

STATE ADMINISTRATIVE MANUAL – ATTACHMENT

PROCEDURES FOR DETERMINING PARTICIPATION BY STATE IN SPECIAL ASSESSMENT DISTRICTS

State responsibilities: The Agencies and Departments (Owner Agencies) with jurisdiction and control over state real property are responsible for determining if the procedures were followed and the conditions prescribed in law were met prior to paying assessments levied by local Business Improvement or Special Assessment Districts (herein referred to as Special Assessment Districts). Existing law prescribes procedures for notice, protest, and hearings for the levying of new or increased assessments, or existing assessments by local government agencies. If the procedures were followed and conditions were met, then Owner Agencies are obligated to participate by paying their prorata share of the assessment.

The Department of General Services (DGS) is the centralized location for tracking the state's participation in Special Assessment Districts. Although each agency is individually responsible for determining participation and paying assessments where conditions are met, a notice to the DGS is required. Agencies must provide the DGS with copies of ballot packages and/or assessment bills upon receiving any information regarding new or increased assessments levied by local government agencies, include a brief statement indicating participation or not.

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

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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 (RESD), there exists a computerized Statewide Property Inventory (SPI) database. Owner Agencies having questions about their property holdings can contact RESD to determine what information resides within the SPI regarding state-owned properties within proposed and/or existing Special Assessment Districts.

Assessment District Questionnaire

(To be completed by a State Agency when participating 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:

Department of General Services
Asset Management Branch
707 3rd Street – 5th Floor
West Sacramento, CA 95605

If you have questions regarding this process, call (916) 376-1800 for assistance.