

---

## **AUTOMATIC WILLIAMSON ACT RENEWAL IS ON CURRENT TERMS**

In *County of Humboldt v. McKee* (2008) 165 CA 4<sup>th</sup> 1476, the California Court of Appeals recently held that the automatic renewal of a Williamson Act Contract creates a new contract subject to then-existing applicable laws and ordinances.

In 1977, Humboldt County rancher, Arthur Tooby entered into a Williamson Act contract with the county covering his 12,580 acre ranch and setting a 160 acre minimum parcel size under the then effective agricultural preserve guidelines. In 1978, the guidelines were revised, increasing the minimum parcel size to 600 acres.

In 2000, Robert and Valerie McKee and Buck Mountain Ranch LP (“McKee” and “BMR”) purchased the ranch. They then subdivided and sold the land in parcels larger than 160 acres, but smaller than 600 acres.

In 2002, the county sued McKee and BMR for violating both the Williamson Act and the Subdivision Map Act. BMR countersued because the county continued to assess BMR for some of the sold parcels.

At trial, McKee and BMR argued that the county could not retroactively apply the 1978 guidelines to the contract signed in 1977. The trial court ruled in their favor based upon the state and federal constitutions. The court of appeal reversed and remanded the case for further proceedings.

The Williamson Act (Government Code §§51200-51297.4) provides preferential tax treatment, and in exchange imposes restrictions on the contracted land’s use. A Williamson Act contract must have at least a 10-year initial term (§51244). Each year, an additional year is added to the contract unless notice of nonrenewal is given before the annual renewal date (§51244). Otherwise, the contract is deemed renewed (§51245). The contract is binding on the owners’ successors in interest (§51243(b)).

The court of appeals ruled that each year, when the contract renewed, the parties essentially entered into a new contract, including the guidelines then in effect. On remand, the trial court was given discretion to impose an appropriate remedy. The court of appeal expressed no opinion regarding the remedy of nullifying the contract or the subdivision.

– *Alex Simas* –

Visit our websites at: <http://www.KirkSimas.com>  
<http://www.CentralCoastAgLaw.com>  
<http://www.CentralCoastWineLaw.com>

or e-mail Alex at [Asimas@KirkSimas.com](mailto:Asimas@KirkSimas.com)