



Sample Letter Regarding Senate Bill 937 and Developer Fees

[DISTRICT LETTERHEAD]

[Date]

Sent Via Email and U.S. Certified Mail

[City/County]
[Street Address]
[City], CA [Zip Code]
[Email Address]

Re: Senate Bill 937 and Developer Fees

Dear [City/County]:

As you may know, effective January 1, 2025, Senate Bill 937 (“SB 937”) revises Government Code section 66007, which impacts the timing of collection of certain impact fees. We write to inform you that SB 937 does not apply to school impact fees, and ask you to confirm that you will not issue building permits without receiving a certificate indicating that such fees have been paid, as required by Education code section 17620(b).

Education Code section 17620(b) states:

“A city or county, whether general law or chartered, or the Office of Statewide Health Planning and Development shall not issue a building permit for any construction absent certification by the appropriate school district that any fee, charge, dedication, or other requirement levied by the governing board of that school district has been complied with, or of the district's determination that the fee, charge, dedication, or other requirement does not apply to the construction.”

Education Code section 17621(c) states:

The school district governing board shall specify, pursuant to that notification, whether or not the collection of the fee or other charge is subject to the restriction set forth in subdivision (a) of Section 66007 of the Government Code.

SB 937 modifies Government Code Section 66007, but does not change or repeal Education Code sections 17620(b), and 17621(c) that allow school districts to choose whether school impact fees are subject to Government Code Section 66007. The District has chosen not to be subject to the restriction set forth in subdivision (a) of Section 66007 of the Government Code.

This issue was addressed in *RRLH, Inc. vs. Saddleback Valley Unified School Dist.* (1990) 222 Cal.App.3d 1602 (*Saddleback*). In *Saddleback*, the petitioner argued that Gov't Code § 66007 prohibited the school district from

collecting fees before project completion. The Court disagreed, holding that the more specific language in Educ. Code § 17620(b) and Educ. Code § 17621(c) gave schools the ability to require fee payment prior to issuance of a building permit. In short, for school impact fees specifically, the no building permit can be issued before a school district provides a certificate indicating that the fees have been paid. (Educ. Code § 17620(b)). The Legislature is legally presumed to be aware of these authorities when it passed SB 937.¹

This issue is of critical importance for the school district. SB 937 would create a variety of potential impacts on our ability to continue to provide facilities for the students in our existing community and students from new development.

We respectfully request that you confirm that you will continue to comply with Education Code section 17620(b) within fourteen (14) days from the date of this letter.

Very truly yours,

[Name, Title]

¹ “The Legislature is deemed to be aware of existing laws and judicial decisions in effect at the time legislation is enacted and to have enacted and amended statutes ‘in the light of such decisions as have a direct bearing upon them’” *People v. Overstreet* (1986) 42 Cal.3d 891, 897.

THIS IS A GUIDE IS A SUMMARY ONLY AND NOT LEGAL ADVICE. WE RECOMMEND THAT YOU CONSULT WITH LEGAL COUNSEL TO DETERMINE HOW THIS MAY APPLY TO YOUR SPECIFIC FACTS AND CIRCUMSTANCES

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