

620.0000 OPEN-SPACE LANDS

*See California Land Conservation Act
Farmland Security Zone
Land Use Restrictions*

620.0001 Cancellation Fees and Charges. LTA 1/22/82 (No. 82/10); LTA 4/23/82 (No. 82/65). (Deleted 2005)

620.0002 Cancellation Fees and Charges. Prior to January 1, 1988, the cancellation fee was based upon the property's taxable value as defined in Property Tax Rule 460(b)(6). As of January 1, 1988, that fee is calculated based upon current fair market value as determined pursuant to Revenue and Taxation Code section 110. C 4/3/84; C 11/7/88.

620.0005 Change in Ownership. When open space property under a Williamson Act contract undergoes a change in ownership, the assessor must process the change in ownership and establish the base year value for the property as of the date of change in ownership. The new base year value of the restricted property is not enrolled, and therefore, no supplemental assessments are issued. However, as to the non-restricted portions of the property (e.g., structures, nonliving improvements), the new base year value is enrolled and supplemental assessments are levied based upon the date of the change in ownership. C 8/2/99.

620.0009 Supplemental Assessments. Williamson Act properties undergoing nonrenewal are not subject to supplemental assessment in addition to the method mandated by Revenue and Taxation Code section 426. C 8/24/94.

620.0010 Trees and Vines Valuation. LTA 8/3/79 (No. 79/131). (Deleted 1997)

620.0015 Valuation. As of January 1, 1988, Revenue and Taxation Code section 423 requires a three-part value comparison and directs the assessor to enroll the lesser of either the restricted value, the factored base-year value, or the current market value as determined annually. LTA 6/13/88 (No. 88/42).

620.0020 Valuation During Non-Renewal Period. Revenue and Taxation Code section 426 directs assessors to determine the value of the land by capitalization of income as provided in section 423. Section 423 states in part that unless a party to an instrument which creates an enforceable restriction expressly prohibits such a valuation, the valuation resulting from the capitalization of income method described in this section shall not exceed the valuation that would have resulted by calculations under section 110.1, as though such property was not subject to an enforceable restriction in the base year. Therefore, if neither party to the contract objects and the factored unrestricted base year value is less than the currently computed restricted value, the factored base year value will be enrolled. The comparison of restricted and unrestricted value indicators must be made annually, for the relationship between them may change during the 9 year nonrenewal period.

On the other hand, if either party to the contract objects to the comparison, the valuation procedure contained in section 426 will apply and the current restricted value will be revised annually by the present worth of the difference between the current restricted value and the factored base year value discounted for the remainder of the nonrenewal period.

A special circumstance exists when the city or county has implemented the provisions of section 423.3, under which the assessor is required to compare the current restricted value to a percentage of the factored base year value and enroll the lower. As section 423.3 is not specifically referred to in section 426, it is the Board's position that the value determined under section 423.3 does not enter into the nonrenewal valuation process. Even if section

423.3 is in effect, the value to enroll during the nonrenewal period is the factored base year value when such figure is less than the current restricted value as calculated via the income approach. LTA 7/14/81 (No. 81/78).

[620.0025](#) **Valuation—Restricted and Nonrestricted Property.** When a property that would usually be considered an appraisal unit includes acreage, some of which is subject to a Land Conservation Act (LCA) contract and some of which is not, it should be appraised as though it were two separate appraisal units. The restricted portion of the property should be valued by the capitalization of income method, as provided in Revenue and Taxation Code section 423, and that value enrolled when that value is less than its factored base year value or current market value. The remainder should be valued and enrolled at its factored base year value or current market value, whichever is less. C 9/20/93.

[620.0050](#) **Zoning Change.** Both the constitutional and statutory provisions governing the reduced property tax valuation afforded to enforceably restricted open-space lands require that the enforceable restriction be in existence (i.e., signed, accepted, and recorded) on or before the lien date of the tax year to which the reduced valuation is to apply. If a resolution is passed to retroactively apply an enforceable restriction, the parcel will not thereby become eligible for reassessment as enforceably restricted open-space land for any prior year. C 4/9/2002.