



# Williamson Act Cancellation Process

## Guide for Local Governments

# Table of Contents

Introduction.....	3
Discussion of Terms.....	3
<b>Part I: Cancellation of Standard Contracts.....</b>	<b>4</b>
Petition .....	4
Public Notice .....	5
Assessing Fees.....	5
Findings .....	5
Approval .....	7
Published Notice .....	7
Final Certificate of Cancellation.....	8
<b>Part II: Cancellation of Farmland Security Zone Contracts .....</b>	<b>9</b>
Assessing Fees.....	10
Findings .....	10
Tentative Approval Resolution .....	11
<b>Part III: Challenges and Fee Waivers .....</b>	<b>11</b>
Cancellation Fee Waiver.....	11
Alternative to Cancellation Fee: Easement Exchange .....	13
Recomputation of Fees .....	13
Additional Fees.....	14
Formal Review .....	14
Judicial Challenge.....	15
Challenging a Cancellation .....	16
<b>Part IV: Further Guidance .....</b>	<b>16</b>
County Treasurers.....	16
County Assessors .....	17
More Information.....	17

## Introduction

The Williamson Act enables local governments to contract with private landowners to restrict land to agricultural or related open space uses. In return, landowners receive reduced property tax assessments based upon farming and open space uses as opposed to full market value. The purpose of this document is to provide guidance on the contract cancellation process, as specified in Sections 51280 through 51287 and 51297 of the California Government Code.

This document is organized into four parts. Part I addresses the cancellation process for *standard contracts* (see Discussion of Terms below for an explanation of this term) and Part II reviews the cancellation process for Farmland Security Zone Contracts. Part III discusses other features relevant to the cancellation process, including challenges to the cancellation valuation and circumstances allowing the cancellation fee to be waived. Part IV refers county assessors and treasurers to appropriate guidance.

Note: This guidance is advisory only. It is neither a regulatory document nor legal advice for the actions that the Board of Supervisors or City Council may take under the Williamson Act. Counties and cities should consult with their own legal counsel before taking actions described in this document.

## Discussion of Terms

This document uses the terms *standard contract* and *Farmland Security Zone contract* to refer to the two types of contracts established under the Williamson Act. A Farmland Security Zone contract is typically entered into for 20 years and has more stringent restrictions than a standard contract, which is typically for a period of 10 years. This document refers to all non-Farmland Security Zone contracts, as *standard contracts*. Unless otherwise specified at the beginning of a section, the use of the term *contract* is intentionally non-specific and is inclusive of *standard contracts* and *Farmland Security Zone contracts*.

In this document, *board or council* refers to the county board of supervisors or city council with jurisdiction over the land subject to the contract. *City or county* also refers to the local city or county with jurisdiction over the land subject to contract. *Landowner* refers to the person petitioning for cancellation of a contract. *Assessor* refers to the county assessor who will assess the cancellation valuation for purposes of determining a cancellation fee. *Department* refers to the Department of Conservation unless otherwise specified. *GC* refers to the California Government Code and will be followed by the appropriate section of reference.

The following two terms apply to the findings a board or council must make prior to granting tentative approval to cancel a contract:

- *Proximate, noncontracted land* means land not restricted by a contract, which is sufficiently close to restricted land that it can serve as a practical alternative for the use which is proposed for the restricted land.

- Suitable for the proposed use means that the most prominent features of the proposed use can be served by land not restricted by contract. Such nonrestricted land may be a single parcel or may be a combination of contiguous or discontinuous parcels.

## Part I: Cancellation of Standard Contracts

The cancellation process of a standard contract generally proceeds according to the list below with further details following:

1. Landowner submits petition for cancellation.
2. County or city review the petition and/or submit to a local commission for review and comment.
3. Board or council provides notice to the assessor and public of the proposed cancellation.
4. Assessor provides cancellation valuation.
5. Board or council certifies cancellation fee to the county auditor in the amount of 12.5 percent of the cancellation valuation.
6. Board or council reviews the findings and approves or denies cancellation at a public hearing.
7. Clerk of the board or council records a certificate of tentative cancellation and notifies public and Department if approved.
8. Landowner satisfies conditions, then notifies the board or council.
9. Clerk records final certificate of cancellation and sends a copy to the Department.
10. County Treasurer pays the fee to the State Controller's Office.

### Petition

**Only the landowner can petition the board or council for cancellation.**

To cancel a contract, the landowner must submit to the board or council a cancellation application (referred to as *petition* in statute) to cancel all or any portion of the contract (GC 51281, 51282(a)). The board or council may charge a reasonable application fee to be paid at the time the application is submitted (GC 51281.1). To be considered for cancellation, the landowner must also submit a proposal that describes how the land will be used after the contract is cancelled, along with a list of all relevant governmental agencies that have permit authority over the proposed use(s). The board or council can determine the level of specificity required in this proposal, with the sole limitation that such determination must be based on what is necessary to allow findings required for tentative cancellation (GC 51282(e)).

**Note:** If the land proposed for cancellation is currently in material breach of a contract (see GC 51250), the board or council cannot accept or approve the application for cancellation unless the cancellation is specifically undertaken as part of the material breach statute (GC 51282(g)).

**Upon accepting the application, the board or council must notify the assessor.**

Once the board or council accepts the application as complete pursuant to GC 65943, the board or council must send to the assessor information necessary to describe the land subject to the proposed cancellation. The information must include the name and address of the landowner applying for cancellation (GC 51284.1).

## Public Notice

**The board or council must provide public notice and a public hearing on the proposed cancellation.**

The board or council cannot approve the cancellation of a contract unless the city or county has given notice of, and has held, a public hearing on the matter. The city or county must publish notice of the hearing at least once and mail the notice to every landowner under contract within one mile of the exterior boundary of contracted land proposed for cancellation (GC 51284). The owner of any property located in the county or city in which the agricultural preserve is situated may protest the cancellation to the city or county conducting the hearing (GC 51285).

## Assessing Fees

**The board or council must certify the cancellation fee prior to tentatively approving a cancellation.**

The board or council cannot take action to grant tentative approval of the cancellation until the assessor has certified the valuation (GC 51283(a), GC 51283.5(a)). The county assessor will determine and provide the cancellation valuation to the board or council and notify the Department and landowner. The valuation represents the fair market value of the land as though it were free of the contractual restriction (GC 51283(a), 51283.1(a)) and is considered current for one year (GC 51283.4(a)). Once provided, the board or council can determine and certify the amount of the cancellation fee to the county auditor.

The fee is equal to 12.5 percent of the cancellation valuation (GC 51283(b)). If the valuation changes after the board or council grants a tentative cancellation, the board or council must amend the certificate of tentative cancellation to reflect the revised cancellation valuation and fee (GC 51283.5(b)).

## Findings

**The board or council must make certain findings prior to tentatively approving a cancellation.**

The board or council may grant *tentative approval* of the cancellation if it makes one of the sets of findings listed below (GC 51282). Additionally, the board or council may need to make CEQA related findings, if applicable (GC 51282(f)):

- 1) That the cancellation is consistent with the purposes of the Williamson Act. To make this finding, the board or council must make all the following findings (GC 51282a):
  - a) That the cancellation is for land on which a notice of nonrenewal has been served pursuant to GC 51245; and
  - b) That cancellation is not likely to result in the removal of adjacent lands from agricultural use; and
  - c) That cancellation is for an alternative use which is consistent with the applicable provisions of the city or county general plan; and
  - d) That cancellation will not result in discontinuous patterns of urban development; and
  - e) That there is no proximate noncontracted land which is both available and suitable for the use to which it is proposed the contracted land be put, or, that development of the contracted land would provide more contiguous patterns of urban development than development of proximate noncontracted land.

-OR-

- 1) That the cancellation is in the public interest. To make this finding, the board or council must make all the following findings (GC 51282c):
  - a) That other public concerns substantially outweigh the objectives of this chapter; and
  - b) That there is no proximate noncontracted land which is both available and suitable for the use to which it is proposed the contracted land be put, or that development of the contracted land would provide more contiguous patterns of urban development than development of proximate noncontracted land.

#### **Discussion of findings:**

When considering the alternative use of the land, if the board determines that the alternative use will be rural in character, and the alternative use will result in a contiguous pattern of development within the foreseeable future, these findings authorize, but do not require, the board or council to cancel a contract. Additionally, the board or council is *not* required to find that the alternative use will be immediately contiguous to like development. In rendering its finding, the board or council acts in its own discretion to evaluate the proposed alternative use according to existing and projected conditions within its local jurisdiction

When determining whether there is available and suitable proximate noncontracted land for the proposed use, the applicant may wish to support their position with an explanation of the proximate land area considered and explanations as to why noncontracted land is not suitable.

#### ***The uneconomic character of an existing agricultural use is not sufficient reason to cancel a contract.***

The uneconomic character of an existing agricultural use is not, by itself, sufficient reason for cancellation. The board or council may consider the uneconomic character

of the existing use only if there is no other reasonable or comparable agricultural use to which the land may be put (GC 51282(d)).

***Failure of the board or council to restrict the use of land within a preserve not subject to contract is not sufficient reason to cancel a contract.***

Statute requires any land in an agricultural preserve that is not under contract within two years of the effective date to be restricted by zoning. This includes establishing minimum parcel sizes that are at a minimum consistent with the Williamson Act in such a way as not to be incompatible with the agricultural use of the land. Failure on the part of the board or council to restrict the use of land within a preserve that is not subject to contract is not sufficient reason to cancel or otherwise invalidate a contract (GC 51230).

### Approval

***Following board or council approval, the clerk must record a certificate of tentative cancellation.***

Upon making the required findings, the board or council can tentatively approve the cancellation. The approval is tentative based on conditions and contingencies that must be met for full approval. The contingencies to be satisfied include a requirement that the landowner obtain all necessary permits related to the alternative use specified in the proposal submitted by the landowner (GC 51283.4(a)). The conditions to be satisfied include:

- Full payment of the cancellation fee; and
- the landowner has satisfied the conditions and contingencies specified in the certificate of tentative cancellation.

The clerk of the board or council will record the certificate of tentative cancellation that specifies these conditions and contingencies, a statement that a *certificate of cancellation of contract* will be issued and recorded at the time that these conditions and contingencies are satisfied, the landowner's name, and a legal description of the property. If approved, the certificate will also specify any provisions related to waiving the cancellation fee or a portion of the fee.

***The board or council may amend a tentatively approved specified alternative use.***

If requested by the landowner, the board or council may amend a tentatively approved specified alternative use if it finds that the amendment is consistent with the cancellation findings made for the approval of the tentative cancellation (GC 51283.4).

### Published Notice

***The board or council must publish a notice of its decision and notify the Department.***

Within 30 days of the tentative cancellation of the contract, the city or county must publish a notice of its decision as a display advertisement of at least one-eighth page in

at least one newspaper of general circulation within the city or county. The notice must include *all* the following:

- Date, time, and place of the public hearing,
- A general explanation of the decision,
- The findings made pursuant to GC 51282,
- A general description, in text or by diagram, of the land under contract

In addition, the city or county must also deliver a copy of the published public notice to the Department within 30 days of the decision (GC 51284). If all the required information is not contained in the full text of the publication and the publication instead refers to a publicly available resolution or certificate of tentative cancellation, those documents should be included when sending the published public notice to the Department.

## Final Certificate of Cancellation

***For final cancellation, the landowner must satisfy the tentative cancellation's requirements.***

If the landowner cannot satisfy the conditions of the tentative cancellation, they must notify the board or council. The landowner must describe which conditions and contingencies were not satisfied. The board or council has 30 days from the receipt of the notice to verify the landowner's claims, record a certificate of withdrawal of the tentative approval of the cancellation, and send a copy of the certificate to the Department. The landowner is not entitled to the refund of any cancellation fee paid (GC 51283.4).

When the landowner satisfies the conditions of the tentative cancellation, it is their responsibility to notify the board or council. The board or council has 30 days to verify the landowner's claims, execute a certificate of cancellation, and send a copy of the certificate to the Department (GC 51283.4(b)).

The county treasurer must transmit the cancellations fees to the State Controller within 30 days of the execution of the certificate of cancellation (GC 51283(e)).

***The board or council may approve the cancellation when the valuation is under formal review or challenge.***

Statute allows the board or council to approve a final cancellation, even when a formal review or judicial challenge to the cancellation valuation is pending. In this case, the certificate of final cancellation must include the following statements:

- That formal review or judicial challenge of the cancellation valuation or fee is pending.
- That the fee may be adjusted, based upon the outcome of the review or challenge.
- The identity of the party who will be responsible for paying any additional fee or will receive any refund.

- The form and amount of security provided by the landowner or other responsible party (GC 51283.5(d)).

Even when a formal review has been requested, the landowner may still pay the cancellation fee based on the fee required in the current certificate of cancellation. According to the statute, the landowner must also “provide security for 20 percent of the cancellation fee based on the assessor’s cancellation valuation.” The board or council must hold the security for immediate release upon full payment of the cancellation fee as determined by the formal review process (GC 51283.5(c)).

The landowner would then pay the balance or receive a refund for any amount of overpayment (GC 51283.5(e)).

## Part II: Cancellation of Farmland Security Zone Contracts

Cancellation of a Farmland Security Zone contract requires the same preliminary process as outlined for a normal cancellation; however, additional requirements must be met, including making additional findings and payment of a higher cancellation fee. The steps generally proceed as follows:

1. Landowner submits petition for cancellation.
2. County or city reviews the petition and/or submits to a local commission for review and comment.
3. Board or council provides notice to the assessor and public of the proposed cancellation.
4. Assessor provides cancellation valuation
5. Board or council certifies cancellation fee to the county auditor in the amount of **25 percent** of the cancellation valuation.
6. Applicant pays the cancellation fee prior to the board approving the tentative cancellation.
7. Board or council makes both sets of findings required by GC 51282 plus additional findings required by GC 51297(c) and approves/denies the tentative cancellation at a public hearing.
8. If approved, clerk of the board or council records a certificate of tentative cancellation and notifies public and Department of tentative approval.
9. Landowner satisfies all conditions and contingencies of the tentative cancellation and notifies the board or council.
10. Clerk records final certificate of cancellation and sends a copy to the Department.
11. County Treasurer pays the fee to the State Controller’s Office.

Note: The use of the term *contract* in this part refers to a Farmland Security Zone contract.

## Assessing Fees

**The cancellation fee for a Farmland Security Zone contract is 25 percent of the cancellation valuation.**

The process for assessing the land and calculating the fee for a Farmland Security Zone cancellation is the same as it is for a standard contract cancellation. The only difference is the fee is set at 25 percent of the valuation amount as opposed to 12.5 percent to cancel a standard contract.

## Findings

**The board or council cannot tentatively approve the cancellation unless it makes additional findings.**

Statute requires the board or council make *all* findings specified in paragraphs (1) through (2) below (GC 51257). In contrast, the cancellation of a standard contract only requires the board or council to make *one* set of findings (GC 51282). Additionally, the board or council may have to make CEQA-related findings.

1. Based on substantial evidence in the record, that the cancellation is consistent with the purposes of the Williamson Act. To make this finding, the board or council must make *all* the following findings (GC 51282(a)):
  - a. That the cancellation is for land on which a notice of nonrenewal has been served pursuant to GC 51245; and
  - b. That cancellation is not likely to result in the removal of adjacent lands from agricultural use; and
  - c. That cancellation is for an alternative use which is consistent with the applicable provisions of the city or county general plan; and
  - d. That cancellation will not result in discontinuous patterns of urban development; and
  - e. That there is no proximate noncontracted land which is both available and suitable for the use to which it is proposed the contracted land be put, or, that development of the contracted land would provide more contiguous patterns of urban development than development of proximate noncontracted land.
  
2. Based on substantial evidence in the record, that the cancellation is in the public interest. To make this finding, the board or council must make *all* the following findings (GC 51282(c)):
  - a. That other public concerns substantially outweigh the objectives of this chapter; and
  - b. That there is no proximate noncontracted land which is both available and suitable for the use to which it is proposed the contracted land be put, or that development of the contracted land would provide more

contiguous patterns of urban development than development of proximate noncontracted land.

For cancellations of contracts on parcels of five acres or less that were left by public acquisition, the board or council can substitute the following finding for the findings listed in paragraphs (1) and (2) above: That no authorized use may be made of the remnant contract parcel of five acres or less left by public acquisition (GC 51297(d)).

### Tentative Approval Resolution

**The board or council must make additional findings in the resolution to tentatively approve an FSZ cancellation.**

Statute requires the board or council to make the following findings in the resolution to tentatively approve cancellation of the contract.

1. That no beneficial public purpose would be served by the continuation of the contract.
2. That the uneconomic nature of the agricultural use is primarily attributable to circumstances beyond the control of the landowner and the local government.
3. That the landowner has paid a cancellation fee equal to 25 percent of the cancellation valuation (GC 51297(c)).

**Note:** For the board or council to make these findings, the applicant must have already paid the cancellation fee prior to issuing the tentative cancellation. This differs from cancellation of a regular contract. For a regular contract, the applicant is not required to pay the cancellation fee until after the tentative cancellation has been recorded and all conditions and contingencies of the tentative cancellation have been fulfilled.

## Part III: Challenges and Fee Waivers

This section provides more detailed guidance on the limited alternatives to paying the cancellation fee, challenging the assessor's cancellation valuation, and public challenges to the cancellation of a contract.

### Cancellation Fee Waiver

**The board or council may waive the cancellation fee under certain circumstances.**

The board or council may waive any payment (or portion of the payment) by the landowner or extend the deadline for making the payment (or portion of the payment) depending on the land's future use and its economic return to the landowner for a period of time not to exceed the unexpired period of the contract, had it not been cancelled, if all the following occur (GC 51283(c)):

- 1) The board or council finds that it is in the public interest to waive or defer the fee.
- 2) The cancellation is caused by an involuntary transfer or change in the use which may be made of the land and the land is not immediately suitable, nor will be

immediately used, for a purpose which produces a greater economic return to the owner.

- 3) The board or council has determined that it is in the best interests of the program to defer or waive the payment to conserve agricultural land use.
- 4) The board or council applies for and receives approval from the Secretary of the Resources Agency for the waiver or extension.

The Secretary's decision will depend on whether findings can be made that the granting of the waiver or extension is consistent with the policies of the Williamson Act and that the board or council complied with Sections 51280-51287 of the Government Code. In evaluating a request for a waiver or extension, the Secretary must review the board or council's findings, the evidence in the record, and any other evidence the Secretary may receive concerning the cancellation, waiver, or extension. The California Code of Regulations (CCR) Section 14125 contains instructions on how to apply for the waiver or extension and is included below:

*"In accordance with Sections 51061 and 51283 of the Government Code, when a governing body finds it in the public interest to waive the fee for abandoning open space easements or cancelling any Land Conservation Act contract or agreement for agricultural preserves and that such waiver or extension of time to pay following final cancellation otherwise comports with the requirements of Government Code sections 51061 or 51283, the governing body shall make a request for approval of the waiver by the Secretary and provide the following information:*

- a) *Date of the public hearing as required by Sections 51284 and 51061 of the Government Code.*
- b) *A map showing the assessor's parcel number, size and location of the parcel and the relationship of the parcel to adjoining parcels.*
- c) *Present land use of the parcel.*
- d) *Proposed land use of the parcel and when the change in land use will occur.*
- e) *The amount of the cancellation or abandonment fee and the basis for its calculation, including how the valuation of the land pursuant to Subsections 51283(a) or 51061 was determined. A statement of the conditions shall be submitted for partial waivers.*
- f) *A narrative fully explaining the basis for cancellation or abandonment, including approved findings a detailed summary of substantial evidence to support each finding, and the reason or reasons for determining that a waiver of the cancellation or abandonment fee is in the public interest pursuant to Sections 51283(c)(2) or 51061 of the Government Code."*

## Alternative to Cancellation Fee: Easement Exchange

***The landowner may propose to place other land into a permanent agricultural easement instead of paying the cancellation fee.***

When the landowner submits a petition for a contract cancellation, they may propose to dedicate a permanent agricultural easement on other qualified land instead of paying the cancellation fee. The easement exchange process offers the advantage of keeping cancellation fees working in the local area to preserve agricultural land instead of paying the fees to the State General Fund. The board or council is required to make additional findings to support the easement exchange proposal and must be willing to enter into an agreement for the easement.

The following criteria must be met:

- The appraised value of the easement land must be equal to or greater than the cancellation fee required to cancel the contract.
- The land must be equal to or larger than the contracted land proposed for cancellation.
- A written agreement must be made between the landowner, the city or county, and an entity who agrees to administer the easement.
- The Director of the Department must approve the application.

For further information on the Easement Exchange process, please consult Government Code Sections 51256, 51256.1, 51256.2, and Public Resources Code Sections 10251-10252 and contact the Department of Conservation for further guidance.

## Recomputation of Fees

The cancellation fee may be recomputed in three different circumstances:

1. The assessor grants a formal review and adjusts the valuation.
2. The certificate of cancellation is not issued within one year of the assessor's original valuation.
3. At the request of the landowner if the original valuation by the assessor is older than one year and the landowner believes that the conditions and contingencies of the certificate of cancellation will be satisfied within 180 days.

The board or council would then request the assessor to recompute the cancellation valuation. The assessor must recompute the valuation, certify it to the board or council, and provide notice to the Department and landowner in the same manner as described above for the initial cancellation valuation. If neither the Department nor landowner request a formal review within 45 days of receiving notice of the recomputation, the board may recompute the fee and certify it to the county auditor.

The date of the recomputation will be either of the following:

1. The same date that the landowner notifies the board or council that he or she has satisfied the conditions and contingencies specified in the certificate of tentative cancellation, OR
2. The same date that the landowner requests a recomputation. The landowner can request a recomputation when he or she believes that he or she will be able to satisfy the conditions and contingencies of the certificate of tentative cancellation within 180 days.

## Additional Fees

**The board or council may impose additional fees on top of the statutory cancellation fee.**

Several statutes authorize the city or county to impose additional fees related to the cancellation process:

- GC 51240: *"Any city or county may by contract limit the use of agricultural land for the purpose of preserving such land pursuant and subject to the conditions set forth in the contract and in this chapter. A contract may provide for restrictions, terms, and conditions, including payments and fees, more restrictive than or in addition to those required by this chapter."*
- GC 51281.1: *"The board or council may require the payment of a reasonable application fee to be made at the time a petition for cancellation is filed."*
- GC 51287: *"The city or county may impose a fee pursuant to Chapter 8 (commencing with Section 66016) of Division 1 of Title 7 for recovery of costs under this article. The fee shall not exceed an amount necessary to recover the reasonable cost of services provided by the city or county under this article."*
- GC 51283.1(b): *"...The assessor may recover the assessor's reasonable costs of the formal review from the party requesting the review and may provide an estimate of those costs to the requesting party. The recovery of these costs from the department may be deducted by the city or county from cancellation fees received pursuant to this chapter before transmittal to the Controller for deposit in the Soil Conservation Fund. The assessor may require a deposit from the landowner to cover the contingency that payment of a cancellation fee will not necessarily result from the completion of a formal review. This subdivision shall not be construed as a limitation on the authority provided in Section 51287 for cities or counties to recover their costs in the cancellation process, except that the assessor's costs of conducting a formal review shall not be borne by the nonrequesting party."*

## Formal Review

**The Department of Conservation or the landowner may request a formal review within 45 days of receiving notice of the assessor's valuation.**

The Department or landowner may request a formal review from the county assessor if either party believes the valuation is not accurate. The request must be made within 45 days of receiving the assessor's notice of cancellation valuation or recomputation of the valuation (GC 51283.1(a)).

The assessor is only required to formally review the valuation if additional information is provided that may have a material effect on the valuation of the property. The assessor has the discretion for making this determination (GC 51283.1(b)(2)).

The assessor has 120 days from receiving the request to complete the formal review (GC 51283.1(b)(2)).

Once complete, the assessor can either revise the cancellation valuation or verify that the original cancellation valuation is accurate. Either way, the assessor must send the determination to the Department, landowner, and board or council. The determination will include a brief narrative of the consideration given to the information and responses to that information submitted by the Department and/or landowner that were relevant to the valuation (GC 51283.1(b)(3)).

## Judicial Challenge

***The Department or landowner may file a judicial challenge if either did not receive the required statutory notification.***

If the Department or landowner did not receive the required notice pursuant to Government Code sections 51283, 51283.1, 51283.4, or 51284, that party can file a judicial challenge to the cancellation valuation. The challenge must be submitted within three years of the *latest* of the applicable following events:

- The board or council certification of the cancellation fee.
- The board or council certification of the recomputed fee.
- The board or council execution of a certificate of cancellation.
- The date of the assessor's determination at the conclusion of the formal review.
- The service of notice of the board or council's recorded certificate of final cancellation to the Director of the Department.

***If all statutory notifications were received as required, the Department or landowner may still file a judicial challenge.***

If the Department or landowner received all notifications required under Government Code sections 51203, 51283, 51283.4, and 51284, either may still file a judicial challenge to the cancellation valuation *only* after that party has exhausted all administrative remedies through the formal review process. The challenge must be filed within 180 days of the *latest* of the applicable following events:

- The board or council certification of the cancellation fee.

- The board or council certification of the recomputed fee.
- The board or council execution of a certificate of cancellation.
- The date of the assessor's determination at the conclusion of the formal review.
- The service of notice of the board or council's recorded certificate of final cancellation to the Director of the Department.

**Note:** For all cancellation valuations revised through the formal review process OR the judicial challenge process, the valuation date of the revised valuation will be the date of the assessor's initial cancellation valuation, or the assessor's initial recomputation (GC 51283.1(c)).

## Challenging a Cancellation

**Any member of the public may challenge a decision of the board or council to cancel a contract.**

Any action or proceeding which seeks to attack, review, set aside, void, or annul a decision of a board of supervisors or a city council to cancel a contract on the grounds of alleged noncompliance with the requirements of the Williamson Act shall be brought pursuant to Section 1094.5 of the Code of Civil Procedure. The action or proceeding must be commenced within 180 days from the date of the council or board order acting on a petition for cancellation filed under this chapter (GC 51286).

## Part IV: Further Guidance

The Department of Conservation's role is limited to technical assistance. The Williamson Act cancellation process requires specialization in other areas of government. Specifically, the county treasurer and the county assessor have duties that require guidance from other state agencies. This section is intended to direct cities and counties to the appropriate state agency for further guidance as the Williamson Act applies.

### County Treasurers

**Cancellation fees are collected by the county treasurer.**

The Williamson Act directs cancellation fees to be paid through the county treasurer to the State Controller's office (SCO). The county treasurer must transmit the fee to the SCO for deposit into the Soil Conservation Fund and/or the General Fund within 30 days of the execution of the certificate of cancellation by the board or council (GC 51283(e)).

When the lead agency is a city, the city is still required to transmit funds through the county treasurer. Generally, the SCO does not collect fees directly from cities. Statute does not indicate how a city and county will conduct the administrative process for

collecting fees from the applicant, nor how the fee will get to the county treasurer for payment to the SCO. This is an administrative process left to the city and county.

Funds are transmitted via Form TC-31 through a county's regular payment process for state fees. When a fee is paid, The Department receives a copy of the TC-31 from the SCO as verification of payment for all Williamson Act cancellation fees.

The Department requests the county use the "Description" box on the form TC-31 to indicate a parcel number, or project name, or contract number, or some other specific descriptor to indicate the project for which the fees are being paid. This will ensure the Department appropriately closes cancellation projects and credits the county for the fees being paid.

For further assistance on how to send fees to the SCO please contact the State Controller's Office:

Local Government Programs and Services Division:

3301 C Street, Suite 740  
Sacramento, California 95816  
Phone (916) 445-8717  
Fax (916) 323-6527

The following web page offers further guidelines on using the form TC-31:

[https://sco.ca.gov/ard\\_trialcourt\\_manual\\_guidelines.html](https://sco.ca.gov/ard_trialcourt_manual_guidelines.html)

For specific questions regarding submittal of TC-31's, the SCO has provided the following e-mail address: [LocalGovPolicy@sco.ca.gov](mailto:LocalGovPolicy@sco.ca.gov)

## County Assessors

Aside from the statutory mandate that the cancellation valuation be based on the fair market value of the land as though it were free of the contractual restriction (GC 51283(a) and 51283.1(a)), the Department of Conservation cannot advise assessors on how to calculate valuations for Williamson Act contracted land. Guidance should be sought through the Board of Equalization (BOE) and the Assessor's Handbook. Please visit the BOE website for current information, contact and assistance:

<https://www.boe.ca.gov/Assessors/>

## More Information

For additional information please visit the Williamson Act Cancellations web page at [https://www.conservation.ca.gov/dlrp/wa/Pages/removing\\_contracts\\_cancellations.aspx](https://www.conservation.ca.gov/dlrp/wa/Pages/removing_contracts_cancellations.aspx), or send an e-mail to [lca@conservation.ca.gov](mailto:lca@conservation.ca.gov). Williamson Act staff are available to assist local agencies with questions about the process.