Weekly Ag Report
David Lile
September 12, 2012

Hi this David Lile with this week's Ag report.

This week's topic - the Williamson Act, which has long been the most important land conservation program in California. Signed into state law in 1965, the Act covers more than 16 million acres of ag land over 53 counties. The objective of Williamson was to protect farmland from conversion to urban sprawl and leapfrog development. In recent years most counties have considered changes to the program to reduce costs. This week the Lassen County Board of Supervisors implemented AB1265 which reduces both the term of Williamson contracts and the benefits by 10%. And look for Williamson to be back on the agenda next Tuesday, Sept 18, as the board considers raising the minimum acreage to 100 irrigated acres or 400 non-irrigated acres as well as non-renewing contracts for lands covered by a conservation easement.

But lets' take a quick step back, because there has been a lot of misunderstanding about how the Williamson Act really works. Essentially, the Act allows farmers and ranchers to voluntarily enroll agricultural property for a period of 10 years and promise to restrict use of that property for agricultural production only. The land must be kept in in open space and residential, commercial, industrial type developments are not allowed. In return for giving up those development rights for that 10 year period, the property tax assessment shifts to a formula where the farmer pays property taxes based on how much the land is capable of producing rather than its total assessed value. This is a key point because ag land values are commonly driven up by speculation, so property taxes under Williamson are generally less than by the typical Prop 13 method. This trade-off of development rights for a more favorable tax basis is then the crux of the Williamson Act. As the Act was originally crafted, the state, recognizing the public benefit of long-term farmland conservation, refunded to the counties the difference in tax revenue due to Williamson, so there was no net loss of dollars to County government.

This system was in place for over 40 years until 2009 when the state, faced with its on-going budget crisis quit funding the Williamson program. At that point the reduction in tax revenue from Williamson contracts was absorbed entirely by the county. This is particularly difficult given other fiscal challenges faced by counties these days. The potential benefits and costs of the Williamson Act program have been widely discussed and debated, but reality takes us back to the Board and their attempt at maintaining the conservation objectives of the program, but at a cost bearable to the county budget. Not a simple task.

As always feel free to contact us with any of your ag questions here at the Cooperative Extension Office at 251-8133. See you next week with the Ag Report.