California

PROPERTY TAX INFORMATION

Street Lighting Districts are commonly used by local government to finance the costs of street lighting, operation and maintenance.

What is a Street Lighting District?

Background

A Street Lighting District is created by a local government agency to pay the costs associated with lighting on and around public streets, highways, parks and alleys. This fact sheet summarizes the older types of Street Lighting Districts. The newer and more commonly used districts (1972 Act Landscaping and Lighting Districts and 1982 Act Benefit Assessment Districts) are covered in separate fact sheets available at www.californiataxdata.com.

Street Lighting District Law

There are several laws that allow counties, cities, public utilities and other agencies to pay the costs of street lighting by assessing area property owners. Specific types of districts include:

- **1919 Act Street Lighting Districts.** This legislation, authorized by Streets & Highways Code §18000, allows cities, counties or other agencies to levy benefit assessments for the maintenance and operation (but not the installation) of street lighting systems. Assessments may also finance the installation of lighting systems by a public utility.
- **1927 Act Municipal Lighting Districts.** This legislation, authorized by Streets & Highways Code §18600, allows a City to levy benefit assessments for the maintenance and servicing (but not the installation) of street lighting systems within all or part of its boundaries.
- **1931 Act Street Lighting Districts.** This legislation, authorized by Streets & Highways Code §18300, allows a City to levy benefit assessments for the maintenance and servicing of street lighting systems. Assessments are limited to five years.
- **Highway Lighting Districts.** This legislation, authorized by Streets & Highways Code §19000, is used by Counties to provide financing for the installation, maintenance and servicing of street lighting systems on highways or any public area. These districts may issue municipal bonds to finance the improvements.

How is a Street Lighting District Formed?

First, the sponsoring agency conducts a study and proposes the formation of a district and the levy of assessments. Second, affected property owners are notified and a public hearing is held. The third step requires a majority vote of affected property owners through an assessment balloting procedure to approve the formation of the district.

Once approved, assessments will be placed on property tax bills each year to pay for street lighting.

How is the Annual Charge Determined?

By law (Prop. 13), benefit assessments cannot be based on property value. Instead, each district establishes a benefit formula and each parcel in the service area is assessed according to the benefit it receives from the street lighting improvements.

Special Requirements for Increased Charges

Prior to increasing the amount of the annual assessment, the agency is required to give written notice to all affected property owners, hold a public hearing and an assessment ballot vote. A majority vote is required to approve the rate increase.

How Long Will the Charge Continue?

Most Street Lighting assessments will continue as long as services are provided. However, the 1931 Act Street Lighting assessments can only be charged for five years.

IMPORTANT TO KNOW:

- **Rights to Accelerated Foreclosure**. If municipal bonds have been issued to finance improvements, some Street Lighting Districts (usually Highway Lighting Districts) may have the right to foreclose on property when assessments are delinquent for more than 90 to 180 days. In that case, any costs of collection and penalties must be paid by the delinquent property owner. This is considerably faster than the standard 5 year waiting period on county ad valorem taxes.

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