



OFFICE OF THE GOVERNOR

SEP 18 2022

To the Members of the California State Senate:

I am signing Senate Bill 1340, which extends the existing property tax exclusion for newly constructed, active solar energy systems by two years. California has established aggressive clean energy goals in its broader plan to combat the impacts of climate change. Increasing the number and pace of solar projects brought online is a critical component of this plan.

The COVID-19 pandemic and supply chain delays have contributed to project delivery interruptions, including planned solar energy projects. That said, this policy has a direct impact on property tax revenues that support essential services at the local level. I believe this two-year, temporary extension strikes an appropriate balance between ensuring that these delayed solar projects are brought online quickly, while recognizing the impacts to local governments.

Further, this year's budget included \$300 million to create the Local Government Budget Sustainability Fund, which provides bridge funding to support county governments who are committed to advancing climate resilient projects that will bolster local revenues and contribute to long-term budget sustainability.

In signing this bill, I urge the Legislature to consider the impacts to local agencies before bringing forward another extension of this policy.

Sincerely,

Gavin Newsom