MARIPOSA COUNTY BOARD OF SUPERVISORS | **AGENDA ACTION FORM** | **DATE**: August 25, 2009 AGENDA ITEM NO. 3

DEPARTMENT: Board of Supervisors

BY: Lyle Turpin
PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION:
Discussion and possible direction regarding the California Land Conservation Act - Williamson Act. The Williamson Act was enacted in 1965 and is a voluntary program administered by local governments and involves a 10-year annually renewing contract (Mariposa County uses 20-year contracts) with individual landowners that restrict the land to agricultural or open space use. Landowners who enroll their land in contracts receive property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full market value. Local governments receive an annual subvention of a portion of the forgone property tax revenues from the State via the Open Space Subvention Act of 1971 (approximately $1/acre). In previous fiscal years, Mariposa County has received $180,000 which is budgeted in General Purpose Revenue.

Williamson Act subvention payments to local governments were eliminated from the recently approved State Budget. The Williamson Act contracts between landowners and local governments remain in force, regardless of the availability of subvention payments. It is hoped that once the State's economy improves that the subvention payments will once again continue. Local governments have several options available including starting the process of non-renewing the existing contracts, not accepting any new applications for Williamson Act contracts, or continuing status quo.

Staff had anticipated the subvention payments would be eliminated this fiscal year and no revenue is from this source is included in the 2009-10 Recommended Budget.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
The Board adopted Resolution #08-431 on September 2, 2008, approving a resolution and letter to the Governor and legislature opposing in reductions or elimination of the Williamson Act subventions from the State Budget.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Financial Impact? ( ) Yes (X) No Current FY Cost: $ Annual Recurring Cost: $
Budgeted In Current FY? ( ) Yes ( ) No ( ) Partially Funded
Amount in Budget: $
Additional Funding Needed: $
Source:
Internal Transfer
Unanticipated Revenue ____ 4/5's vote
Transfer Between Funds ____ 4/5's vote
Contingency ____ 4/5's vote
( ) General ( ) Other

List Attachments, number pages consecutively
Article from Ag Alert

CLERK'S USE ONLY:
Res. No. 09-429 Ord. No. ____
Vote – Ayes: 5 Noes: ____
Absent: ____
( ) Approved
(x) Minute Order Attached ( ) No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.
Date: ____
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: ____
Deputy

COUNTY ADMINISTRATIVE OFFICER:
✓ Requested Action Recommended
____ No Opinion
Comments:

CAO: RJ DI

Revised Dec. 2002

COUNTY of MARIPOSA

P.O. Box 784, Mariposa, CA 95338 (209) 966-3222

BRAD ABORN, CHAIR	**DISTRICT I**
JANET BIBBY, VICE CHAIR	**DISTRICT III**
LYLE TURPIN	**DISTRICT II**
KEVIN CANN	**DISTRICT IV**
JIM ALLEN	**DISTRICT V**

MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: SUPERVISOR TURPIN

FROM: MARGIE WILLIAMS, Clerk of the Board

SUBJECT: Discussion and Possible Direction Regarding the Land Conservation Act - Williamson Act

RESOLUTION 09-429

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on

ACTION AND VOTE:

10:26 a.m. Supervisor Turpin;
Discussion and Possible Direction Regarding the Land Conservation Act - Williamson Act
BOARD ACTION: Supervisor Turpin initiated discussion relative to the teleconference meeting he attended with the CSAC Ag and Natural Resources Committee – it was requested that each County take a position on the Williamson Act, with the loss of the subvention funding. He recommended that we respond that we have a viable program and our Planning Department is working on an item to bring to the Board to make the program stronger.

Input from the public was provided by the following:

Glenn Franklin, President of the Mariposa County Resource Conservation District (RCD), stated they appreciate the Board's stance on supporting the Williamson Act; and he provided input on its importance to the County. He noted that having land in the Williamson Act contract allows the farmers to make a profit. The RCD will discuss this matter at their next meeting and send a letter to the Governor and legislators. He noted that this is a very small portion of the State's budget, and he compared it to the funding allocated for the hydrogen highway. He feels this program is important to help sustain our quality of life.

Jeanetta Phillips advised that she recently obtained a list of Williamson Act property and there are a lot of parcels under 160-acres, and she wondered if this should be addressed. She supports the Williamson Act and feels there should be a 160-acre minimum.

Bart Brown, Mariposans for the Environment and Responsible Government (MERG), read their letter into the record strongly supporting the real environmentalists that have been preserving Mariposa County for 150 years – that is the agricultural community. They support the efforts of the organizations which are working to preserve the Williamson Act and they urge the Board to continue its support and allow the County to retain its rural character and to keep agriculture a viable part of our County.

Dawn Afman, USDA NRCS, commented on their conservation efforts and encouraged the Board to support the Williamson Act and agriculture.

Tony Toso, President of the Mariposa County Farm Bureau, stated he is inspired by the support he is hearing this morning – he feels this is critical. He referred to his background in agriculture and agri-business and the consequences he sees with the Williamson Act program and its

importance in keeping our rural character, and on his efforts in getting the program in Merced County. He noted that it is a 100-acre minimum parcel size to participate in the program.

Dana Richards, landowner and Vice-President of the Merced-Mariposa Cattlemen Association, advised they support the Williamson Act.

Cathie Pierce, immediate past President of the Mariposa County Farm Bureau and sixty-year rancher in Catheys Valley, stated she appreciate the remarks she heard from the Board members in support of the Williamson Act. She referred to a letter she submitted that Congressman Radanovich wrote to Governor Schwarzenegger requesting that the Williamson Act subvention funds be restored in the 2011 budget. She advised that she serves on the Farm Bureau's Federated Land Use and Taxation Committee and this will be an important topic at their upcoming meeting, and she asked the Board members to provide her with any input they have for this meeting.

Linda Meyer advised that she and her husband, George Meyer, run a cow/calf operation and they are happy with the Board's support of the Williamson Act – everything is so costly in farming operations and they need this tax break. She feels that the food products raised in other countries do not have to meet the health standards we have and that can compromise the quality of the food. She noted that the citizens are asking for antibiotic-free meat and it takes large acreage to raise animals for food production without the use of drugs. She noted the importance of agriculture to the economy and to the protection of our rural lifestyle. We have good grass land areas, and the farmers are conservationists.

Cathi Boze, Agricultural Commissioner, stated she feels it is time to stand up and support agriculture as agriculture has always supported the County. She stated she feels we should enforce the Williamson Act regulations and have a code enforcement position. She feels we need to continue to preserve agriculture and the rural lifestyle and retain the Williamson Act.

Supervisor Aborn suggested that there be more of a presence in the County of this being an agricultural community - he suggested displaying a flag for agriculture.

Ruth Catalan stated she supports the Williamson Act and enforcement.

Jim Suggs advised that they are in the cattle business and have 500-acres; however, they are not in the Williamson Act and they pay a lot more in taxes and ranching costs continue to increase. He feels a lot of ranchers will go out of business if the Williamson Act is discontinued.

Discussion was held. Cathi Boze responded to questions from the Board and advised that 100-acres is the minimum acreage for the Williamson Act and relative to the need she sees for having a compliance officer. Supervisor Aborn suggested that everyone in the Williamson Act write a letter to the Governor expressing their opinion and history on how important this is. Kris Schenk responded to questions from the Board relative to the status of compliance issues and Williamson Act policy review. Supervisor Turpin requested that the letter to the Governor be copied to CSAC, RCRC, our State legislators, Congressman Radanovich, and the California State Farm Bureau. Rick Benson noted that he has been told by other counties that this is being seen as a farm issue and people are not convinced that it is also an environmental issue; and he suggested that the Board's action could be to reaffirm the action it took on September 2, 2008 supporting the Williamson Act. (M)Turpin, (S)Allen, Res. 09-429 was adopted reaffirming the Board's support of the Williamson Act and continuing to adhere to the terms of the Act, with direction for the County Administrative Officer to draft a letter as discussed. Supervisor Bibby clarified that the Minute Order with this portion of the minutes would be attached to the Board Action Form as the resolution. Ayes: Unanimous.

Cc: Tony Toso, Farm Bureau
Kris Schenk, Planning Director
California State Association of Counties
Regional County of Rural Counties
Senator Dianne Feinstein
Senator Barbara Boxer
Congressman George Radanovich
Assemblyman Tom Berryhill
Senator Dave Cogdill
Governor Arnold Schwarzenegger
File

Counties hold key to Williamson Act's future

By Steve Adler

Issue Date: August 12, 2009

When Gov. Schwarzenegger blue-penciled all but $1,000 of state money to support the Williamson Act farmland conservation program last month, the veto created confusion among the thousands of farmers and ranchers in California who have enrolled their land under the law.

"While the provisions of the Williamson Act remain in effect, there is a great deal of concern among our members due to the uncertainty of what the counties might do in response," says John Gamper, California Farm Bureau Federation taxation and land use director.

Under the law, landowners sign contracts with counties. The landowners agree to maintain their land in agricultural production for at least 10 years. The counties agree to tax the land based on its agricultural income, its acquisition value under Proposition 13 or its current market value, whichever is lower.

8/14/2009

Gamper pointed out that a county can choose to renew or not renew contracts on an individual basis, so technically there could be some selective non-renewals issued. He said that farmers could start receiving non-renewal letters from their county before the end of the year, because contracts are automatically renewed for 10 years on Jan. 2.

"Farmers should start watching their mailboxes around Nov. 1 and if they get a notice of non-renewal, they should file a written protest immediately, because they are still under the contract for nine years," he said. "Just write a letter; there is no official form. And if it gets to that, Farm Bureau will definitely tell landowners the best way to word their protest letters."

Gamper said Schwarzenegger's action does nothing to the statutory provisions of the act. It only suspends for one year a "subvention" program—under which the state repays counties for lost tax revenue related to the program—and does not affect the actual contracts between the counties and the landowners.

"So the contracts are still in effect, the program is still in effect. It wasn't changed whatsoever," he said.

What has changed is the loss of state financial support for the program, which results in the entire fiscal responsibility falling to the counties.

One farmer who is very concerned is Tim Chiala, whose family produces a variety of fruits and vegetables in the Morgan Hill area of Santa Clara County. Chiala produces crops on about 1,000 acres, several hundred acres of which he leases.

"We lease a lot of ground because we live in an area where the land values are extremely high. A lot of people buy land on speculation, enroll it in the Williamson Act and then lease it to us at a rate that basically covers the taxes. That allows us to keep farming, because the rents are reasonable," he said.

"I have a feeling that this curtailment of Williamson Act funding to the counties could jack up rents in the area and if that happens, some of the land probably won't even be worth farming any longer," Chiala said.

Another farmer who is keenly aware of the ramifications of this loss of funds is Stanislaus County nut grower Vito Chiesa, who said all of his family's land is enrolled in the Williamson Act. Along with being a farmer, Chiesa is a member of the Stanislaus County Board of Supervisors, giving him a particular understanding of how the loss of Williamson Act state money affects county coffers.

"I am very disappointed because for Stanislaus County, this means about a million and a half dollars, and this is a million and a half dollars that the county doesn't have," he said. "As a county supervisor I'm going to have to participate in some really tough decision making. It is going to come down to sheriff's deputies, health care workers, agriculture and other county services, and they all are going to be fighting for the same little pie that is shrinking."

Chiesa said the Williamson Act has always been a great way to keep land in agriculture.

"I look at it as giving farmers the ability to stay in business, especially when you talk about people who purchased land at a high price," he said. "From a county perspective, it seems to be the single greatest tool to stop development and preserve the land."

No one knows for sure how many farmers participate in the Williamson Act, but the amount of land protected statewide totals more than 16.5 million acres.

The farmland conservation act was created in 1965 to enable participants to pay property taxes based on the agricultural use of the land rather than its "highest and best use." After the property-tax initiative Proposition 13 passed in 1978, land has been valued at either its 1975 value, if the taxpayer owned the land in that year, or its acquisition value, both of which are factored forward at 2 percent a year for inflation.

Enacted in 1971, the Williamson Act subvention program sets a state reimbursement formula for allocating payments to local governments based on acreage enrolled in the program. The subventions help replace the foregone property tax revenue due to county participation, without which counties may not participate.

"This state support has provided an incentive for local governments to stay in the program and initiate more contracts by partially replacing property tax revenues lost on enrolled land," Gamper said.

Gamper emphasized that CFBF will continue to work with a broad coalition of agricultural, local government and environmental organizations to restore the 2009-10 subventions and insure that they are funded in future budget years.

"The act is too important to the agricultural economy, local planning and zoning efforts, and to valuable watershed and habitat areas. Protecting the Williamson Act will continue to be a top priority for Farm Bureau at all levels of our organization," he said.

"The elimination of the subvention funding comes at a time when California is facing tremendous pressure from population growth," he added. "The loss of the Williamson Act would further jeopardize the economic viability of thousands of farming and ranching enterprises and may result in the loss of tens of thousands of acres of prime farmland."

Gamper said the Williamson Act subvention program constitutes the state's only significant contribution to farmland protection.
In a recent poll of landowners who participate in the Williamson Act program, one third said they would be unable to continue farming or ranching without the benefits of the program. The same survey found that 87 percent of the surveyed Californians who are most knowledgeable about the Williamson Act, particularly county officials involved in its administration or otherwise close to the program, agreed that the benefits of the program outweigh the costs.

If the Williamson Act is no longer in effect in California, it could result in land being permanently lost to farming as it is converted to residential or commercial uses. This could actually end up costing the state more, Gamper said, because of a constitutional mandate that requires the state to reimburse cities and counties for revenues lost due to the homeowners' exemption, at a rate of $70 per home.

Gamper put forth the following scenario: If just 10 percent of Williamson Act land were converted to homes at five units to the acre, the state would be required to pay an additional $577 million to cities and counties. This would more than double the entire Homeowner's Property Tax Relief subvention and put it over $1 billion. So, by eliminating the $27.8 million in Williamson Act subventions, he said, the state could actually lose hundreds of millions of dollars.
(Steve Adler is associate editor of Ag Alert. He may be contacted at sadler@cfbf.com.)

Karen A. Keene

Senior Legislative Representative/Deputy Director of Federal Affairs
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Rec'd 8-25-09

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U.S. House of Representatives
Washington, DC 20515–0519

GEORGE RADANOVICH
19TH DISTRICT, CALIFORNIA

August 24, 2009

Governor Arnold Schwarzenegger
State Capitol Building
Sacramento, CA 95814

Dear Governor Schwarzenegger:

I write to respectfully request that you restore Williamson Act funds in your upcoming 2011 fiscal year budget. As a congressional representative of several of California's rural, agricultural counties, I am deeply concerned about the suspension of Williamson Act funds in the 2010 state budget.

Having served as a Mariposa County Supervisor, I understand the negative impacts imposed on counties with the loss of these funds. Without the subventions from the state, counties participating in the Williamson Act do not have a mechanism to replace foregone property tax revenue, and the counties will be unable to continue to offer this valuable tool to safeguard farmland from development.

The Act is an essential component protecting farmland and open spaces throughout California. The 16 million acres of agricultural land enrolled in Williamson Act contracts comprise over half of the state's farmland. Understanding the grave fiscal concerns of the state economy, it is important to note that if only 10 percent of the 16 million acres of Williamson Act farmland is converted to homes, the state would be liable for an additional $560 million under the homeowner's subvention. This would double the current amount paid by the state and likely deepen its economic problems.

Ultimately, the rich soils and prime agricultural land in our state provide a safe, domestic supply of food and fiber to families here and abroad. Once farmland is lost, we don't get it back, and the fertile soil that helps produce our nation's food supply is gone forever along with the $36 billion in farm gate value contributing immensely to our state economy.

Given this, I urge you to protect our family farms by restoring Williamson Act funds in the state's fiscal year 2011 budget. Thank you for your consideration.

Sincerely,

George Radanovich
Member of Congress

rec'd 8-25-09
and dist'd to:
3/3

MARIPOSANS FOR THE ENVIRONMENT AND RESPONSIBLE GOVERNMENT

BOX 2121, MARIPOSA, CA 95338

Dear Supervisor,

Good Morning. I am Bart Brown, here as Chair of Mariposans for the Environment and Responsible government. We are an organization that has been active in Mariposa for 20 and ½ years with a strong interest in environmental issues. But, we wish to be on record as strongly supporting the real environmentalists that have been preserving Mariposa County for 150 years or more. And that is the agricultural community which forms the foundation of the attractions of our county. They have been the stewards of the land and the keepers of open space, which have drawn so many of us to live in our county.

We feel that the Williamson Act has been a vital part of the ability of the county to have a continuation of our agricultural heritage, and to give us an opportunity to moderate our growth and give it more thoughtful attention as manifested in the 2006 General Plan.

We support the efforts of the organizations which are working to preserve the Williamson Act such as the Farm Bureau, Resource Conservation District, Cattlemen's Association and others.

We urge the Board to continue to support the Williamson Act and allow Mariposa County to retain its rural character and to keep agriculture a viable part of our county.

Thank you for your consideration.

Bart Brown, Chair

Mariposa County
Board of Supervisors

District 1 ..... BRAD ABORN
District 2 ..... LYLE TURPIN
District 3 ..... JANET BIBBY
District 4 ..... KEVIN CANN
District 5 ..... JIM ALLEN

RICHARD J. BENSON
County Administrative Officer

MARGIE WILLIAMS
Clerk of the Board

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August 28, 2009

Karen A. Keene
Senior Legislative Representative/
Deputy Director of Federal Affairs
California State Association of Counties
1100 K Street, Suite 101
Sacramento, CA 9581

Dear Ms. Keene:

Your office has requested information on the official position of counties regarding the Williamson Act.

On August 25, 2009 the Mariposa County Board of Supervisors adopted a resolution reaffirming the County's intention to continue to participate in the California Land Conservation Act (Williamson Act). The County believes that there is an obligation on the part of the State of California to continue to fund this important program. Although the state has reneged on its obligation, the Board of Supervisors of Mariposa County is convinced that the benefits to the citizens of Mariposa outweigh the lost revenues. The Board also expressed its strong objections to the Governor's action eliminating funds for this program.

If you need any further information please contact me.

Sincerely,

Richard J. Benson
County Administrative Officer

RJB/mlj

cc: Regional Council of Rural Counties
Governor Schwarzenegger
Senator Cogdill
Assemblymen Berryhill