

Senate Bill No. 1222

CHAPTER 614

An act to add and repeal Chapter 7.5 (commencing with Section 66015) of Division 1 of Title 7 of the Government Code, relating to solar energy.

[Approved by Governor September 27, 2012. Filed with Secretary of State September 27, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1222, Leno. Solar energy: permits.

Existing law provides that it is the policy of the state to promote and encourage the use of solar energy systems, as defined, and to limit obstacles to their use. Existing law provides that the implementation of consistent statewide standards to achieve timely and cost-effective installation of solar energy systems is not a municipal affair, but is instead a matter of statewide concern. Existing law requires a city or county to administratively approve applications to install solar energy systems through the issuance of a building permit or similar nondiscretionary permit. Existing law requires fees charged by a local agency for specified purposes, including permits, to not exceed the estimated reasonable cost of providing the service for which the fee is charged, unless a question regarding the amount of the fee charged in excess of this cost is submitted to, and approved by, $\frac{2}{3}$ of the electors.

This bill would require permit fees for rooftop solar energy systems, as specified, by a city, county, city or county, or charter city to not exceed the estimated reasonable cost of providing the service for which the fee is charged, which cannot exceed \$500 plus \$15 per kilowatt for each kilowatt above 15kW for residential rooftop solar energy systems, and \$1,000 plus \$7 per kilowatt for each kilowatt between 51kW and 250kW, plus \$5 for every kilowatt above 250kW, for commercial rooftop solar energy systems, unless certain conditions are met.

By requiring local agencies to perform additional duties, the bill would impose a state-mandated local program.

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 provisions of the bill would remain in effect only until January 1, 2018.

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

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

(a) Rooftop solar energy systems are a leading renewable energy technology that will help this state reach its energy and environmental goals.

(b) It is anticipated that more than 1,000,000 additional rooftop solar energy systems will be deployed in this state in the coming years.

(c) Various reports show that the permitting costs associated with the installation of rooftop solar energy systems varies widely across jurisdictions in this state.

(d) High permitting fees increase the costs of installation and reduce the ability for solar to be deployed across all income spectrums.

(e) Providing statewide permit fee standards will increase the deployment of solar distributed generation, provide solar customers greater installation ease, improve the state’s ability to reach its clean energy goals, and create jobs in this state.

SEC. 2. Chapter 7.5 (commencing with Section 66015) is added to Division 1 of Title 7 of the Government Code, to read:

CHAPTER 7.5. FEES FOR ROOFTOP SOLAR ENERGY SYSTEMS

66015. (a) For a residential rooftop solar energy system that produces direct current electricity:

(1) A city, county, city and county, or charter city shall not charge a residential permit fee that exceeds the estimated reasonable cost of providing the service for which the fee is charged. Except as provided in paragraph (2), that fee shall not exceed five hundred dollars (\$500) plus fifteen dollars (\$15) per kilowatt for each kilowatt above 15kW.

(2) Notwithstanding paragraph (1), a city, county, city and county, or charter city may charge a residential permit fee for a rooftop solar energy system that exceeds the fees specified in paragraph (1) if, as part of a written finding and an adopted resolution or ordinance, it provides substantial evidence of the reasonable cost to issue the permit.

(b) For a commercial rooftop solar energy system that produces direct current electricity:

(1) A city, county, city and county, or charter city shall not charge a commercial permit fee that exceeds the estimated reasonable cost of providing the service for which the fee is charged. Except as provided in paragraph (2), the fee shall not exceed one thousand dollars (\$1,000) for systems up to 50kW plus seven dollars (\$7) per kilowatt for each kilowatt between 51kW and 250kW, plus five dollars (\$5) per kilowatt for each kilowatt above 250kW.

(2) Notwithstanding paragraph (1), a city, county, city and county, or charter city may charge a commercial permit fee for a rooftop solar energy system that exceeds the applicable fee specified in paragraph (1) if, as part

of a written finding and an adopted resolution or ordinance, it provides substantial evidence of the reasonable cost to issue the permit.

(c) A written finding adopted pursuant to subdivision (a) or (b) shall include all of the following:

(1) A determination that the municipality has adopted appropriate ordinances, permit fees, and processes to streamline the submittal and approval of permits for solar energy systems pursuant to the practices and policies in state guidelines and model ordinances.

(2) A calculation related to the administrative cost of issuing a solar rooftop permit.

(3) A description of how the higher fee will result in a quick and streamlined approval process.

(d) For purposes of this section, “administrative costs” means the costs incurred in connection with the review, approval, and issuance of the permit, and the hourly site inspection and followup costs, and may also include an amortization of the costs incurred in connection with producing a written finding and adopting an ordinance or resolution pursuant to subdivision (a) or (b).

(e) For purposes of this section, “residential permit fee” means the sum of all charges levied by a city, county, city and county, or charter city in connection with the application for a rooftop solar energy system.

(f) It is the intent of the Legislature that a city, county, city and county, or charter city that meets the obligations of subdivisions (a) and (b) receive priority access to state funds for the purposes of distributed energy generation planning, permitting, training, or implementation.

(g) This chapter shall remain in effect only until January 1, 2018, and as of that date is repealed.

SEC. 3. 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.