



A Tradition of Stewardship  
A Commitment to Service

**Assessor-Recorder-County Clerk**  
Assessor Division

1127 First Street, Suite 128  
Napa, CA 94559-2931

(707) 253-4459  
Fax: (707) 299-4440

**JOHN TUTEUR**  
**ASSESSOR-RECORDER-COUNTY CLERK**

## PROPERTY TAX TREATMENT OF AGRICULTURAL LANDS

In 1966 the California Legislature created the California Land Conservation (Williamson) Act which allowed Boards of Supervisors to enter into contracts with owners of agricultural land to maintain that agricultural use for a minimum of ten years with automatic annual extensions unless non-renewed. In return for keeping the land agricultural, the owner may receive a property tax benefit because of a reduction in the assessed value. A reduced value may be enrolled as a result of comparing 1) the value of the land derived from capitalizing the agricultural income; 2) the factored base year value under Proposition 13 and 3) the current market value.

In general, to be eligible for a contract, a parcel must be at least 10 acres if considered prime land as defined by the Act and 40 acres in areas less suited to intensive agricultural production. In addition, each contract applicant must show agricultural income from the property in the past five years or the potential for income based on plans to begin agricultural development as determined by the Napa County Agricultural Commissioner. Applicants must pay a contract review fee to the Napa County Planning Department. Municipalities can also participate in the program. To date, other than the County, only the City of St. Helena has offered contracts. Both St. Helena and American Canyon have signed contracts on lands they own.

To arrive at a value based on agricultural income, the Assessor mails a questionnaire each year to vineyard landowners and on a regular cycle to owners of grazing lands. The owner is asked to report the nature of the agricultural enterprise, its income and expenses and, if a vineyard, the production. All information remains confidential under California law. Using the information provided by vineyard owners, an appraiser in the Assessor's office derives an average expense figure which is then subtracted from the gross income calculated by multiplying the countywide price per ton for that varietal times the owner's 5-year average production. The resulting net income is then capitalized using a rate based on the current cost of funds plus risk plus a property tax component to arrive at a value which is then compared to the Proposition 13 and current market values with the lowest value enrolled. Grazing lands are subject to a minimum-imputed income based on parcel size as specified in grazing land contracts.

Napa County began participating in the Williamson Act in 1969. As of January 1, 2016 74,829 acres are covered by contracts representing 845 separate parcels of land. For the 2016-2017 tax year which began July 1 2016, owners of land under contract received a total reduction in value of \$573 million. However, of the 845 parcels under contract, only 447 parcels shared that reduction since the other 398 parcels had a higher value based on agricultural income and remained at their Proposition 13 base year value.

Contracts must be reviewed and ready for recording prior to December 31 to be effective by the January 1 lien date. Thus, to participate in the program for a future tax year, landowners must file an application with the Napa County Planning Department no later than early October of each year. To receive an application package please contact the Napa County Planning Department at 1195 Third St Rm. 210 Napa CA 94559, [planning@countyofnapa.org](mailto:planning@countyofnapa.org) or call 707.253.4417.

Should you have any questions please contact Napa County Assessor-Recorder-County Clerk John Tuteur at 707.253.4459 or by e-mail [john.tuteur@countyofnapa.org](mailto:john.tuteur@countyofnapa.org) More articles can be found at <http://www.countyofnapa.org/Assessor/>