

California

PROPERTY TAX INFORMATION



*Maintenance Districts
can be used to finance
the costs of
maintaining open
space, parks,
playgrounds and other
public areas.*

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What is a Maintenance District?

Background:

There are several types of maintenance districts that can be used by local government to finance the costs of maintaining open spaces, parks, playgrounds, and other public areas. The most commonly used forms of maintenance districts are summarized below.

Open Space Maintenance Districts:

Cities and counties are empowered by law to acquire open space land for preservation purposes. The Open Space Maintenance Act (Government Code §50575 *et seq.*) was created to provide a way for local governments to pay the costs of maintaining open space after its purchase. Under this act, cities or counties may charge an ad valorem special assessment (based on assessed value) to pay the costs of conservation planning, maintenance, improvements related to open space conservation, and activities that reduce fire, erosion and flooding hazards (such as planting trees, clearing brush, etc.).

An Open Space District is initiated by a petition of the owners of 25% or more of the assessed value of land in the area. The sponsoring agency must then prepare an ordinance of intention that specifies the district boundaries, the proposed projects, the annual assessment, the maximum assessment, and set a time for a protest hearing. If approved, the district will levy an annual assessment based on the assessed value of land, to be collected on the county property tax bill. Because this charge is calculated on assessed value, the constraints of Proposition 218 (the Right to Vote on Taxes Act) may limit use of this Act in the future.

Park and Playground Districts:

Cities may use the Park and Playground Act (Government Code section 38000 *et seq.*) to finance public park, urban open space land, playground, and library facilities. In 1974, the act was expanded to allow use of the Improvement Act of 1911, the Municipal Improvement Act of 1913, and the Improvement Act of 1915 to finance improvements (for more information see the "What is an Assessment District" fact sheet found at www.californiataxdata.com). In addition to the power to levy assessments and issue bonds, the Act provides that the city council may condemn land for improvements.

Tree Planting Act of 1931:

Cities may use the Tree Planting Act of 1931 (Streets & Highways Code §22000 *et seq.*) to levy assessments to fund the planting, maintenance or removal of trees and shrubs along city streets and to pay city employees to do this work. Assessments for maintenance are limited to a period of 5 years.

These assessments are calculated on the basis of street frontage and are collected on county property tax bills. Work is administered by the city parks department or other agency appointed by the city council.

IMPORTANT TO KNOW:

- **Rights to Accelerated Foreclosure.** If improvement bonds have been issued in connection with a Park and Playground District, the agency may have the right (and the obligation) of accelerated foreclosure. In that case, property is subject to foreclosure proceedings if assessments are delinquent for more than a specified amount of time (usually 90 to 180 days). This is considerably faster than the standard 5 year waiting period on county ad valorem property taxes. If property taxes are not paid during that time, collection and foreclosure proceedings may begin, and the delinquent property owner will be responsible for payment of all collection costs, legal fees and penalties related to the parcel.