

## **PLAN OF ACTION FOR PROCESSING INFORMATION ON NON-DGS BIDs**

**PURPOSE** - The Asset Management Branch (AMB) as agent for the Department of General Services (DGS) is charged with the responsibility of maintaining information on all Special Assessments or Business Improvement Districts (BIDs), including non-DGS agencies. Therefore, the purpose of this paper is to establish a plan of action for when an agency notifies the DGS of its inclusion in a BID.

**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, whereby, State landholding agencies are now potentially required to pay their prorata fair share of assessment district costs. Government Code Section 53752 required DGS to develop compliance standards in the State Administrative Manual (SAM) to inform owners of State property of their duties and responsibilities pursuant to Articles XIII C and XIII D of the California Constitution. These requirements are set out in the SAM Ch. 1310 and Management Memo 05-17.

**WHEN USED** – When any State Agency contacts the DGS/AMB about its inclusion in a Business Improvement District.

**ORGANIZATIONS AFFECTED** – All State or quasi-state agencies.

**PROCEDURE/PROCESS FOR NON-DGS AGENCIES** - As detailed in the SAM, Chapter 1310.5 “Upon receipt of an invoice, statement, tax bill or, other notification with a line item assessment or information pertaining to the development of an Assessment District, all State agencies are required to review the information and obtain its legal council's opinion in determining if the Assessment District was constituted pursuant to the procedures prescribed by law and further evaluate whether or not the state property within the District receives a special benefit.” Further, “Agencies receiving bills from Districts constituted prior to 1996 should verify that the Districts have gone back and followed the procedures established in current law which would allow the State's participation. If the validity test is met, then the state agency which owns or controls the property is required to promptly pay its share of the assessments.”

State agencies are required to notify the DGS/AMB upon receiving any information regarding new or existing assessments levied by local government agencies along with copies of ballot packages and/or assessment bills. When the Asset Management Branch receives, from any source, an inquiry or notice pertaining to a BID, the Regional Portfolio Manager for the District's location must request from the agency the following information:

1. Proposed assessment
2. Amount chargeable to the entire Special Assessment District
3. Amount chargeable to the State's particular parcel/s

4. Duration of the payments
5. The County implementing the Assessment District (District)
6. The Official name of the Assessment and its effective date of creation
7. Contact information for District administration
8. State agency participating in the District with State agency contact information
9. A description of State-owned parcels affected by District – including uses, acreage, Assessor's parcel Number, address, or other means of identifying the parcel, etc. where available
10. Map of the District boundaries with State-owned parcels highlighted

Once AMB receives the information, the Branch representative will update the spreadsheet. For general access, the record is contained on the H: drive at H:/Asset Management/Portfolio Management/Statewide/Business Improvement Districts/Summary of Billings/Current/BID Summary/Non-DGS BIDS (Sheet 3).

Also in same file is the form to be sent to the agency representative requesting specific information about the district.

## Assessment District Questionnaire

(To be completed by a State Agency when participation in an Assessment District)

Per the State Administrative Manual (SAM) Section 1310.05 and Management Memo 05-17, upon receipt of an invoice, statement, tax bill or other notification with a line item assessment or information pertaining to the development on an Assessment District (District), all State agencies are required to review the information and obtain its legal counsel's opinion in determining if the Assessment District was constituted pursuant to the procedures prescribed by law. Further, the agency must evaluate whether or not the state property within the district receives a special benefit.

SAM requires the Department of General Services (DGS), Real Estate Services Division RESD, Asset Management Branch (AMB) to maintain records of assessments paid by State agencies.

Upon determination that your agency will participate in an Assessment District, please provide the AMB the following information pertaining to the Assessment District.

1. The Official name of the Assessment and its effective date of creation
2. The County implementing the Assessment District (District)
3. State agency/ies participating in the District with each state agency's contact information
4. Contact information for District administration
5. Proposed assessment amount
6. Amount chargeable to the entire Special Assessment District
7. Amount chargeable to the State's particular parcel/s
8. Duration of the payments
9. A description of State-owned parcels affected by District – including uses, acreage, Assessor's parcel Number, address, or other means of identifying the parcel, etc. where available
10. Map of the District boundaries with State-owned parcels highlighted

Your assistance in maintaining records mandated by SAM is appreciated. Please send information to:

(RPM Name)  
Asset Management Branch  
707 3<sup>rd</sup> Street – 5<sup>th</sup> Floor  
West Sacramento, CA 95605

If you have questions regarding this process, please contact Doug McCarley (916) 376-1809 or Cathy Buck (916) 376-4888.