

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Planning and Community Development AF

BOARD AGENDA # D-2

Urgent

Routine

AGENDA DATE October 15, 2013

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Continue Implementation of Nine-Year Williamson Act Contracts in Return for a Reduction in Landowner's Property Tax Relief in Calendar Year 2014 and Related Actions Under AB 1265

STAFF RECOMMENDATIONS:

1. Find the County received less than one-half of the foregone property tax revenue pursuant to Government Code Section 16142(e) for the 2013-2014 Fiscal Year.
2. Approve the implementation of AB 1265 (Formerly SB 862) to maintain Williamson Act Contracts including a reduction of property tax benefits by ten percent and a related reduction of the term of the contracts to nine years, to be effective for calendar year 2014.

(Continued on page 2)

FISCAL IMPACT:

Per the Stanislaus County Assessor's Office, the continued implementation of AB 1265 is estimated to increase the County's General Fund for Fiscal Year 2014-2015 by up to \$1.3 million. Costs associated with the implementation will be funded out of the existing budgeted appropriations for the respective County Departments responsible for implementation (Assessor, Auditor-Controller, Planning and Community Development, and Treasurer-Tax Collector). The current Fiscal Year's revenue generated by AB 1265 will be evaluated as part of the Fiscal Year 2013-2014 Mid-Year Financial Report.

BOARD ACTION AS FOLLOWS:

No. 2013-512

On motion of Supervisor De Martini, Seconded by Supervisor Monteith,  
and approved by the following vote,

Ayes: Supervisors: Monteith, De Martini and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: Withrow, O'Brien

Abstaining: Supervisor: None

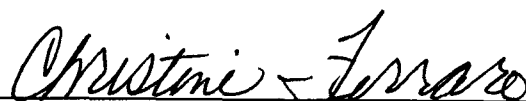
1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

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**STAFF RECOMMENDATIONS: (Continued)**

3. Direct the Assessor, Auditor-Controller, Treasurer-Tax Collector, and Director of Planning and Community Development to take all necessary steps to implement AB 1265 for the 2014-2015 Fiscal Year including, but not limited to, making the appropriate modifications to all affected properties assessed values, modifying tax bills to reflect the assessment changes and supplemental fees associated with the reduced tax benefit, and recording any necessary notices.
4. Direct the County's Chief Executive Officer to determine pursuant to Government Code Section 16142(e), or as it may be amended, whether payment for the previous fiscal year is less than one-half or exceeds one-half of the foregone general fund property tax revenue and, if it is less than one-half, direct the Assessor, Auditor-Controller, Treasurer-Tax Collector, and Director of Planning and Community Development to take all necessary steps to implement AB 1265, or any legislation extending AB 1265, for Fiscal Year 2014-2015 and beyond.

**DISCUSSION:**

Assembly Bill (AB) 1265, enacted into law on July 15, 2011, provides an opportunity for counties to offset a portion of the loss of Williamson Act Subvention funds by establishing a local self-help subvention program. AB 1265 allows counties to voluntarily implement new contracts that are ten percent shorter in return for a ten percent reduction in the landowner's property tax relief. The increased revenue resulting from the reduction in the landowner's property tax relief is transferred directly to the County's General Fund. If a landowner does not want to participate in a nine-year contract with its reduced level of benefit, the landowner has the option to non-renew the contract. Counties are eligible to participate if they determine that the County received less than one-half of the foregone property tax revenue (Williamson Act Subvention funds) pursuant to Government Code Section 16142(e) for the previous fiscal year. AB 1265 is a temporary solution remaining in effect only until January 1, 2016.

AB 1265, approved as an urgency status, provides essentially the same opportunities as Senate Bill (SB) 863 which was enacted in 2010 and eventually repealed by SB 80 in March of 2011. The Board of Supervisors took the necessary actions to implement SB 863 on October 26, 2010, and November 9, 2010. On August 2, 2011 and on August 21, 2012, the Board of Supervisors ratified the actions taken in 2010 to allow the continued implementation of SB 863 as allowed under AB 1265.

For Fiscal Year 2013-2014, the foregone tax revenue is approximately \$1,437,515. Stanislaus County will receive zero in Williamson Act Subvention funding from the State for Fiscal Year 2013-2014.

Since implementation of AB 1265, an item has been brought to the Board of Supervisors annually for a finding that the County received less than one-half the foregone property tax revenue in the previous fiscal year. AB 1265 requires only that

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the County make a determination regarding foregone property tax and does not specify that the determination be made by the Board of Supervisors. In order to streamline the continued implementation of AB 1265, staff is recommending that the Board of Supervisors authorize the County Chief Executive Officer to make the necessary determination. As currently adopted, AB 1265 is effective for calendar years 2014 and 2015 (FY 2014-2015 and 2015-2016); however, staff's recommendation will apply to future years if legislation extending the effective date of AB 1265 is passed.

**POLICY ISSUES:**

The continued implementation of AB 1265 furthers the Board's priorities of Efficient Delivery of Public Services, A Strong Agricultural Economy/Heritage, and A Strong Local Economy by allowing Stanislaus County to continue offering the Williamson Act program with some local recovery of lost State Williamson Act Subvention funds in Fiscal Year 2014-2015 and in subsequent years.

**STAFFING IMPACTS:**

Existing staff from the Auditor-Controller, Assessor, Planning and Community Development, and Treasurer-Tax Collector will be involved in the continued implementation of the program.

**CONTACT PERSONS:**

Angela Freitas, Planning and Community Development Director, (209) 525-6330  
Dave Cogdill, County Assessor, (209) 525-6461  
Gordon B. Ford, County Treasurer-Tax Collector, (209) 525-6388  
Lauren Klein, County Auditor-Controller, (209) 525-6398