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March 12, 2010

The Honorable Denise Ducheny
Chair, Senate Budget Committee
Room 5035, State Capitol
Sacramento, California 95814

The Honorable Noreen Evans
Chair, Assembly Budget Committee
Room 6026, State Capitol
Sacramento, California 95814

Dear Senator Ducheny and Assembly Member Evans:

On behalf of The California State Association of Counties (CSAC) and the Regional Council of Rural Counties (RCRC), we write to express our opposition to the Governor's Budget proposal to virtually eliminate all of the Williamson Act subvention payments to local governments for property tax losses incurred by enrolling agricultural land in Williamson Act contracts.

The Williamson Act is a voluntary program that provides lower property taxes to agricultural landowners in exchange for their contractual commitments with participating cities or counties to keep their land in agricultural or open space uses for 10 – 20 years. The act includes a formula for allocating payments to local governments based on acreage enrolled in the program. This financial support from the state has provided a tangible incentive for local governments to stay in the program and initiate more contracts by partially replacing property tax revenues lost on enrolled land.

The ramifications of eliminating the subventions cause us great concern. Similar to the State, counties are also being faced with making tough decisions due to declining revenues and significant budget shortfalls. The loss of already limited discretionary dollars may be the last straw for some counties struggling to provide essential public services many of which are provided on behalf of the state.

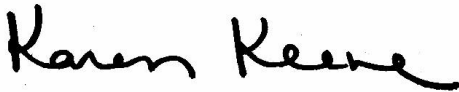
We further believe that discontinuing the subventions may force many counties to non-renew Williamson Act contracts. Our organizations recently conducted a survey of counties on county Williamson Act issues specifically relating to the lack of subvention funding to counties. Out of the 23 counties that responded, the majority indicated that they are investigating options for the non-renewal process and longer term strategies to deal with a lack of subvention funding. Nine counties indicated that they have stopped accepting new contracts, and on February 23, 2010, the Imperial County Board of Supervisors voted to non-renew its contracts, the first county to do so.

A domino effect will then ensue, farmer's tax bills will increase and expendable income will decrease, potentially leading to a weakening of local agricultural-based economies where few alternative industries exist.

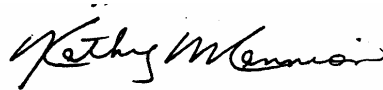
Lastly, CSAC and RCRC truly believe that the Williamson Act has proven to be an effective tool for encouraging the preservation of existing farmland, preservation of open space in an ever increasing urban California as well as the preservation of habitat. Additionally the Williamson Act has been instrumental in preventing leapfrog development. For years, cities and counties have relied on the Williamson Act to support general plan and zoning objectives, and promote orderly growth. We fear that eliminating the Williamson Act subventions will eventually lead to a total unraveling of the program. We further believe that the Governor's proposal is contrary to the State's desire to be recognized as a leader on climate change, "smart growth" and other environmentally progressive initiatives. The Williamson Act is a nominal investment relative to the numerous benefits that it provides statewide.

For these reasons, CSAC and RCRC respectfully urge you to fully fund the Williamson Act Subventions in the 2010-2011 State Budget.

Sincerely,



Karen Keene
CSAC Legislative Representative



Kathy Mannion
RCRC Legislative Advocate

cc: Governor Arnold Schwarzenegger
Members and Consultants of the Senate Budget Subcommittee No. 2
Members and Consultants of the Senate Budget Subcommittee No. 4
Members and Consultants of the Assembly Budget Subcommittee No. 3
Members and Consultants of the Assembly Budget Subcommittee No. 4