

SENATE THIRD READING
SB 710 (Blakespear)
As Amended September 5, 2025
Majority vote

SUMMARY

Removes the repeal date for provisions governing the active solar energy system property tax exclusion, but maintains existing law by retaining the inoperative date of January 1, 2027, and includes double-jointing language to avoid a conflict with provisions adopted in AB 1516 (Committee on Revenue and Taxation), Chapter 72, Statutes of 2025.

Major Provisions

COMMENTS

- 1) *ASES exclusion*: Existing law authorizes a new construction exclusion for an ASES. In other words, the value attributable to an ASES is not included in the assessed value of a property. Certain portions of the system that are not directly part of the ASES itself, but that are used for specified purposes are also excluded, as restricted. These provisions addressing portions not directly a part of the ASES itself have been in existence since 1998.

Additionally, the Legislature has authorized a builder's exclusion and initial purchaser exclusion for the ASES. Thus, a developer would normally be reassessed upon completing the construction of their development and pay tax on that assessed value. Existing law excludes the value derived from an ASES in that reassessment, subject to certain requirements. Moreover, when a developer sells a property to the initial purchaser of the property, the value of the ASES is also excluded from the reassessment resulting from the property changing ownership. Any subsequent changes in ownership are subject to reassessment at full value, absent any other exclusion or base year value transfer applying to that change in ownership. Thus, the ASES exclusion become inoperative beginning January 1, 2027, and any exclusion applied to a property is retained until a subsequent change in ownership.

According to the Author

For 25 years, homeowners, small businesses, schools, farms, churches and many others have benefited from a tax exclusion that prevented the cost of solar panels and storage from being added to the building value for the assessment of property taxes. Combined with other state incentives, this "behind-the-meter" exclusion has made solar installation more accessible to those who otherwise would not have been able to afford the upfront costs, with solar panels added to two million roofs in California.

This bill maintains the grandfather clause for this exclusion for owners of solar systems installed before January 1, 2027, which otherwise would have been repealed from code.

Arguments in Support

None on file

Arguments in Opposition

None on file

FISCAL COMMENTS

- 1) Potential costs of an unknown amount to the State Board of Equalization to issue guidance to county assessors and update informational materials (GF).

VOTES**SENATE FLOOR: 39-0-1**

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Reyes

ASM REVENUE AND TAXATION: 4-0-3

YES: Gipson, Bains, Carrillo, Quirk-Silva

ABS, ABST OR NV: Ta, DeMaio, McKinnor

ASM APPROPRIATIONS: 10-0-5

YES: Wicks, Arambula, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache

ABS, ABST OR NV: Sanchez, Calderon, Dixon, Ta, Tangipa

UPDATED

VERSION: September 5, 2025

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