

Background for Counties

The Farmland and Security Zone: A Farm Bureau Primer for Counties

To: All California County Supervisors
From: John R. Gamper and Henry E. Rodegerdts, ESQ
Subject: Offer of Legal Assistance and Documents

California's Williamson Act program was significantly strengthened by the enactment of Farmland Security Zone (FSZ) legislation during the 1998 legislative session. (Chapter 353, Statutes of 1998) In an effort to assist counties in the implementation of this important change in law, Farm Bureau's Legal Services Division has drafted a model resolution and FSZ contract. These documents are intended to serve as the legal foundation for your county's participation in this historic new program.

In enacting the FSZ program, the legislature sought to expand the options currently available to local governments and landowners desiring to protect agricultural land by encouraging the creation of longer-term, voluntary enforceable restrictions on farmland already in established agricultural preserves. Any rural California county, as well as those in transition, interested in enhancing the long-term security of their agricultural economy, should give serious consideration to establishing FSZs in appropriate areas. If your county is one of the few that does not currently participate in the Williamson Act, we would also be happy to work with you and your staff to secure its adoption in your county.

By converting all or a portion of your county's agricultural preserves into FSZs and then entering into FSZ contracts with the owners of those agricultural properties, the land will be further encumbered beyond the restrictions already existing under a standard Williamson Act land preserve contract, in the following respects:

- The initial term of a FSZ contract is to be no less than 20 years. This is a rolling 20 years, similar in concept to the 10-year term of a land preserve contract, with an additional year being added automatically annually to the initial term until a notice of non-renewal is given.
- It was the intention of the legislation's author, its sponsor, and the Assembly Natural Resources Committee not to permit cancellation of a FSZ contract prior to the expiration of the remaining term following a notice of non-renewal. As the bill analysis of the Assembly Committee on Natural Resources states: "This bill does not provide for a similar cancellation of a farmland security zone contract".
- The compatible use provisions of the Williamson Act must be strictly adhered to on FSZ parcels. No allowance is made for conditioned uses to meet the required principles of compatibility.

FSZ property will enhance the long-term economic viability of agricultural operations in the following ways:

- The property will receive a property tax valuation reduction of an additional 35 percent in accordance with the provisions of the new Revenue and Taxation Code Section 423.4.

- Any special tax approved by voters on or after January 1, 1999 on the land or its living improvements must be levied at a reduced rate unless the tax directly benefits the land or those living improvements.
- Land within a FSZ may not be annexed to a city unless the land is within an urban growth boundary, all or a portion of the FSZ parcel is necessary for the location of a public improvement, or the landowner consents.
- A local agency formation commission may not take any action that will result in the annexation of FSZ parcels to a special district providing services, non-agricultural water, streets, or roads unless these facilities or services benefit land uses allowed under the farm security zone contract and the landowner in addition consents to the annexation.
- A school district may not acquire the right to utilize land in a FSZ.

Only parcels designated on the Important Farmland Series Maps as prime farmland; farmland of statewide significance; unique farmland, or, farmland of local importance are eligible for FSZ designation. If the land is not designated on the Important Farmland Series maps, it will qualify if it is predominantly prime farmland as defined in the Williamson Act.

Farm Bureau believes the new FSZ contracts will provide added benefits, beyond those of the standard Williamson Act contract, to landowners, counties, and the state. The landowner will be compensated for the new land use restrictions through improved profitability because of the additional property tax relief, and increased security against incompatible nonfarming uses in FSZs. The county and its citizens will benefit from the added protection of open space areas on which there are more viable agricultural operations. Everyone will benefit from strengthened zoning criteria that are so crucial to the protection of our irreplaceable agricultural and natural resources. These resources not only contribute to the beauty of our state but also to the continued strength of a diverse California economy.