Senate Bill No. 618

Passed the Senate September 10, 2011

_____

Secretary of the Senate

Passed the Assembly September 9, 2011

_____

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day of _____, 2011, at _____ o'clock ___M.

_____

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 2805, 2835, 3511, 4700, 5050, and 5515 of the Fish and Game Code, to add Section 51255.1 to, and to add Chapter 6.9 (commencing with Section 51190) to Part 1 of Division 1 of Title 5 of, the Government Code, and to amend Section 402.1 of the Revenue and Taxation Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 618, Wolk. Local government: solar-use easement.

(1) Existing law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law authorizes the parties to a Williamson Act contract to mutually agree to rescind a contract under the act in order to simultaneously enter into an open-space easement for a certain period of years.

This bill would authorize the parties to a Williamson Act contract, after approval by the Department of Conservation, in consultation with the Department of Food and Agriculture, to mutually agree to rescind the contract in order to simultaneously enter into a solar-use easement that would require that the land be used for solar photovoltaic facilities for a term no less than 20 years, except as specified. The bill would require the city or county to charge the property owner a rescission fee based upon the fair market value of the property at the time of the rescission, as specified. This bill would require a city or county to include certain, and authorizes a city or county to include other, restrictions, conditions, or covenants in the deed or instrument granting a solar-use easement. This bill would provide that a solar-use easement would be automatically renewed annually, unless either party filed a notice of nonrenewal. This bill would provide that a solar-use easement may only be extinguished on all or a portion of the parcel by nonrenewal, termination, or by returning the land to its previous contract under the Williamson Act. This bill would require that if the landowner extinguishes the contract either by

filing a notice of nonrenewal or by terminating the solar-use easement, the landowner shall restore the property to the conditions that existed before the easement by the time the easement terminates. This bill would authorize a landowner to terminate a solar-use easement by complying with certain procedures, and paying a termination fee based upon the termination value of the property, as determined by the county assessor. This bill would provide that specified parties may bring an action to enforce the easement if it is violated.

(2) Existing law requires the county assessor to consider, when valuing real property for property taxation purposes, the effect of any enforceable restrictions to which the use of the land may be subjected. Under existing law these restrictions include, but are not limited to, zoning, recorded contracts with governmental agencies, and various other restrictions imposed by governments.

This bill would also require the county assessor to consider, when valuing real property for property taxation purposes, solar-use easements. By changing the manner in which county assessors assess property for property taxation purposes, this bill would impose a state-mandated local program.

(3) The Natural Community Conservation Planning Act defines "covered species" for purposes of the act to mean those species, both listed and nonlisted pursuant to the California Endangered Species Act conserved and managed under an approved natural community conservation plan and that may be authorized for take. The act further authorizes the department to, prior to approval of a conservation plan, authorize by permit the taking of any covered species whose conservation and management is provided for in a natural community conservation plan approved by the department.

This bill would revise the definition of "covered species" to include fully protected species, as specified, and would make conforming changes. The bill would also include specified fully protected species in the species authorized to be taken prior to the approval of a conservation plan.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the

state, reimbursement for those costs shall be made pursuant to these statutory provisions.

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) The California Land Conservation Act of 1965 that has become known nationwide as the Williamson Act is critical to the welfare of the people of our state and nation.

(b) The Williamson Act provides a statutory framework for local implementation of California's most effective farm and ranch land preservation program, protecting over 16.5 million acres or nearly one-third of all privately owned land in California.

(c) The long-term conservation of agricultural and open-space land ensures that a steady supply of high-quality, low-cost fresh foods is available to urban residents, provides open-space uses that benefit the public seeking escape from the closeness of urban society, protects watersheds and vast areas of wildlife habitat, and conserves world-class agricultural soils.

(d) On April 12, 2011, Governor Brown signed legislation that requires one-third of the state's electricity to come from renewable sources by December 31, 2020.

(e) In establishing the 33 percent California Renewables Portfolio Standard Program (RPS program), there will be many important benefits to California, including new investment in green technologies in the state, job creation, improvements in local air quality, energy independence, and a reduction in greenhouse gas emissions.

(f) Utility scale photovoltaic electrical energy production is crucial to achieving and hopefully exceeding California's RPS program goals.

(g) Encouraging utility scale photovoltaic energy facilities on marginally productive or physically impaired land by providing expedited termination of Williamson Act contracts, without penalty, will protect the many statewide benefits of the program while providing significant economic incentives for new solar power development.

(h) In enacting Section 9 of this act, it is the intent of the Legislature to provide an additional method for terminating a

Williamson Act contract, in addition to those methods already authorized by statute, for the purpose of encouraging the development of utility scale solar photovoltaic facilities on marginally productive or physically impaired farmland. It is not intended to be the exclusive method of contract termination, nor of Williamson Act compliance for solar facilities, but merely another option that is consistent with the constitutional limitations of Section 8 of Article XIII of the California Constitution.

SEC. 2. Section 2805 of the Fish and Game Code is amended to read:

2805. The definitions in this section govern the construction of this chapter:

(a) "Adaptive management" means to use the results of new information gathered through the monitoring program of the plan and from other sources to adjust management strategies and practices to assist in providing for the conservation of covered species.

(b) "Candidate species" has the same meaning as defined in Section 2068.

(c) "Changed circumstances" are reasonably foreseeable circumstances that could affect a covered species or geographic area covered by the plan.

(d) "Conserve," "conserving," and "conservation" mean to use, and the use of, methods and procedures within the plan area that are necessary to bring any covered species to the point at which the measures provided pursuant to Chapter 1.5 (commencing with Section 2050) are not necessary, and for covered species that are not listed pursuant to Chapter 1.5 (commencing with Section 2050), to maintain or enhance the condition of a species so that listing pursuant to Chapter 1.5 (commencing with Section 2050) will not become necessary.

(e) "Covered species" means those species, both listed pursuant to Chapter 1.5 (commencing with Section 2050) and nonlisted, conserved and managed under an approved natural community conservation plan and that may be authorized for take. Notwithstanding Sections 3511, 4700, 5050, or 5515, fully protected species may be covered species pursuant to this subdivision, and taking of fully protected species may be authorized pursuant to Section 2835 for any fully protected species conserved

and managed as a covered species under an approved natural community conservation plan.

(f) "Department assurance" means the department's commitment pursuant to subdivision (f) of Section 2820.

(g) "Monitoring program" means a program within an approved natural community conservation plan that provides periodic evaluations of monitoring results to assess the adequacy of the mitigation and conservation strategies or activities and to provide information to direct the adaptive management program. The monitoring program shall, to the extent practicable, also be used to meet the monitoring requirements of Section 21081.6 of the Public Resources Code. A monitoring program includes all of the following:

(1) Surveys to determine the status of biological resources addressed by the plan, including covered species.

(2) Periodic accountings and assessment of authorized take.

(3) Progress reports on all of the following matters:

(A) Establishment of habitat reserves or other measures that provide equivalent conservation of covered species and providing funding where applicable.

(B) Compliance with the plan and the implementation agreement by the wildlife agencies, local governments, and landowners who have responsibilities under the plan.

(C) Measurements to determine if mitigation and conservation measures are being implemented roughly proportional in time and extent to the impact on habitat or covered species authorized under the plan.

(D) Evaluation of the effectiveness of the plan in meeting the conservation objectives of the plan.

(E) Maps of land use changes in the plan area that may affect habitat values or covered species.

(4) A schedule for conducting monitoring activities.

(h) "Natural community conservation plan" or "plan" means the plan prepared pursuant to a planning agreement entered into in accordance with Section 2810. The plan shall identify and provide for those measures necessary to conserve and manage natural biological diversity within the plan area while allowing compatible and appropriate economic development, growth, and other human uses.

(i) "Person" has the same meaning as defined in Section 711.2.

(j) (1) "Plan participant," prior to approval of a natural community conservation plan and execution of an implementation agreement, means a signatory to the planning agreement.

(2) Upon approval of a natural community conservation plan and execution of an implementation agreement, "plan participant" means the permittees and any local agency that is a signatory to the implementing agreement.

(k) "Unforeseen circumstances" means changes affecting one or more species, habitat, natural community, or the geographic area covered by a conservation plan that could not reasonably have been anticipated at the time of plan development, and that result in a substantial adverse change in the status of one or more covered species.

(*l*) "Wildlife" has the same meaning as defined in Section 711.2.

(m) "Wildlife agencies" means the department and one or both of the following:

(1) United States Fish and Wildlife Service.

(2) National Marine Fisheries Service.

SEC. 3. Section 2835 of the Fish and Game Code is amended to read:

2835. At the time of plan approval, the department may authorize by permit the taking of any covered species, including species designated as fully protected species pursuant to Sections 3511, 4700, 5050, or 5515, whose conservation and management is provided for in a natural community conservation plan approved by the department.

SEC. 4. Section 3511 of the Fish and Game Code is amended to read:

3511. (a) (1) Except as provided in Section 2081.7 or 2835, fully protected birds or parts thereof may not be taken or possessed at any time. No provision of this code or any other law shall be construed to authorize the issuance of permits or licenses to take any fully protected bird, and no permits or licenses heretofore issued shall have any force or effect for that purpose. However, the department may authorize the taking of those species for necessary scientific research, including efforts to recover fully protected, threatened, or endangered species, and may authorize the live capture and relocation of those species pursuant to a permit for the protection of livestock. Prior to authorizing the take of any of those species, the department shall make an effort to notify all

affected and interested parties to solicit information and comments on the proposed authorization. The notification shall be published in the California Regulatory Notice Register and be made available to each person who has notified the department, in writing, of his or her interest in fully protected species and who has provided an e-mail address, if available, or postal address to the department. Affected and interested parties shall have 30 days after notification is published in the California Regulatory Notice Register to provide any relevant information and comments on the proposed authorization.

(2) As used in this subdivision, "scientific research" does not include any actions taken as part of specified mitigation for a project, as defined in Section 21065 of the Public Resources Code.

(3) Legally imported fully protected birds or parts thereof may be possessed under a permit issued by the department.

(b) The following are fully protected birds:

(1) American peregrine falcon (Falco peregrinus anatum).

(2) Brown pelican.

(3) California black rail (Laterallus jamaicensis coturniculus).

(4) California clapper rail (Rallus longirostris obsoletus).

(5) California condor (Gymnogyps californianus).

(6) California least tern (Sterna albifrons browni).

(7) Golden eagle.

(8) Greater sandhill crane (Grus canadensis tabida).

(9) Light-footed clapper rail (Rallus longirostris levipes).

(10) Southern bald eagle (Haliaeetus leucocephalus leucocephalus).

(11) Trumpeter swan (Cygnus buccinator).

(12) White-tailed kite (Elanus leucurus).

(13) Yuma clapper rail (Rallus longirostris yumanensis).

SEC. 5. Section 4700 of the Fish and Game Code is amended to read:

4700. (a) (1) Except as provided in Section 2081.7 or 2835, fully protected mammals or parts thereof may not be taken or possessed at any time. No provision of this code or any other law shall be construed to authorize the issuance of permits or licenses to take any fully protected mammal, and no permits or licenses heretofore issued shall have any force or effect for that purpose. However, the department may authorize the taking of those species for necessary scientific research, including efforts to recover fully

protected, threatened, or endangered species. Prior to authorizing the take of any of those species, the department shall make an effort to notify all affected and interested parties to solicit information and comments on the proposed authorization. The notification shall be published in the California Regulatory Notice Register and be made available to each person who has notified the department, in writing, of his or her interest in fully protected species and who has provided an e-mail address, if available, or postal address to the department. Affected and interested parties shall have 30 days after notification is published in the California Regulatory Notice Register to provide any relevant information and comments on the proposed authorization.

(2) As used in this subdivision, "scientific research" does not include any actions taken as part of specified mitigation for a project, as defined in Section 21065 of the Public Resources Code.

(3) Legally imported fully protected mammals or parts thereof may be possessed under a permit issued by the department.

(b) The following are fully protected mammals:

(1) Morro Bay kangaroo rat (Dipodomys heermanni morroensis).

(2) Bighorn sheep (Ovis canadensis), except Nelson bighorn sheep (subspecies Ovis canadensis nelsoni) as provided by subdivision (b) of Section 4902.

(3) Northern elephant seal (Mirounga angustirostris).

(4) Guadalupe fur seal (Arctocephalus townsendi).

(5) Ring-tailed cat (genus Bassariscus).

(6) Pacific right whale (Eubalaena sieboldi).

(7) Salt-marsh harvest mouse (Reithrodontomys raviventris).

(8) Southern sea otter (Enhydra lutris nereis).

(9) Wolverine (Gulo luscus).

SEC. 6. Section 5050 of the Fish and Game Code is amended to read:

5050. (a) (1) Except as provided in Section 2081.7 or 2835, fully protected reptiles and amphibians or parts thereof may not be taken or possessed at any time. No provision of this code or any other law shall be construed to authorize the issuance of permits or licenses to take any fully protected reptile or amphibian, and no permits or licenses heretofore issued shall have any force or effect for that purpose. However, the department may authorize the taking of those species for necessary scientific research, including efforts to recover fully protected, threatened, or

endangered species. Prior to authorizing the take of any of those species, the department shall make an effort to notify all affected and interested parties to solicit information and comments on the proposed authorization. The notification shall be published in the California Regulatory Notice Register and be made available to each person who has notified the department, in writing, of his or her interest in fully protected species and who has provided an e-mail address, if available, or postal address to the department. Affected and interested parties shall have 30 days after notification is published in the California Regulatory Notice Register to provide any relevant information and comments on the proposed authorization.

(2) As used in this subdivision, "scientific research" does not include any actions taken as part of specified mitigation for a project, as defined in Section 21065 of the Public Resources Code.

(3) Legally imported fully protected reptiles or amphibians or parts thereof may be possessed under a permit issued by the department.

(b) The following are fully protected reptiles and amphibians:

(1) Blunt-nosed leopard lizard (Crotaphytus wislizenii silus).

(2) San Francisco garter snake (Thamnophis sirtalis tetrataenia).

(3) Santa Cruz long-toed salamander (Ambystoma macrodactylum croceum).

(4) Limestone salamander (Hydromantes brunus).

(5) Black toad (Bufo boreas exsul).

SEC. 7. Section 5515 of the Fish and Game Code is amended to read:

5515. (a) (1) Except as provided in Section 2081.7 or 2835, fully protected fish or parts thereof may not be taken or possessed at any time. No provision of this code or any other law shall be construed to authorize the issuance of permits or licenses to take any fully protected fish, and no permits or licenses heretofore issued shall have any force or effect for that purpose. However, the department may authorize the taking of those species for necessary scientific research, including efforts to recover fully protected, threatened, or endangered species. Prior to authorizing the take of any of those species, the department shall make an effort to notify all affected and interested parties to solicit information and comments on the proposed authorization. The notification shall be published in the California Regulatory Notice

Register and be made available to each person who has notified the department, in writing, of his or her interest in fully protected species and who has provided an e-mail address, if available, or postal address to the department. Affected and interested parties shall have 30 days after notification is published in the California Regulatory Notice Register to provide any relevant information and comments on the proposed authorization.

(2) As used in this subdivision, "scientific research" does not include any actions taken as part of specified mitigation for a project, as defined in Section 21065 of the Public Resources Code.

(3) Legally imported fully protected fish or parts thereof may be possessed under a permit issued by the department.

(b) The following are fully protected fish:

(1) Colorado River squawfish (Ptychocheilus lucius).

(2) Thicktail chub (Gila crassicauda).

(3) Mohave chub (Gila mohavensis).

(4) Lost River sucker (Catostomus luxatus).

(5) Modoc sucker (Catostomus microps).

(6) Shortnose sucker (Chasmistes brevirostris).

(7) Humpback sucker (Xyrauchen texanus).

(8) Owens River pupfish (Cyprinoden radiosus).

(9) Unarmored threespine stickleback (Gasterosteus aculeatus williamsoni).

(10) Rough sculpin (Cottus asperrimus).

SEC. 8. Chapter 6.9 (commencing with Section 51190) is added to Part 1 of Division 1 of Title 5 of the Government Code, to read:

Chapter 6.9. Solar-Use Easement

Article 1. Definitions

51190. As used in this chapter, the following terms have the following meanings:

(a) "City" means any city or city and county.

(b) "Landowner" includes a lessee or trustee, if the expiration of the lease or trust occurs at a time later than the expiration of the restriction of the use of the land to photovoltaic solar facilities or any extension of the restriction.

(c) "Solar-use easement" means any right or interest acquired by a county, or city in perpetuity, for a term of years, or annually

self-renewing as provided in Section 51191.2, in a parcel or parcels determined by the Department of Conservation pursuant to Section 51191 to be eligible, where the deed or other instrument granting the right or interest imposes restrictions that, through limitation of future use, will effectively restrict the use of the land to photovoltaic solar facilities for the purpose of providing for the collection and distribution of solar energy for the generation of electricity, and any other incidental or subordinate agricultural, open-space uses, or other alternative renewable energy facilities. A solar-use easement shall not permit any land located in the easement to be used for any other use allowed in commercial, industrial, or residential zones. A solar-use easement shall contain a covenant with the county, or city running with the land, either in perpetuity or for a term of years, that the landowner shall not construct or permit the construction of improvements except those for which the right is expressly reserved in the instrument provided that those reservations would not be inconsistent with the purposes of this chapter and which would not be incompatible with the sole use of the property for solar photovoltaic facilities.

Article 2. General Provisions

51191. (a) For purposes of this chapter, and for purposes of Chapter 7 (commencing with Section 51200), the Department of Conservation, in consultation with the Department of Food and Agriculture, upon a request from a city or county, may determine, based on substantial evidence, that a parcel or parcels is eligible for rescission under Section 51255.1 for placement into a solar-use easement if the following criteria are met:

(1) The land meets either of the following:

(A) The land consists predominately of soils with significantly reduced agricultural productivity for agricultural activities due to chemical or physical limitations, topography, drainage, flooding, adverse soil conditions, or other physical reasons.

(B) The land has severely adverse soil conditions that are detrimental to continued agricultural activities and production. Severely adverse soil conditions may include, but are not limited to, contamination by salts or selenium, or other naturally occurring contaminants.

(2) The parcel or parcels are not located on lands designated as prime farmland, unique farmland, or farmland of statewide importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Natural Resources Agency, unless the Department of Conservation, in consultation with the Department of Food and Agriculture, determines that a parcel or parcels are eligible to be placed in a solar-use easement based on the information provided in subdivision (b) that demonstrates that circumstances exist that limit the use of the parcel for agricultural activities. For purposes of this section, the important farmland designations shall not be changed solely due to irrigation status.

(b) To assist in the determination described in this section, the city or county shall require the landowner to provide to the Department of Conservation the following information to the extent applicable:

(1) A written narrative demonstrating that even under the best currently available management practices, continued agricultural practices would be substantially limited due to the soil's reduced agricultural productivity from chemical or physical limitations,

(2) A recent soil test demonstrating that the characteristics of the soil significantly reduce its agricultural productively.

(3) An analysis of water availability demonstrating the insufficiency of water supplies for continued agricultural production.

(4) An analysis of water quality demonstrating that continued agricultural production would, under the best currently available management practices, be significantly reduced.

(5) Crop and yield information for the past six years.

(c) The landowner shall provide the Department of Conservation with a proposed management plan describing how the soil will be managed during the life of the easement, how impacts to adjacent agricultural operations will be minimized, how the land will be restored to its previous general condition, as it existed at the time of project approval, upon the termination of the easement. If the Department of Conservation determines, in consultation with the Department of Food and Agriculture, pursuant to subdivision (a), that lands are subject to this section, the city or county shall require implementation of the management plan, which shall include any

recommendations provided by the Department of Conservation, as part of any project approval.

(d) A determination by the Department of Conservation pursuant to this section related to a project described in Section 21080.43 of the Public Resources Code shall not be subject to Division 13 of the Public Resources Code.

(e) The Department of Conservation may establish a fee to be paid by the landowner to recover the estimated costs incurred by the department in participating in the consultation described in this section.

51191.1. Any county or city may enter into an agreement with a landowner pursuant to Section 51255.1 to use lands determined to be eligible pursuant to Section 51191 in a solar-use easement in the manner provided in this chapter.

51191.2. The execution and acceptance of a deed or other instrument described in subdivision (c) of Section 51190 shall constitute a dedication to the public of the use of lands for solar photovoltaic use. Any term easement and covenant shall run for a term of not less than 20 years unless a shorter term is requested by the landowner, in which case the term may be not less than 10 years. A solar-use easement for a term of years may provide that on the anniversary date of the acceptance of the solar-use easement, or on any other annual date as specified by the deed or other instrument described in subdivision (c) of Section 51190, a year shall be added automatically to the initial term unless a notice of nonrenewal is given as provided in Section 51192.

51191.3. (a) A county or city may require a deed or other instrument described in subdivision (c) of Section 51190 to contain any restrictions, conditions, or covenants as are necessary or desirable to restrict the use of the land to photovoltaic solar facilities.

(b) The restrictions, conditions, or covenants may include, but are not limited to, the following:

(1) Mitigation measures on the land that is subject to the solar-use easement.

(2) Mitigation measures beyond the land that is subject to the solar-use easement.

(3) If deemed necessary by the city or county to ensure that decommissioning requirements are met, the provision for financial assurances, such as performance bonds, letters of credit, a corporate

guarantee, or other securities to fund, upon the cessation of the solar photovoltaic use, the restoration of the land that is subject to the easement to the conditions that existed before the approval or acceptance of that easement by the time that the easement terminates.

(4) Provision for necessary amendments by the parties provided that the amendments are consistent with the provisions of this chapter.

(c) For term easements or self-renewing easements, the restrictions, conditions, or covenants shall include a requirement for the landowner to post a performance bond or other securities to fund the restoration of the land that is subject to the easement to the conditions that existed before the approval or acceptance of the easement by the time the easement terminates. The Department of Conservation may adopt regulations pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2) to implement this subdivision.

51191.4. No deed or other instrument described in subdivision (c) of Section 51190 shall be effective until it has been accepted or approved by resolution of the governing body of the county or city and its acceptance endorsed thereon.

51191.5. (a) During the term of the solar-use easement, the county or city shall not approve any land use on land covered by a solar easement that is inconsistent with the easement, and no building permit may be issued for any structure that would violate the easement. The county or city shall seek, by appropriate proceedings, an injunction against any threatened construction or other development or activity on the land that would violate the easement and shall seek a mandatory injunction requiring the removal of any structure erected in violation of the easement.

If the county or city fails to seek an injunction against any threatened construction or other development or activity on the land that would violate the easement or to seek a mandatory injunction requiring the removal of any structure erected in violation of the easement, or if the county or city should construct any structure or development or conduct or permit any activity in violation of the easement, a person or entity may, by appropriate proceedings, seek an injunction.

(b) The court may award to a plaintiff who prevails in an action authorized by this section his or her cost of litigation, including reasonable attorney's fees.

(c) Nothing in this chapter shall limit the power of the state or any county, city, school district, or any other local public district, agency, or entity, or any other person authorized by law, to acquire land subject to a solar-use easement by eminent domain.

51191.6. Upon the acceptance or approval of any instrument creating a solar-use easement, the clerk of the governing body shall record the instrument in the office of the county recorder and file a copy with the county assessor. After the easement is recorded, it shall impart notice to all persons under the recording laws of this state.

51191.7. The parcel or parcels subject to a solar-use easement shall be assessed pursuant to Section 402.1 of the Revenue and Taxation Code during the term of the easement.

51191.8. The Department of Conservation may adopt regulations pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2) for the implementation of this chapter.

Article 3. Extinguishment of a Solar-Use Easement

51192. (a) A solar-use easement may be extinguished on all or a portion of the parcel only by nonrenewal, termination, or by returning the land to its previous contract pursuant to Article 3 (commencing with Section 51240) of Chapter 7.

(b) (1) If either the landowner or the county or city desires in any year not to renew the solar-use easement on all or a portion of the parcel, that party shall serve written notice of nonrenewal of the easement upon the other party at least 90 days in advance of the annual renewal date of the solar-use easement. Unless written notice is served at least 90 days in advance of the renewal date, the solar-use easement shall be considered renewed as provided in Section 51191.2.

(2) Upon receipt by the owner of a notice from the county or city of nonrenewal, the owner may make a written protest of the notice of nonrenewal. The county or city may, at any time prior to the renewal date, withdraw the notice of nonrenewal.

(c) If the county, city, or the landowner serves notice of intent in any year not to renew the solar-use easement, the existing solar-use easement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the solar-use easement, as the case may be.

51192.1. In the case of a solar-use easement that is extinguished because of a notice of nonrenewal by the landowner or due to termination, the landowner shall restore the land that is subject to the easement to the conditions that existed before the approval of the easement by the time the easement terminates.

51192.2. (a) If all or a portion of the parcel held in a solar-use easement will no longer be used for the purposes outlined in the easement the landowner may petition the county or city to approve termination of the easement.

(b) Prior to any action by the county or city giving tentative approval to the termination of any easement, the county assessor of the county in which the land is located shall determine the current fair market value of the parcel or parcels to be terminated as though the parcel or parcels were free of the easement restriction. The assessor shall certify to the county or city the termination valuation of the parcel or parcels for the purpose of determining the termination fee. At the same time, the assessor shall send a notice to the landowner and the Department of Conservation indicating the current fair market value of the parcel or parcels as though the parcel or parcels were free of the easement restriction and advise the parties, that upon their request, the assessor shall provide all information relevant to the valuation, excluding third-party information. If any information is confidential or otherwise protected from release, the department and the landowner shall hold it as confidential and return or destroy any protected information upon completion of all actions relating to valuation or termination of the easement on the property. The notice shall also advise the landowner and the department of the opportunity to request formal review from the assessor.

(c) Prior to giving tentative approval to the termination of any easement, the county or city shall determine and certify to the county auditor the amount of the termination fee that the landowner shall pay the county treasurer upon termination. That fee shall be an amount equal to 12½ percent of the termination valuation of the property.

(d) If it finds that it is in the public interest to do so, the county or city may waive any payment or any portion of a payment by the landowner, or may extend the time for making the payment or a portion of the payment contingent upon the future use made of the parcel or parcels and the parcel or parcels economic return to the landowner for a period of time not to exceed the unexpired period of the easement, had it not been terminated, if both of the following occur:

(1) The termination is caused by an involuntary transfer or change in the use which may be made of the land and the land is not immediately suitable, nor will be immediately used, for a purpose which produces a greater economic return to the owner.

(2) The waiver or extension of time is approved by the Secretary of the Natural Resources Agency. The secretary shall approve a waiver or extension of time if the secretary finds that the granting of the waiver or extension of time by the county or city is consistent with the policies of this chapter and that the county or city complied with this article. In evaluating a request for a waiver or extension of time, the secretary shall review the findings of the county or city, the evidence in the record of the county or city, and any other evidence the secretary may receive concerning the abandonment, waiver, or extension of time.

(e) When termination fees required by this section are collected, they shall be transmitted by the county treasurer to the Controller and deposited in the General Fund, except as provided in subdivision (b) of Section 51203 or subdivision (d) of Section 51283.

(f) It is the intent of the Legislature that fees paid to terminate a contract do not constitute taxes but are payments that, when made, provide a private benefit that tends to increase the value of the property.

SEC. 9. Section 51255.1 is added to the Government Code, to read:

51255.1. (a) Notwithstanding any other provision of this chapter, the parties may upon their mutual agreement rescind a contract for a parcel or parcels of land that, upon review and approval, are determined by the Department of Conservation to be eligible to be placed into a solar-use easement pursuant to Section 51191, in order to simultaneously enter into a solar-use easement pursuant to Chapter 6.9 (commencing with Section

51190). This action may be taken notwithstanding the prior serving of a notice of nonrenewal.

(b) Nothing in this section limits the ability of the parties to a contract to seek nonrenewal, or petition for cancellation or termination of a contract pursuant to this chapter. This section is provided in addition to, not in replacement of, other methods for contract termination, Williamson Act compliance, or a county finding that a solar facility is a compatible use pursuant to this chapter.

(c) (1) Prior to the board or council agreeing to mutually rescind a contract pursuant to this section, the county assessor of the county in which the land is located shall determine the current fair market value of the land as though it were free of the contractual restriction. The assessor shall certify to the board or council the fair market valuation of the land for the purpose of determining the rescission fee. At the same time, the assessor shall send a notice to the landowner and the Department of Conservation indicating the current fair market value of the land as though it were free of the contractual restriction and advise the parties, that upon their request, the assessor shall provide all information relevant to the valuation, excluding third-party information. If any information is confidential or otherwise protected from release, the department and the landowner shall hold it as confidential and return or destroy any protected information upon termination of all actions relating to valuation or rescission of the contract on the property. The notice shall also advise the landowner and the department of the opportunity to request formal review from the assessor.

(2) Prior to agreeing to mutually rescind a contract pursuant to this section, the board or council shall determine and certify to the county auditor the amount of the rescission fee that the landowner shall pay the county treasurer upon rescission. That fee shall be an amount equal to 6 ¼ percent of the fair market valuation of the property if the land was held under a contract pursuant to Section 51240, and 12 ½ percent if the land was held in a contract designating the property as a farmland security zone.

(3) When rescission fees required by this subdivision are collected, they shall be transmitted by the county treasurer to the Controller and deposited in the General Fund, except as provided in subdivision (b) of Section 51203 or subdivision (d) of Section 51283. The funds collected by the county treasurer with respect

to each rescission of a contract shall be transmitted to the Controller within 30 days of the execution of the mutual rescission of the contract by the parties.

(4) It is the intent of the Legislature that fees paid to rescind a contract do not constitute taxes but are payments that, when made, provide a private benefit that tends to increase the value of the property.

SEC. 10. Section 402.1 of the Revenue and Taxation Code is amended to read:

402.1. (a) In the assessment of land, the assessor shall consider the effect upon value of any enforceable restrictions to which the use of the land may be subjected. These restrictions shall include, but are not limited to, all of the following:

(1) Zoning.

(2) Recorded contracts with governmental agencies other than those provided in Sections 422 and 422.5.

(3) Permit authority of, and permits issued by, governmental agencies exercising land use powers concurrently with local governments, including the California Coastal Commission and regional coastal commissions, the San Francisco Bay Conservation and Development Commission, and the Tahoe Regional Planning Agency.

(4) Development controls of a local government in accordance with any local coastal program certified pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code.

(5) Development controls of a local government in accordance with a local protection program, or any component thereof, certified pursuant to Division 19 (commencing with Section 29000) of the Public Resources Code.

(6) Environmental constraints applied to the use of land pursuant to provisions of statutes.

(7) Hazardous waste land use restriction pursuant to Section 25240 of the Health and Safety Code.

(8) A recorded conservation, trail, or scenic easement, as described in Section 815.1 of the Civil Code, that is granted in favor of a public agency, or in favor of a nonprofit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that has as its primary purpose the preservation, protection, or enhancement of land in its natural, scenic, historical, agricultural, forested, or open-space condition or use.

(9) A solar-use easement pursuant to Chapter 6.9 (commencing with Section 51190) of Part 1 of Division 1 of Title 5 of the Government Code.

(b) There is a rebuttable presumption that restrictions will not be removed or substantially modified in the predictable future and that they will substantially equate the value of the land to the value attributable to the legally permissible use or uses.

(c) Grounds for rebutting the presumption may include, but are not necessarily limited to, the past history of like use restrictions in the jurisdiction in question and the similarity of sales prices for restricted and unrestricted land. The possible expiration of a restriction at a time certain shall not be conclusive evidence of the future removal or modification of the restriction unless there is no opportunity or likelihood of the continuation or renewal of the restriction, or unless a necessary party to the restriction has indicated an intent to permit its expiration at that time.

(d) In assessing land with respect to which the presumption is unrebutted, the assessor shall not consider sales of otherwise comparable land not similarly restricted as to use as indicative of value of land under restriction, unless the restrictions have a demonstrably minimal effect upon value.

(e) In assessing land under an enforceable use restriction wherein the presumption of no predictable removal or substantial modification of the restriction has been rebutted, but where the restriction nevertheless retains some future life and has some effect on present value, the assessor may consider, in addition to all other legally permissible information, representative sales of comparable lands that are not under restriction but upon which natural limitations have substantially the same effect as restrictions.

(f) For the purposes of this section the following definitions apply:

(1) “Comparable lands” are lands that are similar to the land being valued in respect to legally permissible uses and physical attributes.

(2) “Representative sales information” is information from sales of a sufficient number of comparable lands to give an accurate indication of the full cash value of the land being valued.

(g) It is hereby declared that the purpose and intent of the Legislature in enacting this section is to provide for a method of determining whether a sufficient amount of representative sales

information is available for land under use restriction in order to ensure the accurate assessment of that land. It is also hereby declared that the further purpose and intent of the Legislature in enacting this section and Section 1630 is to avoid an assessment policy which, in the absence of special circumstances, considers uses for land that legally are not available to the owner and not contemplated by government, and that these sections are necessary to implement the public policy of encouraging and maintaining effective land use planning. Nothing in this statute shall be construed as requiring the assessment of any land at a value less than as required by Section 401 or as prohibiting the use of representative comparable sales information on land under similar restrictions when this information is available.

SEC. 11. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Approved _____, 2011

_____

Governor