

Montecito Sanitary District

Assessment District Introduction for Finance Committee



Presented by



September 17, 2026



Montecito Sanitary District

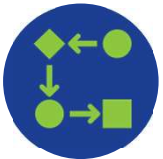
Agenda



Legislative Context



Assessment Engineering Methodology



Assessment District Formation Process



Legislative Context



- **Proposition 13** – People’s Initiative to Limit Property Taxation
- **Proposition 218** – Right to Vote on Taxes Act
- **Proposition 26** – Stop Hidden Taxes Initiative
- **Improvement Acts of 1913/1915**

Legislative Context

13

PROPOSITION
13

A

*Voter approved
initiative 1978*

B

*Assessed Value increase
limited to 2% a year*

C

*1% rate cap on ad
valorem property tax*

D

*CA Constitution
Article XIII A*

Legislative Context

218

PROPOSITION
218

A

*Voter approved initiative
1996*

B

*Strict rules on benefit
assessments, Engineer's
Report*

C

*Government owned
property no exempt*

D

Protest Ballot Proceeding

E

*CA Constitution Article
XIII C & D*

Legislative Context

26

PROPOSITION
26

A

Voter approved initiative 2010

B

*Adds definition of “tax” to
CA Constitution*

C

*“Tax” excludes various charges,
including fees and assessments*

D

*General Tax requires majority
vote, Special Tax requires 2/3
vote*

E

CA Constitution Article XIII C & D

Legislative Context

1913/1915 IMPROVEMENT ACTS

A

Adopted by legislature in 1913 & 1915 respectively

B

Primary tool for infrastructure financing in CA prior to Prop 218 and CFDs

C

Engineer's Report

D

Basis and schedule of assessment

E

*CA Streets & Highways Code
Section 10000 & Section 8500*

Assessment Engineering Methodology

1



Identify improvements to be maintained

2



Identify parcels that benefit from improvements
Separate general and special benefit

3



Allocate proportional special benefit to parcels
Calculate assessments to be levied

Assessment Engineering – General Benefit

1



Not defined, described as general benefit to the public at large and not general enhancement of property value

2



Examples: pass through traffic, peripheral parcels

3



Use engineering metrics

Assessment Engineering – Special Benefit

1



Particular and distinct benefit over and above general benefits

2



Examples: land use, building size, lot size, service zones, trip generation, utility connection size

3



Allocated proportionally to benefitting parcels using benefit points assigned

Assessment Calculation



**Parcel's
Assessment**

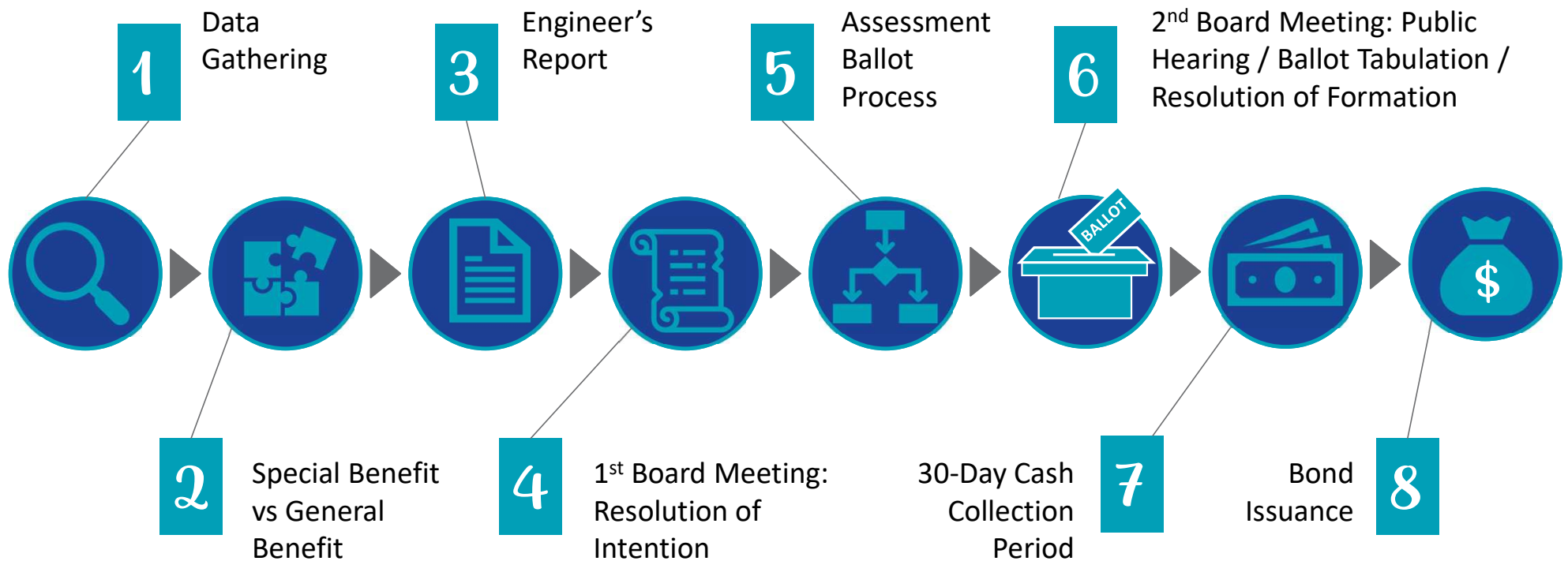


**Parcel's Total
Benefit Points**



**Assessment Rate
per Benefit Point**

Assessment District Formation Process



Case Studies

Livermore – Trevarno Road Assessment District

Livermore Pleasant View Lane Assessment District

Nevada Irrigation District – Rodeo Flat Assessment District

Los Carneros Water District – Recycled Water Pipeline

Past results are not indicative of future performance. Outcomes vary based on client objectives, market conditions, and transaction-specific factors.

Questions? Comments?



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Montecito Sanitary District



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Thank you