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Clerk of the Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, California 93301
Telephone (661) 868-3585
TTY Relay 800-735-2929

April 1, 2026

The Honorable Gavin Newsom
Governor of the State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: SB 1329 (McNerney), Solar valuation coercion and the continued erosion of the rural county tax base

Dear Governor Newsom,

I am writing on behalf of the Kern County Board of Supervisors to convey our serious concerns and strong opposition to SB 1329 (McNerney). This bill continues a troubling pattern established by SB 267 (Hertzberg, 2021) and SB 1340 (Hertzberg, 2022), measures that extended or entrenched preferential tax treatment for large scale commercial solar projects at the direct expense of rural counties. Combined, these policies have deprived Kern County's General Fund of roughly \$20 million every year in foregone property tax revenues, funds that would otherwise support public safety, fire protection, libraries, parks, and essential human services.

SB 1329 would further and permanently deepen these inequities. The bill hard wires artificially low valuation formulas into statute, replacing market-based appraisal practices with a predetermined checklist designed to reduce taxable value regardless of real-world pricing, income generation, or evidence of fair market value. Rather than aligning with longstanding Board of Equalization rules or standard professional appraisal methods, SB 1329 moves California toward a valuation framework that does not reflect how utility scale renewable energy facilities are actually bought and sold.

It is also important to acknowledge your signing message for SB 1340¹. In that message, you recognized that while delayed solar projects caused by the COVID-19 pandemic justified a temporary extension of the tax exclusion, the

¹ <https://www.gov.ca.gov/wp-content/uploads/2022/09/SB-1340-Signing-Message.pdf?emrc=7a2451>

policy “has a direct impact on property tax revenues that support essential services at the local level,” and you urged the Legislature to consider the impacts to local agencies before bringing forward similar types of policy. You made clear that any continuation of preferential tax treatment must be weighed against the fiscal health of rural counties. Your message also highlighted the inclusion of \$300 million in the 2022 State Budget to create the Local Government Budget Sustainability Fund, but to this day not a single dollar from that fund has ever reached Kern County’s coffers. SB 1329 exacerbates these longstanding grievances and completely disregards your warning. Rather than restoring the revenue stability your office emphasized as necessary, this bill locks in permanently depressed assessments and ensures that rural counties will continue subsidizing the solar industry for decades to come.

Kern County has already shouldered an outsized share of California’s clean energy responsibilities. We host more utility scale solar than any county in the state with over 60,000 acres installed today and tens of thousands more under review. Despite this major contribution to California’s clean energy transition, our communities have absorbed severe fiscal consequences:

- More than \$20 million per year in lost General Fund revenue.
- Hundreds of millions of cumulative dollars in foregone revenue over the past decade.
- A sustained, structural erosion of the rural tax base that disproportionately burdens economically challenged and disadvantaged communities.

This inequity is worsening at the exact moment when large portions of the Central Valley are losing farmland due to groundwater depletion, water shortages, and SGMA driven fallowing. As agricultural land leaves production, renewable energy development will continue to concentrate in Kern and other rural counties. When the only remaining tax base is increasingly tied to renewable energy infrastructure, legislation that undervalues those facilities directly undermines our ability to provide basic public services.

Beyond these fiscal and equity concerns, SB 1329 is fundamentally flawed at the technical level:

1. It mandates the cost approach as the “preferred” valuation method, even though solar facilities are income producing assets whose market value is based on expected cash flows—not construction cost.
2. It requires assessors to subtract federal tax credits, incentives, tariffs, and duties from replacement cost, even though these factors vary widely, are not part of market negotiation, and do not influence what buyers pay for operating facilities.
3. It legislates exclusions for Power Purchase Agreements (PPAs), renewable energy credits, environmental commodities, and other real world economic drivers that directly determine market value.

4. It creates "separate appraisal unit" requirements that invite boundary manipulation, administrative burden, and litigation, complicating the work of county assessors statewide.

These are not technical adjustments, they are formulaic devaluations designed to suppress assessed values far below fair market value. If adopted, SB 1329 would not only cement systemic underassessment for solar facilities, but it would also create a dangerous precedent that invites other industries with deep pockets to pursue similar valuation distortions to benefit their own economic interests.

Kern County has been a committed partner in helping California achieve its renewable energy goals. The clean energy generated here powers communities across the state. However, rural counties cannot continue to sacrifice essential public services while private developers receive preferential tax treatment unmatched in any other sector. SB 1329 represents a structural overhaul of valuation practices that would permanently diminish the fiscal capacity of rural counties that host California's renewable energy future.

For these reasons, the Kern County Board of Supervisors respectfully urges your direct intervention to **stop SB 1329 from advancing in the Legislature.**

Sincerely,



Phillip Peters, Chairman
Kern County Board of Supervisors

cc: The Honorable Monique Limon, Senate President Pro Tempore
The Honorable Robert Rivas, Speaker California State Assembly
Honorable Members, Kern Legislative Delegation
Nathan Barankin, Chief of Staff, Office of the Governor
Christine Aurre, Legislative Affairs Secretary, Office of the Governor
Nani Coloretti, Cabinet Secretary, Office of the Governor
Rural County Representatives of California (RCRC)
California State Association of Counties (CSAC)
California Assessor's Association (CAA)
Shaw Yoder Antwih Schmelzer & Lange