

## Assembly Bill No. 2575

### CHAPTER 243

An act to amend Sections 36621, 36622, 36631, and 36634 of the Streets and Highways Code, relating to improvement assessment districts.

[Approved by Governor July 20, 1996. Filed with Secretary of State July 22, 1996.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2575, Caldera. Streets and highways: property and business improvement districts.

(1) Existing law authorizes a city council to initiate proceedings to form a property and business improvement district by the adoption of a resolution expressing its intention to form a district, upon the written petition, signed and acknowledged, of the property owners in the proposed district who will pay more than 50% of the assessments proposed to be levied.

This bill, instead of requiring that the petition be signed and acknowledged, would require that the petition be signed by the specified property owners.

(2) Existing law requires that the petition specified above include the management district plan.

This bill would, instead, require that the petition include a summary of the management district plan.

(3) Existing law requires that the resolution of intention specified above contain, among other things, the management district plan. The management district plan is required to contain, among other things, a list, by assessor's parcel number, of the properties to be benefited.

This bill would delete the requirement that the list be by assessor's parcel number, would require that the list be of properties to be assessed, and would require that the list include the assessor's parcel numbers.

(4) Existing law requires the city council, within 15 days of the receipt of the written petition specified above, to appoint an advisory board to make specified recommendations to the city council.

This bill would, instead, require that the appointment of the advisory board be made before adopting a resolution establishing the district.

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

SECTION 1. Section 36621 of the Streets and Highways Code is amended to read:

36621. (a) Upon the submission of a written petition, signed by the property owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property owned by the same property owner which is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

- (1) The management district plan.
- (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall not be held more than 60 days after the adoption of the resolution of intention.

SEC. 2. Section 36622 of the Streets and Highways Code is amended to read:

36622. The management district plan shall contain all of the following:

- (a) A map of the district in sufficient detail to locate each parcel of property within the district.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of any benefit zones, proposed for establishment or extension in a manner sufficient to identify the lands included. Under no circumstances shall the boundaries of a proposed district overlap with the boundaries of another existing district created pursuant to this part. Nothing in this part prohibits the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law including, but not limited to, the Parking and Business Improvement Area Law of 1989.



(d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof.

(e) The total annual amount proposed to be expended for improvements, maintenance and operations in each year of operation of the district.

(f) The proposed source or sources of financing including the proposed method and basis of levying the assessment in sufficient detail to allow each property owner to calculate the amount of the assessment to be levied against his or her property.

(g) The time and manner of collecting the assessments.

(h) The specific number of years, to a maximum of five, in which assessments will be levied. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties to be assessed, including the assessor's parcel numbers, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property, in proportion to the benefit received by the property, to defray the cost thereof, including operation and maintenance. The plan may provide that all or any class or category of real property which is exempt by law from real property taxation may nevertheless be included within the boundaries of the district but shall not be subject to the assessment.

(l) Any other item or matter required to be incorporated therein by the city council.

SEC. 3. Section 36631 of the Streets and Highways Code is amended to read:

36631. (a) Before adopting a resolution establishing the district, the city council shall appoint an advisory board which shall make a recommendation to the city council on the expenditure of revenues derived from the levy of assessments pursuant to this part, on the classification of properties, as applicable, and on the method and basis of levying the assessments. The city council may designate existing advisory boards or commissions to serve as the advisory board for the district or may create a new advisory board for that purpose. At least one member of the advisory board shall be a business licensee within the district who is not also a property owner within the district.

(b) Any advisory board appointed by the city council pursuant to subdivision (a) shall comply with the provisions of the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

SEC. 4. Section 36634 of the Streets and Highways Code is amended to read:



36634. (a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

