

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # B-8

Urgent

Routine

AGENDA DATE October 26, 2010

CEO Concurs with Recommendation YES  NO

(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Initiate Steps to Implement SB 863 to Establish New Williamson Act Contracts Including the Reduction of Property Tax Benefits by Ten Percent and a Related Reduction of the Term of the Contracts to Nine Years, and to Set a Public Hearing for November 9, 2010 at 9:10 a.m. to Make a Final Determination Regarding Implementation

STAFF RECOMMENDATIONS:

1. Find that the County received less than one-half of the foregone property tax revenue pursuant to Government Code Section 16142.1(d)(1) for the 2009/10 fiscal year.
2. Set a public hearing on November 9, 2010 at 9:10 A.M. to consider adoption of the implementation of the provisions authorized in SB 863 and outlined in subdivision (b) of Government Code Section 51244 and Section 51244.3.

(Continued on page 2)

FISCAL IMPACT:

This item simply sets a date for a hearing to determine whether the Board wishes to proceed with implementation of SB 863. The only costs associated with this action will be the costs of mailing landowner notifications. The cost to mail 4,654 first class letters will be approximately \$2,050. Costs associated with these noticing requirements will be funded out of existing budgeted appropriations. If ultimately approved to move forward with implementation of SB 863, the County General Fund could realize increased revenue for Fiscal Year 2011-2012 of up to \$1,500,000.

BOARD ACTION AS FOLLOWS:

No. 2010-669

On motion of Supervisor Chiesa, Seconded by Supervisor DeMartini

and approved by the following vote,

Ayes: Supervisors: Chiesa, Monteith, and DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: O'Brien, and Chairman Grover

1)  Approved as recommended

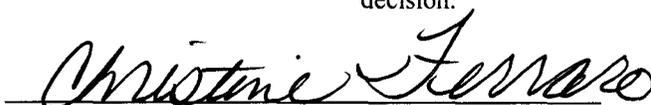
2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

County Counsel determined that Supervisors Grover, O'Brien, Chiesa, and DeMartini have disqualifying conflicts of interest because they all own agricultural property under Williamson Act contract or qualified to be under contract. Therefore, in order to establish a quorum to consider this matter the Board invoked the rule of necessity and drew lots to determine which two Supervisors would participate in the decision. Supervisors De Martini and Chiesa drew long straws and thus participated in the decision.



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Initiate Steps to Implement SB863 to Establish New Williamson Act Contracts Including the Reduction of Property Tax Benefits by Ten Percent and a Related Reduction of the Term of the Contracts to Nine Years, and to Set a Public Hearing for November 9, 2010 at 9:10 a.m. to Make a Final Determination Regarding Implementation

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**STAFF RECOMMENDATIONS: (Continued)**

3. Direct staff to notify all contracted landowners of the following:
  - (A) The scheduled public hearing on November 9, 2010 at 9:10 A.M. to consider adoption of the implementation of SB863.
  - (B) The final decision of the Board of Supervisors after the conclusion of the November 9, 2010 public hearing.
  - (C) The landowner's right to prevent the reduction in the term of his or her contract by serving notice of non-renewal as specified by Government Code Section 51245.

**DISCUSSION:**

AB2530, signed by the Governor on September 25, 2010, and subsequently replaced by SB863, signed on October 19, 2010, provides an opportunity for Counties to offset a portion of the loss of Williamson Act Subvention funds by establishing new contracts as of January 1, 2011 which would reduce a landowner's property tax benefits, reduce the term of the Williamson Act contract, and allow increased revenues to be transferred directly into the County's General Fund (See Attachment 1 and 2). It is a temporary solution that sunsets in 2015. Additionally, if a landowner does not want to participate in the shorter contract with its reduced level of benefit, the landowner has the option to non-renew the contract.

According to the California Farm Bureau Federation, these bills will allow counties to voluntarily implement new contracts that are 10 percent shorter in return for a 10 percent reduction in the landowner's property tax relief. The adoption of the new, shorter contracts requires a majority vote of the Board of Supervisors and would only be allowed in years when counties receive replacement of less than one-half of their foregone general fund property tax revenue from the program. The Farm Bureau sponsored AB2530 to help counties recoup lost state funding and to encourage counties to maintain a program that benefits family farmers and ranchers. In a recent article in the Farm Bureau's AgAlert, John Gamper, California Farm Bureau taxation and land use director, stated:

"The Farm Bureau sponsored this bill in order to save a very successful land conservation program that not only provides farmers with significant property tax relief, but also the certainty that they can continue to farm without incompatible, non-farm uses coming in next to them,"

From Sacramento, the Legislative Analyst's summary for SB863 states:

- (1) Existing law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the

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property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts.

This bill would, beginning January 1, 2011, and until January 1, 2015, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than 1/2 of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts and require the assessor to value the property, as specified, based on the revised contract term. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county. This bill would appropriate \$10,000,000 from the General Fund to the Controller for the 2010–11 fiscal year to make subvention payments to counties, as specified.

### ***Background***

Historically, the State budget has included over \$37 million in Williamson Act subvention funding, but in the fiscal year 2009/2010 State budget, the Governor removed all but \$1,000 of Williamson Act subvention funding statewide from the budget. This action compounded the fiscal crisis confronting California's counties and in Stanislaus County we lost approximately \$1,332,000 in subvention funds last year. Subvention funds are paid directly to the County General Fund, and the loss of these revenues last year from the State added to county general fund deficits state-wide, including here in Stanislaus County.

Many counties responded by seeking legislative relief, considering local revenue options, considering filing notices of non-renewals and delaying entering into any new Williamson Act contracts. Stanislaus County accepted the loss of funds for Fiscal Year 2009-2010 and delayed any action in response pending potential legislative relief opportunities.

For Fiscal Year 2010-2011, the adopted State budget once again did not include funding for counties for the Williamson Act Subvention and for the second year in a row Stanislaus County lost approximately \$1.3 million in General Fund discretionary revenue. However, on October 19, 2010, Governor Schwarzenegger signed SB863 into law which included \$10 million in Williamson Act subvention funding. Stanislaus County's share of that funding is estimated to be approximately \$393,000. (This partial subvention will be allocated as revenue to the County in Fiscal Year 2010-2011) The bill also provided clean-up language to AB2530, allowing counties, if they so chose, to implement the provisions of the bill for Fiscal Year 2011-2012.

Approval to Initiate Steps to Implement SB863 to Establish New Williamson Act Contracts Including the Reduction of Property Tax Benefits by Ten Percent and a Related Reduction of the Term of the Contracts to Nine Years, and to Set a Public Hearing for November 9, 2010 at 9:10 a.m. to Make a Final Determination Regarding Implementation

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***A Partial Solution: AB2530 and SB863***

In mid August, the approach originally reflected in AB2530, and now reflected in SB683 emerged as a viable alternative. This approach was developed rapidly with input from the California Farm Bureau Federation, the Resource Landowners Group, California State Association of Counties and Regional Council of Rural Counties. In addition, a "clean-up" bill, SB863 was passed by both houses and signed by the Governor on October 19, 2010. SB863 included provisions to statutorily direct a uniform increase in valuations upon implementation of the shorter contract terms, and allocated \$10 million to be paid to Counties as partial subvention funding this year.

SB863 creates a program that a county can use when state subvention funding falls to less than half of the county's "actual foregone general fund property tax revenue". In such a case, SB863 enables a county to shorten its 10-year Williamson Act contracts to nine years. Landowners can "opt out" of this approach by non-renewing their Williamson Act contract instead of accepting the shorter contract. For landowners who accept the shorter term, the Assessor is required to apply a new assessed value that reflects the shorter term. The increased valuation is statutorily mandated (under SB863) to be 10% of the difference between (a) the full unrestricted value of the property under Proposition 13 or the market value, and (b) the restricted value of the property under the Williamson Act.

This means that for every dollar in property taxes that a contracted landowner currently avoids by having their land under contract, SB863 requires that ten cents be paid annually to the County. None of the additional revenues generated by SB863 are to be shared with the State or other government entities, and landowners retain 90% of their tax benefits of the Williamson Act.

The resulting revenue stream for Stanislaus County is estimated to be approximately \$1,398,500 in FY 2011/2012. Stanislaus County's foregone revenues (assuming all Williamson Act properties were assessed at their Proposition 13 values) would be approximately \$1,538,000. In addition, with implementation of SB863, the County will receive partial subvention funds in fiscal year 2010/2011 estimated at approximately \$393,000, regardless of whether we implement SB863 or not. Based on current estimates, this increased revenue to the general fund could reduce the anticipated county-wide deficit in FY 2011/2012

SB863 has a sunset date of January 1, 2015. Those closely involved with SB863, including the California Farm Bureau Federation and CSAC expect it to serve as only a temporary, partial solution to the loss of subvention funding. They intend to pursue other means of providing an adequate revenue stream for participating counties over the next four years if subvention funding is not restored. Staff will continue to participate in related discussions. AB2530 should be viewed as a first step toward a more comprehensive and lasting solution.

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### ***Alternatives***

Implementation of SB863 is voluntary. Stanislaus County is not mandated to implement SB863 now or in the future. The bill preserves the opportunity to take no action, to take action now or in future years (through the sunset date of January, 2015), or to non-renew all or some of the contracts under our jurisdiction. There are approximately 8409 separate Assessor's Parcels under 4,654 different owners in Stanislaus County.

Implementation of SB863 would result in increased expenses for landowners currently enjoying the significant tax benefit of the Williamson Act, but would also result in increased revenues of approximately \$1.4 million annually directly to the County's general fund each year. The Board of Supervisors will have to make an annual determination as to whether the SB863 provisions should be implemented in each of the coming fiscal years.

As an alternative, the Board of Supervisors could choose to file notices of non-renewal on all Williamson Act contracted parcels. This would essentially phase out the Williamson Act over a 10 year period. However, because participating landowners can effectively block any increases for the first four years of the non-renewal period by filing a "notice of protest", it is possible that minimal increases in revenue would be realized over the first several years.

Over the long term, exclusive of the one-time allocation of approximately \$393,000 in subvention funds for this year, revenues from non-renewals could be essentially equal to those projected from participating in SB863 if the sunset provision were to be extended. Non-renewal also places a much higher financial burden on local landowners as assessed values will gradually return to their full unrestricted Proposition 13 amounts. In contrast, as noted above, SB863 allows landowners to retain 90% of the tax benefits that the Williamson Act currently affords them.

Should the County choose to implement SB863, the landowners options are:

1. Accept the new decreased 9-year term and associated 10% decrease in benefits; or,
2. File a Notice of Non-renewal, and accept the property tax consequences of a rapidly escalating assessed valuation.

Note that for most, if not all, landowners accepting the 9-year term and associated decrease in benefits would be significantly less of a financial burden than filing a notice of non-renewal. Landowners retain 90% of their benefit by accepting the new term and maintain the additional benefits of keeping the Williamson Act viable until the state and local fiscal climates improve.

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### ***Strategy for Implementation***

Should the Board elect to implement SB863, a number of steps are required.

First, prior to proceeding, the County must find that the State provided less than one-half of its foregone property tax revenues in the prior fiscal year (FY 2009/2010). In FY2009/2010, the State allocated \$1,000 in subvention funding statewide, of which Stanislaus County received zero. In FY 2010/2011, the County expects a maximum of \$393,000, which is also significantly less than one-half of the amount owed. Accordingly, the County is entitled to implement subdivision (b) of Government Code Sections 51244 and Section 51244.3.

The County must then notify all contracted landowners in a timely manner of the initial hearing to adopt implementation of SB863. There are 4,564 separate landowners to be notified. Should the Board wish to consider moving forward to implement SB863 by January 1, 2011, it is requested that the Board establish a public hearing on November 9, 2010 at 9:10 AM for a final decision on whether to implement the AB2530 provisions. Notices would be sent out no later than October 29, 2010 to allow for a 10-day notification of the November 9, 2010 hearing. The notices must include a brief description of the proposal, notification of the date and time of the meeting, and a description of the landowner's rights to file a notice of non-renewal if they choose to "opt-out" of the shorter contract term. A draft Landowner Notice is provided as Attachment 3 to this report.

Should the Board decide to proceed with implementation on November 9<sup>th</sup>, the County must again notify all contracted landowners of that decision and also, once again inform them of their right to file for a non-renewal of the contract should they choose to "opt-out" of the shorter contract term.

In order to reduce the time frame for notification to 60 days rather than 90 days, SB863 allows the County to adopt procedures for filing notices of non-renewal that may be different from the normal non-renewal process. Staff proposes that if the Board decides to implement SB863 at the public hearing of November 9<sup>th</sup>, that the existing adopted procedures for filing notices of non-renewal remain in effect except that landowners may file notices of non-renewal for calendar year 2011 up to and including December 31, 2010. Because County Offices will be closed from December 25, 2010 through January 2, 2011, postmarks of December 31, 2010 will be accepted. The Board may also wish to consider extending the due date to January 3, 2011 to allow an opportunity for landowners to physically drop off the notices at County offices that were closed the previous week. A request for formal authorization of the revised procedure will be presented to the Board on November 9<sup>th</sup>.

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If the provisions of SB863 are approved by the Board of Supervisors on November 9, 2010, the Assessor's Office will be required to make the appropriate modifications to the assessed values as of January 1, 2011, and the Auditor's Office and Tax Collector will be required to modify the Fiscal Year 2011/12 tax bills to reflect the assessment changes. The Department of Planning and Community Development, the Assessor's Office, and the Clerk Recorder's Office will process all notices of non-renewal that have been received.

### **SUMMARY**

County staff will return to the Board on November 9, 2010 for a public hearing to propose action regarding implementation.

Importantly, by taking the steps defined above, the County will have an opportunity to bring in additional revenues for Fiscal Year 2011/2012. Delays in action would preclude potential revenues until the following fiscal year.

### **POLICY ISSUES:**

The Board of Supervisors is asked to determine whether participation in the SB863 provisions is consistent with the priorities of the Efficient Delivery of Public Services, A Strong Agricultural Economy/Heritage and A Strong Local Economy.

### **STAFFING IMPACTS:**

There are no staffing impacts associated with this request. If the proposed provisions are adopted, existing staff from the Assessor, Planning and Community Development, and Tax-Collector will be involved in implementing the program.

### **CONTACT PERSONS:**

Stan Risen, Assistant Executive Officer, (209)525-6333  
Kirk Ford, Planning and Community Development Director, (209)525-6330

### **ATTACHMENTS**

1. AB2530
2. SB863
3. Draft Landowner Notification

**Assembly Bill No. 2530**

**CHAPTER 391**

An act to amend Sections 16142, 16142.1, and 51244 of, and to add and repeal Section 51244.3 of, the Government Code, relating to local government.

[Approved by Governor September 25, 2010. Filed with Secretary of State September 27, 2010.]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2530, Nielsen. Local government: Williamson Act: contracts.

Existing law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts.

This bill would, beginning January 1, 2011, and until January 1, 2015, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than  $\frac{1}{2}$  of the participating county's actual foregone general fund property tax revenue, to revise the term for new contracts and require the assessor to value the property, as specified, based on the new contract. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county.

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

SECTION 1. Section 16142 of the Government Code is amended to read:

16142. (a) The Secretary of the Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, 423.4, or 423.5, or 426 if it was previously assessed under Section 423.4, of the Revenue and Taxation Code:

(1) Five dollars (\$5) for prime agricultural land, as defined in Section 51201.

(2) One dollar (\$1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

(b) The amount per acre in paragraph (1) of subdivision (a) may be increased by the Secretary of the Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

(c) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code.

(d) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payment made pursuant to this section.

(e) (1) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

(2) This subdivision shall remain operative only until January 1, 2015.

SEC. 2. Section 16142.1 of the Government Code is amended to read:

16142.1. (a) In lieu of the payments made pursuant to Section 16142, in a county that has adopted farmland security zones pursuant to Section 51296, the Secretary of the Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amount for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423.4 or 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code:

Eight dollars (\$8) for land that is within, or within three miles of the boundaries of the sphere of influence of, each incorporated city.

(b) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code. The appropriation authorized by this subdivision shall not exceed one hundred thousand dollars (\$100,000) per year until 2005.

(c) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payments made pursuant to this section.

(d) (1) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which

the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

(2) This subdivision shall remain operative only until January 1, 2015.

SEC. 3. Section 51244 of the Government Code is amended to read:

51244. (a) Each contract shall be for an initial term of no less than 10 years. Each contract shall provide that on the anniversary date of the contract or such other annual date as specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

(b) (1) If the county makes a determination pursuant to subdivision (e) of Section 16142 or subdivision (d) of Section 16142.1, contracts shall be for a term of no less than nine years for contracts currently 10 years in length or 18 years for contracts currently 20 years in length, as the case may be. For new contracts entered into during a year in which this subdivision is in effect, the initial contract length shall be either nine or 18 years. Each contract shall provide, except in the initial year of the determination, that on the anniversary date of the contract or such other annual date as specified by the contract, a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

In any year in which increased revenue pursuant to Section 51244.3 does not occur, two additional years shall be added to the contract on the next anniversary date to restore the contract to its full 10-year or 20-year contract length.

(2) In any year in which this subdivision is implemented, the county shall record a notice that states the affected parcel number or numbers.

(3) The assessor shall value the property, consistent with the restrictions on the property, based on either a nine-year or 18-year contract term as the case may be based on the original contract term. The additional amount of tax revenue that results from the decrease in restriction shall be separately displayed on the taxpayer's annual bill.

(4) A landowner may elect to serve notice of nonrenewal instead of accepting a nine-year or 18-year contract, as the case may be. In that case, the assessor shall not revalue the property as provided for in paragraph (3).

(5) In addition to any other notice requirements, a county shall provide a landowner under contract timely written notice of all of the following:

(A) Any hearing by the county on a proposal to adopt or rescind the implementation of this section.

(B) Any final decision regarding the adoption or rescission of implementation of this section.

(C) The landowner's right to prevent the amendment of his or her contract pursuant to this section by serving notice of nonrenewal as specified by Section 51245. A county shall not modify or revalue a landowner's contract pursuant to this subdivision unless the landowner is given at least 90 days notice of the opportunity to prevent the modification and revaluation by serving notice of nonrenewal and the landowner fails to serve notice of nonrenewal. A landowner shall be advised of the landowner's right to avoid continued imposition of this subdivision in any future year by serving a

notice of nonrenewal for that contract year. Failure of the landowner to serve timely notice of nonrenewal in any year shall be considered implied consent to the implementation of this subdivision for that year.

(6) The increased valuation of the property pursuant to paragraph (3) shall not exceed 10 percent of the difference between the valuation pursuant to Section 423, 423.3, or 423.5 of the Revenue and Taxation Code, and the valuation under Section 110.1 of the Revenue and Taxation Code. If the valuation under Section 110.1 is lower, there shall be no revaluation.

(7) This subdivision shall not apply to any of the following:

- (A) Contracts that have been nonrenewed.
- (B) Contracts with cities.
- (C) Open-space or agricultural easements.
- (D) Scenic restrictions.
- (E) Wildlife habitat contracts.

(8) This subdivision shall remain operative only until January 1, 2015.

SEC. 4. Section 51244.3 is added to the Government Code, to read:

51244.3. (a) This section shall apply to properties under a nine-year or 18-year contract, as the case may be, pursuant to subdivision (b) of Section 51244. Notwithstanding any other provision to the contrary, increased revenues generated by those properties shall be allocated exclusively to the county.

(b) This section shall only apply if the county makes a determination pursuant to either Section 16142 or Section 16142.1.

(c) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

**Senate Bill No. 863**

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Passed the Senate October 8, 2010

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*Secretary of the Senate*

\_\_\_\_\_

Passed the Assembly October 8, 2010

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*Chief Clerk of the Assembly*

\_\_\_\_\_

This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2010, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_

*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Sections 16142, 16142.1, and 51244 of, to add Section 16148 to, and to add and repeal Section 51244.3 of, the Government Code, and to add Sections 33333.14 and 33691.5 to the Health and Safety Code, relating to local government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 863, Committee on Budget and Fiscal Review. Local government.

(1) Existing law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts.

This bill would, beginning January 1, 2011, and until January 1, 2015, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than  $\frac{1}{2}$  of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts and require the assessor to value the property, as specified, based on the revised contract term. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county. This bill would appropriate \$10,000,000 from the General Fund to the Controller for the 2010–11 fiscal year to make subvention payments to counties, as specified.

The bill would provide, in the event that this bill is enacted, that the provisions of Chapter 391 of the Statutes of 2010 not become effective.

(2) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight in those communities. Existing law requires

each agency to prepare, or cause to be prepared, and approve a redevelopment plan for each project area. Existing law requires that a redevelopment plan contain specified limitations, including, but not limited to, a limitation on the number of dollars of taxes that may be divided and allocated to a redevelopment agency.

This bill would, notwithstanding specified provisions, eliminate the tax increment limit for the redevelopment plan for the Centre City Redevelopment Project, including, but not limited to, the original project area, the expanded project area, and the merged project area.

(3) The Community Redevelopment Law also requires a redevelopment agency to use at least 20% of tax increments generated from a project area to increase and improve the community's supply of low- and moderate-income housing, and those funds to be held in a separate Low and Moderate Income Housing Fund until used. That law authorizes a redevelopment agency, from July 1, 2009, to June 30, 2010, inclusive, to suspend all or part of its required allocation to its Low and Moderate Income Housing Fund, but requires the redevelopment agency to repay the revenue diverted during the suspension within a specified time period, ending as of June 30, 2015. That law requires redevelopment agencies in this state to make a specified remittance to county Supplemental Educational Revenue Augmentation Funds for the 2009–10 fiscal year and another remittance to those funds for the 2010–11 fiscal year. That law subjects a redevelopment agency that does not make either or both of the required remittances to specified prohibitions and the requirement that it allocate an additional 5% of all tax increments it receives for low- and moderate-income housing for the remainder of the time it receives them.

This bill would exempt a redevelopment agency that fails to allocate either or both of the required remittances, or to otherwise arrange for their full payment, as specified, from those prohibitions and the above-described requirement, if the county auditor certifies to the Department of Finance that (1) the redevelopment agency adopted a specified resolution, or specified resolutions, and failed to make the associated remittance by May 10, 2010, or May 10, 2011, as applicable, (2) the county reduced the tax increment revenue payable to the redevelopment agency by at least 20% in the 2009–10 fiscal year, and (3) the redevelopment agency has

entered into a specified agreement with the Department of Finance with respect to paying the required remittances.

(4) This bill would make legislative findings and declarations as to the necessity of a special statute for the Centre City Redevelopment Project of the City of San Diego.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

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

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

(a) A number of historical, educational, and cultural resources of regional and statewide significance are located within and adjacent to the Centre City Redevelopment Project of the City of San Diego.

(b) Significant portions of the project area of the Centre City Redevelopment Project are owned by state, local, and nonprofit entities and produce no property tax revenue for any taxing entity. This act will provide a unique opportunity for revitalization and investment in the area without adverse fiscal impact to the state.

(c) The preservation and feasible reuse of the historical, educational, and cultural resources of regional and statewide significance and the completion of a number of major public infrastructure improvements are essential to eliminate blight and improve the economic health of the neighborhoods which surround and are located within the Centre City Redevelopment Project.

(d) It is the intent of the Legislature to permit the financing of this preservation and reuse project and the construction of major public infrastructure and of related private development improvements to feasibly occur by providing necessary public financing that utilizes tax increment revenues, thereby creating the means to attract and induce the necessary private investment of capital.

(e) Every dollar of tax increment expended for the Centre City Redevelopment Project has resulted in the investment of a significant multiple of dollars by private enterprise and the creation of thousands of construction and permanent new jobs.

(f) The completion of major public infrastructure improvements made possible by the immediate increase in bonding capacity resulting from this act will be accomplished in a coordinated manner as part of the implementation of the Centre City Redevelopment Project and will relieve other state and local governmental agencies from the responsibility of providing or funding those infrastructure improvements and allow them to focus their limited resources on other urgent projects.

SEC. 2. Section 16142 of the Government Code is amended to read:

16142. (a) The Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, 423.4, or 423.5, or 426 if it was previously assessed under Section 423.4, of the Revenue and Taxation Code:

(1) Five dollars (\$5) for prime agricultural land, as defined in Section 51201.

(2) One dollar (\$1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

(b) The amount per acre in paragraph (1) of subdivision (a) may be increased by the Secretary of the Natural Resources Agency to a figure which would offset any savings due to a more restrictive determination by the secretary as to what land is devoted to open-space use of statewide significance.

(c) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code.

(d) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payment made pursuant to this section.

(e) (1) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may make a determination to implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any

subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.

For purposes of this subdivision, a county's actual foregone property tax revenue shall be based on the county's respective share of the general property tax dollars as reflected in the most recent annual report issued by the State Board of Equalization or 20 percent, whichever is higher.

(2) This subdivision shall remain operative only until January 1, 2015.

SEC. 3. Section 16142.1 of the Government Code is amended to read:

16142.1. (a) In lieu of the payments made pursuant to Section 16142, in a county that has adopted farmland security zones pursuant to Section 51296, the Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amount for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423.4 or 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code:

Eight dollars (\$8) for land that is within, or within three miles of the boundaries of the sphere of influence of, each incorporated city.

(b) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code. The appropriation authorized by this subdivision shall not exceed one hundred thousand dollars (\$100,000) per year until 2005.

(c) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payments made pursuant to this section.

(d) (1) Effective January 1, 2011, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may make a determination to implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal

year exceeds one-half of the foregone general fund property tax revenue.

For purposes of this subdivision, a county's actual foregone property tax revenue shall be based on the county's respective share of the general property tax dollars as reflected in the most recent annual report issued by the State Board of Equalization or 20 percent, whichever is higher.

(2) This subdivision shall remain operative only until January 1, 2015.

SEC. 4. Section 16148 is added to the Government Code, to read:

16148. Ten million dollars (\$10,000,000) is appropriated for the 2010–11 fiscal year from the General Fund to the Controller to make subvention payments to counties pursuant to Section 16140 in proportion to the losses incurred by those counties by reason of the reduction of assessed property taxes.

SEC. 5. Section 51244 of the Government Code is amended to read:

51244. (a) Each contract shall be for an initial term of no less than 10 years. Each contract shall provide that on the anniversary date of the contract or such other annual date as specified by the contract a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

(b) (1) If the county makes a determination pursuant to subdivision (e) of Section 16142 or subdivision (d) of Section 16142.1, contracts shall be for a term of no less than nine years for contracts currently 10 years in length or 18 years for contracts currently 20 years in length, as the case may be. For new contracts entered into during a year in which this subdivision is in effect, the initial contract length shall be either 9 or 18 years. Each contract shall provide, except in the initial year of the determination, that on the anniversary date of the contract or such other annual date as specified by the contract, a year shall be added automatically to the initial term unless notice of nonrenewal is given as provided in Section 51245.

In any subsequent year during the reduced term of contract in which increased revenue is not realized by the county pursuant to Section 51244.3, two or three additional years shall be added to the contract on the next anniversary date, as necessary, to restore the contract to its full 10-year or 20-year contract length.

(2) In any year in which this subdivision is implemented, the county shall record a notice that states the affected parcel number or numbers and current owner's names, or, alternatively, the same information for those parcels that are not affected.

(3) An addition to the assessed value shall be conveyed to the auditor, consistent with the 10-percent reduction in the length of the restriction, equal to 10 percent of the difference between the valuation pursuant to Section 423, 423.3, or 423.5 of the Revenue and Taxation Code, as applicable, and the valuation under subdivision (b) of Section 51 or Section 110.1 of the Revenue and Taxation Code whichever is lower. If the valuation under subdivision (b) of Section 51 or Section 110.1 of the Revenue and Taxation Code is lower, the addition to the assessed value shall be zero. The increased amount of tax revenue that results from the decrease in restriction shall be separately displayed on the taxpayer's annual bill.

(4) A landowner may elect to serve notice of nonrenewal instead of accepting a 9-year or 18-year contract, as the case may be. In that case, the additional assessed value shall not be added to the property as provided for in paragraph (3).

For purposes of this subdivision, a landowner may serve notice of nonrenewal at any time. However, a landowner who withdraws that notice prior to the effective date shall be subject to term modification and additional assessed value. Once served and effective, a landowner nonrenewal notice may not be withdrawn except for cause and with the consent of the county. A county may adopt amendments to its uniform rules to facilitate implementation of this subdivision during the 2010–11 fiscal year, and thereafter as necessary.

(5) In addition to any other notice requirements, a county shall provide a landowner under contract with timely written notice of all of the following:

(A) Any initial hearing by the county on a proposal to adopt or rescind the implementation of this subdivision.

(B) Any final decision regarding the adoption or rescission of implementation of this subdivision.

(C) The landowner's right to prevent the reduction in the term of his or her contract pursuant to this subdivision by serving notice of nonrenewal as specified by Section 51245. This nonrenewal

notice may be combined with the nonrenewal notice in subparagraph (B).

(6) A county shall not modify or revalue a landowner's contract pursuant to this subdivision unless the landowner is given at least 90 days' notice of the opportunity to prevent the modification and revaluation by serving notice of nonrenewal and the landowner fails to serve notice of nonrenewal. The county may use the primary owner of record from the assessment roll to identify landowners entitled to receive notice under this subdivision. A landowner shall be advised of the landowner's right to avoid continued imposition of this subdivision in any future year and thereafter by serving a notice of nonrenewal for that contract year. Failure of the landowner to serve timely notice of nonrenewal in any year shall be considered implied consent to the implementation of this subdivision for that year.

Until February 1, 2011, the 90-day notice requirement may be reduced to 60 days if the county adopts a procedure to allow landowners to serve a notice of nonrenewal.

(7) This subdivision shall not apply to any of the following:

- (A) Contracts that have been nonrenewed.
- (B) Contracts with cities.
- (C) Open-space or agricultural easements.
- (D) Scenic restrictions.
- (E) Wildlife habitat contracts.

(F) Atypical term contracts, including, but not limited to, 20-year initial term contracts declining to 10 years, or reencumbrances pursuant to Section 51295, if the county's board of supervisors determines the application of this subdivision to them would be inequitable or administratively infeasible.

(8) This subdivision shall remain operative only until January 1, 2015.

SEC. 6. Section 51244.3 is added to the Government Code, to read:

51244.3. (a) This section shall apply to properties under a 9-year or 18-year contract, as the case may be, pursuant to subdivision (b) of Section 51244. Notwithstanding any other provision to the contrary, increased revenues generated by those properties shall be allocated exclusively to the respective counties in which those properties are located.

(b) This section shall only apply if the county makes a determination pursuant to either Section 16142 or Section 16142.1.

(c) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 7. Section 33333.14 is added to the Health and Safety Code, to read:

33333.14. (a) The Legislature hereby finds and declares that the Redevelopment Agency of the City of San Diego's Redevelopment Plan for the Centre City Redevelopment Project, as approved and adopted on May 11, 1992, by the City Council of the City of San Diego by Ordinance No. 0-17767, as amended, contains an unrealistically low dollar limit on the receipt of tax increment. The Legislature further finds and declares that this limit severely restricts the ability of the Redevelopment Agency of the City of San Diego to address conditions of blight which remain within its Centre City Redevelopment Project.

(b) Notwithstanding any other law to the contrary or any redevelopment plan previously adopted by the City of San Diego, commencing on the effective date of this section and in each fiscal year thereafter until the expiration of the time limit on the receipt of taxes and repayment of indebtedness set forth in the redevelopment plan adopted by the City of San Diego for its Centre City Redevelopment Project pursuant to subdivision (b) of Section 33333.6 and other applicable statutes, the dollar limit on the receipt of tax increment for the Centre City Redevelopment Project is eliminated, and the Redevelopment Agency of the City of San Diego may receive tax increment revenue from the Centre City Redevelopment Project without a dollar limit.

SEC. 8. Section 33691.5 is added to the Health and Safety Code, to read:

33691.5. (a) A redevelopment agency that fails to allocate to the county auditor either or both of the full remittances required pursuant to subdivision (a) of Section 33690 or subdivision (a) of Section 33690.5, respectively, or that fails to arrange for full payment of either or both of those remittances pursuant to subdivision (c) of Section 33688, subdivision (d) of Section 33691, or Section 33692, shall be exempt from the prohibitions set forth in subdivision (e) of Section 33691 and the requirement set forth in paragraph (4) of subdivision (k) of Section 33334.2, if the county

auditor certifies to the Department of Finance that all of the following conditions have been met:

(1) The agency adopted the resolution described in paragraph (1) or paragraph (2) of subdivision (c) of Section 33691, and failed to make the full remittance by May 10, 2010, or May 10, 2011, as applicable, pursuant to Section 33692.

(2) The county reduced the tax increment revenue payable to the agency by at least 20 percent in the 2009–10 fiscal year.

(3) The agency has entered into an agreement with the Department of Finance, as described in subdivision (d) of Section 33691, with respect to either or both of the full remittances, and that agreement (A) commits the agency to paying the remaining amount due to satisfy either or both of the full remittances over a time period of no more than the earlier of 30 years or the life of the redevelopment agency and (B) requires the first payment towards that obligation to be due to the county on or before May 10, 2011, without regard to whether that payment is for the full remittance for the 2009–10 fiscal year, 2010–11 fiscal year, or both.

(b) An agency that is making payments as described in paragraph (3) of subdivision (a) may use all legally available funds to make those payments, and may pay off the outstanding balance of either or both of those full remittances at any time.

SEC. 9. (a) If this act is enacted by the Legislature in the 2009–10 Regular Session, Chapter 391 of the Statutes of 2010 shall not become effective.

(b) It is the Legislature’s intent to make the options in Sections 2, 3, 5, and 6 of this act available, but not required, for use by counties and landowners for the 2010–11 fiscal year, if feasible, and no later than the 2011–12 fiscal year.

SEC. 10. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances facing the Centre City Redevelopment Project of the City of San Diego.

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

To support state and local governments during the current economic crisis, it is necessary that this bill go into immediate effect.



DEPARTMENT OF PLANNING & COMMUNITY DEVELOPMENT

1010 10<sup>TH</sup> Street, Suite 3400, Modesto, CA 95354  
Phone: 209.525-6330 Fax: 209.525.5911

October 26, 2010

## NOTICE OF PUBLIC HEARING REGARDING A MODIFICATION TO YOUR WILLIAMSON ACT CONTRACT

**NOTICE IS HEREBY GIVEN THAT** the Stanislaus County Board of Supervisors will hold a public hearing on **Tuesday, November 9, 2010**, starting at **9:10 A.M.** in the Joint Chambers, 1010 10<sup>th</sup> Street, Basement Level, Modesto, California, to consider the following:

**Authorization to implement SB863 to establish new Williamson Act contracts including reduction of property tax benefits and a related reduction of the term of the contracts to nine years, to be effective beginning calendar year 2011.**

At the above noticed time and place, all interested persons will be given an opportunity to speak.

Materials submitted to the Board of Supervisors for consideration (i.e., photos, slides, petitions, letters, etc.) will be retained by the County and cannot be returned.

If you challenge the above item in court, you may be limited to raising only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors, at or prior to, the public hearing.

**PLEASE NOTE: You may elect to serve notice of nonrenewal instead of accepting a nine-year contract. You have the right to prevent the amendment of your contract pursuant to California Government Code by serving notice of nonrenewal as specified by Section 51244. Should you so choose, you may file notice of non-renewal through December 31, 2010 to be effective beginning calendar year 2011.**

For further information, please call (209) 525-6330, or email: [planning@stancounty.com](mailto:planning@stancounty.com)

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ATTACHMENT 3

**PowerPoint  
Presentation**

**SB 863 and**

# **the Williamson Act**

Approval to Initiate Steps to Implement SB863 to Establish New Williamson Act Contracts Including the Reduction of Property Tax Benefits by Ten Percent and a Related Reduction of the Term of the Contracts to Nine Years, and to Set a Public Hearing for November 9, 2010 at 9:10 a.m. to Make a Final Determination Regarding Implementation

## SB 863 and the Williamson Act

# Goal of SB 863

Give counties an alternative to cancelling the Williamson Act by allowing them to recoup a portion of their actual foregone property tax revenue due to their participation in the program.

This Bill makes up for the fact that the state withheld subvention funds this year and next.

SB 863 and the Williamson Act

# Sponsored By

- California Farm Bureau Federation
- Resource Landowners Group
- California State Association of Counties
- Regional Council of Rural Counties

**SB 863 and the Williamson Act**

**Signed**

Signed by the Governor –

October 19, 2010

“Clean-up” Bill from AB 2530 –  
originally signed in September 2010

## SB 863 and the Williamson Act

# Proposal

- If counties receive less than one-half of their foregone general fund property tax revenue from the Open Space Subvention Program, they would be authorized to implement a new provision of the Williamson Act to allow contracts to go from 10 years to 9 years.

(in the case of 20-year Williamson Act contracts, from 20-years to 18-years, but Stanislaus Co. has NO 20-yr Contracts)

(Stanislaus County received no subvention funding in FY2009/2010)

## SB 863 and the Williamson Act

# Proposal

- This 10 percent reduction in the length of the contract restrictions would trigger a statutorily authorized recapture of ten percent of the participating landowners' property tax savings.
- Temporary: Sunsets in 2015

**SB 863 and the Williamson Act**

# **Stanislaus County Data**

Enrolled Land is 691,047 acres

- 290,971 acres of prime farmland
- 400,076 acres of nonprime land
- 8,409 Parcels
- 4,654 Different Owners

Actual Foregone Property Tax in 2008/2009: **\$1,538,371**

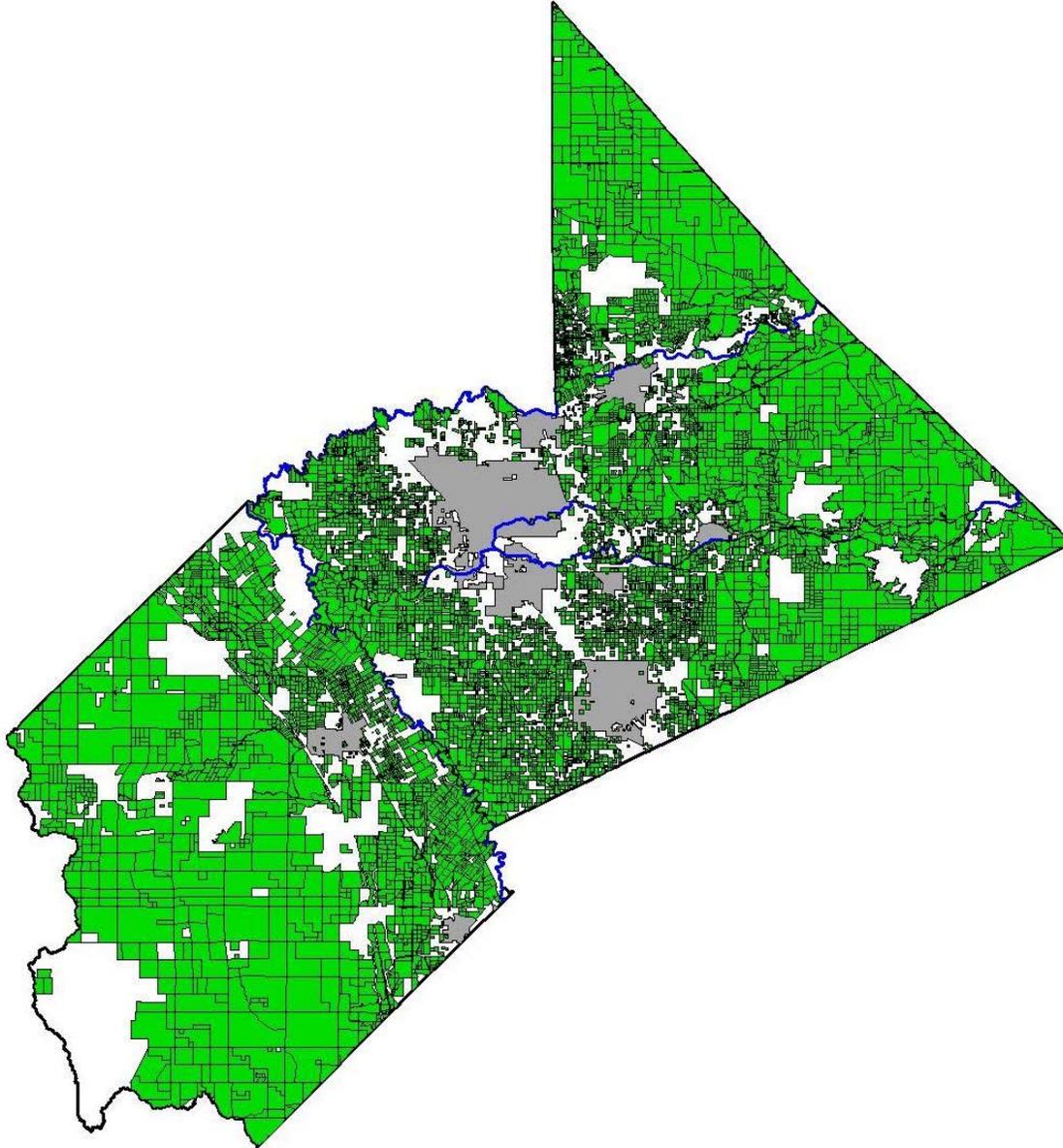
Claimed subvention in 2008-09: **\$1,480,351**

Subvention Paid by the State in 2009-2010: **\$0**

Subvention Anticipated in 2010-2015: **\$393,687**

**(SB863 provides one-time funding for FY2010/2011)**

## SB 863 and the Williamson Act



## SB 863 and the Williamson Act

# Calculation

Prop 13 Value – Williamson Act Value =

Taxable Value Discount Provided each Year for W/Act

Taxable Value Discount Provided x 1.1% =

Total Prop Tax Benefit to Farmers and Ranchers

Total Prop Tax Benefit to Farmers and Ranchers x 10 % =

Fee charged to Farmers and Ranchers for 2011/2012 Tax  
Bill

**SB 863 and the Williamson Act**

# **If Stanislaus County Implements SB 863**

\$2,697,785,252 (Prop 13 Value)

- \$1,426,404,431 (W/Act Value)

---

**\$1,271,380,821** (Value Relief provided each year)

x 1.1% (Prop. Tax Rate plus Bond Payment)

\$ 13,985,189 (Total Tax Relief to all W/Act landowners)

x 10%

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**\$1,398,519** (Total Add'l charge to all W/Act landowners)

## SB 863 and the Williamson Act

# If Stanislaus County Implements SB 863

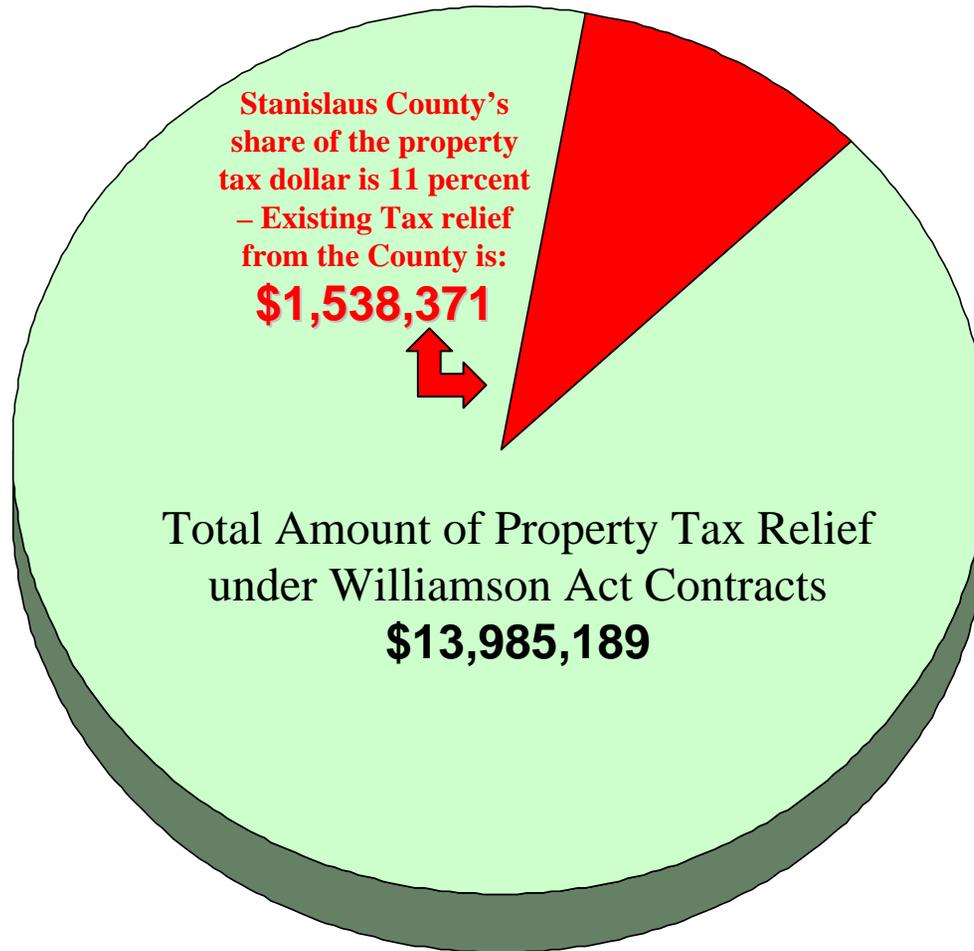
Under the Proposed 9-yr Contracts the county would receive **\$1,398,519** – all into the General Fund for Fiscal Year 2011/2012

**\$1,398,519** is 91 percent of Stanislaus County's actual foregone Property Tax revenue of \$1,538,371.

**SB 863 and the Williamson Act**

# Stanislaus County – Tax Relief Provided

Subvention  
Funding from  
the State  
2008-2009 =  
**\$1,480,351**



**SB 863 and the Williamson Act**

**Stanislaus County – Estimated 10%**

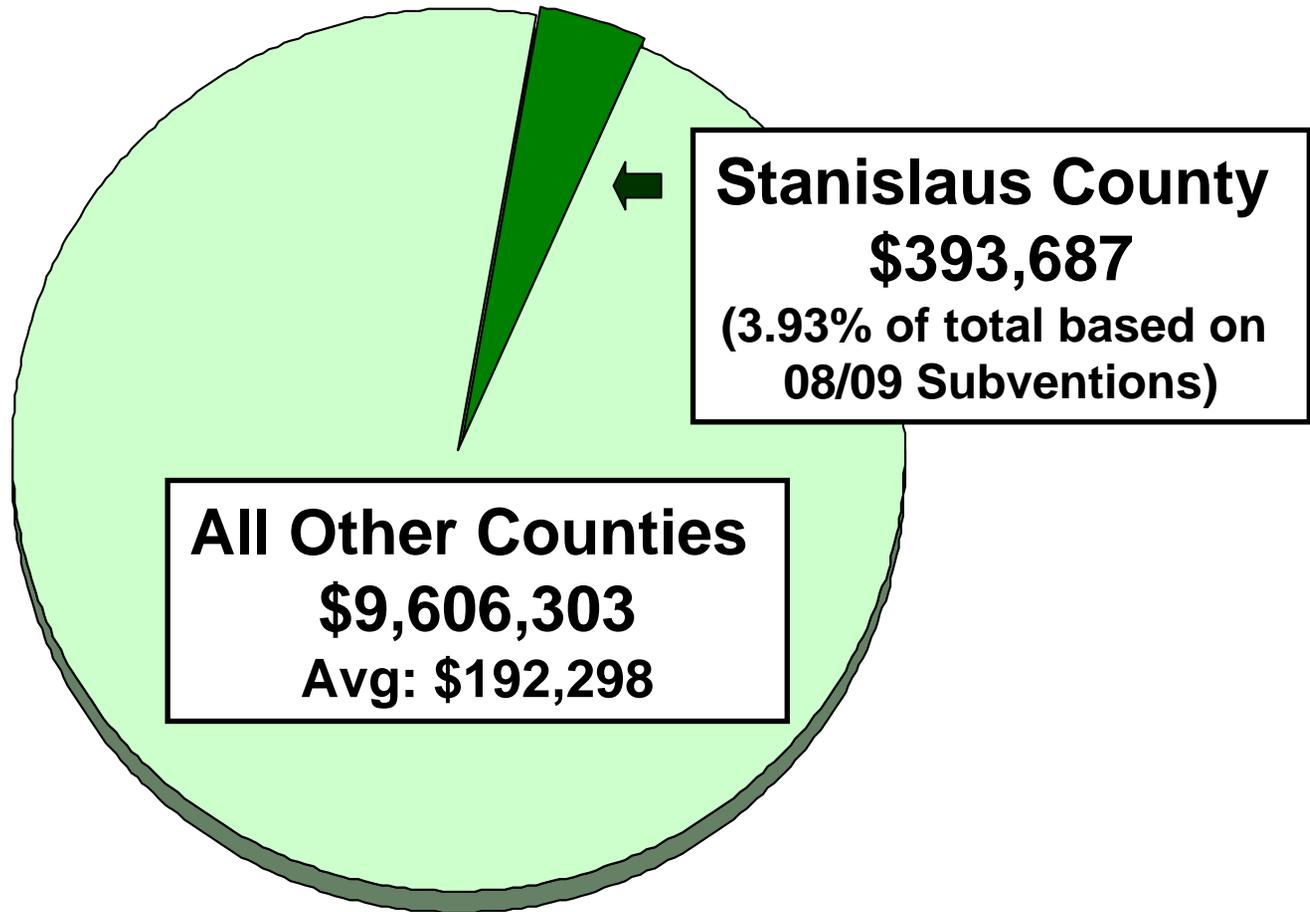
Subvention  
Funding from  
the State  
2008-2009 =  
**\$1,480,351**



**SB 863 and the Williamson Act**  
**Additional \$10M Appropriation**  
**FY 2010/2011**

SB863 also appropriates \$10,000,000 statewide for FY 2010/2011 for Subvention Payments to 52 Counties based on their Statewide percentage of Subventions received in 2008/2009.

**SB 863 and the Williamson Act**  
**Additional \$10M Appropriation**  
**FY 2010/2011**



## SB 863 and the Williamson Act

# \$10M Appropriation – FY 2010/2011

<b>County</b>	<b>2008-09 Subvention \$37,601,234 Statewide</b>	<b>Percentage Share of 2010-11 \$10M Appropriation</b>
Fresno	\$5,282,752	\$1,404,941
Kern	\$4,673,567	\$1,242,929
Tulare	\$3,440,425	\$914,977
Kings	\$2,532,142	\$673,420
San Joaquin	\$1,870,983	\$497,586
<b>Stanislaus</b>	<b>\$1,480,351</b>	<b>\$393,697</b>
Merced	\$1,438,964	\$382,691
Madera	\$1,344,846	\$357,660
Yolo	\$1,288,063	\$342,559
San Luis Obispo	\$1,088,988	\$289,615

**SB 863 and the Williamson Act**

**\$10M Appropriation + 9 Yr Contracts**

FY 2010/2011	\$ 393,697
<u>FY 2011/2012</u>	<u>\$1,398,519</u>
<b>TOTAL</b>	<b>\$1,792,216</b>

## SB 863 and the Williamson Act

# How SB 863 Would Impact Landowners

- Total of 8409 parcels under Williamson Act Contract
- Of those, approximately 7067 will be affected by the SB 863 Action
  - Between 20-50 Parcels under Williamson Act with additional issues that are not included
  - Others receive no benefit from Williamson Act and no effect would occur
- Based on 2010-2011 valuations, the total impact to landowners would be \$1,384,447 (this will change next year as we change assessed values)

## SB 863 and the Williamson Act

# How SB 863 Would Impact Landowners

- 4 parcels would have a "fee" of over \$5,000
- 0 parcels would have a "fee" of between 4k and 5k
- 4 parcels would have a "fee" of between 3k and 4k
- 18 parcels would have a "fee" of between 2k and 3k
- 114 parcels would have a "fee" of between 1k and 2k
- 450 parcels would have a "fee" of between \$500 and 1k
- 3,036 parcels would have a "fee" of between \$100 and \$500
- 3,441 parcels would have a "fee" of less than \$100
  
- The average fee would be \$196.

## SB 863 and the Williamson Act

# How SB 863 Would Impact Landowners

- If adopted, Landowners with Williamson Act parcels would have two choices:
  - 1. Accept the new decreased 9-year term and associated 10% decrease in benefits; or,
  - 2. File a Notice of Non-renewal, and accept the property tax consequences of a rapidly escalating assessed valuation.

## SB 863 and the Williamson Act

# Recommendations

1. Find that the County received less than one-half of the foregone property tax revenue pursuant to Government Code Section 16142.1(d)(1) for the 2009/10 fiscal year. (Stanislaus County received no subvention funding in FY 09/10 and expects to receive \$393,697 in FY 10/11 – Both less than  $\frac{1}{2}$  the foregone revenue of \$1,538,371)
2. Set a public hearing on November 9, 2010 at 9:10 A.M. to consider adoption of the implementation of the provisions authorized in SB 863 and outlined in subdivision (b) of Government Code Section 51244 and Section 51244.3.

## SB 863 and the Williamson Act

# Recommendations

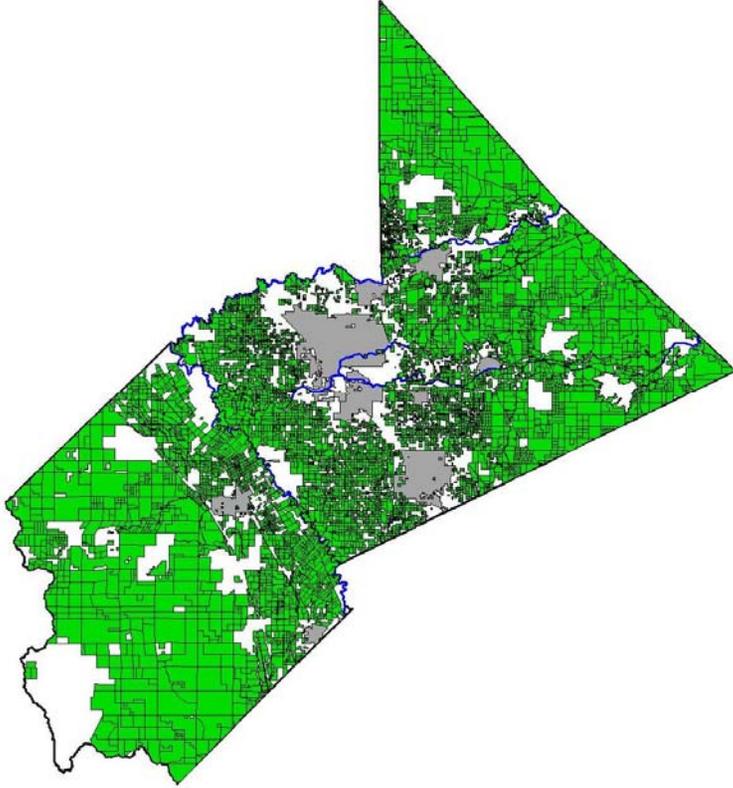
3. Direct staff to notify all contracted landowners of the following:

(A) The scheduled public hearing on November 9, 2010 at 9:10 A.M. to consider adoption of the implementation of SB863.

(B) The final decision of the Board of Supervisors after the conclusion of the November 9, 2010 public hearing.

(C) The landowner's right to prevent the reduction in the term of his or her contract by serving notice of non-renewal as specified by Government Code Section 51245.

## SB 863 and the Williamson Act



### Initial Steps to Implement SB863

- Find that Stanislaus County received less than  $\frac{1}{2}$  its foregone property tax revenue
- Set a Public Hearing for November 9, 2010 at 9:10 a.m. to consider a final decision
- Authorize Staff to Notify Williamson Act Landowners

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on November 9, 2010, at 9:10 a.m., or as soon thereafter as the matter may be heard, the Stanislaus County Board of Supervisors will meet in the Basement Chambers, Lower Level, 1010 10th St., Modesto, CA, to consider: **Authorization to implement SB863 to establish new Williamson Act contracts including reduction of property tax benefits and a related reduction of the term of the contracts to nine years, to be effective beginning calendar year 2011. PLEASE NOTE: You may elect to serve notice of nonrenewal instead of accepting a nine-year contract. You have the right to prevent the amendment of your contract pursuant to California Government Code by serving notice of nonrenewal as specified by Section 51244. Should you so choose, you may file notice of non-renewal through December 31, 2010 to be effective beginning calendar year 2011.**

NOTICE IS FURTHER GIVEN that at the said time and place, interested persons will be given the opportunity to be heard. Material submitted to the Board for consideration (i.e. photos, petitions, etc.) will be retained by the County. If a challenge to the above application is made in court, persons may be limited to raising only those issues they or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board. For further information call (209) 525-6330.

BY ORDER OF THE BOARD OF SUPERVISORS

DATED: October 26, 2010

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk of  
the Board of Supervisors  
of the County of Stanislaus,  
State of California

BY:

  
\_\_\_\_\_  
Elizabeth A. King, Assistant Clerk

PROOF OF SERVICE BY MAIL - CCP 1013a, 2015.5

I declare that: I am employed in the County of Stanislaus, California.

I am over the age of eighteen years and not a party to the within entitled cause; my business address is:

Stanislaus County Administration Building  
Department of Planning & Community Development  
1010 10<sup>th</sup> Street, Suite 3400  
Modesto, CA 95354

On October 27, 2010, I served the attached Notice of Public Hearing:  
(Date)

Implementation of SB 863 - Williamson Act Contracts on the parties listed below in said cause,  
by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid,  
in the United States mail at Modesto, California, addressed as follows:

SEE ATTACHED LIST

I declare under penalty of perjury that the foregoing is true and correct, and that this  
declaration was executed on October 27, 2010, at Modesto, California.  
(Date)

Brenda McCormick  
(Type or print name)

  
Signature



DEPARTMENT OF PLANNING & COMMUNITY DEVELOPMENT

1010 10<sup>TH</sup> Street, Suite 3400, Modesto, CA 95354  
Phone: 209.525-6330 Fax: 209.525.5911

October 26, 2010

## NOTICE OF PUBLIC HEARING REGARDING A MODIFICATION TO YOUR WILLIAMSON ACT CONTRACT

**NOTICE IS HEREBY GIVEN THAT** the Stanislaus County Board of Supervisors will hold a public hearing on **Tuesday, November 9, 2010**, starting at **9:10 A.M.** in the Joint Chambers, 1010 10<sup>th</sup> Street, Basement Level, Modesto, California, to consider the following:

**Authorization to implement SB863 to establish new Williamson Act contracts including reduction of property tax benefits and a related reduction of the term of the contracts to nine years, to be effective beginning calendar year 2011.**

At the above noticed time and place, all interested persons will be given an opportunity to speak.

Materials submitted to the Board of Supervisors for consideration (i.e., photos, slides, petitions, letters, etc.) will be retained by the County and cannot be returned.

If you challenge the above item in court, you may be limited to raising only those issues raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors, at or prior to, the public hearing.

**PLEASE NOTE: You may elect to serve notice of nonrenewal instead of accepting a nine-year contract. You have the right to prevent the amendment of your contract pursuant to California Government Code by serving notice of nonrenewal as specified by Section 51244. Should you so choose, you may file notice of non-renewal through February 1, 2011 to be effective beginning calendar year 2011.**

For further information, please call (209) 525-6330, or email: [planning@stancounty.com](mailto:planning@stancounty.com)

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**DECLARATION OF PUBLICATION  
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS  
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of **THE MODESTO BEE**, printed in the City of **MODESTO**, County of **STANISLAUS**, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of **STANISLAUS**, State of California, Under the date of **February 25, 1951, Action No. 46453**; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

Oct 28, 2010

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that on November 9, 2010, at 9:10 a.m., or as soon thereafter as the matter may be heard, the Stanislaus County Board of Supervisors will meet in the Basement Chambers, 1010 10th St., Modesto, CA, to consider: Authorization to implement SB863 to establish new Williamson Act contracts including reduction of property tax benefits and a related reduction of the term of the contracts to nine years, to be effective beginning calendar year 2011. PLEASE NOTE: You may elect to serve notice of nonrenewal instead of accepting a nine-year contract. You have the right to prevent the amendment of your contract pursuant to California Government Code by serving notice of nonrenewal as specified by Section 51244. Should you so choose, you may file notice of non-renewal through December 31, 2010 to be effective beginning calendar year 2011.

NOTICE IS FURTHER GIVEN that at the said time and place, interested persons will be given the opportunity to be heard. Material submitted to the Board for consideration (i.e. photos, petitions, etc.) will be retained by the County. If a challenge to the above application is made in court, persons may be limited to raising only those issues they or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board. For further information call (209) 525-6330.

BY ORDER OF THE BOARD OF SUPERVISORS.

DATED: October 26, 2010.

ATTEST: Christine Ferraro Tallman, Clerk of the Board of Supervisors of the County of Stanislaus, State of California.

BY: Elizabeth A. King, Assistant Clerk  
Pub Dates Oct 28, 2010

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I certify (or declare) under penalty of perjury  
That the foregoing is true and correct and that  
This declaration was executed at

**MODESTO, California** on

October 28th, 2010

(By Electronic Facsimile Signature)

*Maie Hickman*