



# COUNTY OF YOLO

Office of the County Administrator

*Sharon Jensen*  
County Administrator

625 Court Street, Room 202 Woodland, CA 95695  
(530) 666-8150 FAX (530) 668-4029  
www.yolocounty.org

## **WILLIAMSON ACT REFORM**

Proposed by Yolo County

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### ***Problem:***

The Governor and the Legislature are considering elimination of subventions for the Williamson Act program, an important farmland and open space preservation tool for counties. State decision makers argue that farmland preservation is a county responsibility and therefore counties should pay for the program. In addition, they argue the Williamson Act is not working efficiently because it is abused by landowners who intend to use the land for activities other than agriculture. The Governor and the Legislature should reform the Act, not eliminate it.

The Williamson Act helps to prevent the proliferation of ranchettes. Ranchettes impede agricultural production by creating small parcels with big homes that are difficult to farm. Without the Williamson Act, farmers have more incentive to sell to the increasing number of people seeking a rural lifestyle. Land already sells in Yolo County for far above its worth as farmland because of such sales of rural property; often the payments on farmland are more than the farmer can earn from agricultural production. Without the Williamson Act, the cost of owning agricultural land will further increase and accelerate the sale of agricultural land to non-farmers. The Williamson Act also helps prevent development on the urban fringe.

Since Yolo County has directed growth to cities and protected agricultural land and open space, the county does not have the revenue to replace Williamson Act subventions. If the Legislature eliminates the subventions, Yolo County must non-renew contracts and increase property taxes on 700 square miles of productive agricultural land. The increase in property taxes will not fully compensate counties for the loss of subventions, however. Counties shares property taxes with other jurisdictions, but not Williamson Act subventions. The subventions therefore act as a reward to counties who implement responsible land use planning. If subventions are eliminated, counties will need to approve rural development to replace the lost revenue for county services.

Elimination of Williamson Act subventions would punish counties who have worked hard to direct growth to cities and protect agricultural land and open space, consistent with such state policies as greenhouse gas emission reduction, (AB 32, Nunez), regional land use and transportation planning (SB 375, Steinberg), and natural community conservation planning (SB 107, Sher).

### ***Potential solutions:***

Yolo County is in the process of discussing reform proposals with other parties, including:

- ***Increase local enforcement authority.*** Problem: Enforcement of the Act is inadequate because the non-renewal process is onerous. Solution: Eliminate the protest provision and escalate property tax increases when a contract is non-renewed for non-compliance. Currently, the county can non-renew a contract for non-compliance, but the landowner can protect their tax benefits for four years by filing a protest. Even when a non-renewal is

successfully activated, property taxes increase to market rate over a 10-year period. The protest provision should be eliminated or limited to one year and the property taxes should increase to the full market rate within three years, rather than the current 10-year period.

- ***Provide local resources for enforcement.*** Problem: Counties do not have the resources to enforce the Act. Solution: Allow counties to keep a portion of the subvention savings when a contract is non-renewed for continued enforcement efforts. Right now the subventions are eliminated as soon as a contract is non-renewed, even though it takes 10 years for property taxes to reach market rate.
- ***Increase education efforts.*** Problem: Many property owners buy property under Williamson Act contract without fully understanding the responsibilities associated with the contract and the potential to lose the property tax benefit for non-compliance. Solution: As enforcement efforts increase, so should education efforts. The Legislature could require a disclosure statement in property transfer documents, similar to provisions related to right-to-farm ordinances in AB 2881 (Wolk), regarding Williamson Act compliance.
- ***Require proof of agricultural income for Williamson Act contracts.*** Problem: People who are not farming are still benefiting from the Williamson Act and it will be hard for enforcement efforts to catch all of the people in non-compliance. Solution: Landowner must submit regular proof of agricultural income to the county Assessor's office to demonstrate they are farming the property. The Assessor currently sends out a survey every year, but the response rate is low because there is no incentive to return it.