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

Pursuant to Rule 29.10(b)

Bill No:	AB 1156	**Hearing Date:**	8/28/26
Author:	Wicks	**Fiscal:**	Yes
Version:	8/27/26	**Consultant:**	Peterson

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

Allows additional Williamson Act cancellations that facilitate the development of a solar facility located within a critically-overdrafted basin or subbasin to qualify for reduced or eliminated cancellation fees provided they include a community-benefits agreement.

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.

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 or unique farmland, or farmland of statewide importance, unless that land is unsuitable for agricultural activities, and the land 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 a 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 no 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.

A cancellation can qualify for a reduced or eliminated cancellation fee if the city or county finds it is in the public's interest to do so. It can also decide to extend the length of time the landowner has to pay the cancellation fee, not to exceed the unexpired period of the contract had it not been canceled. To qualify for a reduced, eliminated, or extended payment, the cancellation must meet all the following conditions:

- Be caused by an involuntary change in the land that makes it not immediately suitable for a purpose that produces a greater economic return to the owner;
- The local agency determines that it is in the best interest of the Williamson Act program to conserve agricultural land use that the payment be either deferred or is not required; and
- The Secretary of Natural Resources approves the waiver or extension.

In the case of a solar-use easement extinguished because of 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 Jobs and Economic Improvement through Environmental Leadership Act of 2021. In 2021, the Legislature enacted SB 7 (Atkins) which authorizes the Governor, until January 1, 2032, to certify certain projects, including solar projects, to be Environmental Leadership Development Projects (ELDPs). These projects qualify for streamlined review under the California Environmental Quality Act. To qualify as an ELDP, a solar use project must meet specified requirements for mitigating greenhouse gas emissions.

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

Proposed Law

AB 1156 allows additional Williamson Act cancellations that facilitate the development of a solar facility for the purpose of collecting, storing, and distributing solar energy for electricity generation that is located within a critically-overdrafted basin or subbasin to qualify for reduced or eliminated cancellation fees. To qualify, the developer must enter into a community benefits agreement with the local government where the facility will be located. The community benefits agreement must meet all the following requirements:

- The agreement benefits community organizations, local agencies, tribal governments, or other groups that represent community interest and may include topics such as workforce development, job quality, and job access provisions and funding;
- The community benefits provided supplement, not supplant, resources that other laws require the developer to provide;
- The community benefits provided begin no later than the start of construction of the solar facilities;
- The developer has engaged in meaningful outreach and engagement, including mailing notice to landowners, noticing the proposed community benefits in a newspaper, and conducting a public meeting on the proposed community benefits in the jurisdiction; and

AB 1156 does not limit the authority or remedies a city or county has under other laws to require the developer to provide community benefits.

AB 1156 shifts responsibility for extinguishing Williamson Act contracts with a reduced or eliminated cancellation fee from the city or county to the Secretary of Natural Resources (Secretary). It also requires the landowner to apply to the Secretary for the reduced or eliminated cancellation fee.

Under the measure, until January 1, 2037, the Secretary must approve a completed application for extending cancellation payments for solar use contracts when the landowner includes the following:

- An itemized application checklist;
- A copy of the local government's approval of the cancellation;
- An affidavit that the property is in a critically-overdrafted basin or subbasin; and
- A map showing that the property is in a critically-overdrafted basin or subbasin.

The Secretary must extend the payment time for 10 years. If, prior to end of the extended time, the landowner attests and provides proof that they have constructed a solar facility on the property, the Secretary must waive the payment of the cancellation fee.

AB 1156 also allows the cancellation of Williamson Act contracts on land in critically-overdrafted basins for solar use projects that qualify as ELDPs if they enter into a community benefits agreement as described above. If, after the approval of a certified solar project, the project owner determines that it will not actually locate a solar project on the land, it must notify the local agency and have the land reenrolled in a new Williamson Act contract, or an enforceable deed restriction, with terms at least as restrictive as existing Williamson Act contracts. The local agency must determine the duration of the restriction by subtracting the length of time the land was approved for solar project development from the years remaining on the original contract at acquisition. The measure also provides that the owner can seek reenrollment after the end of the useful life of the solar project.

Comments

1. Purpose of the bill. According to the author, "California must reckon with an uncomfortable truth: we face a significant lack of access to water across many rural counties, with up to one million acres of farmland possibly being fallowed. AB 1156 provides a voluntary, locally driven option to communities and farmers that are wrestling with this stark reality, accelerating solar energy deployment on farms currently under the Williamson Act in critically overdrafted basins. The legislation balances our state's renewable energy and food production needs while prioritizing the repurposing of agricultural lands that don't have adequate have access to groundwater.

"As amended, AB 1156 reduces barriers associated with exiting Williamson Act contracts, helping to overcome a cumbersome and lengthy cancellation process and prohibitively high cancellation fees. The bill provides two pathways to address these challenges. The first path permits Solar Environmental Leadership Development Projects in critically overdrafted basins with a streamlined exit from a Williamson Act contract or Farmland Security Zone contract, if they have entered into a qualifying community benefits agreement. The second path extends the authority of the Secretary of Natural Resources to waive Williamson Act cancellation fees for solar projects in critically overdrafted basins or subbasins, if those projects have entered into a qualifying community benefits agreement.

"AB 1156 will not be the Williamson Act's undoing. It will provide private landowners and local governments in water-constrained regions of the state, with a choice—entirely voluntary—to adapt to a harsh economic reality: either let land sit fallow because it's not agriculturally viable or generate clean energy and revenue for landowners and local governments. California's nexus between clean energy goals, water sustainability, and land scarcity present a rare opportunity to craft a policy that achieves multiple statewide goals. AB 1156 can help fulfill the promise of a carbon free future and mitigate the worst impacts of climate change on our communities and economy."

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. Some solar projects are eligible for reduced or eliminated cancellation fees if the local agency determines it is the public's interest to do so. AB 1156 expands the types of Williamson Act contracts that qualify for reduced or eliminated cancellation fees to include land in critically-overdrafted basins proposed for solar projects. This means a landowner could convert their agricultural land into a solar farm without the consequence of paying a cancellation fee so long as it is in a critically overdrafted

basin. Critically-overdrafted basins cover a significant portion of the state, including most of the Central Valley south of Sacramento. AB 1156 does not require the land to have any site-specific water constraints to qualify for a reduced or eliminated cancellation fee. Removing financial consequences for cancelling a Williamson Act contract for solar use provides an incentive to landowners to take land that could still serve agricultural uses out of service. 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.

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. 29.10(b). As introduced and approved by the Assembly, AB 1156 contained provisions makes a number of changes to law governing the conversion of Williamson Act contracts into a solar-use easement, including to modify an existing CEQA exemption for conversions to a solar use easement. The measure passed off the Senate Floor on a vote of 25-8, but the Assembly did not concur in the Senate Amendments and returned the measure to the Senate Floor. On August 27, 2026, the Senate rescinded its action to approve the measure. Amendments taken in the Senate deleted the initial contents of AB 1156 and inserted the current language, which also amends the Williamson Act to ease cancellation fees on solar projects, but recast the bill and make the following significant changes:

- No longer expands the types of projects that qualify for solar use easement;
- Allows for the Secretary of Natural Resources to approve a reduced or eliminated cancellation fee on land in critically-overdrafted basins if it includes specified community benefit provisions;
- Allows solar ELDP projects to qualify for a reduced or eliminated cancellation if they include community benefit provisions; and
- Removes CEQA provisions.

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

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 (8/28/26)

Support: Almond Alliance
American Clean Power- California
CA & Nv State Association of Electrical Workers (IBEW)
Independent Energy Producers Association
Large Scale Solar Association
Natural Resources Defense Council (NRDC)
Solar Energy Industries Association
The Nature Conservancy

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
County of Fresno
County of Kern
Rural County Representatives of California (RCRC)

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