



RESOURCE MANAGEMENT AGENCY COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: July 7, 2020 – REVISED

Public Hearing Required	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Published Notice Required	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Advertised Published Notice	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>

CONTACT PERSON: Celeste Perez PHONE: 559-624-7010

SUBJECT: Williamson Act – Lifting the Moratorium on New Contracts and Establishing New Application Fees

REQUEST(S):

That the Board of Supervisors:

1. Conduct a public hearing to consider the establishment of new application fees.
2. Approve the new application fees of: \$1,000 for Agricultural Preserve/Farmland Security Zone Formation or Enlargement and \$500 for Agricultural Preserve/Farmland Security Zone Contract or Reinstatement to take effect September 7, 2020;
3. Rescind Resolution No. 2009-0716 and lift the moratorium on accepting and processing new agricultural preserves and Williamson Act contracts;
4. For the year 2020, extend the deadline to submit an application until the thirtieth day of September and defer the application fee until scheduling the Board hearing date; and
5. Approve a Categorical Exemption consistent with the California Environmental Quality Act (CEQA) Title 14 California Code of Regulations (CCR), Section 15061(b)(3) Common Sense Exemption.

SUMMARY:

On July 28, 2009, Governor Schwarzenegger vetoed the Williamson Act Program subvention payments to participating Counties, eliminating all but \$1,000 in funding.

SUBJECT: Williamson Act – Lifting the Moratorium on New Contracts and Establishing New Application Fees

DATE: July 7, 2020

This was a loss of \$3.4 million in funding to Tulare County on an annual basis. During the month of August 2009, the Resource Management Agency (RMA) provided the Board an overview of alternatives, a Williamson Act Stakeholders Group formed and held meetings. With the elimination of current subvention funding and uncertainty of any future subvention, the Board of Supervisors imposed a moratorium on accepting and processing new agricultural preserves and Williamson Act contracts. In addition, the Board initiated nonrenewal of substandard Williamson Act parcels. There are now alternatives to the eliminated subvention that is providing more tax revenue than what was lost in the elimination of state subvention payments.

SUBVENTION FUNDING

Subvention funds from the state, intended to partially replace local tax revenue lost from the Williamson Act, ended in Fiscal Year 2008/09. Assembly Bill (AB) 1265, originally passed in 2011, allows counties to shorten Williamson Act contract terms by 10 percent and includes a 10 percent reduction of the property tax relief provided by the counties to the landowners pursuant to the Williamson Act. The reduction of tax relief is calculated and placed on the landowner's tax bill as AB 1265 charges that go straight to the county's general fund. AB 1265 charges have grown annually and now surpass the loss of \$3.4 million in subvention payments.

AB 1265 charges:

2018/19	\$4,157,345
2017/18	\$3,339,659
2016/17	\$3,118,689
2015/16	\$2,758,429
2014/15	\$2,503,889
2013/14	\$2,543,601

Senate Bill (SB) 1353 removed the 2015 sunset date and the provisions in AB 1265 are now permanent.

WILLIAMSON ACT FEE SCHEDULE

The RMA 2020/21 Fee Schedule does not include the application fees to process new agricultural preserves and Williamson Act contracts. The proposed application fees:

Agricultural Preserve/Farmland Security Zone Formation or Enlargement	\$1,000
Agricultural Preserve/Farmland Security Zone Contract or Reinstatement	\$500

The RMA internally analyzed the steps in processing the applications and proposed fees based on a time recovery methodology. The proposed fees do not include additional fees, if any, imposed by other departments. The RMA carefully reviews all fees annually to determine if adjustments are required, either up or down, prior to

SUBJECT: Williamson Act – Lifting the Moratorium on New Contracts and Establishing New Application Fees
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presenting the RMA fee schedule for adoption to the Board of Supervisors at a public hearing on or before April thirtieth of each calendar year.

Notice of the hearing regarding the fees was published in the Visalia Times-Delta on June 26, 2020 and July 3, 2020.

IMPLEMENTATION TIMELINE

Landowners wishing to file under the Williamson Act are processed through a three-step program as follows:

Step I – The Board of Supervisors creates an Agricultural Preserve at the request of the landowner. The deadline for filing applications for establishment and expansion of Agricultural Preserves and Farmland Security Zones is thirty-first day of August of each calendar year. A public hearing before the Board of Supervisors is scheduled on or before October thirty-first of each calendar year to consider and approve Agricultural Preserves.

Step II – The landowner enters into a contract with the County agreeing to abide by the Uniform Rules of the preserve as established by the Board of Supervisors. The deadline for the return of properly executed Contracts is the fifteenth day of November of each calendar year.

Step III – Preferential tax treatment accorded by the County to any land within a preserve that is also under a contract. The effective date of beneficial tax treatment is the first day of January of each calendar year.

ONE-TIME ALLOWANCES

If the Board of Supervisors chooses to lift the moratorium, staff recommends special one-time allowances in order to better service those wanting to enroll land in the Williamson Act and receive beneficial tax treatment in 2021. Pursuant to Government Code, fees take effect 60 days from adoption. Therefore, staff is recommending deferring payment of application fees until the scheduling of the Board of Supervisors hearing date rather than at the time of application submittal. Additionally, as the deadline is rapidly approaching, staff recommends an extending the deadline to submit applications from August 31, 2020 until September 30, 2020. These are one-time special allowances for the year 2020 only.

The RMA should be ready to provide and receive completed applications starting July 13, 2020.

BACKGROUND

A primary goal within the Agricultural Element of the General Plan is long-term preservation of productive and potentially productive agricultural lands. The County

SUBJECT: Williamson Act – Lifting the Moratorium on New Contracts and Establishing New Application Fees

DATE: July 7, 2020

has three (3) primary tools to guard against the premature conversion of agricultural land to urban uses. These include the Zoning Ordinance, Rural Valley Lands Plan (RVLP), and the Williamson Act.

The Williamson Act is a partnership between landowners, counties, and the state. Landowners agree to forego the possibility of developing their land in return for lower property taxes while the counties agree to give up a portion of their property tax revenue in return for the advantages of keeping rural land in agricultural production. Since the moratorium went into effect in 2009, there has been landowner interest and inquiries into placing land into the Williamson Act.

OPEN SPACE SUBVENTION ACT

The Open Space Subvention Act (OSSA) was enacted on January 1, 1972, to provide for the partial replacement of local property tax revenue foregone as a result of participation in the California Land Conservation (Williamson) Act and other enforceable open space restriction programs (Government Code §16140 et seq.). Participating local governments receive annual payment based on the number of acres, quality (soil type and agricultural productivity), and, for Farmland Security Zone contracts, location (proximity to a city) of land enrolled under eligible enforceable open space restrictions. Essentially, \$5 per acre for contracted prime farmland and \$1 per acre nonprime farmland (grazing, non-irrigated, open space).

The historic average for certified entitlements was \$23.3 million per year between the Fiscal Years of 1972 and 2008. In Fiscal Year 2008, the total statewide subvention entitlement was \$34 million of which Tulare County received \$3.4 million. Revenue shortfalls during the recession resulted in a reduction in subvention payments beginning in Fiscal Year 2009, when payments were reduced to a total of \$1,000 statewide of which Tulare County received \$98. There have been no subvention payments since Fiscal Year 2010.

As a direct result of the loss of \$3.4 million in annual subvention payments to Tulare County, the Board of Supervisors by Resolution No. 2009-0716 (Attachment 1), took the following actions:

- Imposed a moratorium on accepting and processing new agricultural preserves and Williamson Act contracts.
- Initiated nonrenewal of substandard Williamson Act parcels. A County initiated batch nonrenewal of two hundred fifty-five (255) substandard prime farmland parcels consisting of 1,244 acres occurred by Board direction in 2010. Prior to a second and potentially larger batch nonrenewal consisting of substandard nonprime farmland parcels, legislation passed that allowed the County to recapture some of the lost subvention payments.

SUBJECT: Williamson Act – Lifting the Moratorium on New Contracts and Establishing New Application Fees
DATE: July 7, 2020

ALTERNATIVE WILLIAMSON ACT FINANCING PROGRAMS

SENATE BILL (SB) 863

The bill authorized 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 provided that any increased revenues generated by properties under the new contract terms shall be paid to the county. The bill provided that a landowner may choose to nonrenew and begin the cancellation process. SB 863 had a sunset date of January 1, 2015. On November 30, 2010, the Board of Supervisors adopted the provisions of SB 863 by Resolution No 2010-0926. The language of SB 863 was eliminated with the passage of Governor Brown's budget bill (SB 80) in 2011.

ASSEMBLY BILL (AB) 1265

Passed in 2011, AB 1265 re-instates the Williamson Act subvention program established in SB 863 that provides if the state's open subventions are less than 1/2 of the participating county's actual foregone general fund property tax revenue a county can implement shorter Williamson Act contracts and increase the assessed values. AB 1265 has allowed Tulare County to collect additional property tax revenue to offset the loss of state Williamson Act subventions. During the past 2 years, Tulare County collection of AB 1265 charges has surpassed the loss in subvention payments. AB 1265 had a January 1, 2015, sunset date.

Senate Bill (SB) 1353

SB 1353 repealed the January 1, 2015 expiration date in AB 1265 and made permanent this alternative funding mechanism for Williamson Act contracts.

FEE ANALYSIS

Application fees for Agricultural Preserves, Farmland Security Zones and contracts are not currently on the fee schedule because of the existing moratorium and not been adjusted for decades. By way of comparison, a Notice of Nonrenewal was \$88 and is currently \$460.

Formation or Enlargement of Agricultural Preserves and Farmland Security Zones

The most recent fees were adopted 19 years ago on December 2, 2001; ranging from \$350 to \$730 depending upon number of property owners. Staff is proposing to simplify by having one flat fee based on the estimated time to process the application and bring to the Board of Supervisors for approval. Estimated processing time is

SUBJECT: Williamson Act – Lifting the Moratorium on New Contracts and Establishing New Application Fees
DATE: July 7, 2020

equivalent to a Lot Line Adjustment. Therefore, the recommended fee:

Agricultural Preserve/Farmland Security Zone Formation or Enlargement \$1,000

Contract or Contract Reinstatement

The most recent contract fee was adopted 29 years ago on July 9, 1991, \$125 per contract and \$85 contract reinstatement. Staff is proposing to simplify by having one flat fee, as both require the same amount of time to process the application and bring to the Board of Supervisors for approval. Estimated processing time is equivalent to a Minor Modification to a Special Use Permit. Therefore, the recommended fee:

Agricultural Preserve/Farmland Security Zone Contract or Reinstatement \$500

ALTERNATIVES

Maintain the moratorium on new Williamson Act preserves and contracts. Additionally, do not adopt new application fees for Agricultural Preserves, Farmland Security Zones and contracts.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The Environmental Assessment Officer of the Tulare County Resource Management Agency has found there is no substantial evidence the lifting the moratorium will have a significant effect on the environment and determined a Categorical Exemption consistent with the California Environmental Quality Act (CEQA) Title 14 California Code of Regulations (CCR), Section 15601(b)(3), the Common Sense Exemption is appropriate. A Notice of Exemption was prepared in compliance with the California State Guidelines for Implementation of CEQA (Attachment 2).

The Environmental Assessment Officer, designee, will file the Notice of Exemption with the Tulare County Clerk if the Board rescinds Resolution No. 2009-0716 and lifts the moratorium on accepting and processing new agricultural preserves and Williamson Act contracts.

FISCAL IMPACT/FINANCING:

The County of Tulare recaptures a portion of forgone general fund tax revenue by increased assessments under AB 1265. These AB 1265 charges are now greater than the forgone annual subvention payments. Nevertheless, there will be an undeterminable but limited reduction in property tax revenue.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

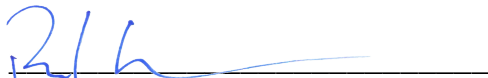
The County's five-year strategic plan includes the "Economic Well Being Initiative – New agricultural preserves will continue to protect the County's agricultural economy, and to promote the continuation of the agriculture, by creating flexibility for farmers, while implementing the Sustainable Groundwater Management Act.

SUBJECT: Williamson Act – Lifting the Moratorium on New Contracts and
Establishing New Application Fees
DATE: July 7, 2020

ADMINISTRATIVE SIGN-OFF:



Michael Washam
Associate Director



Reed Schenke, P.E.
Director

Cc: County Administrative Office

Attachment(s)

Attachment 1: Resolution 2009-0716, Agenda Item, and Staff Report (August 25, 2009)
Attachment 2: Notice of Exemption

BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF WILLIAMSON ACT –)
LIFTING THE MORATORIUM ON NEW) Resolution No. _____
CONTRACTS AND ESTABLISHING NEW)
APPLICATION FEES)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD JULY 7, 2020 BY THE
FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

1. Conducted a public hearing to consider the establishment of new application fees.
2. Approved the new application fees of: \$1,000 for Agricultural Preserve/Farmland Security Zone Formation or Enlargement and \$500 for Agricultural Preserve/Farmland Security Zone Contract or Reinstatement to take effect September 7, 2020;
3. Rescinded Resolution No. 2009-0716 and lifted the moratorium on accepting and processing new agricultural preserves and Williamson Act contracts;
4. For the year 2020, extended the deadline to submit an application until the thirtieth day of September and deferred the application fee until scheduling the Board hearing date; and
5. Approved a Categorical Exemption consistent with the California Environmental Quality Act (CEQA) Title 14 California Code of Regulations (CCR), Section 15061(b)(3) Common Sense Exemption.

Attachment “1”

**Resolution 2009-0716, Agenda Item, and Staff Report
(August 25, 2009)**

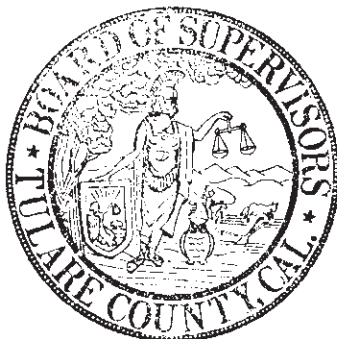
BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF TULARE)
COUNTY WILLIAMSON ACT)
PROGRAM: OPTIONS FOR FISCAL)
YEAR 2009/2010 WORK PROGRAM)
AND FUTURE YEARS)

RESOLUTION NO. 2009-0716

UPON MOTION OF SUPERVISOR VANDER POEL, SECONDED BY SUPERVISOR WORTHLEY, THE FOLLOWING WAS ADOPTED BY THE BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD AUGUST 25, 2009, BY THE FOLLOWING VOTE:

AYES: SUPERVISORS ISHIDA, VANDER POEL AND COX
NOES: NONE
ABSTAIN: NONE
ABSENT: SUPERVISOR WORTHLEY AND ENNIS



ATTEST: JEAN M. ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: *Raquel A. Ybarra*
Deputy Clerk

1. Received update from staff on the Williamson Act Program Stakeholders Group meeting held on August 19, 2009;
2. Reviewed options for modification of the Williamson Act Program;
3. Imposed a moratorium on accepting and processing new agricultural preserves and Williamson act contracts.
4. Directed staff to initiate nonrenewal of substandard Williamson Act parcels and establish an internal process for determining the agricultural viability of substandard parcels.
5. Directed staff to continue to research options and the long term implications of the Williamson Act program.

RMA
Assessor
CAO

DAY
8/27/09



**RESOURCE MANAGEMENT AGENCY
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

ALLEN ISHIDA
District One

PETE VANDER POEL
District Two

PHILLIP A. COX
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: August 25, 2009

Public Hearing Required	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Resolution, Ordinance or Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s) Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>						

CONTACT PERSON: David Claxton PHONE: 624-7000

SUBJECT: Update from the Tulare County Williamson Act Program Stakeholders group meeting and direction to staff

REQUEST(S):

That the Board of Supervisors:

1. Receive update from staff on the Williamson Act Program Stakeholders meeting held on August 19, 2009;
2. Review options for modification of the Williamson Act Program; and
3. Direct staff to initiate selected options for Williamson Act Work Program for 2009/2010 and future years.

SUMMARY:

On July 28, 2009, Governor Schwarzenegger vetoed the Williamson Act Program subvention payments to participating Counties, eliminating all but \$1,000 in funding. This is a loss of \$3.4 million in funding to Tulare County on an annual basis.

On August 11, 2009, Resource Management Agency (RMA) staff provided an overview of alternatives for the Tulare County Williamson Act Program and sought direction of staff, attached.

On August 19, 2009, the first meeting of a Williamson Act Program Stakeholders Group was held at the Resource Management Agency.

With the elimination of subvention for this fiscal year and uncertainty of any future subvention, it is requested that your Board consider available options and provide direction to staff.

SUBJECT: Tulare County Williamson Act Program Options for Fiscal Year 2009/10
and Future Years
DATE: August 25, 2009

There are several options for modifications of the Williamson Act Program available to your Board. These include, but are not limited to:

- 1) Moratoriums on new agricultural preserves.
- 2) County-initiated non-renewal of substandard Williamson Act parcels.
- 3) County-initiated "batch" non-renewal of all Williamson Act contracts.
- 4) Alternative approaches such as development of Assessment District for current Williamson Act contract holders.
- 5) Other options.

FISCAL IMPACT/FINANCING:

The Williamson Act Program subvention has been eliminated from the State Budget. This action represents an annual loss of \$3.4 million to Tulare County.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The Williamson Act Program is consistent with Strategic Initiative 2: Economic Well-Being. Agricultural Preserves are one method of protecting the county's agricultural economy.


ALTERNATIVES:

N/A

INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:

Tulare County Assessor's Office, County Administrative Office

ADMINISTRATIVE SIGN-OFF:



Jake Raper, Jr., AICP
Assistant Director, Planning

cc: Auditor-Controller
County Counsel
County Administrative Office (2)

Attachment: August 11, 2009, Board Agenda item.

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF TULARE)
COUNTY WILLIAMSON ACT)
PROGRAM: OPTIONS FOR FISCAL)
YEAR 2009/2010 WORK PROGRAM)
AND FUTURE YEARS)

RESOLUTION NO. _____
AGREEMENT NO. _____

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____, BY
THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JEAN M. ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

1. Received update from staff on the Williamson Act Program Stakeholders Group meeting held on August 19, 2009;
2. Reviewed options for modification of the Williamson Act Program;
3. Directed staff to initiate selected options for Williamson Act Work Program for 2009/2010 and future years

**Tulare County
Agricultural Conservation
And
Preservation Plan
A Subvention Funding Alternative
Non-Renewal vs. Assessment**



**Prepared
By
David Claxton
Chief Planner
Resource Management Agency
July 22, 2009**

Overview

The following are some basic statistics on Williamson Act land in Tulare County:

Williamson Act Totals:

- 1,107,886 Acres (35.1% of all land)
- 14,234 Parcels
- 4255 Agricultural Preserves
- 6611 Contracts
- 41,910 Acres in Non-renewal (591 parcels)

Category	Acres	Parcels
Prime Farmland	582,336	10,106
Non-Prime	511,432	2687
Farmland Security Zone	10,532	195

Non-renewal option

Tulare County-Initiated Non-renewal of all Williamson Act Contracts would affect the following:

14,197 total parcels entered in Williamson Act contracts

13,698 Williamson Act parcels are currently "active" (not undergoing non-renewal)

9,750 owner/contract combinations would need to be processed if all Williamson Act contracts were non-renewed.

Implementing the Non-renewal process

In order to accomplish a mass (batch) non-renewal, Tulare County would need to develop a streamlined process in order to expedite the process and reduce costs.

- 9750 Contract/Owner combinations would need to be processed.
- 2-3 man hours per contract.
- 19,500 to 29,250 man hours total.
- Estimated cost to be in excess of \$500, 000.
- Must be processed by November 2nd to be effective the next year.
- Both Existing GP and Draft GP would need to be looked at for consistency as related to the action.
- CEQA review would probably be required in Tulare County due to the size of the program.

Table 1. Fiscal Impacts: Loss of Williamson Act Subvention Funding†

Model: County-Initiated Non-renewal of all Williamson Act contracts: Loss of Tax Revenue

The following table demonstrates potential tax losses from loss of subvention funds.

Calculate tax revenue losses assuming model of County-initiated Batch Non-renewals sent to all owners by March 1, 2010. Non-renewal would begin the following year on January 1, 2011, and would continue for 9 years until January 1, 2020. At the assessment following Jan 1, 2020, the property would be out of Williamson Act, and would be assessed at full market value.

This table is based on data from the Table 2 of the June 2, 2009 "Williamson Act Program: Fiscal Impacts" presentation to BOS

Fiscal Year	Williamson Act (WA) Non-renewal Year	Assessed Value*	% Increase**	Tax Revenue to the General Fund***	Increase in Tax Revenues over WA Tax Revenue	Lost Tax Revenue†
2010/2011	Still active Williamson Act	\$1,361,034,760	n/a	\$2,177,656	\$0	\$3,439,453
2011/2012	NR 1	\$2,220,898,080	40%	\$3,553,437	\$1,375,781	\$2,063,672
2012/2013	NR 2	\$2,382,122,453	7.5%	\$3,811,396	\$1,633,740	\$1,805,713
2013/2014	NR 3	\$2,543,348,825	7.5%	\$4,069,355	\$1,891,699	\$1,547,754
2014/2015	NR 4	\$2,704,571,198	7.5%	\$4,327,314	\$2,149,658	\$1,289,795
2015/2016	NR 5	\$2,865,795,570	7.5%	\$4,585,273	\$2,407,617	\$1,031,836
2016/2017	NR 6	\$3,027,019,943	7.5%	\$4,843,232	\$2,665,576	\$773,877
2017/2018	NR 7	\$3,188,244,315	7.5%	\$5,101,191	\$2,923,535	\$515,918
2018/2019	NR 8	\$3,349,468,688	7.5%	\$5,359,150	\$3,181,494	\$257,959
2019/2020	NR 9	\$3,510,693,060 ^{††}	7.5%	\$5,617,109 ⁿ	\$3,439,453 ⁿ	\$0
						\$12,725,977 TOTAL LOST REVENUE

*This table is based on data from the Table 2 of the June 2, 2009 "Williamson Act Program: Fiscal Impacts" presentation to BOS

*Values for all Williamson Act properties, based on 2008/2009 assessed values.

**Calculated as the % of the difference between Market Rate assessed values and Williamson Act assessed values.

***Taxes are an estimated 1% of assessed value. Revenue to General Fund is 16% of taxes = (0.016 x assessed value). See Case studies 1&2 for more information on calculations.

††Values are approximate, and do not include the Proposition 13 adjustments to Base Year Values of up to 2% in assessed value per year.

†Calculated as Tax revenue at market value minus tax revenue at Williamson Act NR value, by year NR.

ⁿ After Jan 1, 2020 NR has ended. Assessed value now equals market value, and tax revenues equal tax revenues at market value.

Table 2: Fiscal Impacts: Loss of Williamson Act Subvention Funding

Model: County-Initiated Batch Non-renewal, with Owner Protest

If the owner protests Non-renewal, the increased tax assessments are delayed several years. The first year they will received increased tax assessments occurs 6 years prior to the end of the non-renewal period (that is, 6 years prior to Jan 1, 2020, or Jan 1, 2014. Between Jan 1, 2014 and Jan 1, 2020 the tax assessments will increase until the assessments are at market value after Jan 1, 2020.

Fiscal Year	Williamson Act (WA) Non-renewal Year	Assessed Value*	% Increase**	Tax Revenue to the General Fund***	Increase in Tax Revenues over WA Tax Revenue	Lost Tax Revenue†
2010/2011	Still active Williamson Act	\$1,361,034,760	0%	\$2,177,656	\$0	\$3,439,453
2011/2012	NR 1 01/01/2011 NR begins	\$1,361,034,760	0%	\$2,177,656	\$0	\$3,439,453
2012/2013	NR 2	\$1,361,034,760	0%	\$2,177,656	\$0	\$3,439,453
2013/2014	NR 3	\$1,361,034,760	0%	\$2,177,656	\$0	\$3,439,453
2014/2015	NR 4 01/01/2014 protest ends	\$2,704,571,198	62.5%	\$4,327,314	\$2,149,658	\$1,289,795
2015/2016	NR 5	\$2,865,795,570	7.5%	\$4,585,273	\$2,407,617	\$1,031,836
2016/2017	NR 6	\$3,027,019,943	7.5%	\$4,843,232	\$2,665,576	\$773,877
2017/2018	NR 7	\$3,188,244,315	7.5%	\$5,101,191	\$2,923,535	\$515,918
2018/2019	NR 8	\$3,349,468,688	7.5%	\$5,359,150	\$3,181,494	\$257,959
2019/2020	NR 9 01/01/2020 NR ends	\$3,510,693,060 ^{††}	7.5%	\$5,617,109 ⁿ	\$3,439,453 ⁿ	\$0
						\$17,627,197 TOTAL LOST REVENUE

*This table is based on data from the Table 2 of the June 2, 2009 "Williamson Act Program: Fiscal Impacts" presentation to BOS

*Values for all Williamson Act properties, based on 2008/2009 assessed values.

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***Taxes are an estimated 1% of assessed value. Revenue to General Fund is 16% of taxes = (0.016 x assessed value). See Case studies 1&2 for more information on calculations.

††Values are approximate, and do not include the Proposition 13 adjustments to Base Year Values of up to 2% in assessed value per year.

†Calculated as Tax revenue at market value minus tax revenue at Williamson Act NR value, by year NR.

ⁿ After Jan 1, 2020 NR has ended. Assessed value now equals market value, and tax revenues equal tax revenues at market value.

The Alternative Plan

Tulare County shall create the "Tulare County Agricultural Conservation and Preservation Program". The program would include the following components:

- Continue to implement all provisions of the Williamson Act program.
- Retention of all existing preserves.
- Honor all existing Land Preservation Contracts.
- Existing reduced assessed valuations of Williamson Act properties would continue.
- Create a "special zone of benefit" which includes all property in the County covered under the Williamson Act. This would be called the "Agricultural Lands Assessment District".
- Implement an annual assessment based on gross assessed annual production values using a modified version of the existing annual assessment process used by the Tulare County Assessors office.
- Amend the existing Tulare County Williamson Act Uniform Rules as necessary to either cancel or non-renew all contracts covering parcels which are deemed either substandard or fail to meet ongoing production requirements.

The Benefits

The program as proposed would accomplish the following:

- Offset lost subvention revenue. \$12.7 to ~~\$17.6~~ million dollars over ten years.
- Save the County hundreds of thousands of dollars in non-renewal processing costs.
- Provide true funding to support the conservation and preservation of the County's most valuable resource.
- Allow the County to tap into an industry that currently generates over five Billion dollars a year in sales ~~and which is currently not being taxed~~.
- The small annual assessment would amount to a far smaller financial impact (in most cases) than what the annual property taxes would be at full market assessment.
- The annual assessment based on "gross production assessment" value would provide the County with consistent funding while sharing the risks associated with agricultural production with each producer.

- Since the assessment is based on production value, the producer would pay less during years of poor production or during years of crop transition.
- Potentially provide cost recovery for County agricultural planning activities including implementation of a dairy program.
- Potentially provide cost recovery for assessor office activities related to annual assessments.
- Protect Tulare County agricultural land from premature conversion.
- Protect the integrity of Tulare County's unique Rural Valley Lands Plan.
- This plan would be consistent with the "Draft" 2030 General Plan Update.
- As annual production values increase so will the County's revenue stream from the District.

Plan Implementation

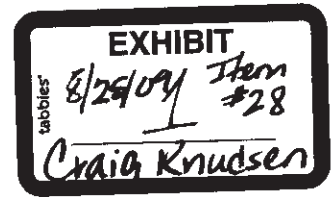
1. Get preliminary Board consensus that this is a viable workable solution.
2. Establish stakeholder group to focus in on relevant issues, strategies and direction. This group should include: RMA Planning, CAO's office, Assessor's office, Tax Collector's office, County Counsel, Tulare County Agricultural Commissioner, the University of California Cooperative Extension – Tulare County, The Tulare County Farm Bureau.
3. Seek legal input from County Counsel as to any issues they may see.
4. Seek input from professionals (Muni Financial, Taussig and Associates, etc.) involved in establishing Special Assessment Districts and Zones of Benefits. There may be some pitfalls not evident at this time.
5. Work closely with the Assessor's office and their IT team to identify an acceptable "gross production assessment" value. If this can not be accomplished, then an assessment could be established on a per acre basis for a direct subvention recapture.
6. Prepare extensive cost benefit analysis on the proposed plan including implementation costs. The analysis should also provide an analysis of a "batch" non-renewal alternative.
7. Bring detailed Plan to Board of Supervisors and seek approval to proceed.
8. Follow LAFCO procedure under Proposition 218.

Other Proposed Actions

- Do not accept any new contract applications.
- Consult with other Counties to see what alternatives they may be looking at.
- Look at Paragraph #3 of our existing contracts to see what help this language may provide us as it relates to "Humboldt vs. McKee". Paragraph #3 of the Contract states *"Nothing in this contract shall limit or supersede the planning, zoning and other police powers of the County, and the right of the County to exercise such powers with regard to the subject property"*.



TULARE COUNTY FARM BUREAU



Mission: to promote and enhance the viability of Tulare County agriculture

August 24, 2009

Tulare County Board of Supervisors
Administration Building
2800 West Burrel Avenue
Visalia, CA 93291

Dear Chairman and Members of the Board:

Tulare County Farm Bureau recently participated in an important stakeholder meeting with county staff, concerned landowners, and other key representatives from county agencies involved in administering the Williamson Act land conservation program in Tulare County. Thank you for the opportunity to discuss our thoughts and concerns on this very important topic.

In light of the Governor's recent decision to suspend the Williamson Act subvention funds paid to the counties in the 2009-2010 state budget Farm Bureau realizes this places a significant burden on the County to provide for the continuance of the Williamson Act contracts. The August 19, 2009 stakeholder meeting provided a beginning dialogue on alternatives the county might choose to explore.

Tulare County Farm Bureau and California Farm Bureau Federation both participated in the meeting, and the synthesis of the views expressed could best be summarized by stating that this is an important political issue that could be further jeopardized by any premature action on the part of Tulare County, especially as one of the largest agricultural counties in the state, and one with high visibility in the state and substantial interest in the Williamson Act program. TCFB did initially support the concept and discussion of possible alternatives knowing that it would be unlikely that the County could continue the nearly 6,600 contracts in the county without the state subvention money. However, upon closer examination it seems that a better option is to step back and wait to see what will happen with the state budget in the coming months, and with cautious optimism possibly even see the funds reinstated by January 2010.

Upon hearing from county planning department staff, that the concept of creating a special assessment district was withdrawn, and the idea offering a voluntary "participation agreement" was suggested for consideration. TCFB does not support either concept. Any plan that would seek to assess on a per acre cost, or by the use of a gross value production formula would not be an acceptable course of action. Any such approach would force landowners who choose not to participate in the agreement to begin non-renewal of their acreage – and either alternative is a losing proposition for protecting farmland in the county. The landowner is either faced with paying higher property taxes, or being forced to pay an unfair gross receipts tax that does not consider the high cost of farm inputs or the vagaries of the market. This line of thinking is very disconcerting to Farm Bureau and we strongly request you reconsider advancing this concept.

The California Farm Bureau's director of taxation and land use, John Gamper, is cautioning counties across the state to take a conservative "wait and see" approach. His advice to counties is to proceed cautiously because it is very likely that state political maneuverings will restore the subvention funds next year. Should this come to

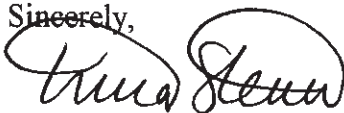
pass, it would be unlikely that a county would want to incur all the costs and staff time associated with administering an alternative program or beginning the extensive process of non-renewals.

On a more proactive based approach, one concept that Tulare County Farm Bureau can support is the plan to immediately begin non-renewing those Williamson Act parcels that are considered to be sub-standard parcels. We agree that this is an appropriate action for the County, and we support the removal of the more than 2,000 substandard parcels in the county through non-renewal initiation. This could in turn bring the County of Tulare more than \$1.2 million dollars in additional tax revenue at the end of the nine year process. We believe this is the best course of action for the County as it would benefit the tax payers of Tulare County and protect the integrity of the Williamson Act.

Farm Bureau truly believes that the Williamson Act is a critical component in protecting farmland in Tulare County. We realize these are difficult economic times, and it is unfortunate that our city and county governments bear a disproportionate amount of the burden of the state's fiscal crisis, but we believe that your strong conservative values and your desire to balance the County's budget can be done without compromising the Williamson Act in Tulare County. We also know that agriculture is facing tough financial times, as well. If faced with an even larger financial burden, farmland will leave production at a much faster rate. The same would be true if farmers and ranchers are required to pay additional assessments for the "privilege" of restricting their land.

We commend you for wanting to protect the Williamson Act and we appreciate the opportunity to be a part of this discussion. Thank you for allowing Tulare County Farm Bureau to provide input on this important subject.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patricia Stever', written over a circular flourish.

PATRICIA L. STEVER
Executive Director

Attachment “2”

Notice of Exemption

Notice of Exemption

Fee Exempt per Government Code Section 6103

To: ☐ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

X Tulare County Clerk
Room 105, Courthouse
221 South Mooney Boulevard
Visalia, California 93291

Date received for filing at Tulare County Clerk

Lead Agency: Tulare County Resource Management Agency
5961 South Mooney Blvd.
Visalia, Ca 93277
Ph: (559) 624-7000
Attn: hguerra@co.tulare.ca.us

Applicant(s): Tulare County Board of Supervisors
2800 West Burrel Avenue
Visalia, CA 93291-4580
Ph: (559) 636-5005

Project Title: Williamson Act – Lifting the Moratorium on New Contracts. Rescinding Resolution No. 009-0716 and lifting the moratorium on accepting and processing new agricultural preserves and Williamson Act contracts

Project Location – Specific: Throughout all the unincorporated areas of the County of Tulare, in Tulare County, CA

Project Location- Section, Township, Range: N/A

Project Location - City: N/A

Project Location - County: Tulare

Description of Nature, Purpose, and Beneficiaries of Action(s)/Project(s): The Board of Supervisors is proposing to rescind Board of Supervisor's Resolution No. 009-0716; and thereby, lift the eleven-year moratorium on accepting and processing new agricultural preserves and Williamson Act contracts.

This change in policy brings the County of Tulare into better consistency with the policies within the Tulare County General Plan and the policies of the State of California consistent with the Williamson Act. Because these policies are consistent, there is no potential change to the environment due to initiating new or reinstating existing Agricultural Preserves and Williamson Act Contracts. Moreover, the preserves and contracts are consistent with County adopted "Uniform Rules" of allowed uses. The policies and uses under the "Uniform Rules" are identical to the policies and allowed uses under the County's existing Exclusive Agricultural Zoning (AE Zones). Therefore, there is no change to the allowed uses nor the environment. Additionally, it is in fact a State recognized benefit to keep the lands of the State in active farming through Agricultural Preserves and Williamson Act Contract. Any changes to the contract, or use that is not consistent with zoning requires a special use permit, contract non-renewal / contract cancellation, along with further project specific CEQA review.

Exempt Status: *(check one)*

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));

☒ Common Sense Exemption: **CEQA guidelines 14 Cal. Code Regs. § 15061 (b)(3)**

Reasons why activity(ies)/project(s) is/are exempt: Under the California Environmental Quality Act (CEQA), County approval of the proposed agricultural preserve / Williamson Act Contract moratorium recession is Exempt from CEQA pursuant to State CEQA Guidelines, 14 Cal. Code Regs. § 15061(b)(3) the “Common Sense Exemption” because this change in policy will not result in a direct or reasonably foreseeable indirect physical change in the environment, as it would keep land in active farming and would not allow additional uses outside of what are proposed or allowed under the existing Agricultural Zoning or Uniform Rules of the County.

Name of Public Agency Approving Project: County of Tulare, Resource Management Agency

Project Planner/Representative: Michael Washam, Associate Director - RMA **Area Code/Telephone:** (559) 624-7000

Signature: _____ Date: _____ Title: Chief Environmental Planner
Hector Guerra Ph: (559) 624-7121

Signature: _____ Date: _____ Title: Environmental Assessment Officer
Reed Schenke, PE RMA Director

☒ Signed by Lead Agency

Date received for filing at OPR: _____