

Date of Hearing: April 20, 2022

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 1773 (Patterson) – As Introduced February 3, 2022

SUBJECT: Williamson Act: subvention payments: appropriation.

SUMMARY: Appropriates \$40 million from the General Fund (GF) for the 2022-2023 fiscal year to make Williamson Act subvention payments to counties for losses counties incur from reduction of assessed property taxes.

EXISTING LAW: 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.

FISCAL EFFECT: This bill is keyed fiscal.

COMMENTS:

- 1) **Bill Summary and Author’s Statement.** This bill appropriates \$40 million from the GF to make Williamson Act subvention payments to counties for losses counties incur from reduction of assessed property taxes. This bill is sponsored by the author.

According to the author, “The Williamson Act has been effective at protecting over 16.5 million acres of land in California. However, these conservation efforts are at risk the longer the state goes without funding subvention payments. Without funding, the state’s goal of preserving agricultural and open space lands from development is at risk. The time to reinstate funding for these subvention payments is now.”

- 2) **Background.** The California Land Conservation Act of 1965, also known as the Williamson Act, is a program administered by the Department of Conservation to conserve agricultural and open space land. The Williamson Act allows private property owners within “an agricultural preserve” to sign voluntary contracts with counties and cities that restrict their land to agriculture, open space, and compatible uses for the next 10 years. These agricultural preserves are areas where a county, or less often a city, wants to protect and promote agricultural uses. To establish an agricultural preserve, the board of supervisors or city council must adopt a resolution that describes the area covered by the preserve.

Williamson Act contracts automatically renew each year, so that the term is always 10 years in the future. In return for these voluntary contracts, county assessors lower the value of Williamson Act contracted lands to reflect the value of their use as agriculture or open space instead of their market value under Proposition 13 (1978).

Historically, the state made subvention payments to counties to make up for a portion of the resulting losses in local property tax revenue from Williamson Act contracts. However, the state stopped making subvention payments in fiscal year 2009-10 in response to budgetary pressures.

- 3) **Previous Legislation.** AB 2632 (Patterson) of 2020 was identical to this bill, but for the relevant fiscal year. AB 2632 was held in the Agriculture Committee.
- 4) **Arguments in Support.** The California State Association of Counties and the Rural County Representatives of California, in support, state, “In a time where increasing land prices can offer a tempting reason for owners to parcel and subdivide crucial farmland and open space, the tax relief Williamson Act contracts provide offer even more enticing benefits to keeping working lands working, open and contiguous for the wildlife and agriculture that depend on them—and the counties and towns that depend on the promised funds from the state.

“The Williamson Act was intended to be a partnership among the State, counties, and landowners. Counties, in exchange for implementing the state goal of farm and ranch land preservation, were to receive a partial replacement of their foregone property tax from the land enrolled in the program. State subventions have not been paid to counties since 2009. Without these payments, counties have struggled to fully fund public priorities, such as public safety staffing. State subventions were one of California rural counties’ few discretionary revenue sources for local programs, including public safety.

“Until it was eliminated in the 2009-10 state budget, state funding for Williamson Act subventions ranged between \$35 million and \$39 million. We strongly believe that reviving state funding for this program is a cost-effective way to preserve agricultural and open space lands. For the reasons stated, we urge the Legislature and the Governor to recommit and once again partner with counties and landowners to preserve these important lands by funding the Williamson Act Subvention Program in the 2022-2023 State Budget, as AB 1773 directs.”

- 5) **Arguments in Opposition.** None on file
- 6) **Double-Referral.** This bill is double-referred to the Agriculture Committee, where it passed on a 9-0 vote on April 6, 2022.

REGISTERED SUPPORT / OPPOSITION:

Support

Association of California Egg Farmers
 Butte County
 Butte Local Agency Formation Commission
 California Association of Local Agency Formation Commissions
 California Association of Wheat Growers
 California Association of Winegrape Growers
 California Bean Shippers Association
 California Cattlemen's Association
 California Farm Bureau Federation
 California Grain and Feed Association
 California Pear Growers Association
 California Seed Association
 California State Association of Counties
 California State Floral Association
 California Warehouse Association

Colusa County
Fresno County
Local Agency Formation Commission of Napa County
Madera County
Pacific Coast Rendering Association
Pacific Egg & Poultry Association
Rural County Representatives of California
Sacramento County
Siskiyou County
Solano County
Tulare County
Ventura County
Western Growers Association
Yolo County

Opposition

None on file

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