

California Land Conservation Act (CLCA) Property

General

The California Land Conservation Act (CLCA) of 1965, also known as the Williamson Act, enables local governments to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. CLCA was enacted in an effort to preserve agricultural lands for the production of food and fiber and to discourage noncontiguous urban development. It was an attempt to slow down the increase in real property taxes on farmland by providing methods for restricting land use to agricultural purposes.

[Article XIII, section 8](#) of the California Constitution provides that to promote the conservation, preservation, and continued existence of open space lands, the Legislature may define open space land and shall provide that when this land is enforceably restricted, it shall be valued for property tax purposes only on a basis that is consistent with its restrictions and uses. In addition, [section 430](#) provides that there is a rebuttable presumption that the present use of open-space land, which is enforceably restricted and devoted to agricultural use, is its highest and best agricultural use.

[Section 423\(a\)](#) provides that when valuing enforceably restricted open-space land, the assessor shall not consider sales data on lands, whether enforceably restricted or not, but shall value these lands by the capitalization of income method. In accordance with [section 423\(d\)](#), enforceably restricted lands are assessed at the lowest of the following three values: (1) current restricted value, (2) current fair market value, or (3) factored base year value, as if unrestricted. In most cases, the restricted value is the lowest of the three values.

CLCA contracts are for a minimum of ten years. However, CLCA contracts automatically renew each year, unless the landowner or the local government wishes to end the contract. The contract may be terminated when either the landowner or the local government initiates the nonrenewal process, or when the landowner petitions for a contract cancellation.

In addition to CLCA contracts, a county may have adopted the provisions of [section 423.4](#), allowing for Farmland Security Zone (FSZ) contracts. [Section 423.4](#) provides that land subject to an FSZ contract shall be valued for assessment purposes at 65 percent of the restricted value or 65 percent of the factored base year value, whichever is lower. FSZ contracts are for a minimum of 20 years, and are automatically renewed, unless the landowner or local government wishes to end the contract. These rolling 20-year contracts provide greater protection for agricultural lands by allowing greater tax benefits for farmland owners.

A detailed discussion regarding the assessment of CLCA property can be found in [Assessors' Handbook Section 521, Assessment of Agricultural and Open-Space Properties \(AH 521\)](#).

Scope of Review

The BOE's assessment practices survey includes a review of the assessor's practices and procedures for the assessment of CLCA properties.

The specific areas of review may include, but are not limited to, the following:

- **General Program Elements**
- **Valuation of Restricted Portion**
- **Valuation of Unrestricted Portion**
- **Nonrenewals**
- **Cancellations**