

Date of Hearing: April 19, 2017

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 1564 (Arambula) – As Amended March 28, 2017

**SUBJECT:** Agricultural preserves: Williamson Act.

**SUMMARY:** Makes numerous technical and updating changes to the Williamson Act. Specifically, **this bill:**

- 1) Requires a county board or city council to include rules on partial cancellation and partial non-renewal of Williamson Act land contracts.
- 2) Narrows the evaluation criteria for proposed agricultural conservation easements, from a focus on five of 12 criteria, to only the five criteria, which are:
  - a) The quality of the agricultural land, based on land capability, farmland mapping and monitoring program definitions, productivity indices, and other soil, climate, and vegetative factors;
  - b) The city or county demonstrates a long-term commitment to agricultural land conservation as demonstrated by the following:
    - i) The general plan and related land use policies of the city or county;
    - ii) Policies of the local agency formation commission (LAFCO);
    - iii) California Environmental Quality Act policies and procedures;
    - iv) The existence of active local agricultural land conservancies or trusts;
    - v) The use of an effective right-to-farm ordinance;
    - vi) Applied strategies for the economic support and enhancement of agricultural enterprise, including water policies, public education, marketing support, and consumer and recreational incentives; and,
    - vii) Other relevant policies and programs.
  - c) The land proposed for conservation is within two miles outside of the exterior boundary of the sphere of influence of a city as established by the LAFCO;
  - d) The applicant demonstrates fiscal and technical capability to effectively carry out the proposal. Technical capability may be demonstrated by agricultural land conservation expertise on the governing board or staff of the applicant, or through partnership with an organization that has that expertise; and,

- e) The conservation of the land supports long-term private stewardship and continued agricultural production in the region.
- 3) Makes numerous technical and clarifying changes and deletes obsolete provisions.

**EXISTING LAW:**

- 1) Creates the Williamson Act, also known as the California Land Conservation Act of 1965, which authorizes cities and counties to enter into agricultural land preservation contracts with landowners who agree to restrict the use of their land for a minimum of 10 years in exchange for lower assessed valuations for property tax purposes.
- 2) Creates Farmland Security Zones which authorizes cities and counties to allow agricultural land preservation contracts with landowners who agree to restrict the use of their land for a minimum of 20 years in exchange for lower-assessed valuations for property tax purposes. The lowered assessed value, under Farmland Security Zones, is greater than under the Williamson Act.
- 3) Provides that no agreement to rescind a contract and simultaneously place other specified land under contract may take effect until it is approved by the Secretary of Resources, as specified.
- 4) Requires that no city or county enter into new or renew a Williamson Act contract for land zoned as timberland after February 28, 1977.
- 5) Requires the county board of supervisors or city council to pay particular attention to specified criteria when evaluating land for a Williamson Act contract.

**FISCAL EFFECT:** This bill is keyed fiscal.

**COMMENTS:**

- 1) **Bill Summary.** This bill makes a number of technical, updating and clarifying changes to the Williamson Act. This bill requires a county board or a city council to adopt rules for partial cancellation and partial non-renewal of Williamson Act Contracts. This bill eliminates most references to the program's lesser known title, the California Land Conservation Act of 1965, in favor of the Williamson Act. This bill eliminates a duplicate version of a code section that establishes the State's approval process to rescind a Williamson Act contract and simultaneously place the land under a conservation easement, and narrows the criteria that are used to evaluate placing Williamson Act land under a conservation easement. This bill also eliminates obsolete sections related to the payment of Open-Space Subventions in fiscal years 1977-89 and 2010-11, and eliminates obsolete references to timberland production, which lost eligibility for the program in 1977.

This bill is sponsored by the author.

- 2) **Author's Statement.** According to the author, "The Williamson Act has served as a valuable tool in protecting California's rich agricultural lands and open spaces. As the nation's leader in agricultural production, California must protect its fertile agricultural lands that allow us to feed the world. Bringing all stakeholders together to work on the best

possible updates to the Williamson Act will assure that we continue to protect our state's economic resources. Reforming the Williamson Act will improve the program's capacity to continue protecting the State's agricultural lands, will support smart growth development and the Governor's climate change goals, and will protect our long term food security."

- 3) **Background.** The Williamson Act conserves agricultural and open space land by allowing private property owners to sign voluntary contracts with counties and cities, enforceably restricting their land to agriculture, open space, and compatible uses. In return, county assessors must reduce the assessed value of the contracted lands to reflect their use as agriculture or open space instead of assessing them at market value. Approximately 16.6 million acres are under Williamson Act contracts. Williamson Act contracts generally run for 10 years, but the duration is 20 years under more restrictive Farmland Security Zones. The contracts automatically renew each year, unless an action is taken to non-renew or cancel the contract, as specified.

According to the author, this bill represents the first step in a stakeholder process to reform and modernize the Williamson Act. The California Department of Conservation (DOC) has convened stakeholder meetings to discuss reforms to the Williamson Act. The stakeholder process will consider significant problems currently facing the program, including compatibility issues, important definitions, eligibility, and various processes to terminate a contract, the program's tax incentives, reporting requirements, and contract compliance.

According to the author, the changes in this bill, which is a work in progress, are a noncontroversial starting point. As the DOC stakeholder meetings work out further issues that can fix and update the Williamson Act, the author plans to make changes to this bill to reflect the consensus of the stakeholder groups.

- 4) **Arguments in Support.** None on file.
- 5) **Arguments in Opposition.** None on file.
- 6) **Double-Referral.** This bill was heard by the Assembly Agriculture Committee on April 5, 2017, where it passed with a 9-0 vote.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

None on file

##### **Opposition**

None on file

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