

AMENDED IN ASSEMBLY APRIL 4, 2024

CALIFORNIA LEGISLATURE—2023–24 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, as amended, Papan. Local government: fees and charges: water: ~~higher-consumptive~~ *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 a projected peak water usage demand 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 ~~project~~ *projected peak water use demand*. The bill would declare that these provisions are declaratory of existing law.

Vote: majority. Appropriation: no. Fiscal committee: no.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 53750.6 is added to the Government
 2 Code, to read:
 3 53750.6. (a) The fees or charges for property-related water
 4 service imposed or increased pursuant to Section 6 of Article XIII
 5 D of the California Constitution may include the incrementally
 6 higher costs of water service due to any of the following:
 7 (1) The higher water usage demand of parcels.
 8 (2) The maximum potential water ~~use of parcels~~. *use*.
 9 (3) Projected peak water usage.
 10 (4) Any combination of paragraphs (1) to (3), inclusive.
 11 (b) (1) The *incrementally higher costs of water service*
 12 associated with higher water usage demands, the maximum
 13 potential water use, or a projected peak water usage ~~demand~~ may
 14 be allocated using any method that reasonably assesses the water
 15 service provider’s cost of serving those parcels that are increasing
 16 potential water usage demand, maximum potential water use, or
 17 ~~project~~ *projected peak water use demand*. *usage*.
 18 (2) In addition to any other method consistent with Section 6
 19 of Article XIII D of the California Constitution, the *incrementally*
 20 *higher costs of water service* associated with higher water usage
 21 ~~demands, the demand~~, maximum potential water use, or a projected
 22 peak water usage ~~demand cost~~ may be allocated *among customer*
 23 *classes, within customer classes, or both*, based on meter size or

- 1 peaking factors, as those ~~are two methods that~~ reasonably assess
2 the water service provider's cost of serving ~~those parcels which~~
3 ~~are increasing demand or potential water use.~~ *parcels that increase*
4 *water usage demand, maximum potential water use, or projected*
5 *peak water usage.*
6 (c) This section is declaratory of existing law.