



California Land Conservation (Williamson) Act

Briefing Paper Technical Advisory Document

Governor's Office of Planning and Research
Local Government Partnership
California Rural Policy Task Force

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Technical Advisory Document 2003

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THE CALIFORNIA LAND CONSERVATION (WILLIAMSON) ACT

Technical Advisory Document

Introduction

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This ~~Advisory paper~~ is intended to provide background material to inform public policy decisions about the continued funding of financial incentives provided by the California Land Conservation (Williamson) Act.

The Williamson Act was enacted in 1965 to preserve agricultural and open space land in danger of premature conversion to urban uses. Its success has been based on the dual incentives of lowered property taxes for individual landowners and payments of subventions to counties for some of the losses of property tax revenues.

~~-The funding for the Act has consistently been earmarked for budget cuts over the decades. ~~Though the financial incentives provided by the Act have served to protect agricultural land, California's current budget woes may again suggest the Williamson Act as the subject of budget cuts.~~ It is the hope that this paper will serve as a basis for factual and constructive dialogue on the purpose and practical workings as well as the effectiveness of the Williamson Act in the preservation of California agricultural and open space land.~~

Background on Agricultural Lands

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California contains 100 million acres of land, of which approximately half is privately held. Of these privately held lands nearly 60 percent, or roughly 27 to 28 million acres, is in some type of agricultural production. The California Farmland Mapping and Monitoring Program (FMMP), which has mapped 90 percent of the State's farmland, reports that at least 11 to 12 million of these agricultural lands qualify as *Farmland of Statewide Importance*, largely cultivated and irrigated cropland, with the balance in grazing land.

Of these croplands, less than half, four to five million acres, are considered *Prime Farmland*. Thus, only approximately 15 percent of the State's agricultural land, and less than 5 percent of its total land, is free from physical limitations to its agricultural use, i.e., *Prime Farmland*. This is roughly equivalent to the number of acres now dedicated to urban land uses in the State. As a result of increased population and the desire for cheaper housing on greenfields away from urban centers, California has continued to lose agricultural land to housing and environmental mitigation.

Facts on Conversion of Agricultural Lands

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From 1998 to 2000, conversion of all farmlands exceeded 90,000 acres. Prime agricultural lands accounted for 19 percent of the 92,258 new urban acres. This

represents a 30 percent increase over the previous reporting period of 1996 to 1998. Much of this growth during the report period was occurring in the state's most productive regions, including the San Joaquin Valley and the Central Coast. In San Joaquin County 2,037 out of the 2,555 new urban acres occurred on irrigated farmland (80%), and in Merced County the figure was 84% (874 out of 1,040 acres).

California annually urbanized an average of more than 45,000 acres of open land during the period of 1996 to 2000.¹ Of this new development, nearly a third occurred on irrigated farmland; one in five acres urbanized was Prime Farmland. In total, over the four years from 1996 to 2000, more than 80,000 acres of irrigated farmland was converted to urban uses.

The loss of these lands does not just impact food and fiber, but also negatively affects state and local revenues and jobs. California's working landscapes offer other critical environmental benefits to California including scenic open space, flood protection, groundwater recharge, wildlife habitat, recreation, agri-tourism, renewable energy, carbon offsets and climate control.

The table below illustrates the acreage that has been converted to non-agriculture uses in the past ten years in the top ten agricultural counties. It also shows the amount of land under Williamson Act contract, the amount of the contract claims eligible for payment to each county, and the crop value and ranking.

WILLIAMSON ACT ACREAGE AND VALUE IN CALIFORNIA'S TOP 10 AGRICULTURAL COUNTIES

2000 Rank	County	2000 Crop Value	2000 Total Acres Eligible for Open Space Subvention Payment	2000 Open Space Subvention Act Claims	1990-2000 Acres of Farmland Converted to non Agricultural Uses
1	Fresno	\$3,421	1,539,240	\$5,757,402	26,506
2	Tulare	\$3,067	1,109,862	\$3,506,396	20,947
3	Monterey	\$2,746	707,430	\$891,042	13,782
4	Kern	\$2,254	1,679,883	\$5,233,922	75,652
5	Merced*	\$1,703	-	-	1,644
6	San Joaquin	\$1,390	513,008	\$1,991,968	9,846
7	Stanislaus	\$1,353	667,277	\$1,722,411	3,811
8	San Diego	\$1,290	79,899	\$100,651	17,735
9	Riverside	\$1,125	60,166	\$280,213	55,890
10	Ventura	\$1,054	122,870	\$301,851	2,553

*Newly enrolled as of January 1, 2001

Source: California Department of Food and Agriculture, 1999, 2001 and Department of Conservation

The Williamson Act and Super Williamson Act Provisions

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The California Land Conservation (Williamson) Act has been an important mechanism in slowing conversion by rewarding landowners and counties with financial benefits when land is protected under Williamson Act contracts. Some of the specific provisions of the Williamson and Super Williamson Acts are described below.

The Williamson Act: The Williamson Act helps to preserve agricultural and open space land by lowering property taxes of landowners when they enter into 10-year rolling agreements with cities and counties to restrict the use of their property to agriculture and open space.² The intent of the Act is to maintain the agricultural economy of the state and to ensure adequate, healthful and nutritious food for future residents.³ In general, the lowered property tax is based on a complex calculation tied to agricultural income rather than the current fair market value of the land. Contracted land must be 100 acres or more and within an agricultural preserve designated by a city or county.⁴

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The State has paid subventions to counties to help offset losses to county revenues since the inception of the Act in 1965. Even though two counties may have similar amounts of land under contract, they will most certainly receive differing amounts of subventions. This is because their property tax losses depend on how much and what kind of land is under Williamson Act contract. The variations in losses of property tax revenues are attributable to variables including differing values of property; length of years remaining for contracts in non-renewal status; types of soil and crops; bond rates; and income from the land.

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While State subventions -have been proposed for elimination over many years, they have never actually been cut. According to a 1997 study by the Board of Equalization, State subventions offset approximately 90% of the property tax loss that occurred in 27 primarily agricultural counties that participated in the study.⁵

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An expanded version of the Williamson Act, called the Farmland Security Zones (FSZ's) or Super Williamson Act was created in 1998 to mirror a majority of the Williamson Act provisions. Most significantly, the FSZ extends the Williamson Act protections for 20-year periods. FSZ's offer greater property tax reductions. The reduced taxes are based on either 65% of the value of the land under Williamson Act contract or 65% of the Proposition 13 valuation-, whichever is lower. In addition, the FSZ's provide other land use related benefits such as prohibition from conversion by school districts for school facilities.⁶

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Relationship of Loss of Property Tax to State Subventions

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Subvention rates: The subventions paid by the State for -properties under contract that receive a reduced assessment vary by soil rating and location. The payment rate

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ranges from a high of \$8/acre for Super Williamson (Government Code ~~§~~16142.1(a))⁷ agricultural land within or near city spheres of influence to \$5/acre for prime and \$1/acre for non-prime land under Williamson Act contract.⁸ The State paid \$38.6 million in subventions to help offset property tax losses in fiscal year 01-02 to all counties with land under contract.

~~The Subvention costs to the state:~~ Department of Finance estimates that \$39.8 million ~~would~~ is required for allocation to cities and counties to meet the FY 03/04 current payment demand to help offset property tax losses for land restricted to agriculture and open space through the Williamson Act and Farmland Security Zones. ~~in 03/04.~~ (\$38.7 million was certified for fiscal year 01-02).⁹

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~~Subventions offset nearly 90% of local property tax losses in 27 counties:~~ Although no recent studies have been done to compare the loss of property tax with the offset from State subventions, useful data can be found in a 1997 study sponsored by the Board of Equalization. The study determined that the reduction in total assessed value ~~reduction~~ experienced by 27 counties that reported was approximately \$7.1 billion, with resulting in a property tax loss of \$74 million ~~based on each county's average tax rate.~~¹⁰ Based on ~~this~~ data, \$47 million was attributable to a loss to schools and the remaining \$27 million loss was absorbed by local government. The subvention paid by the State to those 27 counties was approximately \$24.4 million, leaving a \$2.6 million loss experienced by the 27 counties in 1997. The information from the BOE study is depicted in Attachment A, and serves as the basis for additional projections of the loss of revenue to all counties in the State. as illustrated in Attachment A.

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Examples of Lands under Contract

The Table below depicts the top 10 counties with the highest dollar amount of Williamson Act subventions.¹¹ The three counties with the highest number of acres under Williamson Act contract are Kern County, with 1.7 million acres, Fresno County with 1.5 million acres and Tulare County with 1.1 million acres. The three counties with the highest number of acres under FSZ contract are Kings County with 242,615 acres, Kern County with 85,211 acres, and Glenn County with 63,226 acres.

Top 10 Counties with the Largest Subvention Entitlement

Ranking		County	2001 Dollars
2000	2001		
1	1	Fresno	\$5,695,608
2	2	Kern	\$5,316,531
3	3	Tulare	\$3,535,692
4	4	Kings	\$2,848,140
5	5	San Joaquin	\$2,030,307
6	6	Stanislaus	\$1,743,361
8	7	Yolo	\$1,387,682

Top 10 Counties with the Largest Subvention Entitlement

Ranking		County	2001 Dollars
2000	2001		
7	8	Madera	\$1,348,231
n/a	9	Merced*	\$1,195,385
9	10	San Luis Obispo	\$1,110,728

*Newly enrolled county as of January 1, 2001

Impacts of State Cancellation of Subventions on Local Entities and Landowners

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If the State should choose to end subvention payments, there will be a significant financial impact to cities and counties immediately and in the long term. Cancellation of a Williamson Act or FSZ contract requires from nine to nineteen years respectively to fully take effect. Upon cancellation by a landowner, existing law provides for only incremental annual increases in property taxes and does not culminate in full property tax assessment until year nine or nineteen.

If counties, cities or non-profits do not renew a contract and the landowner protests, local entities may not begin to raise property tax assessments for at least four years. Although the State may cancel subventions to counties and cities, these jurisdictions have no way to walk away and must continue to honor the property tax reduction until the completion of the wind-down phase.¹² Counties with FSZ contracts that extend for 20 years will be unable to collect full valuation in property taxes for 19 years.

There is no way to predict how cities and counties may respond to the elimination of subventions; however, one scenario would be to issue blanket nonrenewals of Williamson Act contracts. This action would not result in an immediate increase in assessed valuation and a subsequent rise in property taxes, because the contracts remain in force until the contracted time period is over. There is no existing mechanism for local government to recover the lost property taxes. In fact, the Williamson Act penalizes local jurisdictions that issue non-renewals by allowing a property owner who formally protests to continue receiving lowered property tax rates-assessments for at least four years before the jurisdiction can raise the assessed valuation.¹³ This penalty exists to protect landowners that entered into Williamson Act contracts in good faith not anticipating that the local government would take action to cancel the contracts.

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Cancellation of State subventions or blanket nonrenewal of contracts by counties may cause a predictable response from property owners with land under contract. For some landowners, Williamson Act contracts are the major incentive to maintaining their land in agriculture and open space. If the benefit of lowered property tax rates is eliminated, some landowners may respond to the cancellation of subventions or blanket nonrenewals by making plans to convert their farmland and open space land

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to urban uses, thus depriving the state of continued agricultural and environmental benefits.

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Subvention Loss Represents a Decrease in Flexible Discretionary Funding

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Subvention payments are some of the most flexible discretionary monies available to cities and counties. Unlike most funding received by local governments, subvention funds may be used for county or city general purposes. (Government Code §Section 16145)

As a means of illustrating the inequitable impact of the loss of these discretionary funds, the California State Association of Counties (CSAC) calculated a per capita rate of property tax subvention losses for all counties in 01/02.¹⁴ Rates range from a low of 11 cents in urban Alameda County (122, 456 contracted acres) to a high of \$38.50 in rural Colusa County (273,013 acres).

The per capita numbers can be deceiving; however, in large size counties with growing urban populations. The per capita number may be comparatively small, but it represents a significant impact on key agricultural lands. As an example, Kern County's per capita loss is \$7.73 and Fresno County's is \$6.89 - both areas that have experienced extensive conversion of agricultural lands to urban uses.

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In understanding the loss of these subventions, it is also important to look at the percentage of the subventions relative to total county budgets. Kings County offers a good example. Subventions paid to Kings County equal \$2.8 million, or 10% of the discretionary funds of ~~their~~ the county's total \$136 million budget. In Kings County, the per capita loss of Williamson Act subventions is \$22.¹⁵ (CSAC calculates the loss as \$21.39) Kings County would be heavily impacted if subventions were eliminated because 78% of the total 893,000 acres of the County all-land is under Williamson Act contract. ~~Of 749,000 acres eligible for Williamson Act contracts, the total acreage of 893,000~~ 691,000 acres are enrolled under the Williamson Act. Should this acreage undergo nonrenewal, Kings County would experience a \$2.8 million loss for four years and subsequent smaller losses for six years.

How the Act Works for the Landowner

Landowners initiate agreements with cities and counties to restrict use of their land in return for lower assessments based on the agricultural use versus the potential market value of the property. Del Norte, Los Angeles, San Francisco, Inyo, Modoc, and Yuba do not currently participate in the program.¹⁶ The contracts have annual automatic one-year extensions.¹⁷ On or before October 31 of each year, local

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governing bodies report to the Secretary of the Resources Agency the number of acres of land that qualify for payments, and once certified by the Controller, the subventions are paid by June 30 of each year.¹⁸

In return for Williamson Act contracts, the county assessor lowers property tax ~~rates~~ assessments through a calculation that divides income from the property by a "capitalization rate" and then multiplies this figure by a tax rate to arrive at the tax. As specified in Section 423 of the Revenue and Taxation Code, the "capitalization rate" is based on the current interest rate, a risk factor and the property tax rate. For example, a property yielding \$10/acre of annual income with a capitalization rate of .0885 would have an assessed value of \$112. The \$112 multiplied by the local tax rate of .011 would call for a property tax of \$1.24 per acre. The variable income levels, interest rates, risk factors and local tax rates can cause tax rates to rise or fall from year to year.¹⁹

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The Williamson Act saves property owners from 20 to 75 percent in property tax per year.²⁰ Some landowners have not contracted their land under the Williamson Act because they have owned land long enough to take advantage of the base year values set in 1975 under Proposition 13. ~~and they would pay more under~~ Under the Williamson Act capitalization rate, capitalization rate landowners would realize no benefit by placing their land under contract, as the Williamson Act value would exceed the Proposition 13 base year value than their Proposition 13 base year rate.

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The Williamson Act protects 16.3 million of the state's 30 million acres of farm and ranch land.²¹ (Subventions were paid to counties on 15.8 million acres in 2001-01 and to cities for 5,406 acres).²² From 1997-2001 just over 1 million new acres of farmland were enrolled in the program.²³

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The Process of Non-Renewal of Williamson Act Contracts

Landowners may initiate nonrenewal of the Williamson Act contract. This act starts a nine-year process in which the assessed valuation increases each year according to a specified formula until it is assessed at full market value.²⁴ Local entities may also initiate nonrenewal of contracts. If landowners protest,²⁵ which most experts believe they will if a blanket nonrenewal of the contracts is issued, the increases in property taxes will be delayed for up to 4 years and then rise steeply in the last five years.²⁶

Landowners also have the ability to remove their land from Williamson Act contract without waiting for the nine-year nonrenewal process to unwind. If they choose to get out of the contract immediately, they must pay a cancellation fee equal to 12.5 percent of the land's total fair market value.²⁷

A significant factor affecting local government property tax revenue loss is the immediate freeze on State subventions after the nonrenewal process starts. Once acreage is designated for nonrenewal, the State will no longer pay subventions to the

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counties for this acreage, with the exception of specified FSZ contracts.²⁸ From 1997 to 2001, contracts expired on approximately 404,000 acres.²⁹ Aside from a limited number of examples where counties have deleted land from contract to remain compliant with the program, almost without exception the removal of land from the Williamson Act and FSZ has been initiated by the landowner.³⁰ When the landowner initiates the nonrenewal, the local government will begin to receive slight increases in property tax payments beginning the following year after nonrenewal notification.

Another way to convert land from Williamson Act contract is through land exchange. Under certain specified circumstances, contracts may be rescinded to simultaneously place other land under agricultural conservation easement.³¹ A city or county may enter an agreement with a landowner to rescind a Williamson Act contract if the land to be placed under easement is located within the same city or county where the Williamson Act contract is rescinded. (Government Code § 51256) The board of supervisors or city council must find that the proposed conservation easement will make a beneficial contribution to the conservation of agricultural land in its area.

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Land also can be converted from Williamson Act contract by public acquisition through eminent domain or in lieu of eminent domain by a public agency.³² Some of the uses for which contracted land is acquired include wildlife habitat, water resource management, public open space or schools. From 1991-1999, the annual average of public acquisitions was 22,113 acres.³³ As an example, the Westlands Water District in Fresno acquired 11,633 acres of contracted land in Fresno County in 2000, and in Colusa County, the Bureau of Land Management acquired one parcel consisting of 3,230 acres.³⁴

Once cities or counties serve a nonrenewal notice, there is a complex formula that must be calculated in order to determine land value. The assessor must determine the full cash value of the land, and subtract the Williamson Act value. The remaining balance is multiplied by the a discount factor based on the government bond rate and a discount factor and the number of contract years remaining.³⁵ The restricted or Williamson Act value is added to the total amount generated by the formula above, and that amount is enrolled as the assessed value. It is calculated again each year until the contract winds down.

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Potential Financial Impact of the Loss of Subventions to Local Jurisdictions

~~Projected subvention losses over nine years:~~ Upon notice of nonrenewal of the Williamson Act and FSZ contracts, it takes 9 to 19 years to terminate the contract and return the property tax assessment to its unrestricted value. Based on the \$39.8 million per year subvention for 03-04, local governments would continue to lose \$39.8 million each year for a total loss of \$358.2 million by the end of the non-renewal phase-out period. ~~At the same time,~~ starting in year four 2007, assessments would rise incrementally for the next six years until the property is assessed at full cash value (unrestricted value) in 2013. ~~It is difficult to estimate what the total cost to all~~

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counties in the State would be under a state-triggered nonrenewal of Williamson Act and FSZ contract, but it is projected that the impact would be \$159.3 million using the 1997 BOE study as a model. For the original 27 counties reporting, the projected loss would be \$135 million lost entirely until the property can be assessed at full cash value.

The table in Attachment A illustrates the financial impact if counties respond to cancellation of subventions by the State by issuing blanket non-renewals of Williamson Act contracts. The table depicts the impacts on the 27 counties that participated in the 1997 survey. Using those counties as a model with the assumption that all other conditions are similar, projections have been made for the rest of the State. Based on the legal requirements of the Williamson Act, counties will suffer the loss of property tax revenues for three years before the formula to raise the assessed valuation kicks in. Even then, it is a full nine years until counties receive property taxes based on the full market value, and they will have lost \$159.3 million during the nine-year period that will never be recovered.

While it might appear that cutting the annual State subventions for land under Williamson Act contract simply saves the State \$39 to \$40 million a year, there is a cascading financial affect on the State's 58 counties. The counties continue to lose revenues for nine years until the land is restored to full cash value, or in the case of FSZ, it will take nineteen years before the counties are made whole.

~~BOE property Property tax projections from BOE study: Although there has not been a study of all 58 counties, the Board of Equalization 1996-97 study of 27 counties provides a basis to extrapolate how much property tax revenues will begin to increase in those counties starting in 2007.³⁶ The study can also be used to determine future property tax losses for the next 9 years by calculating the property tax subventions and property tax losses in 1997 and projecting ahead.~~

~~•BOE projection Projection formula for gains and losses based on BOE study: The non-renewal process picks up the difference between a property's restricted value and unrestricted value over a nine-year period. Using the \$7.1 billion in the Board of Equalization Report as the amount to be picked up for the 27 counties over the nine-year period, and assuming a yield rate of 5.50% for calculations purposes, one can estimate that the 27 reporting governments will gain revenue as a result of increased assessments beginning in 2007. The same counties will also continue to lose revenue based on the \$27 million loss of subventions as outlined in the table in Attachment A.~~

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ATTACHMENT A

FISCAL EFFECT ON COUNTIES OF THE STATE'S CANCELLATION OF WILLIAMSON ACT SUBVENTIONS IF COUNTIES ISSUE NONRENEWAL NOTICES TO BEGIN THE TEN-YEAR PHASE-OUT PROCESS³⁷

Calendar Year	Number of Years Following Renewal Notice ³⁸	Projected Property Tax Revenue Loss for 27 Counties Due to Contracts ³⁹	Projected Property Tax Revenue Recovered for 27 Counties Due to Contract Nonrenewals ⁴⁰	Projected Net Effect on Property Tax Revenue for 27 Counties Due to Contracts in Nonrenewal Status ⁴¹	Projected Net Effect on Property Tax Revenue Statewide Due to Contracts in Nonrenewal Status ⁴²
2003	Notice of cancellation (cx.)	\$27.0	\$0.0	\$27.0 baseline loss begins in 2004	\$39.8 baseline loss begins in 2004
2004	Cx. year + 1	(\$27.0)	\$ 0.0	(\$27.0)	(\$39.8)
2005	Cx. year + 2	(\$27.0)	\$ 0.0	(\$27.0)	(\$39.8)
2006	Cx. Year + 3	(\$27.0)	\$ 0.0	(\$27.0)	(\$39.8)
2007	Cx. Year + 4	(\$27.0)	\$19.6	(\$ 7.4)	(\$10.9)
2008	Cx. Year + 5	(\$27.0)	\$20.7	(\$ 6.3)	(\$9.3)
2009	Cx. Year + 6	(\$27.0)	\$21.8	(\$ 5.2)	(\$7.7)
2010	Cx. Year + 7	(\$27.0)	\$23.0	(\$ 4.0)	(\$5.9)
2011	Cx. Year + 8	(\$27.0)	\$24.3	(\$ 2.7)	(\$4)
2012	Cx. Year + 9	(\$27.0)	\$25.6	(\$ 1.4)	(\$2.1)
2013	Cx. Year + 10		\$27.0 Full cash value	No loss in taxes	
Total		(\$270.0)	\$135.0	(\$108.0)⁴³	(\$159.3)

If counties decide to issue blanket non-renewals in 2003 that take effect on January 1, 2004, the land under contract would not be free of restriction until January 1, 2013.

ATTACHMENT B

VALUE INCREASE DUE TO NONRENEWAL CALCULATIONS FOR 27 COUNTIES IN 1996-7 BOARD OF EQUALIZATION STUDY¹

Calendar Year	Number of Years Following Renewal Notice	Projected Property Tax Revenue Loss Due to Contracts	Present Value of \$1 Received in the Future Discounted @ 5.5% per Year	Amount of Property Tax Revenue Recovered Due to Contract Nonrenewals	Net Effect on Property Tax Revenue Due to Contracts
2003	Notice of cancellation (cx.)	\$27.0		\$0.0	(\$27.0) (baseline loss)
2004	Cx. year + 1	\$27.0	.617629	\$ 0.0	(\$27.0)
2005	Cx. year + 2	\$27.0	.651566	\$ 0.0	(\$27.0)
2006	Cx. Year + 3	\$27.0	.687437	\$ 0.0	(\$27.0)
2007	Cx. Year + 4	\$27.0	.725246	\$19.6	(\$ 7.4)
2008	Cx. Year + 5	\$27.0	.765134	\$20.7	\$ 6.3
2009	Cx. Year + 6	\$27.0	.807217	\$21.8	\$ 5.2
2010	Cx. Year + 7	\$27.0	.851614	\$23.0	\$ 4.0
2011	Cx. Year + 8	\$27.0	.898452	\$24.3	\$ 2.7
2012	Cx. Year + 9	\$27.0	.947867	\$25.6	\$ 1.4
2013	Cx. Year + 10			\$27.0 Full cash value	No loss in taxes
Total		\$270.0		\$162.2	\$134.8

The table above shows the calculation used to derive the projections in Attachment A.

¹ Revenue and Taxation Code section 426 specifies the procedures for valuation of property subject to nonrenewal. In short, this process results in "picking up" the value loss, hence revenue loss, due to a Williamson Act contract. This is accomplished by determining the value difference for a property due to a contract and multiplying this amount by a discount factor at a rate prescribed by section 426. The discount factor changes each year as the remaining years for the contract declines. For example, for the first year following the nonrenewal of a contract, there will be 9 years remaining until the property is free from contract. The factor in above column four represents what \$1 received in 9 years, 8 years, 7 years, etc. is worth today if discounted at 5.5% per year. For example, \$27 million received 9 years from now is worth \$16.7 million today (\$27 million x .617629).

Endnotes

¹ California Department of Conservation

² Government Code Section 51244.

³ (Government Code Section 51220 (a)).

⁴ Department of Conservation, *Williamson Act Questions and Answers*, Website:

www.conservation.ca.gov/dlrp/lca and Government Code §51230 and 51251.

⁵ Special Topic Survey: Assessment of Properties Under California Land Conservation Act Restrictions, 1997, California State Board of Equalization, page 7.

⁶ Farmland Security Zones Questions and Answers, Department of Conservation http://www.conservation.ca.gov/dlrp/lca/farmland_security_zones/index.htm.

⁷ Government Code Section 16142.1(a).

⁸ (Government Code Section 16140)

⁹ *Open Space Subvention Act Eligible Acreage and Entitlement Per City/County*, Department of Conservation.

¹⁰ Source: *Special Topic Survey: Assessment of Properties under California Land Conservation Act Restrictions*, California State Board of Equalization, 1997.

¹¹ *Open Space Subvention Act Eligible Acreage and Entitlement Per City/County*, Department of Conservation.

¹² (Government Code Section 51246 (a))

¹³ Revenue and Taxation Code Section 426(b) and Government Code Sections 51091, 51245 and 51296.

¹⁴ *Williamson Act Payment to Counties*, CSAC from Department of Conservation *Open Space Subvention Act Eligible Acreage and Entitlement Per City/County*, FY 01-02.

¹⁵ Conversation with Larry Spikes, Kings County Chief Administrative Officer.

¹⁶ Department of Conservation website. www.conservation.ca.gov/dlrp/lca.

¹⁷ (Government Code Sections 51244 and 51244.5)

¹⁸ (Government Code Section 16144)

¹⁹ *Agricultural Preservation, Appendix E, Williamson Act Property Tax Calculation*, prepared by the Governmental Affairs Division, California Farm Bureau Federation, March 1997.

²⁰ Department of Conservation, *Williamson Act Questions and Answers*, www.conservation.ca.gov/dlrp/lca.

²¹ *Total Reported Acreage: 1991-2001*, Department of Conservation website.

²² Department of Conservation *Open Space Subvention Act Eligible Acreage and Entitlement Per City/County*, FY 01/02.

²³ *New Enrollment (Acres): 1991-2001*, Department of Conservation Website.

²⁴ (Government Code Sections 51091-51094, 51245 and 51296.9.)

²⁵ Government Code Section 51245

²⁶ Eric Vink, Department of Conservation, John Gamper, California Farm Bureau, Dean Kinnee, Board of Equalization.

²⁷ Eric Vink, Department of Conservation [and](#) Government Code § [51283](#).

²⁸ (Revenue and Taxation Section 423.4, 426 and Government Code Section 51296.1)

²⁹ *Nonrenewal Expirations (Acres): 1991-2001*, Department of Conservation Web Site.

³⁰ Per Eric Vink, Department of Conservation, 2/25/03.

³¹ (Government Code Section 51216)

³² The California Land Conservation (Williamson Act) 2002 Status Report, page10.

³³ Ibid.

³⁴ Ibid.

³⁵ (Revenue and Taxation Code Section 426 (b) (1))

³⁶ Source: *Special Topic Survey: Assessment of Properties under California Land Conservation Act Restrictions*, California State Board of Equalization, 1997.

³⁷ Based on a 27-County Annual Property Tax Loss of \$27 Million from a 1997 Board of Equalization Survey. (In Millions)

³⁸ 2004 begins year 9 of non-renewal.

³⁹ 1997 Board of Equalization report indicates a \$27 million property tax revenue loss to local governments, excluding schools districts, for the 27 counties reporting assessed value reductions due to participation in the Williamson Act. This column represents status quo if contracts left in effect.

⁴⁰ Amount of the \$27 million loss recovered each year as a result of contract nonrenewals and valuation procedures prescribed in Revenue and Taxation Code section 426.

⁴¹ Column 3 minus column 4. Represents the amount of the \$27 million loss that is not recovered each year for contracts under nonrenewal.

⁴² 1997 Board of Equalization report indicates that the 27 counties for which data are available received approximately 67.78% of the subvention payments (\$24.4 of \$36 million). Assuming the revenue loss and subvention payments for these 27 counties mirrors that for all counties participating in the Williamson Act statewide, then statewide figures can be estimated by dividing the figures for the 27 counties by 67.78%.

⁴³ In addition to property tax losses for the first 4 years including 2003, counties will suffer the loss of subventions that would total \$40 million in 2004 until 2007 when they begin to recover lost property tax at an incremental rate over the next six years.