

ENROLLED AUGUST 22, 2024
PASSED IN SENATE AUGUST 20, 2024
PASSED IN ASSEMBLY MAY 20, 2024
AMENDED IN ASSEMBLY APRIL 04, 2024

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 1827

Introduced by Assembly Member Papan

January 12, 2024

An act to add Section 53750.6 to the Government Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1827, Papan. Local government: fees and charges: water: higher consumptive water parcels.

The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including requiring that the local agency provide public notice and a majority protest procedure in the case of assessments and submit property-related fees and charges for approval by property owners subject to the fee or charge or the electorate residing in the affected area following a public hearing.

Existing law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements and, among other things, authorizes an agency providing water, wastewater, sewer, or refuse collection services to adopt a schedule of fees or charges authorizing automatic adjustments that pass through increases in wholesale charges for water, sewage treatment, or wastewater treatment or adjustments for inflation under certain circumstances. Existing law defines, among other terms, the term “water” for these purposes to mean any system of public improvements intended to provide for the production, storage, supply, treatment, or distribution of water from any source.

This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill would provide that the incrementally higher costs of water service associated with higher water usage demands, the maximum potential water use, or projected peak water usage may be allocated using any method that reasonably assesses the water service provider’s cost of serving those parcels that are increasing potential water usage demand, maximum potential water use, or projected peak water usage. The bill would declare that these provisions are declaratory of existing law.

Digest Key

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 53750.6 is added to the Government Code, to read:

53750.6. (a) The fees or charges for property-related water service imposed or increased pursuant to Section 6 of Article XIII D of the California Constitution may include the incrementally higher costs of water service due to any of the following:

- (1) The higher water usage demand of parcels.
- (2) The maximum potential water use.
- (3) Projected peak water usage.
- (4) Any combination of paragraphs (1) to (3), inclusive.

(b) (1) The incrementally higher costs of water service associated with higher water usage demands, the maximum potential water use, or projected peak water usage may be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels that are increasing potential water usage demand, maximum potential water use, or projected peak water usage.

(2) In addition to any other method consistent with Section 6 of Article XIII D of the California Constitution, the incrementally higher costs of water service associated with higher water usage demand, maximum potential water use, or projected peak water usage may be allocated among customer classes, within customer classes, or both, based on meter size or peaking factors, as those methods reasonably assess the water service provider's cost of serving parcels that increase water usage demand, maximum potential water use, or projected peak water usage.

(c) This section is declaratory of existing law.