
SENATE COMMITTEE ON LOCAL GOVERNMENT

Senator María Elena Durazo, Chair

2025 - 2026 Regular

Bill No: SB 1388
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Version: 2/20/26

Hearing Date: 4/29/26
Fiscal: No
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LOCAL AGENCIES: IMPROVEMENT AND MAINTENANCE OF NATURAL HABITAT

Allows a local agency that forms a habitat maintenance assessment district to additionally contract with a joint powers authority for the implementation of a habitat maintenance plan.

Background

Benefit assessments. Not everyone benefits from all of the services or facilities that a local government provides. When a specific project or particular service benefits only a well-defined group of property owners, then it makes sense to match the costs and benefits. Articles XIII C and XIII D of the California Constitution allow for the imposition of “benefit assessments” for precisely this purpose. A benefit assessment 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.

California statute 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. In total, there are over 30 types of benefit assessment districts that may be formed.

With the passage of Proposition 218 (1996), assessments, including those levied by assessment districts, became more difficult to impose because of newly enacted property owner approval requirements. In general, Proposition 218 ensured that all new or increased taxes and charges on property owners are subject to property owner approval, and it sought to curb the use of these revenue-raising tools to pay for general governmental services rather than property-related services.

Habitat maintenance assessment districts. In 1993, the Legislature enacted the Habitat Maintenance Funding Act, which allows local agencies to form a habitat maintenance assessment district (HMAD) for the improvement or maintenance of natural habitat consistent with a Department of Fish and Game-approved natural habitat maintenance plan. These districts can fund the acquisition, construction, or rehabilitation of any facilities needed to create, improve, or maintain natural habitat, as well as related infrastructure, improvements, and maintenance.

To form a HMAD, a local agency must adopt an ordinance or resolution and follow a complicated set of steps to describe the boundaries, purpose, and assessment rate. The legislative body of the local agency is the governing body of the HMAD. If a local agency establishes a district, it may levy assessments for not more than 30 years to pay the cost and incidental expenses of implementing a long-term natural habitat maintenance plan approved by the Department of Fish and Game, and any assessments must be levied in accordance with that plan. A HMAD assessment is capped at \$25 in 1994 dollars, adjusted for inflation.

To implement the plan, the local agency may perform the necessary functions or contract with the state, another local agency, or a special district to perform them.

When the Legislature allowed the formation of HMADs, benefit assessments did not require voter approval. Three years later, with the passage of Proposition 218, it became much more difficult to levy benefit assessments. To date, there is no record of a HMAD being formed. Occasional planning documents reference a HMAD as an option for funding habitat restoration, but local governments have selected other mechanisms instead.

Proposed Law

Senate Bill 1388 allows a local agency that forms a HMAD to additionally contract with a joint powers authority for the implementation of a habitat maintenance plan.

Comments

Purpose of the bill. Habitat maintenance districts remain unused. SB 1388 grants a local agency that forms a HMAD additional options for contracting with public agencies to carry out the habitat maintenance plan. Because natural ecosystems often cross governmental boundaries, SB 1388 may unlock greater regional collaboration for habitat improvements.

Support and Opposition (4/24/2026)

Support: None Submitted

Opposition: None Submitted

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