

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 322 (Menjivar) – As Amended June 24, 2025

Policy Committee: Local Government

Vote: 9 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill authorizes a city or county to establish an urban equestrian inclusion zone to enter into voluntary contracts with landowners to restrict the use of the land to equestrian activities.

Specifically, this bill:

- 1) Authorizes a city, county, or city and county, after a public hearing, to establish by ordinance an urban equestrian inclusion zone within its boundaries to enter into enforceable, voluntary contracts with landowners for restricting land use for equestrian activities.
- 2) Requires the boundaries of the urban equestrian inclusion zone to be within an equine or equestrian district designated by a general plan or specific or master plan, but prohibits the boundaries from including parcels included in the inventory of sites for residential development required to be included in a city or county's housing element, as specified.
- 3) Requires the urban equestrian inclusion zone to include only parcels that contain, and have contained on an ongoing basis since January 1, 2020, an equestrian activity use.
- 4) Authorizes a city or county that establishes an urban equestrian inclusion zone to adopt rules and regulations to implement and administer the urban equestrian inclusion zone, and contracts related to the zone, consistent with its general plan, zoning, and other land use standards.
- 5) Authorizes a city or county to impose a fee on contracting landowners to cover the reasonable costs to implement and administer contracts.
- 6) Specifies that urban equestrian inclusion zone contracts cannot prohibit the use of structures that support equestrian activities and must include all of the following provisions:
 - a) A prohibition against any dwellings on the property, except a livestock caretaker's dwelling
 - b) A requirement the entire property be dedicated to equestrian activity use.
 - c) An initial term of five years.
 - d) A restriction on property that is at least 0.1 acre and not more than three acres.

- 7) Prohibits a city or county from entering into a new contract or renewing an existing contract pursuant to this bill after January 1, 2029.
- 8) Provides that entering into enforceable contracts with landowners for restricting land use for equestrian activities is considered a reduction in the intensity of land use pursuant the Housing Crisis Act of 2019 (Housing Crisis Act) and requires compliance with the “no net loss” provisions of the Housing Crisis Act, as specified.

FISCAL EFFECT:

- 1) Ongoing General Fund costs of an unknown amount, but potentially in excess of \$150,000, to the Department of Housing and Community Development (HCD) to monitor contracts to ensure compliance with the bill’s regulations and limitations, including ensuring all contracts are matched with concurrent upzoning. HCD anticipates these costs are likely minor, but actual costs will depend on the number and duration of the contracts and the extent to which violations occur.
- 2) Unlike Williamson Act, Mills Act, and Urban Agriculture Incentive Zone contracts, urban equestrian inclusion zones established pursuant to this bill do not provide reduced property tax assessments in exchange for entering into a contract to preserve land for equestrian activities. Accordingly, there would be no local property tax losses, or corresponding state subventions to offset the loss.

COMMENTS:

- 1) **Purpose.** According to the author:

[This bill] is a necessary measure to preserve California’s equestrian heritage by allowing cities and counties to accept voluntary land-use contracts for equestrian activities, similar to existing urban agriculture incentives. This bill protects historic ranches, riding trails, and equestrian communities from being lost to urban development while supporting local economies, tourism, and recreation. By providing the opportunity for landowners to restrict their properties for equestrian use, it promotes sustainable land management without restricting growth. As California addresses its housing crisis, this balanced approach ensures that equine-friendly spaces remain an option, safeguarding the state’s cultural legacy for future generations.

- 2) **Background. *Voluntary Landowner Contracts.*** Existing law, known as the Williamson Act, allows local governments to enter into voluntary contracts with private landowners to restrict specific land to agricultural or open space use in exchange for a reduction in property taxes. These ten-year contracts encourage farmland and open space conservation. Existing law, the Mills Act of 1972, authorizes cities and counties to enter into ten-year contracts with an owner of a qualified historic property. The owner pledges to restore, maintain, and protect the historical and architectural character of the property in exchange for property tax relief.

Modeled after the Williamson Act, AB 551 (Ting), Chapter 406, Statutes of 2013, enacted the Urban Agriculture Incentive Zone Act, which authorized urban cities and counties to

enter into enforceable, voluntary contracts with landowners to convert vacant, unimproved, or blighted parcels to agricultural use in exchange for a reduction in their property taxes. Eligible parcels must be located in an urbanized area with a population of over 50,000 residents. These acts offer property tax benefits to landowners who choose to restrict the use of their properties on the theory that the landowner is foregoing potential economic benefit from the sale of their property in service of a state goal.

According to the author, in recent years, some residents of equestrian communities have become concerned that a drive to increase housing development in the state may cause loss of sites for equestrian activities or otherwise hurt the state's equestrian communities.

Unlike the voluntary contracts described above, this bill does not include a property tax benefit for landowners who enter into contracts. Instead, this bill allows cities and counties to enter into voluntary contracts with a landowner to prohibit housing development on land the landowner wishes to preserve for equestrian use.

Housing Crisis Act. Existing law, the Housing Crisis Act, prohibits a city or county from enacting a development policy, standard, or condition that reduces or otherwise limits below a certain amount the intensity of land use on land where housing is an allowable use. However, the Housing Crisis Act allows a reduction in the intensity of land use if the jurisdiction concurrently increases the allowable density on other parcels so that there is "no net loss" in residential capacity within the jurisdiction. This bill requires compliance with the "no net loss" provisions of the Housing Crisis Act.

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