



# FACT SHEET

## Benefit Assessment Districts

### Definitions

A **benefit assessment** is a charge against real property in a defined geographic area for public improvements that provide a specific benefit to the assessed properties. The assessment must be proportional to the benefit.

A **benefit assessment district** is a financing tool used by public agencies to fund a wide range of public works such as street lighting, flood control or parks and open space. **Special districts** like the Open Space Authority (OSA) are governmental bodies with the power to raise revenue and provide designated services. They often use assessment districts to fund their work.

Though benefit assessments are listed on property tax bills, an assessment is **not a tax**. The main difference is that assessments must provide specified services or benefits to the assessed properties. Tax revenues may be spent at the discretion of the taxing agency's governing board.

### History

The California Legislature has passed nearly 20 acts over the years authorizing the creation of benefit assessment districts. In 1996 voters approved Proposition 218, which added language to the state constitution further regulating benefit assessments.

The provisions require a detailed engineer's report identifying the parcels to be assessed, the benefits to be conferred and the formula used to apportion the assessment among parcels.

To establish a new assessment district, property owners must receive a mailed

ballot and may attend a public hearing to protest or support the assessment. Votes are weighted according to the proportion of the cost assigned to each property. A simple majority is required for passage.

### OSA's Assessment Districts

In order to maintain an assessment district, each year the Board of Directors receives engineer's reports, budgets and proposed assessments for the coming fiscal year. At a noticed public hearing the board allows public testimony on the assessments and confirms their continuation.

On July 14, 2008, the state Supreme Court found in favor of two taxpayers associations in a lawsuit that challenged the establishment of **District No. 2** in 2001. To comply with the Court's ruling, property owners within OSA's jurisdiction will no longer be subject to this assessment. The disposition of funds collected in prior years will be addressed in further court proceedings.

Due to the elimination of District 2, the assessment that appears on future property tax bills will be reduced to reflect only the District 1 assessment.

**District No. 1** was established by the board in 1994 for the purpose of acquiring and maintaining open space. Properties east of the westernmost ridge of the Diablo Range are excluded from the assessment. Different types of properties are assigned varying numbers of benefit points, depending on their size and the proportional benefit they receive. Single family homes rate one benefit point and pay \$12 per year.

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