

Date of Hearing: June 14, 2017

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT
Cecilia Aguiar-Curry, Chair
SB 361 (Hernandez) – As Introduced February 14, 2017

SENATE VOTE: 39-0

SUBJECT: Maintenance districts: City of La Puente.

SUMMARY: Authorizes the Landscaping and Lighting District of the City of La Puente (District) to perform maintenance and make improvements, pursuant to the Landscaping and Lighting Act of 1972. Specifically, **this bill:**

- 1) Authorizes the Landscaping and Lighting District of the City of La Puente (District) to perform maintenance and make improvements, pursuant to the Landscaping and Lighting Act of 1972, in addition to the existing authority granted to the District to perform maintenance, pursuant to the Improvement Act of 1911.
- 2) Contains an urgency clause.
- 3) Provides facts constituting the necessity of the urgency clause for the District to utilize \$7 million granted to the District in October, 2016.
- 4) Finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning in the California Constitution because of the unique need to perform immediate maintenance and make improvements by the District.

FISCAL EFFECT: None

COMMENTS:

- 1) **Assessment Districts.** Special assessment districts (also called benefit assessments) have a long history in California. The formation of an assessment district allows local officials to charge benefit assessments on property owners to pay for public works and public services. Most assessments are levied against real property, and are generally collected on the property tax roll, secured by a lien against the assessed property, and subject to Proposition 218 (1996), which provides notice, hearing, and protest requirements. Generally, assessments go toward paying for specific tangible benefits, of which each parcel partakes, like lighting or irrigation improvement, which can then be apportioned in relationship to the total cost of the improvements. Local agencies must determine the special benefit for each identified parcel and the cost of the assessment cannot exceed the reasonable cost of the proportional special benefit that parcel receives. Most of the special assessment acts provide for the issuance of bonds, generally secured by the property within the district, and then the bonded indebtedness is repaid with money generated by the assessments.
- 2) **Existing Law and Bill Summary.** The Improvement Act of 1911 (1911 Act) allows local officials to create an assessment district 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. Under the 1911 Act, an

assessment district may be formed for the purpose of lighting maintenance which may include the replacement of obsolete lighting system equipment. Landscaping is not an authorized use of assessment revenue under the 1911 Act.

This bill builds upon the existing authority granted to the District to perform lighting maintenance granted by the 1911 Act to allow the District to perform maintenance and improvements, pursuant to the Landscaping and Lighting Act of 1972 (1972 Act). Under this bill, the District may perform maintenance and improvements, pursuant to the 1972 Act, which includes: installation and maintenance of landscaping, statues, fountains, general lighting, traffic lights, recreational and playground courts and equipment, and public restrooms; acquisition of land for parks and open spaces; and, construction of community centers, municipal auditoriums or halls to be financed. This bill is sponsored by the City of La Puente (City).

- 3) **City of La Puente.** In 1990, Los Angeles County (County) consolidated portions of two separate lighting districts located within the jurisdictional boundaries of the City and formed County Lighting Maintenance District 1744 (CLMD). Existing law authorizes a county to adopt a resolution requesting transfer of jurisdiction over the district and its funds to a city if the whole district is included within a city. On May 10, 2016, the City adopted a resolution requesting the County to transfer jurisdiction and the approximately \$7 million in existing funds to the City. Subsequently, on October 25, 2016, the County adopted the City's resolution establishing the District. Commencing July 1, 2017, all assessments, including reserve funds, will be transferred to the City.
- 4) **Author's Statement.** According to the author, "SB 361 expands authority of the City of La Puente Landscaping and Lighting District to perform duties pursuant to the [1972 Act], in addition to the district's existing authority to perform specified maintenance under the 1911 Act. When the [City] entered into an agreement with the [County] to take over the administration of County Lighting Maintenance District 1744, located within their jurisdictional boundaries, the transfer granted the city the fund balance in excess of \$7 million. However, given that this district was formed under the 1911 Act, the money in this account can solely be used for lighting maintenance and not landscape as intended. The account will continue to accrue unusable funds. Providing the District with the authority to utilize the 1972 Act for landscape and lighting maintenance will better allow the District to provide aesthetic improvements to the city including landscaping, parks and recreational improvements, community center acquisition, and graffiti removal. This in turn will help give residents of La Puente greater access to green space and a healthy living environment."
- 5) **Arguments in Support.** Supporters argue that the 1972 Act is more expansive than the 1911 Act and permits funds to be used to install landscaping and make upgrades to parks, medians, and other important community assets.
- 6) **Arguments in Opposition.** None on file.
- 7) **Urgency Clause.** This bill contains an urgency clause and requires a two-thirds vote of each house.

REGISTERED SUPPORT / OPPOSITION:

Support

City of La Puente [SPONSOR]
Los Angeles County Division of the League of California Cities
Los Angeles County Sheriff's Department

Opposition

None on file

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