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CONSENT

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Bill No: SB 1307  
Author: Rubio (D)  
Introduced: 2/21/20  
Vote: 21

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SENATE GOVERNANCE & FIN. COMMITTEE: 7-0, 5/11/20  
AYES: McGuire, Moorlach, Beall, Hertzberg, Hurtado, Nielsen, Wiener

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**SUBJECT:** Street lighting systems: City of Rosemead

**SOURCE:** City of Rosemead

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**DIGEST:** This bill allows the Landscaping and Lighting District of the City of Rosemead to perform maintenance and make improvements under the Landscaping and Lighting Act of 1972.

**ANALYSIS:**

Existing law:

- 1) Allows for the imposition of a “benefit assessment,” which is a charge that property owners pay for a public improvement or service that provides a special benefit to their property. The amount of the assessment must be directly related to the amount of the benefit that the property receives. Benefit assessments can finance public projects like flood control, street improvement, streetlights, and public landscaping, among many others.
- 2) Authorizes local agencies to adopt a wide variety of assessments through the formation of assessment districts. An assessment district is not a separate government agency but rather a defined area containing the property that especially benefits from certain public improvements. Within this defined area, the special assessments are apportioned and levied according to a benefit formula approved by the legislative body of the local agency.

- 3) Ensures that all new or increased taxes and charges on property owners are subject to property owner approval, and curbs the use of these revenue-raising tools to pay for general governmental services rather than property-related services.
- 4) Enacts the Street Lighting Act of 1919 (1919 Act) to allow cities to finance streetlight improvements. When a city council finds it is in the public's best interest to do so, it can order any street lighting system to be maintained along one or more of the streets in the city, or order electric current or another power source to be furnished for a street lighting system. Funds from the 1919 Act can only be used for lighting maintenance and cannot be used for the installation of city owned public lighting facilities, including traffic signals or landscape maintenance.
- 5) Enacts the Landscaping and Lighting Act of 1972 (1972 Act) to allow local agencies to fund some improvements and activities that the 1919 Act does not. In particular, installation of public lighting facilities is not an authorized use of assessment revenue under the 1919 Act.

This bill allows the Landscaping and Lighting District of the City of Rosemead to, in addition to funding maintenance and improvements under the 1919 Act, perform maintenance, and make improvements pursuant to the 1972 Act.

## **Background**

The City of Rosemead receives 1919 Act revenue for the purpose of funding the operation and maintenance of its street lighting system under the authority of the Landscaping and Lighting District of Rosemead. The City can only use funds from the 1919 Act for lighting maintenance, not for other necessities it may have, such as the installation of city-owned public lighting facilities, including traffic signals, or for landscape maintenance, which would be allowed if the city collected these funds under the 1972 Act. The City reports a balance of over \$2 million collected under the 1919 Act that it could use for one-time improvements and installation of city-owned public lighting facilities such as traffic signals or landscaping maintenance.

## **Comments**

- 1) *Purpose of the bill.* According to the author, "The City of Rosemead has accumulated unspent ad valorem funds due to the limitations on the permissible uses from that revenue source, and at the same time has had to defer or reduce

the maintenance of those improvements allowed under the Landscape and Lighting Act of 1972. This has created an imbalance in the city, with unusable fund balance currently projected at over \$2 million. The issue is that funds from the Street Lighting Act of 1919 can only be used for lighting maintenance and cannot be used for the installation of city owned public lighting facilities including traffic signals or landscaping maintenance. This bill will allow these funds to be used for improved maintenance on city streets, street trees, and medians. This would greatly improve Rosemead, which is located in my district, by providing the city the ability to perform critical, much needed maintenance upgrades.”

- 2) *Limitations under the 1919 Act.* After the passage of Proposition 218 (1996), maintenance districts formed under the 1919 Act became a less beneficial tool for funding local infrastructure projects. Proposition 218 requires local agencies to gain property owner approval through a protest process if a new assessment is created or an existing one is increased. In addition, the 1919 Act does not allow as wide of a variety of uses for funds collected as the 1972 Act does. For instance, the 1919 Act does not allow a local agency to finance streetlight installation. As a result, local agencies have turned away from using the 1919 Act to levy benefit assessments. But some districts are left with unspent funds collected under the 1919 Act. SB 1307 authorizes Rosemead maintenance districts to take a wider variety of actions than currently allowed, potentially making better use of these funds. By authorizing Rosemead districts to use the powers under the 1972 Act, SB 1307 could lead to Rosemead using funds already collected for purposes not initially intended.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: No Local: No

**SUPPORT:** (Verified 5/12/20)

City of Rosemead (source)

**OPPOSITION:** (Verified 5/12/20)

None received

Prepared by: Gustavo Medrano / GOV. & F. / (916) 651-4119  
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