What is a Benefit Assessment?

**Background**

Benefit Assessments are used by local governments to pay the costs of providing fire suppression, flood control and other services to a particular community. These charges are based on the concept of assessing only those properties that directly benefit from the services or improvements financed. Because these charges are based on specific benefit, they are not subject to Proposition 13 limitations.

Specific benefit assessment acts (such as 1982 Act Benefit Assessment Districts and Street Lighting Districts) are covered in separate fact sheets available at www.californiataxdata.com. General features of benefit assessments are discussed below.

**Common Types of Benefit Assessments**

There are several types of benefit assessments that commonly appear on property tax bills. These assessments allow counties, cities and other agencies to finance the costs of needed services by assessing area property owners. Specific types of benefit assessments include:

- Fire suppression assessments
- Flood control assessments
- Storm drain assessments
- Water assessments
- Sewer assessments
- Sanitation assessments

**How is a Benefit Assessment Created?**

Prior to creating a new assessment, the city, county, or special district must generate a detailed professional engineer’s report outlining the proposed area, proposed project costs, annual cost to each property, and the benefit formula used to determine each property’s share of the cost.

Then, all owners of property within the proposed assessment district must be mailed a detailed notice of public hearing and a ballot with which to voice their approval or disapproval of the proposed district at least 45 days prior to the hearing. At the hearing, the governing body of the agency must consider all protests to formation of the district. Assessment district proceedings must be abandoned if a majority of the ballots received by the conclusion of the hearing protest creation of the district. Ballots are weighted according to the proportional financial obligation of the affected property. If the District is approved, the assessment is created and will be billed on the property tax bills each year.

Once an assessment is created, it may be repealed or reduced by popular initiative.

**How is the Annual Charge Determined?**

By law (Prop. 13), benefit assessments cannot be based on property value. Instead, each assessment district includes a benefit formula and each parcel in the service area is assessed according to the specific benefit it receives from the services and improvements. The charge is calculated based on this formula and placed on the county property tax bill.

**Special Requirements for Increased Charges**

The amount of the benefit assessment cannot be increased without the consent of the property owners. Prior to increasing the annual assessment, the agency is required to give written notice to all affected property owners, hold a public hearing and an assessment ballot vote. A majority vote is required to approve the rate increase.

**How Long Will the Charge Continue?**

Most benefit assessments will continue as long as services are provided.