

Introduced by Senator NielsenFebruary 21, 2014

An act to amend Section 51244.3 of, to amend and repeal Sections 16142, 16142.1, and 51244 of, and to repeal Section 51244.4 of, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1353, as introduced, Nielsen. Local government: Williamson Act.

Existing law, the Williamson Act, authorizes a city or county to enter into contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts. Existing law sets forth the term of these contracts at 10 or 20 years, except that until January 1, 2016, a county may, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than $\frac{1}{2}$ of the participating county's actual foregone general fund property tax revenue, revise the term for newly renewed and new contracts to either 9 or 18 years. Existing law provides for an addition to the assessed value of properties subject to contracts with a reduced term.

This bill would delete the January 1, 2016, date and thereby authorize a county to utilize the process for revising or entering into contracts so as to specify 9 or 18 year terms indefinitely. The bill would also make conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 16142 of the Government Code, as
2 amended by Section 1 of Chapter 90 of the Statutes of 2011, is
3 amended to read:

4 16142. (a) The Secretary of the Natural Resources Agency
5 shall direct the Controller to pay annually out of the funds
6 appropriated by Section 16140, to each eligible county, city, or
7 city and county, the following amounts for each acre of land within
8 its regulatory jurisdiction that is assessed pursuant to Section 423,
9 423.3, 423.4, or 423.5, or 426 if it was previously assessed under
10 Section 423.4, of the Revenue and Taxation Code:

11 (1) Five dollars (\$5) for prime agricultural land, as defined in
12 Section 51201.

13 (2) One dollar (\$1) for all land, other than prime agricultural
14 land, which is devoted to open-space uses of statewide significance,
15 as defined in Section 16143.

16 (b) The amount per acre in paragraph (1) of subdivision (a) may
17 be increased by the Secretary of the Natural Resources Agency to
18 a figure which would offset any savings due to a more restrictive
19 determination by the secretary as to what land is devoted to
20 open-space use of statewide significance.

21 (c) The amount per acre in subdivision (a) shall only be paid
22 for 10 years from the date that the land was first assessed pursuant
23 to Section 426 of the Revenue and Taxation Code, if it was
24 previously assessed under Section 423.4 of that code.

25 (d) Notwithstanding any other provision of law, for the 2008–09
26 fiscal year and each fiscal year thereafter, the Controller shall
27 reduce, by 10 percent, any payment made pursuant to this section.

28 (e) Effective January 1, 2011, if the payment pursuant to this
29 section for the previous fiscal year is less than one-half of the
30 participating county's actual foregone general fund property tax
31 revenue, the county may make a determination to implement
32 subdivision (b) of Section 51244 and Section 51244.3. The
33 implementation of these sections shall be suspended for any
34 subsequent fiscal year in which the payment for the previous fiscal
35 year exceeds one-half of the foregone general fund property tax
36 revenue.

37 For purposes of this subdivision, a county's actual foregone
38 property tax revenue shall be based on the county's respective

1 share of the general property tax dollars as reflected in the most
2 recent annual report issued by the State Board of Equalization or
3 20 percent, whichever is higher.

4 ~~(f) This section shall remain in effect only until January 1, 2016,~~
5 ~~and as of that date is repealed, unless a later enacted statute, that~~
6 ~~is enacted before January 1, 2016, deletes or extends that date.~~

7 SEC. 2. Section 16142 of the Government Code, as added by
8 Section 2 of Chapter 90 of the Statutes of 2011, is repealed.

9 ~~16142. (a) The Secretary of the Natural Resources Agency~~
10 ~~shall direct the Controller to pay annually out of the funds~~
11 ~~appropriated by Section 16140, to each eligible county, city, or~~
12 ~~city and county, the following amounts for each acre of land within~~
13 ~~its regulatory jurisdiction that is assessed pursuant to Section 423,~~
14 ~~423.3, 423.4, or 423.5, or 426 if it was previously assessed under~~
15 ~~Section 423.4, of the Revenue and Taxation Code:~~

16 ~~(1) Five dollars (\$5) for prime agricultural land, as defined in~~
17 ~~Section 51201.~~

18 ~~(2) One dollar (\$1) for all land, other than prime agricultural~~
19 ~~land, which is devoted to open-space uses of statewide significance,~~
20 ~~as defined in Section 16143.~~

21 ~~(b) The amount per acre in paragraph (1) of subdivision (a) may~~
22 ~~be increased by the Secretary of the Natural Resources Agency to~~
23 ~~a figure which would offset any savings due to a more restrictive~~
24 ~~determination by the secretary as to what land is devoted to~~
25 ~~open-space use of statewide significance.~~

26 ~~(c) The amount per acre in subdivision (a) shall only be paid~~
27 ~~for 10 years from the date that the land was first assessed pursuant~~
28 ~~to Section 426 of the Revenue and Taxation Code, if it was~~
29 ~~previously assessed under Section 423.4 of that code.~~

30 ~~(d) Notwithstanding any other law, for the 2008-09 fiscal year~~
31 ~~and each fiscal year thereafter, the Controller shall reduce, by 10~~
32 ~~percent, any payment made pursuant to this section.~~

33 ~~(e) This section shall become operative on January 1, 2016.~~

34 SEC. 3. Section 16142.1 of the Government Code, as amended
35 by Section 3 of Chapter 90 of the Statutes of 2011, is amended to
36 read:

37 16142.1. (a) In lieu of the payments made pursuant to Section
38 16142, in a county that has adopted farmland security zones
39 pursuant to Section 51296, the Secretary of the Natural Resources
40 Agency shall direct the Controller to pay annually out of the funds

1 appropriated by Section 16140, to each eligible county, city, or
2 city and county, the following amount for each acre of land within
3 its regulatory jurisdiction that is assessed pursuant to Section 423.4
4 or 426 of the Revenue and Taxation Code, if it was previously
5 assessed under Section 423.4 of that code:

6 Eight dollars (\$8) for land that is within, or within three miles
7 of the boundaries of the sphere of influence of, each incorporated
8 city.

9 (b) The amount per acre in subdivision (a) shall only be paid
10 for 10 years from the date that the land was first assessed pursuant
11 to Section 426 of the Revenue and Taxation Code, if it was
12 previously assessed under Section 423.4 of that code. The
13 appropriation authorized by this subdivision shall not exceed one
14 hundred thousand dollars (\$100,000) per year until 2005.

15 (c) Notwithstanding any other provision of law, for the 2008–09
16 fiscal year and each fiscal year thereafter, the Controller shall
17 reduce, by 10 percent, any payments made pursuant to this section.

18 (d) Effective January 1, 2011, if the payment pursuant to this
19 section for the previous fiscal year is less than one-half of the
20 participating county’s actual foregone general fund property tax
21 revenue, the county may make a determination to implement
22 subdivision (b) of Section 51244 and Section 51244.3. The
23 implementation of these sections shall be suspended for any
24 subsequent fiscal year in which the payment for the previous fiscal
25 year exceeds one-half of the foregone general fund property tax
26 revenue.

27 For purposes of this subdivision, a county’s actual foregone
28 property tax revenue shall be based on the county’s respective
29 share of the general property tax dollars as reflected in the most
30 recent annual report issued by the State Board of Equalization or
31 20 percent, whichever is higher.

32 ~~(e) This section shall remain in effect only until January 1, 2016,~~
33 ~~and as of that date is repealed, unless a later enacted statute, that~~
34 ~~is enacted before January 1, 2016, deletes or extends that date.~~

35 SEC. 4. Section 16142.1 of the Government Code, as added
36 by Section 4 of Chapter 90 of the Statutes of 2011, is repealed.

37 ~~16142.1. (a) In lieu of the payments made pursuant to Section~~
38 ~~16142, in a county that has adopted farmland security zones~~
39 ~~pursuant to Section 51296, the Secretary of the Natural Resources~~
40 ~~Agency shall direct the Controller to pay annually out of the funds~~

1 ~~appropriated by Section 16140, to each eligible county, city, or~~
2 ~~city and county, the following amount for each acre of land within~~
3 ~~its regulatory jurisdiction that is assessed pursuant to Section 423.4~~
4 ~~or 426 of the Revenue and Taxation Code, if it was previously~~
5 ~~assessed under Section 423.4 of that code:~~

6 ~~Eight dollars (\$8) for land that is within, or within three miles~~
7 ~~of the boundaries of the sphere of influence of, each incorporated~~
8 ~~city.~~

9 ~~(b) The amount per acre in subdivision (a) shall only be paid~~
10 ~~for 10 years from the date that the land was first assessed pursuant~~
11 ~~to Section 426 of the Revenue and Taxation Code, if it was~~
12 ~~previously assessed under Section 423.4 of that code. The~~
13 ~~appropriation authorized by this subdivision shall not exceed one~~
14 ~~hundred thousand dollars (\$100,000) per year until 2005.~~

15 ~~(c) Notwithstanding any other law, for the 2008-09 fiscal year~~
16 ~~and each fiscal year thereafter, the Controller shall reduce, by 10~~
17 ~~percent, any payments made pursuant to this section.~~

18 ~~(d) This section shall become operative on January 1, 2016.~~

19 SEC. 5. Section 51244 of the Government Code, as amended
20 by Section 5 of Chapter 90 of the Statutes of 2011, is amended to
21 read:

22 51244. (a) Each contract shall be for an initial term of no less
23 than 10 years. Each contract shall provide that on the anniversary
24 date of the contract or such other annual date as specified by the
25 contract a year shall be added automatically to the initial term
26 unless notice of nonrenewal is given as provided in Section 51245.

27 (b) (1) If the county makes a determination pursuant to
28 subdivision (e) of Section 16142 or subdivision (d) of Section
29 16142.1, contracts shall be for a term of no less than nine years
30 for contracts currently 10 years in length or 18 years for contracts
31 currently 20 years in length, as the case may be. For new contracts
32 entered into during a year in which this subdivision is in effect,
33 the initial contract length shall be either 9 or 18 years. Each
34 contract shall provide, except in the initial year of the
35 determination, that on the anniversary date of the contract or such
36 other annual date as specified by the contract, a year shall be added
37 automatically to the initial term unless notice of nonrenewal is
38 given as provided in Section 51245.

39 In any subsequent year during the reduced term of contract in
40 which increased revenue is not realized by the county pursuant to

1 Section 51244.3, two or three additional years shall be added to
2 the contract on the next anniversary date, as necessary, to restore
3 the contract to its full 10-year or 20-year contract length.

4 (2) In any year in which this subdivision is implemented, the
5 county shall record a notice that states the affected parcel number
6 or numbers and current owner's names, or, alternatively, the same
7 information for those parcels that are not affected.

8 (3) An addition to the assessed value shall be conveyed to the
9 auditor, consistent with the 10-percent reduction in the length of
10 the restriction, equal to 10 percent of the difference between the
11 valuation pursuant to Section 423, 423.3, or 423.5 of the Revenue
12 and Taxation Code, as applicable, and the valuation under
13 subdivision (b) of Section 51 or Section 110.1 of the Revenue and
14 Taxation Code, whichever is lower. If the valuation under
15 subdivision (b) of Section 51 or Section 110.1 of the Revenue and
16 Taxation Code is lower, the addition to the assessed value shall
17 be zero. The increased amount of tax revenue that results from the
18 decrease in restriction shall be separately displayed on the
19 taxpayer's annual bill.

20 (4) A landowner may elect to serve notice of nonrenewal instead
21 of accepting a 9-year or 18-year contract, as the case may be. In
22 that case, the additional assessed value shall not be added to the
23 property as provided for in paragraph (3).

24 For purposes of this subdivision, a landowner may serve notice
25 of nonrenewal at any time. However, a landowner who withdraws
26 that notice prior to the effective date shall be subject to term
27 modification and additional assessed value. Once served and
28 effective, a landowner nonrenewal notice may not be withdrawn
29 except for cause and with the consent of the county. A county may
30 adopt amendments to its uniform rules to facilitate implementation
31 of this subdivision during the 2011–12 fiscal year, and thereafter
32 as necessary.

33 (5) In addition to any other notice requirements, a county shall
34 provide a landowner under contract with timely written notice of
35 all of the following:

36 (A) Any initial hearing by the county on a proposal to adopt or
37 rescind the implementation of this subdivision.

38 (B) Any final decision regarding the adoption or rescission of
39 implementation of this subdivision.

1 (C) The landowner’s right to prevent the reduction in the term
2 of his or her contract pursuant to this subdivision by serving notice
3 of nonrenewal as specified by Section 51245. This notice may be
4 combined with the county’s notice in subparagraph (B).

5 (6) A county shall not modify or revalue a landowner’s contract
6 pursuant to this subdivision unless the landowner is given at least
7 90 days’ notice of the opportunity to prevent the modification and
8 revaluation by serving notice of nonrenewal and the landowner
9 fails to serve notice of nonrenewal. The county may use the primary
10 owner of record from the assessment roll to identify landowners
11 entitled to receive notice under this subdivision. A landowner shall
12 be advised of the landowner’s right to avoid continued imposition
13 of this subdivision in any future year and thereafter by serving a
14 notice of nonrenewal for that contract year. Failure of the
15 landowner to serve timely notice of nonrenewal in any year shall
16 be considered implied consent to the implementation of this
17 subdivision for that year.

18 The 90-day notice requirement may be reduced to 60 days if the
19 county adopts a procedure to allow landowners to serve a notice
20 of nonrenewal until February 1, 2012.

21 (7) This subdivision shall not apply to any of the following:

- 22 (A) Contracts that have been nonrenewed.
- 23 (B) Contracts with cities.
- 24 (C) Open-space or agricultural easements.
- 25 (D) Scenic restrictions.
- 26 (E) Wildlife habitat contracts.

27 (F) Atypical term contracts, including, but not limited to, 20-year
28 initial term contracts declining to 10 years, or reencumbrances
29 pursuant to Section 51295, if the county’s board of supervisors
30 determines the application of this subdivision to them would be
31 inequitable or administratively infeasible.

32 ~~(e) This section shall remain in effect only until January 1, 2016,~~
33 ~~and as of that date is repealed, unless a later enacted statute, that~~
34 ~~is enacted before January 1, 2016, deletes or extends that date.~~

35 SEC. 6. Section 51244 of the Government Code, as added by
36 Section 6 of Chapter 90 of the Statutes of 2011, is repealed.

37 ~~51244. (a) Each contract shall be for an initial term of no less~~
38 ~~than 10 years. Each contract shall provide that on the anniversary~~
39 ~~date of the contract or such other annual date as specified by the~~

1 ~~contract a year shall be added automatically to the initial term~~
2 ~~unless notice of nonrenewal is given as provided in Section 51245.~~
3 ~~(b) This section shall become operative on January 1, 2016.~~
4 SEC. 7. Section 51244.3 of the Government Code is amended
5 to read:
6 51244.3. (a) This section shall apply to properties under a
7 9-year or 18-year contract, as the case may be, pursuant to
8 subdivision (b) of Section 51244. Notwithstanding any other
9 provision to the contrary, increased revenues generated by those
10 properties shall be allocated exclusively to the respective counties
11 in which those properties are located.
12 (b) This section shall only apply if the county makes a
13 determination pursuant to either Section 16142 or 16142.1.
14 ~~(c) This section shall remain in effect only until January 1, 2016,~~
15 ~~and as of that date is repealed, unless a later enacted statute, that~~
16 ~~is enacted before January 1, 2016, deletes or extends that date.~~
17 SEC. 8. Section 51244.4 of the Government Code is repealed.
18 ~~51244.4. Notwithstanding subdivision (c) of Section 51244.3,~~
19 ~~payments authorized until January 1, 2016, pursuant to Section~~
20 ~~16142, 16142.1, 51244, or 51244.3 may be collected after January~~
21 ~~1, 2016.~~