

A Summary of the City of Bell's Direct Assessments (Parcel Taxes)

Parcel taxes are a particular type of excise (use) tax that is based on either a flat per-parcel rate or a rate that varies depending on use, size, and/or number of units on each parcel of property. Parcel taxes, unlike ad valorem ("added to value") property taxes, cannot be based on the value of a property. That is a violation of Proposition 13's 1% limit on ad valorem property taxes.

Bell homeowners and business owners will observe two "direct assessments" on their tax bills: (1) Lighting & Landscape District and (2) Sanitary Sewer Maintenance District. "Direct assessment" is the descriptive term that Los Angeles County officials use to describe parcel taxes on the property tax bill.

City of Bell direct assessments are derived from an annual engineer's report that assigns a value to the service provided according to use of the service, the number of dwelling units on a property and, in certain cases, the linear length of property "front footage" (FF).

1. **Lighting & Landscape District** – The maintenance and operation of Citywide landscaping, streetlights, City trees and traffic signals with the City of Bell is of value to all home and business owners. The maintenance and operation of these improvements enhance the value of properties in the City; improve erosion and water control; provide dust abatement; increases public safety (controls sight distance restrictions and fire hazards); improve neighborhood aesthetics; increase traffic safety; and provide enhanced quality of life. The Lighting & Landscaping parcel tax is levied to all properties in the City pursuant to the "Landscaping and Lighting Act of 1972."

For purposes of parcel tax levy, the City is divided into four zones that recognize various levels of estimated benefits received by home and business owners.

- Zone 1. All residential property with 5 or fewer dwelling units: \$55.95 per year.
- Zone 2. All residential property with six or more dwelling units: \$3.67/FF per year.
- Zone 3. All commercial property: \$3.67/FF per year.
- Zone 4. The Trammel Crow District: \$10.74/FF per year.

The City accounts for the receipt and disbursement of District proceeds in a separate accounting fund, the Lighting and Landscaping Fund. Annual income resulting from application of the parcel tax to all City properties is \$450,000.

2. **Sanitary Sewer District** – The maintenance and operation of sewer connections from the point of connection from a residential or commercial property to Los Angeles County sewer system lines is of value to all property owners.

For purposes of parcel tax levy, the City is divided into four zones that recognize various levels of estimated benefits received by home and business owners.

- Zone 1. All residential property with 5 or fewer dwelling units.
- Zone 2. All residential property with six or more dwelling units.

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Zone 3. All commercial property with normal sewer usage.

Zone 4. All commercial property with high sewer usage.

Two distinct types of levy make up this parcel tax. The first, Standby Charges, often called a "readiness to serve" assessment is applied to properties not currently using the sewer service, but for which sewer service is available.

Zone 1. All residential property with 5 or fewer dwelling units: \$12.70 per dwelling unit.

Zone 2. All residential property with six or more dwelling units: \$16.32 per dwelling unit.

Zone 3. All commercial property with normal sewer usage: \$57.92 per parcel.

Zone 4. All commercial property with high sewer usage: \$96.58 per parcel.

The second levy comprises annual sewer service charges for properties using the sewer service.

Zone 1. All residential property with 5 or fewer dwelling units: \$33.12 per dwelling unit.

Zone 2. All residential property with six or more dwelling units: \$42.64 per dwelling unit.

Zone 3. All commercial property with normal sewer usage: \$151.53 per parcel.

Zone 4. All commercial property with high sewer usage: \$252.67 per parcel.

The City accounts for the receipt and disbursement of Sewer District proceeds in a separate accounting fund, the Sewer Maintenance Fund. Annual income resulting from application of the parcel tax to all City properties is \$352,000.

Property Tax Bills

The Los Angeles County Auditor-Controller issues property tax bills to Bell property owners. The County Treasurer-Tax Collects the payments.

The direct assessments are described on the property owner's tax bill below the property tax levies.
