association
Arevon
Avantus

Aypa Power Development LLC
California Solar Energy Industries Association
California State Association of Electrical Workers
California State Building and Construction Trades Council
California State Council of Laborers
Candela Renewables
Clearway Energy Group LLC
Coalition of California Utility Employees
Edpr Na, LLC
Forebay Farms
Independent Energy Producers Association
Intersect Power
Invenergy Renewables LLC
Leeward Renewable Energy
Local Agency Formation Commission of Napa County
Longroad Energy Management, LLC
Materra
New Leaf Energy, INC.
Rural County Representatives of California (RCRC)
Rwe
Singh Farms
Terra-gen Development Company, LLC
The Nature Conservancy
Union of Concerned Scientists
Vf&b Farms

Opposition: American Farmland Trust
California Alliance With Family Farmers
California Cattlemen's Association
California Certified Organic Farmers (CCOF)
California Climate & Agricultural Network (CALCAN)
California Farm Bureau Federation
California Farmland Trust
California Farmlink
California Rangeland Trust

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