

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

DEPT: Planning and Community Development 10

BOARD AGENDA # B-8

Urgent Routine

AGENDA DATE August 2, 2011

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Ratify Actions Taken By the Board of Supervisors on October 26, 2010 and November 9, 2010 to Implement Shorter Williamson Act Contracts in Return for a Reduction in Landowner's Property Tax Relief in Calendar Year 2011 and Related Actions Under AB 1265 (Formerly SB 863)

STAFF RECOMMENDATIONS:

1. Reaffirm the October 26, 2010 finding 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 2009-2010 Fiscal Year.
2. Reapprove the implementation of AB 1265 (Formerly SB 863) to establish new Williamson Act contracts including a reduction of property tax benefits by ten percent and a related reduction of the term of the contracts to nine years, to be effective beginning calendar year 2011.

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FISCAL IMPACT:

The implementation of AB 1265 (formerly SB 863) is anticipated to increase the County's General Fund revenue for Fiscal Year 2011-2012 by up to \$1,361,671. Fiscal impacts associated with the costs of noticing landowners, conducting a public hearing, and recording a notice to affected parcels were realized in Fiscal Year 2010-2011. Costs associated with the continuing implementation of AB 1265 will be funded out of existing budgeted appropriations for the respective County Departments responsible for implementation.

BOARD ACTION AS FOLLOWS:

No. 2011-466

On motion of Supervisor Chiesa, Seconded by Supervisor Withrow

and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: O'Brien and DeMartini

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION: County Counsel determined that Supervisors O'Brien, Chiesa, Withrow and DeMartini have disqualifying conflicts of interest with agenda item B-8 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 Supervisor Chiesa and Supervisor Withrow drew long straws and thus participated in the decision.

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

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STAFF RECOMMENDATIONS: (Continued)

3. Redirect the Assessor, Auditor-Controller, Treasurer-Tax Collector, and Director of Planning and Community Development to take all necessary steps to implement AB 1265 (Formerly SB 863) including but not limited to making the appropriate modifications to all affected properties assessed values, and modifying the Fiscal Year 2011-2012 tax bills to reflect the assessment changes and supplemental fees associated with the reduced tax benefit.

DISCUSSION:

SB 863, enacted by the State in 2010, provided an opportunity for counties to offset a portion of the loss of Williamson Act Subvention funds by establishing a local self-help subvention program. SB 863 was eventually repealed by SB 80 in March of 2011. On July 15, 2011, AB 1265 was enacted into law. AB 1265, approved as an urgency status, provides for essentially the same opportunities as SB 863 and has a retroactive effective date of January 1, 2011. The intent of the retroactive effective date was to allow the counties which implemented SB 863 to move forward with implementation in Fiscal Year 2011-2012 in accordance with the actions taken to implement SB 863. Eight (8) counties, including Stanislaus County, implemented SB 863 for Fiscal Year 2011-2012. This item is simply a request to ratify previous actions taken by the Board of Supervisors on October 26, 2010 and November 9, 2010 to allow the continued implementation of SB 863 as allowed under AB 1265.

AB 1265 is essentially a local self-help subvention program which allows counties to voluntarily implement new contracts that are ten percent shorter in return for a ten percent reduction in the landowner's property tax relief. The increased revenues resulting from the reduction in the landowner's property tax relief are transferred directly in the County's General Fund. If a landowner does not want to participate in a shorter contract with its reduced level of benefit, the landowner has the option to non-renew the contract. Counties are eligible to participate if they 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 previous fiscal year. AB 1265 is a temporary solution remaining in effect only until January 1, 2016.

For Fiscal Year 2011-2012, all of the necessary actions required to be taken by the County under AB 1265, the same actions required previously under SB 863, have already been completed. Those actions include providing affected landowners with a notice of the November 9, 2010 Board of Supervisors public hearing to consider implementation of the program, a second notice informing landowners of the Board's decision, an extension of the date to file non-renewal to February 1, 2011, and the recording of a list of all affected properties.

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Approval of this item will only allow the County to continue to move forward with the implementation of AB 1265 for Fiscal Year 2011-2012. Separate action(s) to implement AB 1265 in future years will be brought to the Board of Supervisors for consideration at a later date.

POLICY ISSUES:

The ratification of actions taken in 2010 furthers the Board's priorities of Efficient Delivery of Public Services, A Strong Agricultural Economy/Heritage, and A Strong Local Economy by allowing Stanislaus County to continue offering the Williamson Act with some local recovery of lost State Subvention funds in Fiscal Year 2011-2012.

STAFFING IMPACT:

There are no staffing impacts associated with this request. Existing staff from the Auditor-Controller, Assessor, Planning and Community Development, and Treasurer-Tax Collector will be involved in the continued implementation of the program.

CONTACT PERSON:

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