

**The Williamson Act: Past, Present, Future?**

**A Legislative Oversight Hearing -- Senate Local Government Committee**

**Wednesday, March 3, 2010, State Capitol, Room 112**

Testimony of Fresno County Supervisor Judy Case on behalf of the California State Association of Counties (CSAC)

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Good morning and thank you, members of the committee. I am Judy Case, a member of the Fresno County Board of Supervisors, and I am here today on behalf of the California State Association of Counties (CSAC). I appreciate the opportunity to discuss with you the county perspective on the past, present and future of the Williamson Act.

Counties recognize the importance of agriculture and its contribution to the state's economy. If California is to continue as the leading agriculture state in the nation, our remaining viable agricultural lands must be protected. One of the best tools available to ensure this status and protection is the Williamson Act. While some may disagree we believe that this program has allowed many farmers all over the state to keep their lands in agriculture production because their property taxes are maintained at affordable rates. We also believe that without this incentive, the pressure to sell their lands to developers will eventually become overwhelming.

While some may disagree we believe that this program has allowed many farmers all over the state to keep their lands in agriculture production because their property taxes are maintained at affordable rates. We conservatively estimate an economic multiplier of 3.5, although some counties use higher multipliers. Fresno County agriculture (number one in the state and nation) produced \$5.66 billion in 2008 or \$19.8 billion in our economy.

In 2007, Fresno County's growers/ranchers had a Net Operating Loss of 42%. This is prior to the economic downturn and the continuing impact of drought and water shortages. I can only comment that in the last two years even more farmers experienced net operating losses. In 2008-09, eight long-term packing houses closed their doors. Each of these facilities provided 250 – 400 jobs. Dairies have experienced major hardships. It is estimated as many as 50 dairies have shut down. The unemployment in Fresno County is currently 16.8%. Our rural cities are facing unemployment as high as 41.3%. The agriculture industry is on the edge. County government,

as the administrator of the State program, is caught with a 10-to-20-year contract and no ability to sustain the program without the State subvention.

I would also like to point out that other industries are impacted by production agriculture. For example, the processed tomato industry moved approximately \$87 million in trucking alone. Approximately 40% of the total export value moving through the Port of Oakland is created by agriculture.

As for the subventions, we strongly believe that the financial support from the state has provided a tangible incentive for counties to stay in the program, initiate more contracts and continue to provide valuable public services.

Unfortunately, the loss of state financial support for the program has resulted in the entire fiscal responsibility falling to the counties. Similar to the State, counties are also being faced with making tough decisions due to declining revenues and significant budget shortfalls. Another year without this support from the state may be the last straw for some counties struggling to provide essential public services.

At the suggestion of this committee, CSAC conducted a survey of the counties regarding their plans for addressing the loss of the Williamson Act subventions. A summary of the results are attached to my written statement which has been distributed. As noted, the survey was sent to all 58 counties on February 19, 2010. CSAC and thus far received 23 responses from the following counties: Alameda, Butte, Contra Costa, Fresno, Imperial, Kern, Kings, Lake, Lassen, Mariposa, Monterey, Napa, Placer, San Benito, San Joaquin, San Mateo, Santa Barbara, Shasta, Sierra, Siskiyou, Sonoma, Tehama and Yolo. We view these responses as “snap shots in time,” likely to change and primarily dependent on the State and counties’ fiscal health.

While several of the responding counties indicated a willingness to hold the line last year, many will be taking a second look at the program now that this appears to be more than a “one-year” suspension. In general, the majority of respondents to the survey indicated that the loss of subvention funding from the state has forced them to make cuts in other areas of their budget. Many counties indicated that this is a short-term solution that is not sustainable at the local level. Several counties have decided not to accept new Williamson Act contracts and few are considering more serious steps, such as non-renewal of contracts and program termination. The

consensus from survey respondents indicates that counties are not in the fiscal position to fund the program regardless of their commitment to the Williamson Act.

Beyond the agricultural and associated economic benefits of the Williamson Act, the environmental rewards have been significant. Simply put, in many instances throughout California, the Williamson Act has helped to curb urban sprawl. As previously noted, when farmers have the ongoing economic ability to continue keeping their land in production, the incentive to sell is minimized. Not only has this kept thousands of acres of prime farmland in production, but it has ensured this land is maintained as open space – rather than new suburbs. California has long been a leader in the environmental movement. With landmark legislation such as AB 32, California has the obligation to do everything we can to reduce greenhouse gas emissions. In a very direct way, the Williamson Act plays a role in this challenge.

Given the Act's statewide benefits to the economy, agriculture, and the environment, it is our hope that State leaders will demonstrate their commitment to the program by reinvesting in its long-term success. As an organization, with a long history of supporting the program, CSAC is open to looking at revisions to the Act that provide property owners greater incentives to continue participation under the Act, as well as other reasonable legislative changes that preserve the integrity of the Williamson Act and eliminate abuses resulting in unjustified and premature conversions of contracted land for development. We are also certainly open to vetting other funding and policy options with our members.

Thank you again for inviting us to participate in this important discussion.