What is a Vehicle Parking District?

**Background:**
Vehicle Parking Districts are used by local government to finance the costs of building and operating public parking facilities. Pedestrian Mall assessments, which are closely related, are used to fund the infrastructure and construction of shopping malls.

To finance the costs of the project, the government levies assessments and may issue bonds. The charges created by these laws are considered benefit assessments and therefore must be calculated based on benefit each property will receive from the improvements financed. These districts are initiated by a petition of landowners, and require a landowner vote for approval. Once formed, the districts are managed by an appointed commission.

The most commonly used forms of Vehicle Parking Districts are summarized below.

**Parking District Law of 1943:**
Cities and counties may use the Parking District Law of 1943 (Streets & Highways Code §31500 et seq.) to form a district and levy assessments. These parking districts can be used to finance the acquisition of land, the construction, operation and maintenance of parking facilities and garages, as well as the costs of engineers, attorneys and other staff needed to complete the project.

This Parking District Law allows the sponsoring agency to use 1911 Act, 1913 Act or 1915 Act assessments or bonds to finance the project (see “What is an Assessment District” fact sheet at www.californiataxdata.com for more information on these Acts). Additionally, it authorizes the use of meters, user fees, and ad valorem taxes to raise funds.

**Parking District Law of 1951:**
Cities may use the Parking District Law of 1951 (Streets & Highways Code §35100 et seq.) to form a district and levy assessments. These parking districts can be used to finance the acquisition of land, the improvement and construction of parking lots and facilities, and the costs of employee salaries. These parking districts can also issue bonds to finance improvements.

Special assessments under the 1911 Act may be levied to replace the use of fees and charges to repay outstanding bonds. Other revenue sources may include user fees, parking meter charges, and ad valorem taxes.

**Pedestrian Mall Law of 1960:**
Cities and counties may use the Pedestrian Mall Law of 1960 (Streets and Highways Code §11000 et seq.) to establish pedestrian malls, acquire land for the malls, restrict auto traffic within the malls, and levy benefit assessments to fund mall improvements. Improvements may include street paving, water lines, sewer and drainage works, street lighting, fire protection, flood control facilities, parking areas, statues, fountains and decorations, landscaping, tree planting, child care facilities, improvements necessary to a covered air-conditioned mall, and relocation of city-owned facilities.

Assessments may also be used to pay damages awarded to a property owner as a result of the mall.

Assessments can be levied and bonds can be issued in accordance with the provisions of the Vehicle Parking District Law of 1943 (which provides for use of the 1911 and 1915 Acts, among others).

**IMPORTANT TO KNOW:**

- **Rights to Accelerated Foreclosure.** If 1915 Act or 1911 Act bonds are issued by the Parking District or Pedestrian Mall District, it is important for property owners to pay their property tax bills on time. If those bonds exist, the bondholders have the right to foreclose on property when taxes are delinquent for a certain period (usually 90 to 180 days). Penalties and collection costs must be paid by the delinquent property owner. This is considerably faster than the standard 5 year waiting period on county ad valorem taxes.