

**Overview**  
**Santa Clara County Williamson Act Program**  
**Non-Renewal Process**

Non-renewal is one of the two methods available to terminate Williamson Act Contracts. The other method is contract cancellation. Under non-renewal, the contract ceases to self renew and property taxes rise to the full, unrestricted rate over the nine (9) remaining years of the contract. There is no related penalty fee for non-renewal; however, contract restrictions are in effect throughout the non-renewal term. The rise in taxes is based on a formula established by State law; the sharpest rise is in the first year of non-renewal.

Contract cancellation is an option initiated by the property owner and approved by the Board of Supervisors under limited circumstances and conditions set forth in the Government Code. If the Board makes the necessary findings, the landowner is required to pay a cancellation fee equal to 12.5% of the unrestricted fair market value of the property. Cancellation can only be considered if a contracted property is in a non-renewal status.

The non-renewal process will be implemented in three phases, as outlined in the "*Guideline for Procedures for County Non-renewal of Williamson Act Contracted Parcels Substandard in Size*" and summarized below:

- **Phase I: March - May, 2006** - prime and nonprime parcels less than 5 acres in size and subdivisions identified by the State Department of Conservation audit (i.e., Golden Height Estates and San Martin Estates).
- **Phase II: June – August, 2006** - prime and nonprime parcels 5 - 9.99 acres in size.
- **Phase III: September – October, 2006** - nonprime parcels less than 40 acres in size.

Property owners who receive notices of non-renewal have 60 days to protest the non-renewal. Protest of a County initiated non-renewal will result in an approximately 3-year delay of a potential accelerated tax increase. Property owners may protest the non-renewal by submitting proof that there is an existing commercial agricultural operation on the property, based on the "*Guideline for Commercial Agricultural Use*". Owners of substandard parcels used with other parcels as part of a larger farm operation must enter into and submit a copy of a recorded joint management agreement. This agreement formally establishes a joint farming operation on the aggregate parcels for the life of the Williamson contract.