

MANAGEMENT MEMO

	NUMBER: MM 05-17
SUBJECT:	DATE ISSUED: JUNE 23, 2005
ASSESSMENTS LEVIED BY LOCAL GOVERNMENT AGENCIES	EXPIRES: UNTIL RESCINDED
REFERENCES: GOVERNMENT CODE SECTION 53752; CALIFORNIA CONSTITUTION ARTICLE XIII C AND D; PROPOSITION 218 (1996) SUPERSEDES MM 04-18	ISSUING AGENCY: DEPARTMENT OF GENERAL SERVICES (DGS) REAL ESTATE SERVICES DIVISION (RESD)

Purpose of this Memorandum

This Management Memo introduces a new Section 1310.5 into the State Administrative Manual (SAM) <http://sam.dgs.ca.gov/TOC/1300/1310/Default.htm>, which notifies agencies and departments with jurisdiction and control over State real property of their duties and responsibilities pursuant to Government Code Section 53752 – with regard to the State of California participating in new, increased, or an existing assessment levied by local government agencies on real property, including State property that receives a special benefit pursuant to Articles XIII C and XIII D of the California Constitution. Said Articles were added to the Constitution as a result of Proposition 218 which received voter approval in the November 1996 election.

Background

Prior to voter passage of Proposition 218, the State was typically not subject to local government assessments due to its sovereignty. Proposition 218 modified the California Constitution and under specific conditions, State landholding agencies are now required to pay their prorata fair share. Government Code Section 53752 requires the Department of General Services (DGS) to develop compliance standards in the SAM to inform owners of State property of their duties and responsibilities pursuant to Articles XIII C and XIII D of the California Constitution. This Management Memo and the documents referenced herein establish procedures and inform State landholding agencies of their responsibilities.

Policy

State agencies that have jurisdiction or control over real property are responsible for determining if procedures were followed and the conditions prescribed in law were met with regard to paying new, increased, or existing assessments levied by local government agencies (Business Improvement or Special Assessment Districts) upon real property owned by the State of California. If the legal procedures were followed and conditions were met, then State agencies that have jurisdiction or control of State property are obligated to participate by paying the prorata share of the assessment.

State agencies are required to notice the DGS (see contact below) upon receiving any information regarding new, increased, or existing assessments levied by local government agencies along with copies of ballot packages and/or assessment bills. Procedures for establishing if the State is required to participate in proposed or existing Business Improvement or Special Assessment Districts are listed below and can be found on the web-link at www.resd.dgs.ca.gov/Publications.

FACTORS INVOLVED FOR PRE-EXISTING SPECIAL ASSESSMENT DISTRICTS

In order to make a determination if the Special Assessment District meets the requirements, which allow the State to participate, the following items should be supplied by the proposed or existing Special Assessment District to the Owner Agencies in the Special Assessment District:

1. Copy of the Management District Plan;
2. Copy of the local government resolution approving the formation of the Special Assessment District;
3. Record of the vote by the property owners affected by the Special Assessment District;
4. Description of the special benefits the State property will receive from the Special Assessment District;
5. Map of the Special Assessment District that clearly delineates the State property;
6. Contact information for Special Assessment District representatives;
7. Schedule of meetings and the annual budget for the Special Assessment District; and
8. Detailed engineer's report prepared by a registered professional engineer certified by the State of California. The engineer's report typically includes property ownership information, parcel characteristics, assessment methodology, formulas, and allocation of costs for each property within the Special Assessment District.

FACTORS INVOLVED FOR PROPOSED OR NEW SPECIAL ASSESSMENT DISTRICTS AND FOR PROPOSED INCREASED ASSESSMENTS OR CHANGES TO AN EXISTING SPECIAL ASSESSMENT DISTRICT

Owner Agencies will be responsible for participating in the initial stages of establishing new Special Assessment Districts. They will receive notification by mail of identified parcels along with a ballot. Each Owner Agency is responsible for evaluating the material in the notification and completing the ballot by indicating support or opposition. Owner Agencies may also choose to attend the public hearings held to allow a public discussion including voicing opposition to the assessment. The notification mentioned above should contain all of the following:

- Proposed assessment;
- Amount chargeable to the entire Special Assessment District;
- Amount chargeable to the State's particular parcel;
- Duration of the payments;
- Reason for the assessment and the basis upon which the proposed assessment was calculated;
- Date, time, and location of a public hearing on the proposed assessment;
- Summary of procedures applicable to the completion, return, and tabulation of the ballots required;
- Disclosure statement that the existence of a majority protest will result in the assessment not being imposed; and
- Ballot which includes the agency's address for receipt of ballot, a place where the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment.

Owner Agencies may need to remind the Special Assessment Districts that the State does not rely solely on Assessor's Parcel Numbers to identify its property. In order to confirm State ownership, the following additional information is required:

- A map of the parcel and surrounding ownerships;
- Street address, when available, and a description of improvements, if any; and
- Original recording information showing transfer to State ownership. Recording information (book, page, and document numbers) is encouraged to expedite the process.

Owner Agencies receiving bills from Special Assessment Districts constituted prior to 1997 should verify that the Special Assessment Districts have gone back and followed the procedures established in current law which would allow the State's participation.

And finally, when communicating with the Special Assessment Districts, inform them that a single invoice to the State of California is insufficient for processing. Numerous State agencies have the capacity to control and possess State property; therefore, separate invoices are required for each parcel as each Owner Agency pays its own bills.

Within the DGS, Real Estate Services Division (RES D), there exists a computerized Statewide Property Inventory (SPI) database. Owner Agencies having questions about their property holdings can contact RES D to determine what information resides within the SPI regarding State-owned properties within proposed and/or existing Special Assessment Districts.

DGS
Contact

James S. Derby
RES D Policy Coordinator
(916)376-1827
jim.derby@dgs.ca.gov

Original Management Memo signed by Ron Joseph, Director

Signature

Ron Joseph
Director