THIRD READING

Bill No: AB 1156
Author: Wicks (D)
Amended: 8/27/26 in Senate
Vote: 21

Prior Senate Votes not Relevant pursuant to Senate rule 29.10(d)

SENATE LOCAL GOVERNMENT COMMITTEE: 5-1 , 8/28/26

ASSEMBLY FLOOR: 66-5, 6/3/25 - See last page for vote

SUBJECT: Williamson Act contracts: cancellation fees: photovoltaic solar facilities

SOURCE: Author

DIGEST: This bill 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.

Senate Floor Amendments of 8/27/26 rewrite the bill by removing provisions expanding the parcels that qualify for conversion of Williamson Act contracts into SUEs, replace those provisions with expands the ability for landowners to cancel a Williamson Act contract without a fee for use as a solar facility if the landowner meets specified requirements, including regarding community benefits.

ANALYSIS:

Existing law:

1) Creates the Williamson Act also known as the California Land Conservation Act of 1965, which authorizes cities and counties to enter into agricultural land preservation contracts with landowners who agree to restrict the use of their

land for a minimum of 10 years in exchange for lower assessed valuations for property tax purposes.

2) Creates Farmland Security Zones which authorizes cities and counties to allow agricultural land preservation contracts with landowners who agree to restrict the use of their land for a minimum of 20 years in exchange for lower-assessed valuations for property tax purposes

3) Provides three options for ending a Williamson Act contract:

   a) Either the landowner or local officials give "notice of nonrenewal," which stops the automatic annual renewals and allows the contract to run down over the next 10 years.

   b) 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. The owner must pay a cancellation fee based on the “cancellation value” of the land. If the land under contract is covered by a Farmland Security Zone, the Department of Conservation (DOC) must approve the cancellation.
   c) Local officials can 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.

4) Authorizes a city or county and a landowner to simultaneously rescind a Williamson Act contract on marginally productive or physically impaired lands and enter into a SUE that restricts the use of land to photovoltaic solar facilities, as specified.

5) Defines a SUE as a legal agreement, held by a city or county, which restricts land use to solar photovoltaic energy generation and related incidental uses, such as open space or agriculture. The easement may be permanent, fixed-term, or self-renewing, and applies only to parcels deemed eligible by the DOC. It prohibits any commercial, industrial, or residential uses and requires a recorded covenant that limits future development to uses consistent with solar energy production.

6) Enacts The Jobs and Economic Improvement through Environmental Leadership Act of 2021, 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, the project must meet specified requirements for mitigating greenhouse gas emissions.

7) Establishes the policy that all of the state's retail electricity be supplied with 100% clean energy resources by December 31, 2045, and 100% of electricity procured to serve all state agencies by December 31, 2035.

This bill:

1) 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.

2) Requires, to qualify for reduced or eliminated cancellations, the landowner to enter into a community benefits agreement with the local government where the facility will be located that meets all the following requirements:

   a) 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;

   b) The community benefits provided supplement, not supplant, resources that other laws require the developer to provide;

   c) The community benefits provided begin no later than the start of construction of the solar facilities;

   d) The developer must engage 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

3) Provides that the community benefits agreement does not limit the authority or remedies a city or county has under other laws to require the developer to provide community benefits.

4) 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 fee.

5) Requires, until January 1, 2037, the Secretary to approve a completed application for extending cancellation payments for solar use contracts when the landowner includes specified information demonstrating that the local government has approved the cancellation and that the land is located in a critically-overdrafted basin. 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.

6) 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 in (2).

7) Provides that if, after the approval of a certified solar ELDP where the Williamson Act contract was cancelled, the project owner determines that it will not actually locate a solar project on the land, it must notify the local jurisdiction 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.

Background

Solar use easements. In 2011, the Legislature enacted SB 618 (Wolk, Chapter 596, Statutes of 2011) 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, but is not required to, determine that a parcel is eligible for rescission of the existing Williamson Act contract and place the parcel into a solar-use easement. To assist DOC in assessing whether the land is eligible, the landowner must provide the specified information, and 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.

Comments

1) *Purpose of this 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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT: (Verified 8/28/26)

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: (Verified 8/28/26)

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)

ASSEMBLY FLOOR: 66-5, 6/3/25
AYES: Addis, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Chen, Connolly, Davies, Dixon, Elhawary, Flora, Fong, Gabriel, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Zbur, Rivas
NOES: DeMaio, Ellis, Gallagher, Macedo, Tangipa
NO VOTE RECORDED: Aguiar-Curry, Castillo, Jeff Gonzalez, Jackson, Lackey, Patterson, Ransom, Wilson

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