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**TITLE 5. LOCAL AGENCIES [50001 - 57607]** ( Title 5 added by Stats. 1949, Ch. 81. )

**DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]** ( Division 2 added by Stats. 1949, Ch. 81. )

**PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]** ( Part 1 added by Stats. 1949, Ch. 81. )

**CHAPTER 6. Revenue Bond Law of 1941 [54300 - 54700]** ( Heading of Chapter 6 amended by Stats. 1959, Ch. 597. )

**ARTICLE 2. Powers of a Local Agency [54340 - 54358]** ( Article 2 added by Stats. 1949, Ch. 81. )

**54340.** A local agency may acquire any enterprise by gift, purchase, or eminent domain.

(Added by Stats. 1949, Ch. 81.)

**54341.** A local agency may construct or improve any enterprise wholly or partially within or wholly without the local agency. By gift, lease, purchase, eminent domain, or otherwise, it may acquire any real or personal property, or any interest in or improvement on any such property, or any water rights for an enterprise, except that no property of a state public body may be acquired without its consent. A local agency may sell, lease, exchange, transfer, assign or otherwise dispose of any real or personal property or any interest in such property. It may lay out, open, extend, widen, straighten, establish or change the grade of any real property or public rights of way necessary or convenient for any enterprise.

(Amended by Stats. 1953, Ch. 811.)

**54342.** A local agency may operate, maintain, repair, or manage all or any part of any enterprise, including the leasing for commercial purposes of surplus space or other space which it is not economic to use for such enterprise.

(Amended by Stats. 1953, Ch. 526.)

**54343.** The local agency may adopt reasonable rules or regulations for the conduct of the enterprise.

(Added by Stats. 1955, Ch. 602.)

**54344.** A local agency may prescribe, revise, and collect charges for the services, facilities, or water furnished by the enterprise.

(Amended by Stats. 1953, Ch. 526.)

**54345.** The local agency may provide that charges for any sewer enterprise or service shall be collected together with and not separately from the charges for any other utility service rendered by it, and that all charges shall be billed upon the same bill and collected as one item.

(Amended by Stats. 1949, Ch. 1506.)

**54346.** (a) If all or part of the bill is not paid, the local agency may discontinue any and all service for which the bill is rendered.

(b) Commencing January 1, 1982, if all or part of the bill is not paid, and the ratepayer states the reason for the nonpayment of a component or components of the bill, the local agency may discontinue only that service related to the component of the bill which is not paid, except that if all or part of the component of the bill related to sewer service is not paid the water service may also be discontinued.

However, if any of the services for which the bill was rendered were financed pursuant to revenue bonds issued prior to January 1, 1982, and which have not been retired, the local agency may apply the provisions of subdivision (a).

(c) The provisions of this section shall apply to counties and cities, whether general law or chartered.

*(Amended by Stats. 1981, Ch. 786, Sec. 1.)*

**54346.1.** The local agency may enter into a written contract with a privately owned public utility rendering other than gas or electric service, that the charges for any sewer enterprise or service shall be collected together with and not separately from the charges of said privately owned public utility for any other utility service rendered by it, and that all charges shall be billed upon the same bill and collected as one item.

*(Added by Stats. 1949, Ch. 1506.)*

**54346.2.** If all or any part of the bill of any privately owned public utility on which any sewer enterprise or service charge is collected is not paid, the privately owned public utility may discontinue its utility service until said bill is paid.

*(Added by Stats. 1949, Ch. 1506.)*

**54346.3.** The local agency may enter into a written contract with any person, firm or public or private corporation providing for the billing and collection by such person, firm or corporation of the charges for the facilities, service or water furnished by any enterprise. If all or any part of any bill rendered by any such person, firm or corporation pursuant to any such contract is not paid and if such person, firm or corporation renders any public utility service to the person billed, such person, firm or corporation may discontinue its utility service until such bill is paid, and the contract between the local agency and such person, firm or corporation may so provide.

*(Added by Stats. 1953, Ch. 526.)*

**54346.4.** (a) A local agency whose jurisdiction is geographically coextensive with the county in which it operates, acquires, constructs, or improves a system, plan, works, facilities, or undertaking for the collection, treatment, or disposal of storm water, including drainage, may, with the concurrence of the county, provide for the collection of the agency's charges in the same manner, and subject to the same penalties and priority of lien as, other charges and taxes fixed and collected by, or on behalf of the local agency. However, if, for the first year the charges are prescribed, the property served by the agency has been transferred or conveyed to a bona fide purchaser for value, and attached thereon, prior to the date on which the first installment of county taxes would become delinquent, the charge shall not result in a lien against the real property but shall be transferred to the unsecured roll.

(b) If the charges are collected by the county, the county may deduct its reasonable costs incurred for the service before remittance of the balance to the local agency's treasury.

*(Added by Stats. 1992, Ch. 1208, Sec. 2. Effective January 1, 1993.)*

**54347.** The local agency may provide for the collection of charges. Provisions may be made for, but are not limited to:

(a) The granting of discounts for prompt payment of bills.

(b) The requiring of deposits or the prepayment of charges in an amount not exceeding one year's charges either from persons receiving service and using the facilities of the enterprise or from the owners of property on which or in connection with which said services and facilities are to be used; provided, however, that in case of nonpayment of all or part of a bill said deposits or prepaid charges shall be applied only insofar as necessary to liquidate the cumulative amount of such charges plus penalties and costs of collection.

(c) The requiring of a guaranty by the owner of property that the bills for service to said property or the occupants thereof will be paid.

*(Amended by Stats. 1955, Ch. 602.)*

**54348.** The local agency may provide for a basic penalty for nonpayment of the charges within the time and in the manner prescribed by it. Said basic penalty shall not be more than 10 percent of each month's charges for the first month delinquent. In addition to the basic penalty it may provide for a penalty of not exceeding one-half of 1 percent per month for nonpayment of the charges and basic penalty. On the first day of the calendar month following the date of payment specified in the bill the charge shall become delinquent if the bill or that portion thereof which is not in bona fide dispute remains unpaid. It may provide for collection of the penalties herein provided for.

*(Amended by Stats. 1955, Ch. 602.)*

**54349.** The local agency may issue bonds for funds to acquire, construct, improve or finance an enterprise. The bonds may be secured pursuant to this chapter.

*(Amended by Stats. 1953, Ch. 526.)*

**54350.** A local agency has police power over any enterprise acquired, constructed, or improved pursuant to this chapter and may make and enforce all necessary regulations to protect the public health in the operation and maintenance of the enterprise.

*(Added by Stats. 1949, Ch. 81.)*

**54351.** If the local agency acquires, constructs, or improves a sanitation or garbage removal or disposal system, it may require its inhabitants to use the facilities exclusively.

*(Added by Stats. 1949, Ch. 81.)*

**54352.** If the local agency acquires, constructs, or improves a sewer system pursuant to this chapter, it may declare that the further maintenance or use of cesspools or other local means of sewage disposal constitutes a public nuisance. If the buildings are within a reasonable distance, but not more than two hundred feet, from connection with the sewer system, the local agency may require all buildings inhabited or used by human beings and in which any sewage is produced to be connected with the sewer system within the period prescribed by it, but not less than thirty days from the time when such a connection can be made, as may be prescribed by the local agency.

*(Amended by Stats. 1949, Ch. 1492.)*

**54353.** As a remedy established for the collection of due and unpaid deposits and charges and the penalties thereon an action may be brought in the name of the local agency in any court of competent jurisdiction against the person or persons who occupied or, in the case of unoccupied property, who owned the property when the service was rendered or the deposit became due or against any person guaranteeing payment of bills, or against any or all of said persons, for the collection of the amount of the deposit or the collection of delinquent charges and all penalties thereon.

*(Amended by Stats. 1970, Ch. 1174.)*

**54354.** A local agency that acquires, constructs, or improves a system, plant, works, facilities or undertaking for the collection, treatment, or disposal of sewage or for the obtaining, conserving, treating, and supplying of water, or for the collection, treatment, or disposal of storm water, including drainage, may declare in the resolution or ordinance prescribing or revising charges for the services or facilities furnished by the enterprise that delinquent charges and all penalties thereon when recorded as in this chapter provided shall constitute a lien upon the real property served. However, no lien shall be created against any publicly owned property. A lien shall continue until the charge and all penalties thereon are fully paid or the property sold.

*(Amended by Stats. 1992, Ch. 1208, Sec. 3. Effective January 1, 1993.)*

**54354.5.** A resolution or ordinance prescribing or revising charges for the services or facilities furnished by the enterprise and declaring that delinquent charges and penalties when recorded as provided in this chapter shall constitute a lien upon the real property served shall not be adopted until the legislative body has given notice of and held a hearing thereon substantially as provided by this section; provided, however, that nothing herein shall be construed to prevent the local agency from prescribing, revising and collecting charges sufficient in amount to comply with Section 54515 or any other provision of this chapter or any provision or covenant in the proceedings for the issuance of any outstanding revenue bonds of the local agency payable from the revenues of the enterprise.

(a) The notice of the hearing shall be given by the clerk or secretary of the legislative body and shall contain a copy of the proposed resolution or ordinance. Said notice shall state the time and place for a hearing on said proposed resolution or ordinance, and that at said time and place any person interested, including all persons owning property in the local agency, may appear and be heard as to whether the proposed rates and charges are discriminatory or excessive, or will not be sufficient under Section 54515, or will not comply with any other provision of this chapter, or will not be sufficient under the provisions or covenants of any outstanding revenue bonds of the local agency payable from the revenues of the enterprise, or on any other matter relating to said proposed resolution or ordinance or the rates or charges proposed therein.

(b) Said notice shall be published at least once each week for two weeks prior to the hearing in a newspaper published in the local agency. If there is no newspaper published in the local agency, said notice shall be posted in three public places in the local agency for not less than two weeks prior to the hearing. The first publication or posting of the notice shall be at least 15 days prior to the date of hearing.

(c) At the time and place fixed in said notice for the hearing, the legislative body shall hold said hearing and may adjourn said hearing from time to time and may adjourn said hearing to a different place if deemed necessary. At the hearing any person interested, including all persons owning property in the local agency, may appear and be heard on the matters set forth in the notice. At the hearing the legislative body may change or modify the proposed rates and charges; provided, however, that no rate or charge shall be raised or increased from that set forth in the proposed resolution or ordinance, unless notice of intention to make said increase shall be published once or posted at least 10 days prior to the hearing on the proposed change.

(d) At the conclusion of the hearing the legislative body may determine that the proposed rates and charges, as originally proposed or modified as provided herein, are not discriminatory or excessive, and will be sufficient under Section 54515 and will comply with the provisions of this chapter and will be sufficient under the provisions or covenants of any outstanding revenue bonds of the local

agency payable from the revenues of the enterprise and will be in compliance with law, and adopt said proposed resolution or ordinance as proposed or modified as provided herein.

*(Amended by Stats. 1970, Ch. 1174.)*

**54355.** The lien provided by Section 54354 shall attach when the treasurer or other officer whose duty it is to collect the charge records a list of delinquent unpaid charges and penalties thereon with the county recorder, stating the amount of each charge and the penalty thereon, a description of the real property upon which the same is a lien and the name of the local agency to which the same is payable. Such lien shall have the same force, effect, priority and duration as to the property described as would the lien of an abstract of a judgment against the owner of the real property at the time such list is recorded and may be enforced in like manner. Property may be discharged from the lien within one year from the date of recording by the payment of all delinquent charges plus penalties. A list of all such delinquent charges shall be recorded at least every six months, but no delay or informality in recording the same shall invalidate the lien or any unpaid charge or any subsequent act or proceeding. If through error or otherwise the amount of any unpaid charge plus penalties thereon as stated in said list shall be incorrect, said error shall be disregarded and shall not affect or invalidate the filing if said error is one dollar (\$1) or less.

*(Amended by Stats. 1956, 1st Ex. Sess., Ch. 23.)*

**54356.** As a separate, distinct and cumulative remedy established for the collection of said charges and penalties thereon an action may be brought in the name of the local agency in any court of competent jurisdiction to enforce the lien of the charge and all penalties thereon. In such action a reasonable attorney's fee shall be awarded plaintiff.

*(Added by Stats. 1955, Ch. 602.)*

**54357.** Remedies for collecting and enforcing rates and charges set out in this chapter are cumulative and may be pursued alternately, or any thereof may be used consecutively when the legislative body so determines. If any one of said remedies is or may be invalid, all valid remedies shall remain effectual until the principal and interest of the bonds are fully paid. Any holder of any bond outstanding at any time may compel the use of any or all of the remedies herein provided. The costs of collection and enforcement of the remedies for the collection of charges may be paid from the revenues.

*(Amended by Stats. 1956, 1st Ex. Sess., Ch. 23.)*

**54358.** The local agency may execute all instruments, perform all acts, and do all things necessary or convenient in the exercise of the powers granted by this chapter or in the performance of its covenants or duties.

*(Added by Stats. 1955, Ch. 602.)*