# **Solar power tax incentive comes under scrutiny from Kern supervisors as state begins transition away from oil**

The Bakersfield Californian

October 7, 2020 Wednesday

Copyright 2020 The Bakersfield Californian

Distributed by Tribune Content Agency

**Section:** STATE AND REGIONAL NEWS

**Length:** 621 words

**Byline:** Sam Morgen, The Bakersfield Californian

**Body**

Oct. 07-- Oct. 7--In hopes of pointing out the disparate treatment between the ***oil*** and renewable energy industries, ***Kern*** County Supervisors have embarked on a plan to study the taxes that go unpaid by solar power companies each year.

During Tuesday's Board of Supervisors meeting, Supervisor Zack Scrivner requested county staff look into the amount of money solar power companies would have to pay ***Kern*** County if they did not benefit from a state tax incentive slated to sunset in 2025.

"I think we need to know now what the implications are going to be on this purported replacement of our ***oil*** and gas industry with renewables," he said, referring to the governor's policies on ***oil***, like requiring all cars sold in California to be zero-emission by 2035 and a focus on banning the ***oil*** extraction technique known as fracking, which are intended to transition the state away from fossil fuels.

The state's tax incentive allows properties with solar power systems to be taxed at the rate at which the property was assessed before the construction occurred.

Typically, a property will increase in value once a solar energy system is installed, allowing it to be taxed at a higher level. However, under the state's incentive, a previously vacant lot in which a solar farm has been constructed could be taxed as if it is still empty.

"Just as when Amazon comes in, the value of the Amazon facility and the amount of money that goes into building it, the assessor assesses them an amount, just like you get a tax bill every year," ***Kern*** County Planning and Natural Resources Director Lorelei Oviatt said during Tuesday's meeting. "The solar companies got this exemption because the electricity rates, they were not competitive with wind back in the 2010s."

But now the market has changed, and the county claims over $50 billion in solar projects have taken place since 2009, helping ***Kern*** provide one-third of the state's renewable energy.

Yet, it is not taxed, and nearly all of the power leaves the county, benefiting those to the south and north.

"This is not about the solar companies paying more," Oviatt continued. "This is about the people who buy the green electricity. This is a statewide problem."

Solar panels on residential rooftops are not meant to be a part of the study. Supervisors said a homeowner's taxes should not increase if they installed a solar energy system to save money on electricity. Large-scale solar projects, of which there are many, are a different story.

"This discussion in particular is way long overdue," Supervisor Leticia Perez said. "I believe we have reached a point of diminishing returns, to some degree, as it relates to the need to incentivize this market and what it means for the cost to local government."

A recent study commissioned by the supervisors found the ***oil*** and gas industry contributed more than $197 million in property taxes in 2019, an unknown amount of which could be lost as the state prioritizes renewable energy sources.

That could mean libraries and parks would have to shut down if revenue to replace ***oil*** taxes is not realized, the county said.

"I think this is among the very most important things that we will ever do for this county," Chief Administrative Officer Ryan Alsop said during the meeting.

The county has never before analyzed the taxes it is missing out on because of the incentive. Supervisors unanimously approved the staff referral. The study is expected to take several months to complete.

You can reach Sam Morgen at 661-395-7415. You may also follow him on Twitter @smorgenTBC.

\_\_\_ (c)2020 The Bakersfield Californian (Bakersfield, Calif.) Visit The Bakersfield Californian (Bakersfield, Calif.) at www.bakersfield.com Distributed by Tribune Content Agency, LLC.

**Load-Date:** October 8, 2020

**End of Document**