

SPECIAL ASSESSMENT POWERS FOR TITLE 32 SPECIAL DISTRICTS

The bill will authorize any Title 32 special district to impose special assessments against properties which are specially benefitted by improvements installed by the district. A special assessment is like a fee imposed on benefitted property which has a lien on the property which is subordinate to property tax liens. Municipalities, counties, business improvement districts, general improvement districts, and public improvement districts currently have this power.

Special assessments are a useful tool where less than all of the property in a special district is benefitted by improvements. For example, if a neighborhood within the boundaries of a large special district wants to have its streets improved, special assessments are a way to isolate the burden of paying for the street improvements to the property in that neighborhood as opposed to property taxes which must apply equally to all property within the district boundaries. Also, if a portion of the property in a special district is undeveloped, the undeveloped property can pay for improvements to serve such property through the use of assessments. In this way, growth will pay its own way without impacting other property owners.

The bill contains some important protections and limitations:

- The district may only impose the assessment if the assessment has been approved at an election or if 100% of the affected property owners consent.
- The district's service plan (as approved by the applicable county or municipality) must authorize the use of special assessments or the county or municipality must otherwise approve in writing the use of special assessments.