

Meeting Date: 8/6/2015

Report Type: Public Hearing

Report ID: 2015-00627



Title: Urban Agriculture Incentive Zone Ordinance (Noticed 07/27/2015; Passed for Publication 07/28/2015; Published 07/31/2015)

Location: Citywide

Recommendation: Pass an Ordinance adding chapter 17.722 to the Sacramento City Code relating to an Urban Agriculture Incentive Zone.

Contact: Helen Selph, Associate Planner, (916) 808-7852, Community Development Department

Presenter: Helen Selph, Associate Planner, (916) 808-7852, Community Development Department

Department: Community Development Dept

Division: Long Range Planning

Dept ID:

Attachments:

1-Description/Analysis

2-Background

3-Proposed Ordinance-Clean

4-Proposed Ordinance-Redline

5-Sacramento County Resolution

6-AB551 Text

City Attorney Review

Approved as to Form

Jeffrey Heeren

7/28/2015 1:29:19 PM

Approvals/Acknowledgements

Department Director or Designee: Ryan Devore - 7/8/2015 10:27:50 AM

Description/Analysis

Issue Detail: The proposed Urban Agriculture Incentive Zone would allow property owners to enter into contract with the City to reduce their property taxes in exchange for enforceably restricting the use of vacant, unimproved, or otherwise blighted lands for small-scale agricultural production.

As required by State law and the City's Charter, approval by the Sacramento County Board of Supervisors is required prior to adoption by City Council. The Sacramento County Board of Supervisors approved the City's proposal to create an Urban Agriculture Incentive Zone on May 5, 2015 (Resolution authorizing the City of Sacramento's Urban Agriculture Incentive Zone Ordinance is attached).

Policy Considerations: The 2035 General Plan includes the following goals and policies related to urban agriculture:

GOAL ER 4.1

Urban Agriculture and Access to Locally Grown Foods. Expand urban agriculture and food production and increase the distribution and sale of locally grown fresh food.

- **ER 4.1.1 Community and Rooftop Gardens.** The City shall provide incentives for developers to include community gardens and rooftop gardens in new development projects.
- **ER 4.1.2 Local Food Production, Distribution, and Sale.** The City shall promote urban agriculture with zoning provisions that support means for production, distribution, and sale of locally grown foods, such as market gardens, farmer's markets, community markets, and farm stands, particularly in areas that have vacant or underutilized land.
- **LU 8.2.7 Locally-Grown and Organic Foods.** The City shall allow urban farms and market gardens at a scale that is appropriate to Sacramento's neighborhoods, particularly in areas that lack access to fresh healthy foods, and have vacant or underutilized land.

Economic Impacts: None.

Environmental Considerations: The proposed urban agriculture incentive zone seeks to improve land security for urban agriculture and could result in increased utilization of privately owned, vacant land for urban agriculture activities. The land use activities that could result are exempt from CEQA pursuant to Section 15304 which includes the minor public or private alteration in the condition of the land, water, and/or vegetation which does not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes.

Sustainability: The proposed Urban Agriculture Incentive Zone is consistent with the City's sustainability goals because it helps to address issues of food access, promotes economic resilience, and community building.

Commission/Committee Action: On May 20, 2014, the Law and Legislation Committee requested amendments to the Sacramento City Code to reduce the regulatory barriers for urban agriculture and provide tax incentives, pursuant to AB 551, the Urban Agriculture Incentive Zone Act.

On February 10, 2015, the Law and Legislation Committee held a public hearing on the Urban Agriculture Ordinance and Urban Agriculture Incentive Zone Ordinance, and voted to move them forward to City Council without a recommendation.

On February 12, 2015, the Planning and Design Commission held a public hearing on the Urban Agriculture Ordinance and Urban Agriculture Incentive Zone Ordinance and voted unanimously to forward the staff recommendation to City Council for adoption.

On March 24, 2015, City Council adopted the Urban Agriculture Ordinance, and authorized the City Manager or designees to forward the Urban Agriculture Incentive Zone Ordinance to the Sacramento County Board of Supervisors to approve adoption by the City.

The Sacramento County Board of Supervisors approved the adoption of the Urban Agriculture Incentive Zone Ordinance (Attachment 5) by the City on May 5, 2015.

Rationale for Recommendation: The Urban Agriculture Incentive Zone is intended to promote urban agriculture by providing property tax incentives.

Financial Considerations: The tax revenue loss to the City due to the Urban Agriculture Incentive Zone is expected to be insignificant because the maximum potential tax revenue loss to the City, County, and special districts combined is capped at \$250,000. The City's portion of the combined revenue loss is not expected to exceed 10% of the total cap amount, spread over several years. Increased staff costs for additional workload are unknown at this time.

Local Business Enterprise (LBE): No goods or services are being purchased under this report.

Background

The Urban Agriculture Incentive Zone Act (AB 551) is State legislation that was approved in September 2013. It enables local governments to create an urban agriculture incentive zone (UAIZ) whereby the City can enter into contracts with individual landowners to restrict the use of vacant, unimproved, and otherwise blighted parcels between 0.1-3.0 acres to agricultural uses in exchange for property tax reductions. AB551 and the City's Charter require approval by the Sacramento County Board of Supervisors prior to the creation of a UAIZ in the city.

When a property owner enters into a UAIZ contract with the City, the assessed value of the subject parcel would be reduced to the "average value of irrigated cropland in California", an amount that is updated and published annually by the State Board of Equalization. This number was \$12,500 per acre for the 2014 lien date and \$12,100 per acre for the 2015 lien date.

The amount of tax savings for participating landowners would depend on the current assessed value of the parcel; the average value of irrigated cropland in California; and the acreage.

The Sacramento County Assessor's Office developed an estimate of potential tax savings for land owners that may participate, based on a list of parcels provided by the Sacramento Urban Agriculture Coalition. Of these, 18 parcels were both privately owned and within the City boundary. The average annual tax savings per parcel was \$937, and the average annual tax savings per acre was \$6,127. The average valuation per parcel was \$84,695, and the total acreage for the 18 parcels was 2.75 acres.

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

**AN ORDINANCE ADDING CHAPTER 17.722 TO THE SACRAMENTO CITY
CODE RELATING TO AN URBAN AGRICULTURE INCENTIVE ZONE**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Chapter 17.722 is added to the Sacramento City Code to read as follows:

Chapter 17.722 Urban Agriculture Incentive Zone

17.722.010 Purpose.

This chapter is adopted in accordance with the Urban Agricultural Incentive Zones Act (California Government Code section 51040 et seq.) to promote urban agricultural use of otherwise vacant, unimproved, and blighted parcels by providing a tax-incentive for properties that produce food and agricultural products.

The city recognizes that urban agriculture improves community access to healthy food, helps create a more sustainable food system, builds community, and connects people to the land. Increased opportunity to participate in small-scale entrepreneurial agriculture will supplement incomes and help to create a more resilient economy.

Lack of access to land is a major obstacle for urban agriculture. By creating an Urban Agriculture Incentive Zone, the city seeks to encourage owners of eligible property to commit the property to urban agriculture for at least five years, giving urban agriculturalists access and stability.

17.722.020 General provisions.

- A. The Urban Agriculture Incentive Zone includes all eligible property within the city boundary.
- B. The city and owners of vacant, unimproved, or blighted property within the Urban Agriculture Incentive Zone may enter into an enforceable contract to restrict use to urban agriculture, as defined in chapter 17.108.

- C. The city may impose a fee upon contracting property owners for the reasonable costs of implementing and administering the contracts.
- D. The city shall maintain a standard form "Urban Agriculture Incentive Zones Contract" approved as to form by the city attorney. A contract entered into pursuant to this chapter must include at least the following provisions:
 - 1. An initial term of at least five years;
 - 2. A restriction that the property under contract be at least 0.10 of an acre, and not more than 3 acres;
 - 3. A requirement that the entire property be dedicated to urban agriculture use in accordance with the Urban Agriculture Incentive Zones Act, this chapter, the Planning and Development Code, and the contract;
 - 4. A prohibition against dwellings on the property during the term of the contract;
 - 5. Consent to allow periodic inspections of the property by the city manager, the city manager's designee, the county assessor, and the State Board of Equalization, as may be necessary for tax assessment purposes or to determine the property owner's compliance with the contract and the law;
 - 6. A requirement that the contract be binding upon, and inure to the benefit of all successors in interest to the property owner;
 - 7. Cancellation provisions in accordance with section 17.722.040;
 - 8. A requirement that urban agriculture activity must commence on the property within 30 days of execution of the contract;
 - 9. A requirement that the property owner:
 - a. Notify the planning director in writing of any cessation of urban agriculture use for any reason, including but not limited to cessation due to the loss of a tenant who was conducting urban agricultural uses on the property. This notice must be given within two weeks of the cessation of activity; and
 - b. Resume urban agricultural activity within three months of any such cessation or the city may cancel the contract;

10. A requirement that the property owner defend and indemnify the city from any claims arising from any use of the property;
11. A prohibition of the use of pesticides or fertilizers on the property, except for those pesticides or fertilizers allowed by the United States Department of Agriculture's National Organic Program;
12. A requirement that the property owner comply with all provisions of the Urban Agriculture Incentive Zones Act;
13. A requirement that the property be used in accordance with a water conservation plan approved by the city and that includes best practices for water conservation;
14. A requirement for a metered water service connection or approved water well;
15. A requirement that the property be assessed pursuant to section 422.7 of the Revenue and Taxation Code during the term of the contract;
16. A notification that if the property owner cancels the contract, the city must assess a cancellation fee pursuant to subparagraph (B) of paragraph (2) of subdivision (a) of section 51042 of the California Government Code.

17.722.030 Approval process.

- A. To qualify for the tax assessment specified in section 17.722.020.C, the property owner must file an application on a form provided by the planning director.
- B. The city will review the application and conduct site inspections within 30 days of the date a complete application is filed.
- C. The application and contract may be approved by the city manager or the city manager's designee if it meets all the requirements of the Urban Agriculture Incentive Zones Act, this chapter, and other applicable requirements of the Planning and Development Code.
- D. The application and contract requires city council approval if:
 1. The contract would result in a combined tax revenue loss to the city, County, and other recipients of ad valorem property taxes of more than \$25,000 per year or more than \$125,000 for the term of the contract; or

2. The estimated combined cumulative tax revenue loss to the city, County, and other recipients of ad valorem property taxes for all properties currently under contract is greater than \$250,000 through January 1, 2019.
- F. Appeal. If the city manager or city manager designee denies an application and contract, the denial shall be final unless the property owner files an appeal with the planning director within ten business days of the denial. Notwithstanding section 17.812.060, an appeal shall be to the city council.
 - G. The city manager or city manager's designee shall execute the approved contract upon determination that the property owner has obtained all required approvals for the proposed urban agriculture use. Following final approval of the contract, the city manager or city manager designee shall send written notification to the assessor and to the property owner. Once executed, the property owner shall record the contract against the property. Once the contract is recorded against the property, the assessor will apply the reduced property tax valuation methodology to the property at the next property tax lien date.

17.722.040 Contract cancellation.

- A. The city manager or city manager's designee may cancel the contract upon finding that a property owner is in breach of the terms of the contract. The county assessor and the property owner will be notified of the city's cancellation of the contract.
- B. A property owner may cancel a contract entered into pursuant to this chapter at any time by submitting written notice to the planning director. Upon cancellation of the contract prior to the expiration of its term, the property owner shall record a notice of cancellation of the contract against the property.
- C. If the contract is cancelled by the city or property owner prior to the expiration of its term, the property owner must pay to the county a cancellation fee equal to the cumulative value of the tax benefit received during the duration of the contract plus interest, as determined by the assessor. The city manager or city manager designee may waive payment of all or a portion of the fee, if he or she determines that the cancellation was caused by extenuating circumstances despite the good faith effort by the property owner.

17.722.050 Sunset provision.

The city shall not enter into a new contract or renew an existing contract after January 1, 2019, unless the Urban Agriculture Incentive Zones Act is amended to

authorize contracts after that date. Any contract entered into pursuant to the Urban Agriculture Incentive Zones Act and this chapter on or before January 1, 2019 will be valid and enforceable for the duration of the contract.

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 4. A prohibition against dwellings on the property during the term of the contract;
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12. A requirement that the property owner comply with all provisions of the Urban Agriculture Incentive Zones Act;
13. A requirement that the property be used in accordance with a water conservation plan approved by the city and that includes best practices for water conservation;
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authorize contracts after that date. Any contract entered into pursuant to the Urban Agriculture Incentive Zones Act and this chapter on or before January 1, 2019 will be valid and enforceable for the duration of the contract.

RESOLUTION NO. 2015-0319

**APPROVAL OF THE CITY OF SACRAMENTO'S URBAN AGRICULTURE
INCENTIVE ZONE ORDINANCE AS REQUIRED BY STATE LAW**

WHEREAS, on January 1, 2014 Assembly Bill 551, which established the Urban Agriculture Incentive Zone Act went into effect; and,

WHEREAS, the Urban Agriculture Incentive Zone Act allows city or county governments, with approval from their county board of supervisors, to designate areas within their boundaries as urban agriculture incentive zones (UAIZ); and,

WHEREAS, on March 24, 2015, the City of Sacramento held a public hearing and adopted an ordinance establishing an UAIZ within the boundaries of the City.

NOW, THEREFORE, the BOARD OF SUPERVISORS of the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereby authorizes the approval of the City of Sacramento's Urban Agriculture Incentive Zone, in a form not substantially different from Exhibit A and including a total cap on the loss of tax revenue at \$250,000 over the life of the zone.

On a motion by Supervisor Nottoli, seconded by Supervisor Peters, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 5th day of May, 2015, by the following vote, to wit:

AYES: Supervisors, MacGlashan, Nottoli, Peters, Serna

NOES: Supervisors, None

RECUSAL: Supervisors, None

(PER POLITICAL REFORM ACT (§ 18702.5.))

ABSENT: Supervisors, Kennedy

ABSTAIN: Supervisors, None



Chair of the Board of Supervisors
of Sacramento County, California

In accordance with Section 25103 of the Government Code
of the State of California a copy of the document has been
delivered to the Chair of the Board of Supervisors, County
of Sacramento on 5-5-15

By
Deputy Clerk, Board of Supervisors

ATTEST:

Clerk, Board of Supervisors

FILED
BOARD OF SUPERVISORS

MAY 05 2015

BY

CLERK OF THE BOARD

The foregoing is a correct copy of a resolution
adopted by the Board of Supervisors, Sacramento
County, California

On

5.5.15

Dated

6.22.15

Clerk, Board of Supervisors

By

Deputy Clerk

Assembly Bill No. 551

CHAPTER 406

An act to add Chapter 6.3 (commencing with Section 51040) to Part 1 of Division 1 of Title 5 of the Government Code, and to amend Section 402.1 of, and to add Section 422.7 to, the Revenue and Taxation Code, relating to local government.

[Approved by Governor September 28, 2013. Filed with
Secretary of State September 28, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 551, Ting. Local government: urban agriculture incentive zones.

(1) Existing law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law authorizes the parties to a Williamson Act contract to mutually agree to rescind a contract under the act in order to simultaneously enter into an open-space easement for a certain period of years.

This bill would enact the Urban Agriculture Incentive Zones Act and would authorize, under specified conditions and until January 1, 2019, a city, county, or city and county and a landowner to enter into a contract to enforceably restrict the use of vacant, unimproved, or otherwise blighted lands for small-scale production of agricultural crops and animal husbandry. The bill would require a contract entered into pursuant to these provisions to, among other things, be for a term of no less than 5 years and to enforceably restrict property that is at least 0.10 acres in size.

(2) Existing law requires the county assessor to consider, when valuing real property for property taxation purposes, the effect of any enforceable restrictions to which the use of the land may be subjected. Under existing law these restrictions include, but are not limited to, zoning, recorded contracts with governmental agencies, and various other restrictions imposed by governments.

This bill would require the county assessor to value property that is enforceably restricted by a contract entered into pursuant to the Urban Agriculture Incentive Zones Act at the rate based on the average per-acre value of irrigated cropland in California, adjusted proportionally to reflect the acreage of the property under contract, as most recently published by the National Agricultural Statistics Service of the United States Department of Agriculture. The bill would also require the State Board of Equalization to post the per-acre land value as published by the National Agricultural Statistics Service of the United States Department of Agriculture on its

Internet Web site within 30 days of publication, and to provide the rate to county assessors no later than January 1 of each assessment year.

The people of the State of California do enact as follows:

SECTION 1. Chapter 6.3 (commencing with Section 51040) is added to Part 1 of Division 1 of Title 5 of the Government Code, to read:

CHAPTER 6.3. URBAN AGRICULTURE INCENTIVE ZONES

51040. This chapter shall be known, and may be cited, as the Urban Agriculture Incentive Zones Act.

51040.1. The Legislature finds and declares that it is in the public interest to promote sustainable urban farm enterprise sectors in urban centers.

The Legislature further finds and declares the small-scale, active production of marketable crops and animal husbandry, including, but not limited to, foods, flowers, and seedlings, in urban centers is consistent with, and furthers, the purposes of this act.

51040.3. For purposes of this chapter, the following terms have the following meanings:

(a) "Urban" means an area within the boundaries of an urbanized area, as that term is used by the United States Census Bureau, that includes at least 250,000 people.

(b) "Urban Agriculture Incentive Zone" means an area within a county or a city and county that is comprised of individual properties designated as urban agriculture preserves by the county or the city and county for farming purposes.

(c) "Agricultural use" means farming in all its branches including, but not limited to, the cultivation and tillage of the soil, the production, cultivation, growing, and harvesting of any agricultural or horticultural products, the raising of livestock, bees, fur-bearing animals, dairy-producing animals, and poultry, agricultural education, the sale of produce through field retail stands or farms stands as defined by Article 5 (commencing with Section 47030) of Chapter 10.5 of Division 17 of the Food and Agricultural Code, and any practices performed by a farmer or on a farm as an incident to or in conjunction with farming operations. For purposes of this chapter, the term "agricultural use" does not include timber production.

51042. (a) (1) (A) A county or city and county may, after a public hearing, establish by ordinance an Urban Agriculture Incentive Zone within its boundaries for the purpose of entering into enforceable contracts with landowners, on a voluntary basis, for the use of vacant, unimproved, or blighted lands for small-scale agricultural use.

(B) A city may, after a public hearing and approval from the board of supervisors of the county in which the city is located, establish by ordinance an Urban Agriculture Incentive Zone within its boundaries for the purpose of entering into enforceable contracts with landowners, on a voluntary basis,

for the use of vacant, unimproved, or blighted lands for small-scale agricultural use.

(2) Following the adoption of the ordinance pursuant to paragraph (1), a city, county, or city and county that has established an Urban Agriculture Incentive Zone within its boundaries may adopt rules and regulations consistent with the city, county, or city and county's zoning and other ordinances, for the implementation and administration of the Urban Agriculture Incentive Zone and of contracts related to that Urban Agriculture Incentive Zone.

(A) The city, county, or city and county may impose a fee upon contracting landowners for the reasonable costs of implementing and administering contracts.

(B) The city, county, or city and county shall impose a fee equal to the cumulative value of the tax benefit received during the duration of the contract upon landowners for cancellation of any contract prior to the expiration of the contract, unless the city, county, or city and county makes a determination that the cancellation was caused by extenuating circumstances despite the good faith effort by the landowner.

(b) Following the adoption of the ordinance as required by subdivision (a), a city, county, or a city and county may enter into a contract with a landowner to enforceably restrict the use of the land subject to the contract to uses consistent with urban agriculture. Any contract entered into pursuant to this chapter shall include, but is not limited to, all of the following provisions:

(1) An initial term of not less than five years.

(2) A restriction on property that is at least 0.10 acres, and not more than three acres.

(3) A requirement that the entire property subject to the contract shall be dedicated toward commercial or noncommercial agricultural use.

(4) A prohibition against any dwellings on the property while under contract.

(5) A notification that if a landowner cancels a contract, a city, county, or city and county is required to assess a cancellation fee, pursuant to subparagraph (B) of paragraph (2) of subdivision (a).

(c) A contract entered into pursuant to this chapter shall not prohibit the use of structures that support agricultural activity, including, but not limited to, toolsheds, greenhouses, produce stands, and instructional space.

(d) A contract entered into pursuant to this chapter that includes a prohibition on the use of pesticide or fertilizers on properties under contract shall permit those pesticides or fertilizers allowed by the United States Department of Agriculture's National Organic Program.

(e) A city, county, or city and county shall not enter into a new contract, or renew an existing contract pursuant to this chapter after January 1, 2019. Any contract entered into pursuant to this chapter on or before January 1, 2019, shall be valid and enforceable for the duration of the contract.

(f) Property subject to a contract entered into pursuant to this chapter shall be assessed pursuant to Section 422.7 of the Revenue and Taxation Code during the term of the contract.

(g) A county or a city and county shall not establish an Urban Agriculture Incentive Zone within any portion of the spheres of influence of a city unless the legislative body of the city has consented to the establishment of the Urban Agriculture Incentive Zone.

(h) A city, county, or city and county shall not establish an Urban Agriculture Incentive Zone in any area that is currently subject to, or has been subject to within the previous three years, a contract pursuant to the Williamson Act (Article 1 (commencing with Section 51200) of Chapter 7 of Part 1 of Division 1 of Title 5).

SEC. 2. Section 402.1 of the Revenue and Taxation Code is amended to read:

402.1. (a) In the assessment of land, the assessor shall consider the effect upon value of any enforceable restrictions to which the use of the land may be subjected. These restrictions shall include, but are not limited to, all of the following:

(1) Zoning.

(2) Recorded contracts with governmental agencies other than those provided in Sections 422, 422.5, and 422.7.

(3) Permit authority of, and permits issued by, governmental agencies exercising land use powers concurrently with local governments, including the California Coastal Commission and regional coastal commissions, the San Francisco Bay Conservation and Development Commission, and the Tahoe Regional Planning Agency.

(4) Development controls of a local government in accordance with any local coastal program certified pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code.

(5) Development controls of a local government in accordance with a local protection program, or any component thereof, certified pursuant to Division 19 (commencing with Section 29000) of the Public Resources Code.

(6) Environmental constraints applied to the use of land pursuant to provisions of statutes.

(7) Hazardous waste land use restriction pursuant to Section 25240 of the Health and Safety Code.

(8) A recorded conservation, trail, or scenic easement, as described in Section 815.1 of the Civil Code, that is granted in favor of a public agency, or in favor of a nonprofit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code that has as its primary purpose the preservation, protection, or enhancement of land in its natural, scenic, historical, agricultural, forested, or open-space condition or use.

(9) A solar-use easement pursuant to Chapter 6.9 (commencing with Section 51190) of Part 1 of Division 1 of Title 5 of the Government Code.

(b) There is a rebuttable presumption that restrictions will not be removed or substantially modified in the predictable future and that they will

substantially equate the value of the land to the value attributable to the legally permissible use or uses.

(c) Grounds for rebutting the presumption may include, but are not necessarily limited to, the past history of like use restrictions in the jurisdiction in question and the similarity of sales prices for restricted and unrestricted land. The possible expiration of a restriction at a time certain shall not be conclusive evidence of the future removal or modification of the restriction unless there is no opportunity or likelihood of the continuation or renewal of the restriction, or unless a necessary party to the restriction has indicated an intent to permit its expiration at that time.

(d) In assessing land with respect to which the presumption is un rebutted, the assessor shall not consider sales of otherwise comparable land not similarly restricted as to use as indicative of value of land under restriction, unless the restrictions have a demonstrably minimal effect upon value.

(e) In assessing land under an enforceable use restriction wherein the presumption of no predictable removal or substantial modification of the restriction has been rebutted, but where the restriction nevertheless retains some future life and has some effect on present value, the assessor may consider, in addition to all other legally permissible information, representative sales of comparable lands that are not under restriction but upon which natural limitations have substantially the same effect as restrictions.

(f) For the purposes of this section the following definitions apply:

(1) "Comparable lands" are lands that are similar to the land being valued in respect to legally permissible uses and physical attributes.

(2) "Representative sales information" is information from sales of a sufficient number of comparable lands to give an accurate indication of the full cash value of the land being valued.

(g) It is hereby declared that the purpose and intent of the Legislature in enacting this section is to provide for a method of determining whether a sufficient amount of representative sales information is available for land under use restriction in order to ensure the accurate assessment of that land. It is also hereby declared that the further purpose and intent of the Legislature in enacting this section and Section 1630 is to avoid an assessment policy which, in the absence of special circumstances, considers uses for land that legally are not available to the owner and not contemplated by government, and that these sections are necessary to implement the public policy of encouraging and maintaining effective land use planning. This statute shall not be construed as requiring the assessment of any land at a value less than as required by Section 401 or as prohibiting the use of representative comparable sales information on land under similar restrictions when this information is available.

SEC. 3. Section 422.7 is added to the Revenue and Taxation Code, to read:

422.7. (a) For purposes of this section, the term "open-space land" includes land subject to contract for an urban agricultural incentive zone, as defined in subdivision (b) of Section 51040.3 of the Government Code.

For purposes of this section, open-space land is enforceably restricted within the meaning of Section 8 of Article XIII of the California Constitution if it is subject to an urban agriculture incentive zone contract.

(b) (1) Open-space land subject to contract for an urban agricultural incentive zone pursuant to Section 52010.3 shall be valued for assessment at the rate based on the average per-acre value of irrigated cropland in California, adjusted proportionally to reflect the acreage of the property under contract, as most recently published by the National Agricultural Statistics Service of the United States Department of Agriculture.

(2) Notwithstanding the published rate, the valuation resulting from the section shall not exceed the lesser of either the valuation that would have resulted by a calculation under Section 110, or the valuation that would have resulted by a valuation under Section 110.1, as though the property was not subject to an enforceable restriction in the base year.

(c) The State Board of Equalization shall post the per-acre land value as published by the National Agricultural Statistics Service of the United States Department of Agriculture on its Internet Web site within 30 days of publication, and shall provide the rate to county assessors no later than January 1 of each assessment year.