

**ASSESSING THE BENEFITS  
OF  
BENEFIT ASSESSMENTS**

**A Citizen's Guide to Benefit Assessments in California, 2<sup>nd</sup> Edition**

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## **Introduction**

While it's true that all local government revenue comes from people's pockets, there is a complex array of laws, procedures, and philosophies that local officials use to generate different types of revenue. Benefit assessments are simply one of the ways that local agencies raise money to pay for public facilities and services.

Although the theory of benefit assessments has been around for centuries, most Californians aren't familiar with this important public financing tool. If you've picked up this guide, you may be wondering:

- What is a benefit assessment?
- Why do we have benefit assessments and what are they used for?
- What is the process for levying benefit assessments?
- What is the citizen's role in the realm of benefit assessments?

This guide answers a variety of questions and tells you where to get more information about benefit assessments. By knowing more about benefit assessments, you will better understand an important tool that local governments and property owners use to pay for local improvements and services.

## What is a benefit assessment?

Not everyone benefits from all of the services or facilities that a local government provides. When a specific project or particular service benefits only a well-defined group of property owners, then it makes sense to match the costs and benefits. That's exactly what a benefit assessment does.

The California Constitution defines a **benefit assessment** as “any levy or charge upon real property by an agency for a special benefit conferred upon the real property” (Article XIII D §2 [b]).

In other words, local officials can levy benefit assessments on property owners to pay for those public improvements and services that specifically benefit their property. Rather than billing everyone, benefit assessments *localize* the costs of public improvements and activities by charging only property owners for what specifically enhances their land and buildings.

So what's a special benefit? Well, the California Constitution defines a **special benefit** as “a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute ‘special benefit.’” (Article XIII D §2 [i]). For example, installing a new sewer on one side of town may benefit property owners in that area, but may not benefit anyone in other neighborhoods.

Benefit assessments differ from other revenue raising mechanisms in important ways. Here's how (for more information see Appendix A):

- A **benefit assessment** is an involuntary charge that property owners pay for a public improvement or service that provides a special benefit to their property. The amount of the assessment is directly related to the amount of the benefit their property receives. Benefit assessments can finance public projects like flood control, street improvement, streetlights, and public landscaping.
- A **tax** is an involuntary charge paid by individuals, businesses, and property owners regardless of the taxpayer's relative benefit. Taxes pay for governmental services that broadly benefit the public. Examples of taxes include local sales taxes and hotel taxes.
- A **fee** is a voluntary charge paid by individuals, businesses, and property owners to cover the costs of a service or facility provided directly to them. The amount of the fee cannot be more than what it costs to provide the service. You may find yourself paying a fee when you enter a local public swimming pool or when you buy a copy of your birth certificate.

The California Constitution limits how local officials use benefit assessments. When California's voters approved Proposition 218 in November 1996, they added Article XIII C and Article XIII D to the California Constitution. These constitutional limits control the over 30 different benefit assessment acts. While each of these statutes differ in how local agencies can finance specific projects and services, all of them must follow the rules outlined in the California Constitution.

### **What a benefit assessment is not**

Now that we've looked at what they are, let's examine what benefit assessments are not.

- **Benefit assessments are not taxes.**

California's 58 counties are authorized to collect property taxes. *Ad valorem* property taxes are based on the value of land and improvements (like homes and barns). In addition, counties, cities, special districts, and school districts can enact other local taxes, including parcel taxes. Taxpayers must pay their taxes even if they don't directly benefit from the services that the taxes pay for. In contrast, benefit assessments are charges on property owners for activities or projects that directly benefit their businesses or property. The California Constitution requires voters to approve local taxes; 2/3-voter approval for special taxes (which can be used only for specified purposes) and majority-voter approval for general taxes (which can be used for any lawful purpose of the taxing agency). Benefit assessments need approval by a weighted majority of the affected property owners that cast votes.

- **Benefit assessments are not fees.**

Fees are voluntary charges paid by individuals and businesses when they use government services like replacing lost library cards, subdividing property, or copying birth certificates. Fees reflect the costs of government services. Benefit assessments are involuntary in the sense that all affected property owners in the assessment district must pay them. Unlike fees, property owners can't avoid paying a benefit assessment by declining to use the resulting facilities and services.

- **Benefit assessment districts are not cities or counties.**

Cities and counties are autonomous local governments with elected governing boards and corporate and police powers. Cities and counties use various financing tools to provide services, facilities, and programs. Benefit assessment districts are merely financing tools and don't have governing boards or inherent powers. Benefit assessment districts simply define the area that contains the parcels that will receive a special benefit from the public improvement or service financed by the benefit assessment. Cities and coun-

ties can form benefit assessment districts to pay for particular projects and specific services.

- **Benefit assessment districts are not special districts.**  
Like cities and counties, special districts are autonomous local governments with governing boards that have corporate powers. Special districts provide a limited number of services such as water, sewers, and parks. Benefit assessment districts are not autonomous governments, and they don't run programs; they're financing tools. State law allows many special districts to form benefit assessment districts to fund some of their projects and services.
- **Benefit assessment districts are not "Mello-Roos" districts.**  
Cities, counties, special districts, and school districts can form Mello-Roos Act Community Facilities Districts to levy special taxes for community improvements and services, such as schools, freeway interchanges, library services, and recreation programs. Mello-Roos taxes require 2/3-voter approval. Mello-Roos taxpayers don't necessarily benefit from the activities funded with Mello-Roos taxes. On the other hand, benefit assessment districts levy benefit assessments on property owners to pay for improvements and services that directly benefit their property.

### **History of benefit assessments in California**

In the early 1900s, benefit assessments paid for projects where the benefits were limited to small geographic regions, like a street or neighborhood, and where improvements were adjacent to the property that benefited. Later, the Legislature authorized assessments for more distant improvements such as parks, water channels, and street lighting systems. In the late 20<sup>th</sup> Century, the Legislature authorized business improvement districts that are funded by benefit assessments on businesses.

But where did the idea of benefit assessments come from and how did we get there?

The landmark study, ***Windfalls for Wipeouts*** by Hagman and Misczynski, traced benefit assessments back at least 750 years to a local ordinance in England that levied assessments for repairs to seawalls. Residents paid in proportion to the amount of their land that was protected by the seawall. The tradition of levying benefit assessments in proportion to the private benefit of public works reached America in 1691 when New York City assessments paid for paving streets and building a drainage system.

The **Windfalls** study found that America's use of assessments peaked in the early 1900s. Most large cities used assessments, and cities such as Oakland and Los Angeles relied on assessment proceeds for about 20% of their total

revenue. Public reliance on assessments began to decline during the Great Depression, as landowners defaulted on their property assessments.

In 1978, California voters approved Proposition 13 which cut property tax revenues by 57%, but did not lower the demand for local services. Local officials had three options: cut costs, shift costs to other agencies, or raise revenues. In addition to cutting and shifting costs, officials turned to benefit assessments and other revenue sources to pay for local services. Some critics say that benefit assessments are just substitutes for the property taxes that Proposition 13 meant to cut.

In the first years after Proposition 13, the Legislature granted benefit assessment authority to additional types of special districts, permitting them to finance flood control, drainage, and water services. The trend to expand assessments declined somewhat after the passage of the Benefit Assessment Act of 1982. In the following years, the Legislature took a new interest in extending assessment powers while also restricting perceived abuses. The Legislature expanded the Landscaping and Lighting Act of 1972 to permit the installation and maintenance of parks. The Legislature also expanded the Municipal Improvement Act of 1913 to permit local agencies to maintain, repair, and improve various facilities. In the early 1990s, the Legislature authorized assessments for wine-grape pest control, habitat maintenance, and furthered the authority for business improvements.

Although benefit assessments are a familiar feature of the local fiscal landscape, they can be controversial. Interpretations of exactly what programs and services benefit assessments can and cannot be used for have been points of contention among taxpayer advocates, landowners, local governments, and the state. For example, taxpayer advocates may argue that it is inappropriate for special districts to use benefit assessments to finance fire protection, mosquito abatement, and open space preservation because those services benefit society at large rather than specially benefiting property owners. Local governments wouldn't necessarily agree. From their perspective, property tax revenues aren't enough to pay for services the public wants; benefit assessments are a legal and practical option.

It was this friction that led taxpayer organizations to sponsor and the voters to approve Proposition 218 in 1996. Known as the "Right to Vote on Taxes Act," this amendment to the California Constitution required a variety of local funding mechanisms to be approved by the people. Taxpayer advocates argued that Proposition 218 brought a much louder public voice to the process of local financing through strict public procedures and voter approval. Critics argued that the weighted ballot procedure required by Proposition 218 for the approval of assessments allows large property owners to silence the voice of smaller property owners.

## Authority to assess

To understand which local agencies can levy assessments, for which activities, and in what manner, we need to look to the California Constitution and the state statutes.

In addition to the requirements placed in the Constitution by Proposition 218, over 30 separate benefit assessment laws outline:

- Which agencies can use its provisions.
- How officials determine who benefits.
- What assessment proceeds can finance.
- Whether limits exist on the duration or renewal of the assessment.

For detailed information about many of the more commonly used benefit assessment laws, see Appendix B.

General law cities, counties, school districts, and special districts can't levy benefit assessments without a state law that allows them to do so. However, the California Constitution allows the state's 108 charter cities to levy benefit assessments without specific authority from state law. In either case, local agencies that levy benefit assessments must follow the rules placed in the Constitution by Proposition 218.

## Creating districts and levying assessments

Now that we understand what benefit assessments are and how they're used, we need to know how local officials form benefit assessment districts and levy assessments on private property. Although each benefit assessment law spells out its own procedures, all assessments require these basic steps:

- **Petition or resolution.** Some assessment acts require property owners to petition local officials to form benefit assessment districts; others permit local officials to initiate a district with a resolution of their governing body; some laws allow both methods. When state law requires petitions, property owners circulate petitions until they get the required number of signatures. If local officials can independently adopt a resolution, they must act in an open meeting.
- **Engineer's report.** After property owners petition local officials, or after local officials have adopted their resolution, an engineer must study the proposed improvements, estimate costs, diagram the proposed district boundaries, and calculate a fair allocation of the benefit assessments among the benefited parcels in direct proportion to the amount of special benefit each receives. For example, a house located close to where a new park is being built might

have a higher assessment than another house several blocks away because the house closer to the park gets more benefit from the new park. After completing the report, the engineer files it with the local agency.

- **Apportioning benefits.** Proposition 218 requires agencies to use the professional engineer's report to estimate the amount of special benefit land-owners would receive from the project or service, as well as the amount of "general benefit," i.e. an overall benefit to society at large. This step is needed because Proposition 218 allows local agencies to recoup from assessments only the proportionate share of cost to provide the special benefit. That is, if special benefits represent 50% of total benefits, local agencies may use the assessments to recoup half of the project or service's costs. Local agencies must use other revenues to pay for any remaining costs. Local agencies must then set individual assessment charges so that no property owner pays more than their proportional share of the special benefit that flows from a project or service.
- **Public meeting.** After local officials are satisfied with the engineer's report, they hold a public meeting to hear comments on the proposal from affected property owners. Local officials must notify the affected property owners of the meeting at least 10 days in advance. At the meeting, anyone can talk about the nature, costs, and components of the proposed benefit assessment. Local officials may hold multiple public meetings. The meeting is for public comment only; local officials cannot adopt the assessment plan until a later *public hearing*.
- **Mailed ballots.** Local officials must mail to all affected property owners, a ballot to vote for or against the proposed assessment, and a notice containing the date, time, and place of the public hearing at which ballots will be counted, as well as specific information about the proposed benefit assessment. This information must include the purpose of the benefit assessment, the amount that would be charged to the owner's parcel, how that amount was calculated, and the duration of the payments. The ballot must carry the agency's address or include a self-addressed envelope so that property owners can return their ballots by mail.
- **Public hearing.** After local officials hold their public meetings, they must call a public hearing where the benefit assessment plan can be approved or rejected. Property owners must be notified of the hearing at least 45 days in advance. At the hearing, local officials count the ballots and make them public. Unlike votes cast in elections, votes cast in assessment proceedings are not secret.

Ballots are weighted by the amount each property owner is to pay, with those paying more getting a larger share of the vote. In other words, the ballots are weighted in proportion to the amount of benefit each property receives from

the benefit assessment. This means that a property owner that receives twice the benefit of another property owner would pay twice the assessment. The property owner paying twice as much would also have their vote count twice as much.

If the votes cast determine that the weighted majority of the *voting* property owners are against the assessment, then local officials must abandon the assessment.

If the assessment passes, local officials can still modify the plan in response to public comment. However, if substantial modifications are made to the assessment plan upon which landowners cast their vote, a new election may be required. The local agency cannot increase an assessment after the property owners approve it except as provided in the original assessment proposal.

- **Levying assessments.** After local officials adopt the assessment plan, they impose the benefit assessment. Most assessment acts allow the agency to begin work on the facilities and services immediately. Assessments appear on a property owner's annual property tax bill. Some assessment plans call for benefit assessments to increase occasionally to keep up with the cost-of-living or as new facilities and services become available. If the plan calls for the benefit assessments to increase according to a formula or range, property owners' bills can increase automatically. However, if local officials want larger increases, they must go through the same procedures: another public meeting, another election, and another public hearing.

### **Differences between benefit assessment acts**

Each of California's assessment acts has unique provisions. Here are some of their major differences:

- **Authorized users.** Cities and counties can use most of the assessment acts, including the Vehicle Parking District Law and Geologic Hazard Abatement District Law. Special districts also have access to some acts, like the Improvement Act of 1911 and the Landscaping and Lighting Act of 1972, and exclusive access to others, such as Community Services District Law and Phylloxera Control District Law. School districts may use only a few of the acts, including the Landscaping and Lighting Act.
- **Improvements and services.** Some benefit assessment laws authorize local agencies to provide a dozen improvements and services; others permit only one activity. For example, the Property and Business Improvement District Law lets local officials assess private property to build and maintain information kiosks, trash receptacles, and public restrooms, and to provide security, promote tourism, and furnish music. The Municipal Lighting and Main-

tenance District Act permits local officials to assess to operate and maintain streetlights, but not to build them. Some acts also allow local officials to assess for “incidental expenses,” like supplies and professional consultants to prepare assessment proposals and conduct elections.

### **Benefit assessments at work**

Here are some real life examples of how California communities use benefit assessments to pay for local improvements and activities.

In 1991, the **El Centro School District** (Imperial County) levied benefit assessments to build public restrooms and to pay for gardening and maintenance of play fields. The original Landscaping and Lighting Act assessment was \$30 a parcel, but annual assessments range from \$12 to \$30.

Since 1988, **San Bernardino County** has levied assessments for Vector Control.

Annual assessments range from \$1 for vacant parcels, \$5.32 for residential parcels and up to \$12.96 for commercial and industrial parcels under the Mosquito Abatement and Vector Control District Law.

Since 1993, **Crescent City** (Del Norte County) has assessed business properties under the Property and Business Improvement District Act of 1989. Assessment proceeds pay to promote tourism through street fairs, entertainment, banners, and parades. Annual assessments range from \$60 to \$500 per business, depending on the type and location of the enterprise, and the number of employees.

Since 1992, the **Orangevale Recreation and Park District** (Sacramento County) has instituted assessments under the Landscaping and Lighting Act of 1972. The annual assessments are \$42 a year on all residential parcels, and pay for a community center, rehabilitating sports fields, and developing neighborhood parks.

In 2002, the **City of Piedmont** (Alameda County) imposed assessments totaling \$2 million under the Municipal Improvement Act of 1913 to finance the costs of under-grounding existing overhead utility lines. The assessments were imposed on 110 homes and ranged in amount from \$10,000 to \$35,000. Property owners could pay the assessments in a single lump-sum or in installments over many years via their property tax bills.

In 2003, **Sonoma County** imposed assessments totaling \$3 million under the Municipal Improvement Act of 1913 to finance a portion of the costs of a new sanitary sewer system to serve the Russian River community of Monte Rio. The assessments were imposed on approximately 500 parcels (some with houses, others vacant) and ranged in amount from \$4,800 to \$24,000. Property owners could pay the assessments in a single lump-sum or in installments over many years.

In 2003, the **City of Hercules** (Contra Costa County) conducted proceedings under the Landscaping and Lighting Act of 1972 to increase annual maintenance assessments already being imposed on parcels throughout the City to finance a portion of the maintenance costs for street lights and landscaping in designated areas. The assessments are imposed on hundreds of parcels in the City and range from \$75 annually to \$250 annually, and the proceedings were to (a) increase the maximum permitted annual assessment on each category of parcels and (b) authorize an annual increase in such maximum according to a cost-of-living index in future years.

### **Benefit assessment revenues**

Local officials' interest in benefit assessment financing after the passage of Proposition 13 (1978) has been characterized as a "feeding frenzy" by some and a "financial footnote" by others. When actually looking at the numbers, it's hard to say whether benefit assessment financing has increased or not. What's clear is that revenues from benefit assessments, as a percentage of a local agency's total budget, may be relatively large in some cases and quite small in others.

For example, in fiscal year 2000-01, none of the 13 counties that levied benefit assessments got more than 1% of their total revenues from benefit assessment. In contrast, many Lighting and Lighting Maintenance Districts got more than 75% of their total revenues from benefit assessments that same year. While benefit assessment revenues may serve as the main source of revenue for some local agencies, most local governments receive the majority of their funds from fees, taxes, and intergovernmental subventions.

In either case, benefit assessments remain an important, flexible tool that local agencies can use for financing local amenities.

## **Advantages and disadvantages of benefit assessments**

People can disagree over the usefulness and equity of benefit assessments. Local officials, landowners, developers, and taxpayer groups each have their own perspective. Before you make up your mind, consider these arguments:

### **Advantages:**

- **Benefit assessments link costs to benefits.**  
Benefit assessments let local officials distinguish between beneficiaries and non-beneficiaries of government activities. Assessments let local officials charge property owners for improvements and services that benefit their property, but exclude the properties that don't benefit. By billing the beneficiaries of public activities for the costs, benefit assessments help local agencies operate more like businesses. Those who benefit, pay; those who don't, don't pay.
- **Benefit assessments empower property owners.**  
Some benefit assessment laws let property owners initiate benefit assessment proposals, but property owners can also block assessments with their weighted votes. When property owners want neighborhood improvements--a park, more street lights, better paved roads--they can petition their local officials to form an assessment district to pay for the costs. If local officials try to impose assessments for unpopular improvements, property owners can vote down the benefit assessment. Because the property owners ultimately control the benefit assessments on their property, they control the amenities that they're required to pay for.
- **Benefit assessments foster local control of resources.**  
Local officials don't control every aspect of their budgets. Federal and state government subventions are a big part of local governments' collective revenues. Also, the California Constitution limits the local property tax rate and requires local officials to get voter approval for new taxes. Because local officials must follow the Constitution and state laws, and rely on the generosity of other public agencies, they don't have many choices when communities want more public services. Benefit assessments give local officials a tool to finance the local amenities that their constituents want.

### **Disadvantages**

- **Benefit assessments replace property tax revenues.**  
Before Proposition 13, local governments set their own property tax rates. Proposition 13 capped the property tax rate, and forced local officials to make

up the difference by reducing their spending or by increasing other revenues. Some local agencies turned to benefit assessments to pay for the facilities and services previously paid for by property tax revenues. Some property owners and taxpayer advocates argue that benefit assessments make them pay for the projects and services that their property taxes should support.

- **Benefit assessments make debt more expensive.**  
Local officials can repay bonds with benefit assessments. However, bonds that are backed by benefit assessments can be more expensive than other types of bonds because they involve the risk that property values may fall or that many property owners may fail to pay assessments for other reasons. Financial markets' cautious approach to assessment-backed bonds also drives up their cost. Unlike other bonds, assessment bonds are usually un-rated and uninsured, resulting in higher interest rates.
- **Benefit assessment elections may be unfair.**  
Proposition 218 requires the weighted majority of voting property owners to approve benefit assessments through a mailed ballot election. Each property owner has a specific weight attached to their vote, depending upon the amount of benefit the property will receive. Because large developers may own massive tracts of land, weighted ballot elections can silence the voice of smaller property owners because the big owners can dominate the election with ballots that literally count more than the votes of smaller property owners.

### **Questions about benefit assessments**

#### **How do I know if I live in a benefit assessment district?**

If you live in a benefit assessment district, you can tell by looking at your county property tax bill. Benefit assessments appear on a property tax bill along with the name of the agency that levies them.

#### **Who forms a benefit assessment district?**

Some benefit assessment laws require property owners to initiate assessments by petitioning their local officials; other acts let local agencies form assessment districts directly by holding a public hearing and adopting a resolution. Property owners must approve benefit assessment proposals in a mailed ballot election.

#### **Am I notified when a new benefit assessment is proposed?**

Yes. California's Ralph M. Brown Act requires all local agencies to hold open meetings and provide special notice of new and increased benefit assessments. The Brown Act requires local agencies to notify the affected property owners 45 days before the public hearing where the benefit assessment plan will be voted on, and to hold an additional public *meeting* before the public *hearing*. Proposition 218 also requires the public notice be mailed to property owners. Notices must include the time and place of the public meeting and public hearing, the

proposed amount of assessments, the activities or improvements that will be funded, and how to get more information. The notice must also describe the election procedure and include a ballot to allow the property owner to vote for or against the proposal.

**Do I get to vote on all benefit assessments?**

If you own affected property, yes. The California Constitution requires a mailed ballot election, limited to the owners of the affected parcels. Your ballot will be weighted to reflect your parcel's financial obligation.

**How can I protest a proposed benefit assessment district?**

You may attend the public meeting held before the election and voice your concerns orally or in writing.

If you own property that a local agency wants to assess, you may vote against the assessment. To do so, you must complete the ballot received in the mail and return it either by mail or by delivering it to the agency before the votes are counted at the public hearing.

If for some reason you did not receive a ballot, or misplaced it, you may obtain a ballot from the agency. If you wish to change your vote, you may withdraw your ballot and substitute a new one until the close of the public hearing.

**Can I stop an existing assessment?**

Because Proposition 218 requires each assessment be voted on by property owners who will have to pay, they are sometimes hard to undo. However, property owners can take their case to the general electorate by collecting sufficient signatures on a petition to qualify an initiative to repeal or reduce the assessment unless bonded debt backed by an assessment is outstanding. Property owners must be prepared to accept the fact, however, that if their initiative passes and no alternative source of revenue has been identified, they may lose the service financed by the assessment.

**What happens if I don't pay my benefit assessment?**

If property owners don't pay their assessments on time, they face penalties and interest charges. In most cases, an unpaid benefit assessment becomes a lien against property. A lien allows the local agency to recover these charges when the property is sold. Some assessment acts also permit local agencies to foreclose on properties with delinquent payments, meaning that the non-paying property owner could lose his or her property just as is the case if property taxes are not paid.

**Can I dissolve a benefit assessment district?**

In some cases, you can. Some of the assessment acts permit local officials to dissolve assessment districts. To dissolve a Landscaping and Lighting District, for example, a local agency must adopt a resolution of intention to dissolve the

district and hold a protest hearing. Barring a majority protest, local officials may dissolve the district. Upon dissolution, the local officials transfer any remaining revenues to their general fund. But under the Parking and Business Improvement Area Law, the local officials must refund remaining assessments to the business owners who paid them. If assessments have been pledged to pay off bonds, then the assessments must continue until the bonds are paid for. Again, because different laws use different procedures, make sure that you check the law that local officials originally used to establish the district.

### **Why are benefit assessments so invisible to the public?**

Benefit assessments often escape wide public attention because they are a financing tool whose functions are usually narrow and because property owners often times overlook them on their property tax bills. When local agencies levy benefit assessments, however, they must conform to democratic safeguards such as the California Constitution (Proposition 218), the Ralph M. Brown Act, and the California Public Records Act.

### **What are some of the emerging issues with benefit assessments?**

While Proposition 218 defines “special benefit” as it applies to benefit assessments, its practical meaning remains a major point of contention between local governments and taxpayer advocates. For example, should benefit assessments be used to acquire and preserve open space? Does open space acquisition confer the necessary “special benefit” upon real property for the use of benefit assessment financing to be appropriate? Or do all residents of an area—property owners and renters--equally benefit from open space?

Proposition 218 attempts to distinguish between “property-related fees” and “assessments.” In the case of charges associated with the provision of water to parcels of land, there has been significant disagreement, even within the courts, as to whether these charges are in fact property-related fees or assessments. The appropriate characterization of charges associated with water and property are still a matter of dispute among interested parties.

Proposition 218 also has the unique feature of requiring government to pay assessments on its property. Historically, the state government has not been required to pay property taxes, assessments, and other property related charges because the money paid by the government towards this sort of charge would simply come back to the government. Currently, no general implementation process exists for state participation in local assessment proceedings or for paying the assessments required by Proposition 218.

### **Where can I get more information on benefit assessments?**

There isn't a central office that keeps track of which local agencies use what types of assessments for what purposes.

However, the State Controller collects financial information on local agencies and produces annual financial reports for each type of agency--cities, counties, special districts, and school districts. You can order a copy of these reports by calling the State Controller's office at (916) 445-2636. You can also find the reports online at [www.sco.ca.gov](http://www.sco.ca.gov) or at major libraries.

**Appendix A: A Comparison of Taxes, Assessments, and Fees**

For the Comparison Chart see separate document labeled **Appendix A**

## Appendix B: Assessment Laws in California

Below is a list of California's more commonly used benefit assessment laws.

### **Assessment Acts**

- **Benefit Assessment Act of 1982** (Government Code §54703 et seq.). This act lets cities, counties, and special districts finance a variety of improvements.
- **Community Rehabilitation District Law of 1985** (Government Code §53370 et seq.). Cities and counties can fund the renovation and repair (but not the maintenance) of an existing structure.
- **Fire Suppression assessments** (Government Code §50078 et seq.). Cities, counties, and special districts can charge assessments to purchase and maintain fire-fighting equipment and to pay related salaries.
- **Geologic Hazard Abatement District assessments** (Public Resources Code §26500 et seq.). Cities and counties can assess property to prevent, mitigate, and abate geologic hazards such as landslides and bluff failures by acquiring property, preparing reports, and performing structural repairs.
- **Habitat Maintenance Districts** (Government Code §50060 et seq.). Cities and counties can levy assessments for long-term natural habitat maintenance in accordance with plans approved by the State Department of Fish and Game.
- **Improvement Act of 1911** (Streets and Highways Code §5000 et seq.). The 1911 Act allows local officials to fund transportation systems, street paving, grading, sidewalks, parks, recreation areas, sewers, drainage systems, fire protection, flood control systems, water systems, and “other necessary improvements.”
- **Improvement Bond Act of 1915** (Streets and Highways Code §8500 et seq.). The 1915 Act does not authorize assessments. Instead, it lets cities, counties, and “public” districts that use other assessment acts to issue assessment bonds and bond anticipation notes.
- **Landscaping and Lighting Act of 1972** (Streets and Highways Code §22500 et seq.). Cities, counties, school districts, and special districts can levy assessments for parks, landscaping, and maintenance.
- **Multifamily Improvement District Law** (Streets and Highways Code §36700 et seq.). Multifamily Improvement Districts can finance specific activities and improvements like landscape maintenance and the construction of sidewalks.

- **Municipal Improvement Act of 1913** (Streets and Highways Code §10000 et seq.). The 1913 Act lets cities, counties, and special districts levy benefit assessments for everything included in the 1911 Act, plus water works, power facilities, and public transit facilities.
- **Municipal Lighting Maintenance District Act of 1927** (Streets and Highways Code §18600 et seq.). This act allows cities and counties to levy assessments to maintain and operate (but not install) street lights.
- **Open Space Maintenance Act** (Government Code §50575 et seq.). Cities and counties can assess land to maintain, improve, and protect open spaces by removing fire hazards, planting trees and shrubs, and acquiring fire prevention equipment.
- **Park and Playground Act of 1909** (Government Code §38000 et seq.). This act lets cities pay for public parks, urban open space land, playgrounds, and library facilities.
- **Parking and Business Improvement Area Law of 1989** (Streets and Highways Code §36500 et seq.). This act lets cities and counties fund parking facilities, public decorations, and the promotion of public events and business activities.
- **Parking District Law of 1951** (Streets and Highways Code §35100 et seq.). This act lets cities install and maintain parking meters, purchase land, and issue bonds.
- **Pedestrian Mall Law of 1960** (Streets and Highways Code §11000 et seq.). This act lets cities and counties establish pedestrian malls.
- **Property and Business Improvement District Law of 1994** (Streets and Highways Code §36600 et seq.). Allows cities and counties to assess businesses and property owners to promote tourism, build parking lots and fountains, provide security, and finance other facilities and services.
- **Street Lighting Act of 1919** (Streets and Highways Code §18000 et seq.). This act allows cities to assess for the operation and maintenance of streetlights.
- **Street Lighting Act of 1931** (Streets and Highways Code §18300 et seq.). This act lets cities levy assessments to maintain and operate (but not install) street lights.

- **Tree Planting Act of 1931** (Streets and Highways Code §22000 et seq.). This act lets cities levy frontage-based assessments to plant and maintain trees along city streets.
- **Vehicle Parking District Law of 1943** (Streets and Highways Code §31500 et seq.). This act lets cities and counties purchase land for parking structures, construct and maintain parking lots, and pay for related planning.

### **Assessment Authorizations**

- **California Water District assessments** (Water Code §36410 et seq.). California water districts can form improvement districts to assess landowners and issue assessment-backed bonds.
- **Community Services District assessments** (Government Code §61712 et seq.). Community services districts can levy assessments for any facilities they are authorized to provide. District officials can use the Improvement Act of 1911, the Municipal Improvement Act of 1913, and the Improvement Bond Act of 1915.
- **Drainage District Improvement Act of 1919** (Water Code Appendix §31-12). Drainage districts can levy assessments to construct improvements.
- **Flood Control and Water Conservation District assessments** (Water Code Appendix §38-11). Flood control districts and flood control and water conservation districts can levy assessments for district projects.
- **Irrigation District assessments** (Water Code §25650 et seq.). Irrigation districts can assess land within the district for district purposes.
- **Monterey Peninsula Water Management District assessments** (Water Code Appendix §118-703). The Monterey Peninsula Water Management District can levy assessments to construct, maintain, and operate improvements and works.
- **Phylloxera Control District assessments** (Food and Agriculture Code §6250 et seq.). Wine grape Pest and Disease Control Districts can assess owners of wine grape acreage to pay for the costs of managing and controlling phylloxera and other wine grape pests, for information dissemination, and for charting the location of infestations.
- **Reclamation District assessments** (Water Code §51200 et seq.). County supervisors can appoint assessment commissioners to assess landowners to implement a reclamation plan. Supervisors can assess landowners directly for operation and maintenance costs.

- **Los Angeles County Metropolitan Transportation Authority assessments** (Public Utilities Code §33000 et seq.). The LACMTA can levy assessments for rail transit facilities and services.
- **Storm Water District assessments** (Water Code Appendix §13-11). Storm water districts can levy assessments for improvements.
- **Water agency assessments** (Includes Water Code Appendix §52-24, §54-12.5, §64-700). Various water agencies can assess land for their activities and improvements.
- **Water Conservation District assessments** (Water Code §75090). Water conservation districts can levy assessments for improvements.
- **Water Replenishment District assessments** (Water Code §60300, 71682). Water replenishment districts and municipal water districts can levy assessments to replenish groundwater.
- **Water Storage District assessments** (Water Code §46176). Water storage districts can levy assessments for district projects.

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