

# CLIENT NEWS BRIEF

## Legislature Postpones Sunset Of Civic Center Act Fee Provisions

Assembly Bill (AB) 1303, which was recently signed by the Governor, will postpone the sunset of central fee provisions within the Civic Center Act (Act).

The Act generally requires school districts to permit the use of their facilities and grounds for particular purposes. The Act further authorizes, and in some cases requires, school districts to charge users for their use of school facilities. The Legislature originally provided that these provisions would be repealed as of January 1, 2020; however, AB 1303 extends this date to January 1, 2025.

### Background

The Act mandates that school districts "authorize the use of school facilities or grounds under [their] control by . . . nonprofit organization[s], or by . . . club[s] or . . . association[s] organized to promote youth and school activities." "School facilities" are defined as nonclassroom space and "school grounds," and include, but are not limited to: playing fields, athletic fields, track and field venues, tennis courts, and outdoor basketball courts.

The Act also provides that school districts may, and in certain circumstances must, charge for such use. In particular, school districts may generally charge "an amount not to exceed direct costs" for use of their grounds or facilities. "Direct costs" are defined as the user's proportional share of supplies, utilities, janitorial services, work performed by school district employees, maintenance, repair, restoration, and refurbishment in connection with the operation and maintenance of the school facilities or grounds. This proportion of costs is based on the extent and nature of the entity's use.

There are a few notable exceptions to this general rule. If a school district permits the use of school facilities for religious services, the district must charge the user an amount *at least* equal to the school district's direct costs. Further, school districts must charge fair rental value for users who utilize school facilities for entertainment purposes or to hold meetings where admission is charged or contributions are solicited and the net receipts are not expended for the welfare of the pupils of the school district or for charity. The Act defines "fair rental value" as the direct costs to the school district plus the amortized costs of the school facilities or grounds used for the duration of the activity.

The Act originally provided that the above provisions would be repealed as of January 1, 2020. However, AB 1303 postpones such repeal until January 1, 2025. The Senate Rules Committee (Committee) observed that this fee provision was originally enacted in 2012 to help school districts remain fiscally viable during the national economic downturn. Now, though the economic climate has improved, the Committee determined that such fees are still necessary to enable districts to ensure that their schools are properly maintained and to prevent injuries that can result from dilapidated facilities.

October 2019  
Number 55



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## Takeaways

School districts should be aware that the Legislature has postponed the sunset of the above-described Civic Center Act fee provisions until January 1, 2025. Consequently, school districts may continue to charge users in proportion to the direct costs associated with their use, except with respect to users who utilize school facilities for religious, entertainment, or profit-generating purposes.

For more information about AB 1303, the Civic Center Act, or facilities use matters in general, please contact the authors of this Client News Brief or an attorney at one of our [eight offices](#) located statewide. You can also subscribe to our [podcast](#), follow us on [Facebook](#), [Twitter](#), and [LinkedIn](#) or download our [mobile app](#).

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