

AMENDED IN SENATE JUNE 25, 2002

AMENDED IN SENATE JUNE 13, 2002

AMENDED IN ASSEMBLY APRIL 2, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2227

Introduced by Assembly Member Harman

February 20, 2002

An act to amend Sections 56026, 56035, 56048, 56068, 56103, 56133, 56157, 56300, 56375, 56375.3, 56383, 56386, 56427, 56661, 56663, ~~56668, 56668.3, 56708, 56710, 56742~~ 56668.3, 56708, 56710, 56751, 56759, 56857, 56886, 56895, 57002, 57007, 57025, 57077, 57078.5, 57080, 57102, 57108, 57109, 57119, 57302, and 57450 of, to amend and renumber Section 56746 of, and to repeal Section 56745 of, the Government Code, relating to local agency formation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2227, as amended, Harman. Local agency formation.

(1) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts. For purposes of the act, the terms “landowners” and “owner of land” are defined as any person shown as the owner of land on the most recent assessment roll being prepared by the county at the time the conducting authority adopts a resolution of application, except where that person is no longer the owner.

This bill would change these definitions to any person shown as the owner of land on the most recent assessment roll being prepared by the

county at the time the proponent adopts a resolution of application or files a notice of intention to circulate a petition with the executive officer of a local agency formation commission, except where that person is no longer the owner, and would make related changes.

(2) For purposes of the act, the term “proponent” is defined as the person or persons who file a notice of intention to circulate a petition with the executive officer.

This bill would change that definition to the person or persons who file a notice of intention to circulate a petition with the executive officer or the local agency that adopts a resolution of application.

(3) Existing law requires that any action brought to determine the validity of any change of organization or reorganization be brought pursuant to specified procedures.

This bill would include within this requirement actions brought to determine the validity of sphere of influence determinations.

(4) Existing law specifies how required notice shall be mailed with respect to the proceedings of a local agency formation commission. With regard to mailed notice to landowners, existing law requires that notice be addressed to each person to whom land is assessed, as shown upon the most recent assessment roll being prepared by the county at the time the commission adopts a resolution of application. With regard to mailed notice to registered voters, existing law requires that notice be given to all registered voters within the property that is subject to the hearing and all registered voters within 300 feet of the exterior boundary of that property.

This bill would provide that required notice to landowners be addressed to each person to whom land is assessed as shown on the most recent assessment roll being prepared by the county at the time the proponent adopts a resolution of application or files a notice of intention to circulate a petition with the executive officer, and to all landowners within 300 feet of the exterior boundary of the property that is the subject of the hearing. This bill would also provide that required notice to registered voters be addressed to all registered voters within the affected territory at the address as shown on the most recent index of affidavits prepared by the county elections official at the time the proponent adopts a resolution of application or files a notice of intention to circulate a petition with the executive officer and to all registered voters within 300 feet of the exterior boundary of the property that is the subject of the hearing.



(5) Existing law permits a city or district to provide extended services, as defined, outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county. Approval is not required for an extended service that a city or district was providing on January 1, 1994.

This bill would extend that exemption from commission approval to an extended service that a city or district was providing on or before January 1, 2001.

(6) Existing law sets forth the various powers and duties of a local agency formation commission in reviewing and approving or disapproving proposals for changes of organization or reorganization. Among other things, a commission shall require, as a condition to annexation to a city, that the city prezone the territory to be annexed and require that approval of the annexation be consistent with the planned and probable use of the property based upon the review of the general plan and rezoning designations.

This bill would permit the commission not to require a city to prezone the territory to be annexed if satisfactory evidence is presented to the commission that the existing future development entitlements on territory to be annexed are vested or are already at buildout, and are consistent with the city's general plan land use element.

(7) Existing law allows a commission to approve an annexation to a city of island territory without an election or waive a protest hearing, as specified.

This bill would, subject to specified conditions, require the commission to approve the annexation and waive protest proceedings as to annexations initiated on or after January 1, 2000, and before January 1, 2007, and approve these annexations initiated on or after January 1, 2007.

(8) Existing law requires the local agency formation commission to mail notice of a public hearing regarding the adoption, amendment, or revision of spheres of influence, at least 15 days prior to the date of the hearing and to publish that notice in a newspaper at least 15 days prior to the hearing.

This bill would require instead that the mailed and published notice be made at least 21 days prior to the date of the hearing and specify publication in a newspaper of general circulation within the affected territory.

(9) Existing law requires a local agency formation commission to terminate any change of organization or reorganization, except a special



reorganization, that includes the detachment of territory from any city if any city from which the detachment of territory is requested adopts and transmits a resolution requesting termination of the proceedings no later than 60 days after the date that the proposal is on the commission's meeting agenda.

This bill would ~~permit a commission to proceed with that change of organization or reorganization within the 60-day period if it~~ *make this requirement inapplicable if the commission* receives a resolution in support of the proposed change of organization or reorganization from all cities from which the detachment of territory is proposed.

(10) Existing law requires a local agency formation commission to terminate any change of organization or reorganization that includes the annexation of territory to any district if any district to which the annexation of territory is requested adopts and transmits a resolution requesting termination of the proceedings no later than 60 days after the date that the proposal is on the commission's meeting agenda.

This bill would make this requirement inapplicable if the commission receives a resolution in support of the proposed change of organization or reorganization from all districts to which the annexation of territory is proposed.

(11) Existing law permits a local agency formation commission to make its approval of a change of organization or reorganization of local government entities subject to any of specified conditions.

This bill would require that any of the specified conditions imposed on a change of organization or reorganization constitute the exclusive conditions for the change of organization or reorganization, notwithstanding the general provisions of the act, and would make conforming changes.

(12) Existing law provides that protest proceedings with respect to a district formation that is not part of a reorganization shall be conducted pursuant to the principal act of the district to be formed, and that commission protest procedures shall not apply except as specified.

This bill would provide that protest proceedings of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 shall prevail in the event of a conflict with the principal act of the district to be formed.

(13) Existing law requires the executive officer of the commission to give mailed notice of the protest hearing on a proposed annexation to a city of 75 acres or less to each landowner within the affected territory.



This bill would delete that requirement.

(14) Existing law authorizes a petition to be filed with the executive officer of the commission prior to the conclusion of the protest hearing by the commission on the issue of merging a district with a city or establishing a subsidiary district of a city, if the petition requests that any election on that question be called, held, and conducted only within the district.

This bill would require the commission to forward the proposal to the affected city and would require the affected city to call, hold, or conduct any election if the executive officer certifies the petition. The bill would also require the commission to forward the proposal to the principal county and would require the principal county to call, hold, and conduct any election upon the question of a merger or the establishment of a subsidiary district only within the district to be merged or within the district to be established as a subsidiary district if the petition requesting the election is certified.

(15) Existing law requires the commission, in any resolution ordering a special organization, to call an election in both the territory to be detached from the city and the entire territory of the city from which the detachment is ordered to occur.

This bill would require that any resolution ordering a special reorganization require the principal county to call the election.

(16) This bill would make various related conforming changes.

~~(17) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.~~

By

(17) *By* imposing various duties described above on local agency formation commissions and local government agencies, this bill would impose a state-mandated local program.

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.



Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

1 SECTION 1. Section 56026 of the Government Code is
2 amended to read:

3 56026. "Clerk" means the clerk or secretary of a
4 commission, county, city, or district, or the clerk or secretary of the
5 legislative body of a county, city, or district. Where the office of
6 county clerk is separate from the office of the clerk of the board
7 of supervisors, "clerk" means the clerk of the board of
8 supervisors. Where the office of county clerk is separate from the
9 office of the registrar of voters, "clerk" means the registrar of
10 voters with respect to all duties pertaining to the conduct of
11 elections and the county clerk with respect to all other duties.

12 SEC. 2. Section 56035 of the Government Code is amended
13 to read:

14 56035. "Dissolution" means the dissolution,
15 disincorporation, extinguishment, and termination of the
16 existence of a district and the cessation of all its corporate powers,
17 except as the commission may otherwise provide pursuant to
18 Section 56886 or for the purpose of winding up the affairs of the
19 district.

20 SEC. 3. Section 56048 of the Government Code is amended
21 to read:

22 56048. (a) Except as otherwise provided in subdivision (b) or
23 (c), "landowner" or "owner of land" means all of the following:

24 (1) Any person shown as the owner of land on the most recent
25 assessment roll being prepared by the county at the time the
26 proponent adopts a resolution of application pursuant to Section
27 56654 or files a notice of intention to circulate a petition with the
28 executive officer pursuant to subdivision (a) of Section 56700.4,
29 except where that person is no longer the owner. Where that person
30 is no longer the owner, the landowner or owner of land is any



1 person entitled to be shown as owner of land on the next
2 assessment roll.

3 (2) Where land is subject to a recorded written agreement of
4 sale, any person shown in the agreement as purchaser.

5 (3) Any public agency owning land.

6 (b) “Landowner” or “owner of land” does not include a public
7 agency which owns highways, rights-of-way, easements,
8 waterways, or canals.

9 SEC. 4. Section 56068 of the Government Code is amended
10 to read:

11 56068. “Proponent” means the person or persons who file a
12 notice of intention to circulate a petition with the executive officer
13 pursuant to subdivision (a) of Section 56700.4, or the affected
14 local agency or agencies that adopt a resolution of application
15 pursuant to Section 56654.

16 SEC. 5. Section 56103 of the Government Code is amended
17 to read:

18 56103. An action to determine the validity of any change of
19 organization, reorganization, or sphere of influence determination
20 completed pursuant to this division shall be brought pursuant to
21 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
22 the Code of Civil Procedure.

23 SEC. 6. Section 56133 of the Government Code is amended
24 to read:

25 56133. (a) A city or district may provide new or extended
26 services by contract or agreement outside its jurisdictional
27 boundaries only if it first requests and receives written approval
28 from the commission in the affected county.

29 (b) The commission may authorize a city or district to provide
30 new or extended services outside its jurisdictional boundaries but
31 within its sphere of influence in anticipation of a later change of
32 organization.

33 (c) The commission may authorize a city or district to provide
34 new or extended services outside its jurisdictional boundaries and
35 outside its sphere of influence to respond to an existing or
36 impending threat to the public health or safety of the residents of
37 the affected territory if both of the following requirements are met:

38 (1) The entity applying for the contract approval has provided
39 the commission with documentation of a threat to the health and
40 safety of the public or the affected residents.



1 (2) The commission has notified any alternate service provider,
2 including any water corporation as defined in Section 241 of the
3 Public Utilities Code, or sewer system corporation as defined in
4 Section 230.6 of the Public Utilities Code, that has filed a map and
5 a statement of its service capabilities with the commission.

6 (d) The executive officer, within 30 days of receipt of a request
7 for approval by a city or district of a contract to extend services
8 outside its jurisdictional boundary, shall determine whether the
9 request is complete and acceptable for filing or whether the request
10 is incomplete. If a request is determined not to be complete, the
11 executive officer shall immediately transmit that determination to
12 the requester, specifying those parts of the request that are
13 incomplete and the manner in which they can be made complete.
14 When the request is deemed complete, the executive officer shall
15 place the request on the agenda of the next commission meeting
16 for which adequate notice can be given but not more than 90 days
17 from the date that the request is deemed complete, unless the
18 commission has delegated approval of those requests to the
19 executive officer. The commission or executive officer shall
20 approve, disapprove, or approve with conditions the contract for
21 extended services. If the contract is disapproved or approved with
22 conditions, the applicant may request reconsideration, citing the
23 reasons for reconsideration.

24 (e) This section does not apply to contracts or agreements
25 solely involving two or more public agencies where the public
26 service to be provided is an alternative to, or substitute for, public
27 services already being provided by an existing public service
28 provider and where the level of service to be provided is consistent
29 with the level of service contemplated by the existing service
30 provider. This section does not apply to contracts for the transfer
31 of nonpotable or nontreated water. This section does not apply to
32 contracts or agreements solely involving the provision of surplus
33 water to agricultural lands and facilities, including, but not limited
34 to, incidental residential structures, for projects that serve
35 conservation purposes or that directly support agricultural
36 industries. However, prior to extending surplus water service to
37 any project that will support or induce development, the city or
38 district shall first request and receive written approval from the
39 commission in the affected county. This section does not apply to
40 an extended service that a city or district was providing on or



1 before January 1, 2001. This section does not apply to a local
2 publicly owned electric utility, as defined by Section 9604 of the
3 Public Utilities Code, providing electric services that do not
4 involve the acquisition, construction, or installation of electric
5 distribution facilities by the local publicly owned electric utility,
6 outside of the utility's jurisdictional boundaries.

7 SEC. 7. Section 56157 of the Government Code is amended
8 to read:

9 56157. When mailed notice is required to be given to:

10 (a) A county, city, or district, it shall be addressed to the clerk
11 of the county, city, or district.

12 (b) A commission, it shall be addressed to the executive officer.

13 (c) Proponents, it shall be addressed to the persons so
14 designated in the petition at the address specified in the petition.

15 (d) Landowners, it shall be addressed to each person to whom
16 land is assessed, as shown upon the most recent assessment roll
17 being prepared by the county at the time the proponent adopts a
18 resolution of application pursuant to Section 56654 or files a notice
19 of intention to circulate a petition with the executive officer
20 pursuant to subdivision (a) of Section 56700.4, at the address
21 shown upon the assessment roll and to all landowners within 300
22 feet of the exterior boundary of the property that is the subject of
23 the hearing at least 21 days prior to the hearing. This requirement
24 may be waived if proof satisfactory to the commission is presented
25 that shows that individual notices to landowners have already been
26 provided by the initiating agency. Notice also shall be either posted
27 or published in accordance with Section 56153 in a newspaper of
28 general circulation that is circulated within the affected territory
29 21 days prior to the hearing. If this section would require more than
30 1,000 notices to be mailed, then notice may be provided instead
31 pursuant to paragraph (3) of subdivision (a) of Section 65091.

32 (e) Persons requesting special notice, it shall be addressed to
33 each person who has filed a written request for special notice with
34 the executive officer or clerk at the mailing address specified in the
35 request.

36 (f) To all registered voters within the affected territory, to the
37 address as shown on the most recent index of affidavits prepared
38 by the county elections official at the time the proponent adopts a
39 resolution of application pursuant to Section 56654 or files a notice
40 of intention to circulate a petition with the executive officer



1 pursuant to subdivision (a) of Section 56700.4 and to all registered
2 voters within 300 feet of the exterior boundary of the property that
3 is the subject of the hearing at least 21 days prior to the hearing.
4 This requirement may be waived if proof satisfactory to the
5 commission is presented that shows that individual notices to
6 registered voters have already been provided by the initiating
7 agency. Notice shall also either be posted or published in
8 accordance with Section 56153 in a newspaper of general
9 circulation that is circulated within the affected territory 21 days
10 prior to the hearing. If this section would require more than 1,000
11 notices to be mailed, then notice may instead be provided pursuant
12 to paragraph (3) of subdivision (a) of Section 65091.

13 SEC. 8. Section 56300 of the Government Code is amended
14 to read:

15 56300. (a) It is the intent of the Legislature that each
16 commission, not later than January 1, 2002, shall establish written
17 policies and procedures and exercise its powers pursuant to this
18 part in a manner consistent with those policies and procedures and
19 that encourages and provides planned, well-ordered, efficient
20 urban development patterns with appropriate consideration of
21 preserving open-space and agricultural lands within those
22 patterns.

23 (b) Each commission with a proposal pending on January 1,
24 2001, shall, by March 31, 2001, hold a public hearing to discuss
25 the adoption of policies and procedures to require the disclosure
26 of contributions, expenditures, and independent expenditures
27 authorized by Section 56100.1. Reporting requirements adopted
28 pursuant to this section shall be effective upon the date of adoption
29 or a later date specified in the resolution. Any commission that
30 does not have a proposal pending on January 1, 2001, shall hold
31 a public hearing to discuss the adoption of those policies and
32 procedures within 90 days of submission of a proposal or at any
33 time prior to submission of a proposal. Once a hearing has taken
34 place under this subdivision, no subsequent hearing shall be
35 required except by petition of 100 or more registered voters
36 residing in the county in which the commission is located.

37 (c) A commission may require, through the adoption of written
38 policies and procedures, lobbying disclosure and reporting
39 requirements for persons who attempt to influence pending
40 decisions by commission members, staff, or consultants.



1 Disclosure shall be made either to the commission's executive
2 officer, in which case it shall be posted on the commission Web
3 site, if applicable, or to the recorder, registrar of voters, or clerk of
4 the board of supervisors of the county in which the commission is
5 located. Each commission that on January 1, 2001, has a pending
6 proposal, as defined in Section 56069 shall, by March 31, 2001,
7 hold a public hearing to discuss the adoption of policies and
8 procedures governing lobbying disclosure authorized by this
9 subdivision. Reporting requirements adopted pursuant to this
10 section shall be effective upon the date of adoption or on a later
11 date specified in the resolution. Any commission that does not
12 have a proposal pending on January 1, 2001, shall hold a public
13 hearing to discuss the adoption of those policies and procedures
14 within 90 days of submission of a proposal, or at any time prior to
15 submission of a proposal.

16 (d) Any public hearings required by this section may be held
17 concurrently.

18 (e) The written policies and procedures adopted by the
19 commission shall include forms to be used for various submittals
20 to the commission including at a minimum a form for any protests
21 to be filed with the commission concerning any proposed
22 organization change.

23 (f) (1) On or before January 1, 2002, the commission shall
24 establish and maintain, or otherwise provide access to notices and
25 other commission information for the public through an Internet
26 Web site.

27 (2) The written policies and procedures adopted by the
28 commission shall require that, to the extent that the commission
29 maintains an Internet Web site, notice of all public hearings and
30 commission meetings shall be made available in electronic format
31 on that site.

32 SEC. 9. Section 56375 of the Government Code is amended
33 to read:

34 56375. The commission shall have all of the following
35 powers and duties subject to any limitations upon its jurisdiction
36 set forth in this part:

37 (a) To review and approve or disapprove with or without
38 amendment, wholly, partially, or conditionally, proposals for
39 changes of organization or reorganization, consistent with written
40 policies, procedures, and guidelines adopted by the commission.



1 The commission may initiate proposals for (1) consolidation of
2 districts, as defined in Section 56036, (2) dissolution, (3) merger,
3 or (4) establishment of a subsidiary district, or a reorganization
4 that includes any of these changes of organization. A commission
5 shall have the authority to initiate only a (1) consolidation of
6 districts, (2) dissolution, (3) merger, (4) establishment of a
7 subsidiary district, or (5) a reorganization that includes any of
8 these changes of organization, if that change of organization or
9 reorganization is consistent with a recommendation or conclusion
10 of a study prepared pursuant to Section 56378, 56425, or 56430
11 and the commission makes the determinations specified in
12 subdivision (b) of Section 56881. However, a commission shall
13 not have the power to disapprove an annexation to a city, initiated
14 by resolution, of contiguous territory that the commission finds is
15 any of the following:

16 (1) Surrounded or substantially surrounded by the city to which
17 the annexation is proposed or by that city and a county boundary
18 or the Pacific Ocean if the territory to be annexed is substantially
19 developed or developing, is not prime agricultural land as defined
20 in Section 56064, is designated for urban growth by the general
21 plan of the annexing city, and is not within the sphere of influence
22 of another city.

23 (2) Located within an urban service area that has been
24 delineated and adopted by a commission, which is not prime
25 agricultural land, as defined by Section 56064, and is designated
26 for urban growth by the general plan of the annexing city.

27 (3) An annexation or reorganization of unincorporated islands
28 meeting the requirements of Section 56375.3.

29 As a condition to the annexation of an area that is surrounded,
30 or substantially surrounded, by the city to which the annexation is
31 proposed, the commission may require, where consistent with the
32 purposes of this division, that the annexation include the entire
33 island of surrounded, or substantially surrounded, territory.

34 A commission shall not impose any conditions that would
35 directly regulate land use density or intensity, property
36 development, or subdivision requirements. When the
37 development purposes are not made known to the annexing city,
38 the annexation shall be reviewed on the basis of the adopted plans
39 and policies of the annexing city or county. A commission shall
40 require, as a condition to annexation, that a city prezone the



1 territory to be annexed or present evidence satisfactory to the
2 commission that the existing ~~future~~ development entitlements on
3 the territory are vested or are already at buildout, and are consistent
4 with the city's general plan ~~land use element~~. However, the
5 commission shall not specify how, or in what manner, the territory
6 shall be prezoned. The decision of the commission with regard to
7 a proposal to annex territory to a city shall be based upon the
8 general plan and prezoning of the city.

9 (b) With regard to a proposal for annexation or detachment of
10 territory to, or from, a city or district or with regard to a proposal
11 for reorganization that includes annexation or detachment, to
12 determine whether territory proposed for annexation or
13 detachment, as described in its resolution approving the
14 annexation, detachment, or reorganization, is inhabited or
15 uninhabited.

16 (c) With regard to a proposal for consolidation of two or more
17 cities or districts, to determine which city or district shall be the
18 consolidated, successor city or district.

19 (d) To approve the annexation of unincorporated,
20 noncontiguous territory, subject to the limitations of Section
21 56742, located in the same county as that in which the city is
22 located, and that is owned by a city and used for municipal
23 purposes and to authorize the annexation of the territory without
24 notice and hearing.

25 (e) To approve the annexation of unincorporated territory
26 consistent with the planned and probable use of the property based
27 upon the review of general plan and prezoning designations. No
28 subsequent change may be made to the general plan for the
29 annexed territory or zoning that is not in conformance to the
30 prezoning designations for a period of two years after the
31 completion of the annexation, unless the legislative body for the
32 city makes a finding at a public hearing that a substantial change
33 has occurred in circumstances that necessitate a departure from the
34 prezoning in the application to the commission.

35 (f) With respect to the incorporation of a new city or the
36 formation of a new special district, to determine the number of
37 registered voters residing within the proposed city or special
38 district or, for a landowner-voter special district, the number of
39 owners of land and the assessed value of their land within the
40 territory proposed to be included in the new special district. The



1 number of registered voters shall be calculated as of the time of the
2 last report of voter registration by the county elections official to
3 the Secretary of State prior to the date the first signature was
4 affixed to the petition. The executive officer shall notify the
5 petitioners of the number of registered voters resulting from this
6 calculation. The assessed value of the land within the territory
7 proposed to be included in a new landowner-voter special district
8 shall be calculated as shown on the last equalized assessment roll.

9 (g) To adopt written procedures for the evaluation of proposals,
10 including written definitions not inconsistent with existing state
11 law. The commission may adopt standards for any of the factors
12 enumerated in Section 56668. Any standards adopted by the
13 commission shall be written.

14 (h) To adopt standards and procedures for the evaluation of
15 service plans submitted pursuant to Section 56653 and the
16 initiation of a change of organization or reorganization pursuant
17 to subdivision (a).

18 (i) To make and enforce regulations for the orderly and fair
19 conduct of hearings by the commission.

20 (j) To incur usual and necessary expenses for the
21 accomplishment of its functions.

22 (k) To appoint and assign staff personnel and to employ or
23 contract for professional or consulting services to carry out and
24 effect the functions of the commission.

25 (l) To review the boundaries of the territory involved in any
26 proposal with respect to the definiteness and certainty of those
27 boundaries, the nonconformance of proposed boundaries with
28 lines of assessment or ownership, and other similar matters
29 affecting the proposed boundaries.

30 (m) To waive the restrictions of Section 56744 if it finds that
31 the application of the restrictions would be detrimental to the
32 orderly development of the community and that the area that
33 would be enclosed by the annexation or incorporation is so located
34 that it cannot reasonably be annexed to another city or
35 incorporated as a new city.

36 (n) To waive the application of Section 25210.90 or Section
37 22613 of the Streets and Highways Code if it finds the application
38 would deprive an area of a service needed to ensure the health,
39 safety, or welfare of the residents of the area and if it finds that the
40 waiver would not affect the ability of a city to provide any service.



1 However, within 60 days of the inclusion of the territory within the
2 city, the legislative body may adopt a resolution nullifying the
3 waiver.

4 (o) If the proposal includes the incorporation of a city, as
5 defined in Section 56043, or the formation of a district, as defined
6 in Section 2215 of the Revenue and Taxation Code, the
7 commission shall determine the property tax revenue to be
8 exchanged by the affected local agencies pursuant to Section
9 56810.

10 (p) To authorize a city or district to provide new or extended
11 services outside its jurisdictional boundaries pursuant to Section
12 56133.

13 (q) To enter into an agreement with the commission for an
14 adjoining county for the purpose of determining procedures for the
15 consideration of proposals that may affect the adjoining county or
16 where the jurisdiction of an affected agency crosses the boundary
17 of the adjoining county.

18 SEC. 10. Section 56375.3 of the Government Code is
19 amended to read:

20 56375.3. (a) In addition to those powers enumerated in
21 Section 56375, a commission shall do either of the following:

22 (1) Approve, after notice and hearing, the annexation to a city,
23 and waive protest proceedings pursuant to Part 4 (commencing
24 with Section 57000) entirely, if all of the following are true:

25 (A) The annexation is initiated on or after January 1, 2000, and
26 before January 1, 2007.

27 (B) The annexation is proposed by resolution adopted by the
28 affected city.

29 (C) The commission finds that the territory contained in the
30 annexation proposal meets all of the requirements set forth in
31 subdivision (b).

32 (2) Approve, after notice and hearing, the annexation to a city,
33 subject to subdivision (a) of Section 57080, if all of the following
34 are true:

35 (A) The annexation is initiated on or after January 1, 2007.

36 (B) The annexation is proposed by resolution adopted by the
37 affected city.

38 (C) The commission finds that the territory contained in the
39 annexation proposal meets all of the requirements set forth in
40 subdivision (b).



1 (b) Subdivision (a) applies to territory that meets all of the
2 following requirements:

3 (1) It does not exceed 75 acres in area, that area constitutes the
4 entire island, and that island does not constitute a part of an
5 unincorporated area that is more than 100 acres in area.

6 (2) The territory constitutes an entire unincorporated island
7 located within the limits of a city, or constitutes a reorganization
8 containing a number of individual unincorporated islands.

9 (3) It is surrounded in either of the following ways:

10 (A) Surrounded, or substantially surrounded, by the city to
11 which annexation is proposed or by the city and a county boundary
12 or the Pacific Ocean.

13 (B) Surrounded by the city to which annexation is proposed
14 and adjacent cities.

15 (C) This subdivision shall not be construed to apply to any
16 unincorporated island within a city that is a gated community
17 where services are currently provided by a community services
18 district.

19 (D) Notwithstanding any other provision of law, at the option
20 of either the city or the county, a separate property tax transfer
21 agreement may be agreed to between a city and a county pursuant
22 to Section 99 of the Revenue and Taxation Code regarding an
23 annexation subject to this subdivision without affecting any
24 existing master tax sharing agreement between the city and county.

25 (4) It is substantially developed or developing. The finding
26 required by this subparagraph shall be based upon one or more
27 factors, including, but not limited to, any of the following factors:

28 (A) The availability of public utility services.

29 (B) The presence of public improvements.

30 (C) The presence of physical improvements upon the parcel or
31 parcels within the area.

32 (5) It is not prime agricultural land, as defined by Section
33 56064.

34 (6) It will benefit from the annexation or is receiving benefits
35 from the annexing city.

36 (c) Notwithstanding any other provision of this subdivision,
37 this subdivision shall not apply to all or any part of that portion of
38 the development project area referenced in subdivision (e) of
39 Section 33492.41 of the Health and Safety Code that as of January
40 1, 2000, meets all of the following requirements:



- 1 (1) Is unincorporated territory.
- 2 (2) Contains at least 100 acres.
- 3 (3) Is surrounded or substantially surrounded by incorporated
- 4 territory.
- 5 (4) Contains at least 100 acres zoned for commercial or
- 6 industrial uses or is designated on the applicable county general
- 7 plan for commercial or industrial uses.

8 SEC. 11. Section 56383 of the Government Code is amended

9 to read:
10 56383. (a) The commission may establish a schedule of fees
11 for the costs of proceedings taken pursuant to this division,
12 including, but not limited to, all of the following:

13 (1) Filing and processing applications filed with the
14 commission.

15 (2) Proceedings undertaken by the commission and any
16 reorganization committee.

17 (3) Amending a sphere of influence.

18 (4) Reconsidering a resolution making determinations.

19 (b) The schedule of fees shall not exceed the estimated
20 reasonable cost of providing the service for which the fee is
21 charged and shall be imposed pursuant to Section 66016.

22 (c) The commission may require that a fee be deposited with
23 the executive officer before any further action is taken. The deposit
24 of the fee shall be made within the time period specified by the
25 commission. No petition shall be deemed filed until the fee has
26 been deposited.

27 (d) The commission may waive a fee if it finds that payment
28 would be detrimental to the public interest.

29 (e) The signatures on a petition submitted to the commission by
30 registered voters shall be verified by the elections official of the
31 county and the costs of verification shall be provided for in the
32 same manner and by the same agencies which bear the costs of
33 verifying signatures for an initiative petition in the same county.

34 (f) Waiver of fees is limited to those costs incurred by the
35 commission in the processing of a proposal.

36 (g) For incorporation proceedings that have been initiated by
37 the filing of a sufficient number of voter signatures on petitions
38 that have been verified by the county registrar of voters, the
39 commission may, upon the receipt of a certification by the
40 proponents that they are unable to raise sufficient funds to



1 reimburse fees for the proceedings, take no action on the proposal
2 and request a loan from the General Fund of an amount sufficient
3 to cover those expenses subject to availability of an appropriation
4 for those purposes and in accordance with any provisions of the
5 appropriation. Repayment of the loan shall be made a condition of
6 approval of the incorporation, if successful, and shall become an
7 obligation of the newly formed city. Repayment shall be made
8 within two years of the effective date of incorporation. If the
9 proposal is denied by the commission or defeated at an election,
10 the loan shall be forgiven.

11 SEC. 12. Section 56386 of the Government Code is amended
12 to read:

13 56386. (a) The officers and employees of a city, county, or
14 special district, including any local agency, school district,
15 community college district, and any regional agency, or state
16 agency or department, as may be necessary, or any other public
17 agency shall furnish the executive officer with any records or
18 information in their possession which may be necessary to assist
19 the commission and the executive officer in their duties, including,
20 but not limited to, the preparation of reports pursuant to Sections
21 56665 and 56800.

22 (b) Upon request by the commission or the executive officer,
23 the county surveyor, or any other county officer, county official,
24 or employee as the board of supervisors may designate, shall
25 examine and report to the commission or the executive officer
26 upon any application or other document involving any of the
27 matters specified in subdivision (l) of Section 56375.

28 SEC. 13. Section 56427 of the Government Code is amended
29 to read:

30 56427. The commission shall adopt, amend, or revise spheres
31 of influence after a public hearing called and held for that purpose.
32 At least 21 days prior to the date of that hearing, the executive
33 officer shall give mailed notice of the hearing to each affected local
34 agency or affected county, and to any interested party who has filed
35 a written request for notice with the executive officer. In addition,
36 at least 21 days prior to the date of that hearing, the executive
37 officer shall cause notice of the hearing to be published in
38 accordance with Section 56153 in a newspaper of general
39 circulation which is circulated within the territory affected by the
40 sphere of influence proposed to be adopted. The commission may



1 continue from time to time any hearing called pursuant to this
2 section.

3 At any hearing called and held pursuant to this section, the
4 commission shall hear and consider oral or written testimony
5 presented by any affected local agency or affected county or any
6 interested person who wishes to appear.

7 This section shall only apply to spheres of influence adopted by
8 the commission after January 1, 1975.

9 SEC. 14. Section 56661 of the Government Code is amended
10 to read:

11 56661. To the extent that the commission maintains an
12 Internet Web site, notice of all public hearings shall be made
13 available in electronic format on that site. The executive officer
14 shall also give mailed notice of any hearing by the commission, as
15 provided in Sections 56155 to 56157, inclusive, by mailing notice
16 of the hearing or transmitting by electronic mail, if available to the
17 recipient, to all of the following persons and entities:

18 (a) To each affected local agency by giving notice to the
19 legislative body and the executive officer of the agency.

20 (b) To the proponents, if any.

21 (c) To each person who has filed a written request for special
22 notice with the executive officer.

23 (d) If the proposal is for any annexation or detachment, or for
24 a reorganization providing for the formation of a new district, to
25 each city within three miles of the exterior boundaries of the
26 territory proposed to be annexed, detached, or formed into a new
27 district.

28 (e) If the proposal is to incorporate a new city or for the
29 formation of a district, to the affected county.

30 (f) If the proposal includes the formation of, or annexation of
31 territory to, a fire protection district formed pursuant to the Fire
32 Protection District Law of 1987, Part 3 (commencing with Section
33 13800) of Division 12 of the Health and Safety Code, and all or
34 part of the affected territory has been classified as a state
35 responsibility area, to the Director of Forestry and Fire Protection.

36 (g) If the proposal would result in the annexation to a city of
37 land that is subject to a contract executed pursuant to the
38 Williamson Act (Chapter 7 (commencing with Section 51200) of
39 Division 1), to the Director of Conservation.



1 (h) To all landowners within the affected territory pursuant to
2 the provisions of subdivision (d) of Section 56157.

3 (i) To all registered voters within the affected territory pursuant
4 to the provisions of subdivision (f) of Section 56157.

5 SEC. 15. Section 56663 of the Government Code is amended
6 to read:

7 56663. (a) If a petition for an annexation, a detachment, or a
8 reorganization consisting solely of annexations or detachments, or
9 both, or the formation of a county service area is signed by all of
10 the owners of land within the affected territory of the proposed
11 change of organization or reorganization, or if a resolution of
12 application by a legislative body of an affected district, affected
13 county, or affected city making a proposal for an annexation or
14 detachment, or for a reorganization consisting solely of
15 annexations or detachments, or both, or the formation of a county
16 service area is accompanied by proof, satisfactory to the
17 commission, that all the owners of land within the affected
18 territory have given their written consent to that change of
19 organization or reorganization, the commission may approve or
20 disapprove the change of organization or reorganization, without
21 notice and hearing by the commission. In those cases, the
22 commission may also approve and conduct proceedings for the
23 change of organization or reorganization under any of the
24 following conditions:

- 25 (1) Without notice and hearing.
 - 26 (2) Without an election.
 - 27 (3) Without notice, hearing, or an election.
- 28 (b) The executive officer shall give any affected agency mailed
29 notice of the filing of the petition or resolution of application
30 initiating proceedings by the commission. The commission shall
31 not, without the written consent of the subject agency, take any
32 further action on the petition or resolution of application for 10
33 days following that mailing. Upon written demand by an affected
34 local agency, filed with the executive officer during that 10-day
35 period, the commission shall make determinations upon the
36 petition or resolution of application only after notice and hearing
37 on the petition or resolution of application. If no written demand
38 is filed, the commission may make those determinations without
39 notice and hearing. By written consent, which may be filed with



1 the executive officer at any time, a subject agency may do any of
2 the following:

3 (1) Waive the requirement of mailed notice.

4 (2) Consent to the commission making determinations without
5 notice and hearing.

6 (3) Waive the requirement of mailed notice and consent to the
7 commission making determinations without notice and hearing.

8 (c) In the case of uninhabited territory, the commission may
9 waive protest proceedings pursuant to Part 4 (commencing with
10 Section 57000) entirely if both of the following conditions apply:

11 (1) All the owners of land within the affected territory have
12 given their written consent to the change of organization or
13 reorganization.

14 (2) All subject agencies have consented in writing to a waiver
15 of protest proceedings.

16 (d) In the case of inhabited city and district annexations or
17 detachments, or both, the commission may waive protest
18 proceedings pursuant to Part 4 (commencing with Section 57000)
19 entirely if both of the following conditions apply:

20 (1) The commission has provided written notice of commission
21 proceedings to all registered voters and landowners within the
22 affected territory and no written opposition from registered voters
23 or landowners within the affected territory is received prior to the
24 conclusion of the commission meeting. The written notice shall
25 disclose to the registered voters and landowners that unless written
26 opposition is received regarding the proposal or the commission's
27 intention to waive protest proceedings, that there will be no
28 subsequent protest and election proceedings.

29 (2) All subject agencies have consented in writing to a waiver
30 of protest proceedings.

31 ~~SEC. 16.—Section 56668 of the Government Code is amended~~
32 ~~to read:~~

33 ~~56668.—Factors to be considered in the review of a proposal~~
34 ~~shall include, but not be limited to, all of the following:~~

35 ~~(a) Population, population density; land area and land use; per~~
36 ~~capita assessed valuation; topography, natural boundaries, and~~
37 ~~drainage basins; proximity to other populated areas; the likelihood~~
38 ~~of significant growth in the area, and in adjacent incorporated and~~
39 ~~unincorporated areas, during the next 10 years.~~



1 ~~(b) Need for organized community services; the present cost~~
2 ~~and adequacy of governmental services and controls in the area;~~
3 ~~probable future needs for those services and controls; probable~~
4 ~~effect of the proposed incorporation, formation, annexation, or~~
5 ~~exclusion and of alternative courses of action on the cost and~~
6 ~~adequacy of services and controls in the area and adjacent areas.~~

7 ~~“Services,” as used in this subdivision, refers to governmental~~
8 ~~services whether or not the services are services which would be~~
9 ~~provided by local agencies subject to this division, and includes the~~
10 ~~public facilities necessary to provide those services.~~

11 ~~(c) The effect of the proposed action and of alternative actions;~~
12 ~~on adjacent areas, on mutual social and economic interests, and on~~
13 ~~the local governmental structure of the county.~~

14 ~~(d) The conformity of both the proposal and its anticipated~~
15 ~~effects with both the adopted commission policies on providing~~
16 ~~planned, orderly, efficient patterns of urban development, and the~~
17 ~~policies and priorities set forth in Section 56377.~~

18 ~~(e) The effect of the proposal on maintaining the physical and~~
19 ~~economic integrity of agricultural lands, as defined by Section~~
20 ~~56016.~~

21 ~~(f) The definiteness and certainty of the boundaries of the~~
22 ~~territory, the nonconformance of proposed boundaries with lines~~
23 ~~of assessment or ownership, the creation of islands or corridors of~~
24 ~~unincorporated territory, and other similar matters affecting the~~
25 ~~proposed boundaries.~~

26 ~~(g) Consistency with city or county general plans, specific~~
27 ~~plans, and adopted land use policies.~~

28 ~~(h) The sphere of influence of any local agency which may be~~
29 ~~applicable to the proposal being reviewed.~~

30 ~~(i) The comments of any affected local agency.~~

31 ~~(j) The ability of the newly formed or receiving entity to~~
32 ~~provide the services which are the subject of the application to the~~
33 ~~area, including the sufficiency of revenues for those services~~
34 ~~following the proposed boundary change.~~

35 ~~(k) Timely availability of water supplies adequate for projected~~
36 ~~needs as specified in Section 65352.5.~~

37 ~~(l) The extent to which the proposal will assist the receiving~~
38 ~~entity in achieving its fair share of the regional housing needs as~~
39 ~~determined by the appropriate council of governments.~~



1 ~~(m) Any information or comments from the landowner or~~
2 ~~owners.~~

3 ~~(n) Any information relating to existing land use designations.~~
4 ~~SEC. 17.—~~

5 *SEC. 16.* Section 56668.3 of the Government Code is
6 amended to read:

7 56668.3. (a) If the proposed change of organization or
8 reorganization includes a city detachment or district annexation,
9 except a special reorganization, and the proceeding has not been
10 terminated based upon receipt of a resolution requesting
11 termination pursuant to either Section 56751 or Section 56857,
12 factors to be considered by the commission shall include all of the
13 following:

14 (1) In the case of district annexation, whether the proposed
15 annexation will be for the interest of landowners or present or
16 future inhabitants within the district and within the territory
17 proposed to be annexed to the district.

18 (2) In the case of a city detachment, whether the proposed
19 detachment will be for the interest of the landowners or present or
20 future inhabitants within the city and within the territory proposed
21 to be detached from the city.

22 (3) Any factors which may be considered by the commission
23 as provided in Section 56668.

24 (4) Any resolution raising objections to the action that may be
25 filed by an affected agency.

26 (5) Any other matters which the commission deems material.

27 (b) The commission shall give great weight to any resolution
28 raising objections to the action that is filed by a city or a district.
29 The commission's consideration shall be based only on financial
30 or service related concerns expressed in the protest. Except for
31 findings regarding the value of written protests, the commission
32 is not required to make any express findings concerning any of the
33 factors considered by the commission.

34 ~~SEC. 18.—~~

35 *SEC. 17.* Section 56708 of the Government Code is amended
36 to read:

37 56708. If a petition is signed by owners of land, the executive
38 officer shall cause the names of the signers on the petition to be
39 compared with the names of the persons shown as owners of land
40 on the most recent assessment roll being prepared by the county



1 at the time the proponent adopts a resolution of application
2 pursuant to Section 56654 or files a notice of intention to circulate
3 a petition with the executive officer pursuant to subdivision (a) of
4 Section 56700.4 and ascertain, to the extent possible, both of the
5 following:

6 (a) The total number of landowners within the territory and the
7 total assessed valuation of all land within the affected territory.

8 (b) The total number of landowners represented by qualified
9 signers and the total assessed valuation of land owned by qualified
10 signers.

11 ~~SEC. 19.~~

12 *SEC. 18.* Section 56710 of the Government Code is amended
13 to read:

14 56710. For purposes of evaluating the sufficiency of any
15 petition signed by owners of land:

16 (a) The assessed value to be given land exempt from taxation
17 or owned by a public agency shall be determined by the county
18 assessor, at the request of the executive officer, in the same amount
19 as the county assessor would assess that land, if the land were not
20 exempt from taxation or owned by a public agency.

21 (b) The value given land held in joint tenancy or tenancy in
22 common shall be determined in proportion to the proportionate
23 interest of the petitioner in that land.

24 (c) The executive officer shall disregard the signature of any
25 person not shown as owner on the most recent assessment roll
26 being prepared by the county at the time the proponent adopts a
27 resolution of application pursuant to Section 56654 or files a notice
28 of intention to circulate a petition with the executive officer
29 pursuant to subdivision (a) of Section 56700.4, unless prior to
30 certification the executive officer is furnished with written
31 evidence, satisfactory to the executive officer, that the signer meets
32 any of the following requirements:

33 (1) Is a legal representative of the owner.

34 (2) Is entitled to be shown as owner of land on the next
35 assessment roll.

36 (3) Is a purchaser of land under a recorded written agreement
37 of sale.

38 (4) Is authorized to sign for, and on behalf of, any public agency
39 owning land.



1 ~~SEC. 20.—Section 56742 of the Government Code is amended~~
2 ~~to read:~~

3 ~~56742.—(a) Notwithstanding Section 56741, upon approval of~~
4 ~~the commission as part of a change of organization or~~
5 ~~reorganization, a city may annex noncontiguous territory not~~
6 ~~exceeding 300 acres in area, which is located in the same county~~
7 ~~as that in which the city is situated, and which is owned by the city~~
8 ~~and is being used for municipal purposes at the time commission~~
9 ~~proceedings are initiated. If, after the completion of the~~
10 ~~annexation, the city sells that territory or any part of that territory,~~
11 ~~all of the territory which is no longer owned by the city shall cease~~
12 ~~to be a part of the city. Territory which is used by a city for~~
13 ~~reclamation, disposal, and storage of treated wastewater may be~~
14 ~~annexed to the city pursuant to this section without limitation as~~
15 ~~to the size of the area encompassed within the territory so annexed.~~

16 ~~(b) If territory is annexed pursuant to this section, the annexing~~
17 ~~city may not annex any territory not owned by the city and not~~
18 ~~contiguous to the city, although the territory is contiguous to the~~
19 ~~territory annexed pursuant to this section.~~

20 ~~(c) Notwithstanding any other provision of this section, a city~~
21 ~~which annexes territory pursuant to this section may annex~~
22 ~~additional territory in the same county as that in which the city is~~
23 ~~situated which is owned by the United States government or the~~
24 ~~State of California and which is contiguous to the first-annexed~~
25 ~~territory if the total acreage of the first-annexed and the~~
26 ~~subsequently annexed territory together does not exceed 300 acres~~
27 ~~in area. If after the completion of the subsequent annexation, the~~
28 ~~city sells all or any part of the first-annexed territory, the~~
29 ~~subsequently annexed territory shall cease to be part of the city if~~
30 ~~the subsequently annexed territory is no longer contiguous to~~
31 ~~territory owned by the city.~~

32 ~~(d) When territory ceases to be part of a city pursuant to this~~
33 ~~section, the legislative body of the city shall adopt a resolution~~
34 ~~confirming the detachment. The resolution shall describe the~~
35 ~~detached territory and shall be accompanied by a map indicating~~
36 ~~the territory. Immediately upon adoption of the resolution, the city~~
37 ~~clerk shall make any filing required by Chapter 8 (commencing~~
38 ~~with Section 57200) of Part 4.~~



1 ~~(c) If territory annexed to a city pursuant to this section~~
 2 ~~becomes contiguous to the city, the limitations imposed by this~~
 3 ~~section shall cease to apply.~~

4 ~~SEC. 21.—~~

5 *SEC. 19.* Section 56745 of the Government Code is repealed.

6 ~~SEC. 22.—~~

7 *SEC. 20.* Section 56746 of the Government Code is amended
 8 and renumbered to read:

9 56375.4. (a) The authority to initiate, conduct, and complete
 10 any proceeding pursuant to subdivision (a) of Section 56375.3
 11 does not apply to any territory that, after January 1, 2000, became
 12 surrounded or substantially surrounded by the city to which
 13 annexation is proposed. The authority to initiate, conduct, and
 14 complete any proceeding pursuant to paragraph (1) of subdivision
 15 (a) of Section 56375.3 shall expire January 1, 2007. The period of
 16 time between January 1, 2000, and January 1, 2007, shall not
 17 include any period of time during which, in an action pending in
 18 any court, a local agency is enjoined from conducting proceedings
 19 pursuant to paragraph (1) of subdivision (a) of Section 56375.3.
 20 Upon final disposition of that case, the previously enjoined local
 21 agency may initiate, conduct, and complete proceedings pursuant
 22 to paragraph (1) of subdivision (a) of Section 56375.3 for the same
 23 period of time as was remaining under that seven-year limit at the
 24 time the injunction commenced. However, if the remaining time
 25 is less than six months, that authority shall continue for six months
 26 following final disposition of the action.

27 (b) Between January 1, 2000, and January 1, 2007, no new
 28 proposal involving the same or substantially the same territory as
 29 a proposal initiated pursuant to paragraph (1) of subdivision (a) of
 30 Section 56375.3 after January 1, 2000, shall be initiated for two
 31 years after the date of adoption by the commission of a resolution
 32 terminating proceedings.

33 ~~SEC. 23.—~~

34 *SEC. 21.* Section 56751 of the Government Code is amended
 35 to read:

36 56751. (a) Upon receipt by the commission of a proposed
 37 change of organization or reorganization, except a special
 38 reorganization, that includes the detachment of territory from any
 39 city, the executive officer shall place the proposal on the agenda
 40 for the next commission meeting for information purposes only



1 and shall transmit a copy of the proposal to any city from which
2 the detachment of territory is requested.

3 (b) No later than 60 days after the date that the proposal is on
4 the commission's meeting agenda in accordance with subdivision
5 (a), a city from which the detachment of territory is proposed may
6 adopt and transmit to the commission a resolution requesting
7 termination of the proceedings.

8 (c) If the city from which the detachment of territory is
9 proposed has adopted and transmitted to the commission a
10 resolution requesting termination of proceedings within the time
11 period prescribed by this section, then the commission shall
12 terminate the proceedings upon receipt of the resolution from the
13 city.

14 (d) This section shall not apply if the city from which the
15 detachment of territory is proposed has adopted and transmitted to
16 the commission a resolution supporting the proposed change of
17 organization or reorganization.

18 ~~SEC. 24.~~

19 *SEC. 22.* Section 56759 of the Government Code is amended
20 to read:

21 56759. In any order approving a proposal subject to an
22 election for an annexation or a reorganization that includes
23 annexation of inhabited territory to a city when the assessed value
24 of land within that territory proposed to be annexed equals
25 one-half, or more, of that within the city, as shown by the last
26 equalized assessment rolls, or the number of registered voters of
27 the territory equals one-half, or more, of the number of registered
28 voters within the city, as shown by the county register of voters,
29 the commission shall require that an election called upon the
30 question of confirming the annexation or reorganization shall also
31 be called, held, and conducted within the territory of the city to
32 which territory is proposed to be annexed.

33 ~~SEC. 25.~~

34 *SEC. 23.* Section 56857 of the Government Code is amended
35 to read:

36 56857. (a) Upon receipt by the commission of a proposed
37 change of organization or reorganization that includes the
38 annexation of territory to any district, if the proposal is not filed
39 by the district to which annexation of territory is proposed, the
40 commission shall place the proposal on the agenda for the next



1 commission meeting for information purposes only and shall
2 transmit a copy of the proposal to any district to which an
3 annexation of territory is requested.

4 (b) No later than 60 days after the date that the proposal is on
5 the commission's meeting agenda in accordance with subdivision
6 (a), any district to which annexation of territory is proposed may
7 adopt and transmit to the commission a resolution requesting
8 termination of the proceedings.

9 (c) If any district to which annexation of territory is proposed
10 has adopted and transmitted to the commission a resolution
11 requesting termination of proceedings within the time period
12 prescribed by this section, then the commission shall terminate the
13 proceedings upon receipt of the resolution from the district.

14 (d) This section shall not apply if all districts to which
15 annexation of territory is proposed have adopted and transmitted
16 to the commission a resolution supporting the proposed change of
17 organization or reorganization.

18 ~~SEC. 26.~~

19 *SEC. 24.* Section 56886 of the Government Code is amended
20 to read:

21 56886. Any change of organization or reorganization may
22 provide for, or be made subject to one or more of, the following
23 terms and conditions. If a change of organization or reorganization
24 is made subject to one or more of the following terms and
25 conditions in the commission's resolution making determinations,
26 the terms and conditions imposed shall constitute the exclusive
27 terms and conditions for the change of organization or
28 reorganization, notwithstanding the general provisions of Part 5
29 (commencing with Section 57300). However, none of the
30 following terms and conditions shall directly regulate land use,
31 property development, or subdivision requirements:

32 (a) The payment of a fixed or determinable amount of money,
33 either as a lump sum or in installments, for the acquisition, transfer,
34 use or right of use of all or any part of the existing property, real
35 or personal, of any city, county, or district.

36 (b) The levying or fixing and the collection of any of the
37 following, for the purpose of providing for any payment required
38 pursuant to subdivision (a):

39 (1) Special, extraordinary, or additional taxes or assessments.



1 (2) Special, extraordinary, or additional service charges,
2 rentals, or rates.

3 (3) Both taxes or assessments and service charges, rentals, or
4 rates.

5 (c) The imposition, exemption, transfer, division, or
6 apportionment, as among any affected cities, affected counties,
7 affected districts, and affected territory of liability for payment of
8 all or any part of principal, interest, and any other amounts which
9 shall become due on account of all or any part of any outstanding
10 or then authorized but thereafter issued bonds, including revenue
11 bonds, or other contracts or obligations of any city, county, district,
12 or any improvement district within a local agency, and the levying
13 or fixing and the collection of any (1) taxes or assessments, or (2)
14 service charges, rentals, or rates, or (3) both taxes or assessments
15 and service charges, rentals, or rates, in the same manner as
16 provided in the original authorization of the bonds and in the
17 amount necessary to provide for that payment.

18 (d) If, as a result of any term or condition made pursuant to
19 subdivision (c), the liability of any affected city, affected county,
20 or affected district for payment of the principal of any bonded
21 indebtedness is increased or decreased, the term and condition may
22 specify the amount, if any, of that increase or decrease which shall
23 be included in, or excluded from, the outstanding bonded
24 indebtedness of that entity for the purpose of the application of any
25 statute or charter provision imposing a limitation upon the
26 principal amount of outstanding bonded indebtedness of the entity.

27 (e) The formation of a new improvement district or districts or
28 the annexation or detachment of territory to, or from, any existing
29 improvement district or districts.

30 (f) The incurring of new indebtedness or liability by, or on
31 behalf of, all or any part of any local agency, including territory
32 being annexed to any local agency, or of any existing or proposed
33 new improvement district within that local agency. The new
34 indebtedness may be the obligation solely of territory to be
35 annexed if the local agency has the authority to establish zones for
36 incurring indebtedness. The indebtedness or liability shall be
37 incurred substantially in accordance with the laws otherwise
38 applicable to the local agency.

39 (g) The issuance and sale of any bonds, including authorized
40 but unissued bonds of a local agency, either by that local agency



1 or by a local agency designated as the successor to any local agency
2 which is extinguished as a result of any change of organization or
3 reorganization.

4 (h) The acquisition, improvement, disposition, sale, transfer,
5 or division of any property, real or personal.

6 (i) The disposition, transfer, or division of any moneys or
7 funds, including cash on hand and moneys due but uncollected,
8 and any other obligations.

9 (j) The fixing and establishment of priorities of use, or right of
10 use, of water, or capacity rights in any public improvements or
11 facilities or any other property, real or personal. However, none of
12 the terms and conditions ordered pursuant to this subdivision shall
13 modify priorities of use, or right of use, to water, or capacity rights
14 in any public improvements or facilities that have been fixed and
15 established by a court or an order of the State Water Resources
16 Control Board.

17 (k) The establishment, continuation, or termination of any
18 office, department, or board, or the transfer, combining,
19 consolidation, or separation of any offices, departments, or boards,
20 or any of the functions of those offices, departments, or boards, if,
21 and to the extent that, any of those matters is authorized by the
22 principal act.

23 (l) The employment, transfer, or discharge of employees, the
24 continuation, modification, or termination of existing
25 employment contracts, civil service rights, seniority rights,
26 retirement rights, and other employee benefits and rights.

27 (m) The designation of a city, county, or district, as the
28 successor to any local agency that is extinguished as a result of any
29 change of organization or reorganization, for the purpose of
30 succeeding to all of the rights, duties, and obligations of the
31 extinguished local agency with respect to enforcement,
32 performance, or payment of any outstanding bonds, including
33 revenue bonds, or other contracts and obligations of the
34 extinguished local agency.

35 (n) The designation of (1) the method for the selection of
36 members of the legislative body of a district or (2) the number of
37 those members, or (3) both, where the proceedings are for a
38 consolidation, or a reorganization providing for a consolidation or
39 formation of a new district and the principal act provides for



1 alternative methods of that selection or for varying numbers of
2 those members, or both.

3 (o) The initiation, conduct, or completion of proceedings on a
4 proposal made under, and pursuant to, this division.

5 (p) The fixing of the effective date of any change of
6 organization, subject to the limitations of Section 57202.

7 (q) Any terms and conditions authorized or required by the
8 principal act with respect to any change of organization.

9 (r) The continuation or provision of any service provided at that
10 time, or previously authorized to be provided by an official act of
11 the local agency.

12 (s) The levying of assessments, including the imposition of a
13 fee pursuant to Section 50029 or 66484.3 or the approval by the
14 voters of general or special taxes. For the purposes of this section,
15 imposition of a fee as a condition of the issuance of a building
16 permit does not constitute direct regulation of land use, property
17 development, or subdivision requirements.

18 (t) The extension or continuation of any previously authorized
19 charge, fee, assessment, or tax by the local agency or a successor
20 local agency in the affected territory.

21 (u) The transfer of authority and responsibility among any
22 affected cities, affected counties, and affected districts for the
23 administration of special tax and special assessment districts,
24 including, but not limited to, the levying and collecting of special
25 taxes and special assessments, including the determination of the
26 annual special tax rate within authorized limits; the management
27 of redemption, reserve, special reserve, and construction funds;
28 the issuance of bonds which are authorized but not yet issued at the
29 time of the transfer, including not yet issued portions or phases of
30 bonds which are authorized; supervision of construction paid for
31 with bond or special tax or assessment proceeds; administration of
32 agreements to acquire public facilities and reimburse advances
33 made to the district; and all other rights and responsibilities with
34 respect to the levies, bonds, funds, and use of proceeds that would
35 have applied to the local agency that created the special tax or
36 special assessment district.

37 (v) Any other matters necessary or incidental to any of the
38 terms and conditions specified in this section. If a change of
39 organization, reorganization, or special reorganization provides
40 for, or is made subject to one or more of, the terms and conditions



1 specified in this section, those terms and conditions shall be
2 deemed to be the exclusive terms and conditions for the change of
3 organization, reorganization, or special reorganization, and shall
4 control over any general provisions of Part 5 (commencing with
5 Section 57300).

6 ~~SEC. 27.—~~

7 *SEC. 25.* Section 56895 of the Government Code is amended
8 to read:

9 56895. (a) When a commission has adopted a resolution
10 making determinations, any person or affected agency may file a
11 written request with the executive officer requesting amendments
12 to or reconsideration of the resolution. The request shall state the
13 specific modification to the resolution being requested and shall
14 state what new or different facts that could not have been presented
15 previously are claimed to warrant the reconsideration. If the
16 request is filed by a school district that received notification
17 pursuant to Section 56658, the commission shall consider that
18 request at a public hearing.

19 (b) Notwithstanding Section 56106, the deadlines set by this
20 section are mandatory. The person or agency shall file the written
21 request within 30 days of the adoption of the initial or superseding
22 resolution by the commission making determinations. If no person
23 or agency files a timely request, the commission shall not take any
24 action pursuant to this section.

25 (c) Upon receipt of a timely request, the executive officer shall
26 not take any further action until the commission acts on the
27 request.

28 (d) Upon receipt of a timely request by the executive officer,
29 the time to file any action, including, but not limited to, an action
30 pursuant to Section 21167 of the Public Resources Code and any
31 provisions of Part 4 (commencing with Section 57000) governing
32 the time within which the commission is to act shall be tolled for
33 the time that the commission takes to act on the request.

34 (e) The executive officer shall place the request on the agenda
35 of the next meeting of the commission for which notice can be
36 given pursuant to this subdivision. The executive officer shall give
37 notice of the consideration of the request by the commission in the
38 same manner as for the original proposal. The executive officer
39 may give notice in any other manner as he or she deems necessary
40 or desirable.



1 (f) At that meeting, the commission shall consider the request
2 and receive any oral or written testimony. The consideration may
3 be continued from time to time but not to exceed 35 days from the
4 date specified in the notice. The person or agency that filed the
5 request may withdraw it at any time prior to the conclusion of the
6 consideration by the commission.

7 (g) At the conclusion of its consideration, the commission may
8 approve or disapprove with or without amendment, wholly,
9 partially, or conditionally, the request. If the commission
10 disapproves the request, it shall not adopt a new resolution making
11 determinations. If the commission approves the request, with or
12 without amendment, wholly, partially, or conditionally, the
13 commission shall adopt a resolution making determinations that
14 shall supersede the resolution previously issued.

15 (h) The determinations of the commission shall be final and
16 conclusive. No person or agency shall make any further request for
17 the same change or a substantially similar change, as determined
18 by the commission.

19 (i) Notwithstanding subdivision (h), clerical errors or mistakes
20 may be corrected pursuant to Section 56883.

21 ~~SEC. 28.—~~

22 *SEC. 26.* Section 57002 of the Government Code is amended
23 to read:

24 57002. (a) Within 35 days following the adoption of the
25 commission's resolution making determinations, the executive
26 officer of the commission shall set the proposal for hearing and
27 give notice of that hearing by mailing, publication, and posting, as
28 provided in Chapter 4 (commencing with Section 56150) of Part
29 1. The hearing shall not be held prior to the expiration of the
30 reconsideration period specified in subdivision (b) of Section
31 56895. The date of that hearing shall not be less than 21 days, or
32 more than 60 days, after the date the notice is given.

33 (b) Notwithstanding subdivision (a), for any proposal that
34 includes an incorporation, the executive officer of the commission
35 shall set the proposal for hearing within 15 days following the
36 adoption of the commission's resolution making determinations.
37 The hearing shall be set for the next regularly scheduled hearing
38 that provides sufficient time to give public notice of that hearing
39 by mailing, publication, and posting, as provided in Chapter 4
40 (commencing with Section 56150) of Part 1.



1 (c) Where the proceeding is for the establishment of a district
2 of limited powers as a subsidiary district of a city, upon the request
3 of the affected district, the date of the hearing shall be at least 90
4 days, but no more than 135 days, from the date the notice is given.

5 (d) If authorized by the commission pursuant to Section 56663,
6 a change of organization or reorganization may be approved
7 without notice, hearing, and election.

8 ~~SEC. 29.—~~

9 *SEC. 27.* Section 57007 of the Government Code is amended
10 to read:

11 57007. Protest proceedings for a district formation shall be
12 conducted by the commission as the conducting authority, and the
13 procedural requirements of this division shall apply and shall
14 prevail in the event of a conflict with the procedural requirements
15 of the principal act of the district proposed to be formed. In the
16 event of a conflict, the commission shall specify the procedural
17 requirements that apply, consistent with the requirements of
18 Section 56100.

19 ~~SEC. 30.—~~

20 *SEC. 28.* Section 57025 of the Government Code is amended
21 to read:

22 57025. (a) The executive officer of the commission shall
23 give notice of the protest hearing to be held on the proposal by
24 publication pursuant to Sections 56153 and 56154 and by posting
25 pursuant to Sections 56158 and 56159.

26 (b) The executive officer shall also give mailed notice to each
27 affected city, affected district, or affected county, the proponents,
28 if any, all landowners owning land within any territory proposed
29 to be formed into, or to be annexed to, or detached from, an
30 improvement district within any city or district, and to persons
31 requesting special notice, in accordance with the provisions of
32 Sections 56155 to 56157, inclusive.

33 (c) In the case of a proposed change of organization or
34 reorganization that would result in the extension of any previously
35 authorized special tax or benefit assessment to the affected
36 territory, the executive officer of the commission shall give mailed
37 notice to each landowner within the affected territory.

38 ~~SEC. 31.—~~

39 *SEC. 29.* Section 57077 of the Government Code is amended
40 to read:



1 57077. (a) Where a change of organization consists of a
2 dissolution, disincorporation, incorporation, establishment of a
3 subsidiary district, consolidation, or merger, the commission, not
4 more than 30 days after the conclusion of the hearing, shall make
5 a finding regarding the value of written protests filed and not
6 withdrawn, and take one of the following actions:

7 (1) Terminate proceedings if a majority protest exists in
8 accordance with Section 57078.

9 (2) Order the change of organization subject to confirmation of
10 the voters, or in the case of a landowner-voter district, subject to
11 confirmation by the landowners, unless otherwise stated in the
12 formation provisions of the enabling statute of the district or
13 otherwise authorized pursuant to Section 56854.

14 (3) Order the change of organization without election if it is a
15 change of organization that meets the requirements of Section
16 56854, 57081, 57102, or 57107; otherwise, the commission shall
17 take the action specified in paragraph (2).

18 (b) Where a reorganization consists of one or more
19 dissolutions, incorporations, formations, disincorporations,
20 mergers, establishments of subsidiary districts, consolidations, or
21 any combination of those proposals, the commission, not more
22 than 30 days after the conclusion of the hearing, shall make a
23 finding regarding the value of written protests filed and not
24 withdrawn and take one of the following actions:

25 (1) Terminate proceedings if a majority protest exists in
26 accordance with Section 57078.

27 (2) Order the reorganization subject to confirmation of the
28 voters, or in the case of landowner-voter districts, subject to
29 confirmation by the landowners, unless otherwise authorized
30 pursuant to Section 56854.

31 (3) Order the reorganization without election if it is a
32 reorganization that meets the requirements of Section 56854,
33 57081, 57102, 57107, or 57111; otherwise, the commission shall
34 take the action specified in paragraph (2).

35 ~~SEC. 32.—~~

36 *SEC. 30.* Section 57078.5 of the Government Code is
37 amended to read:

38 57078.5. If the affected territory with respect to a proposed
39 annexation to a city consists of (a) territories that are not
40 contiguous to one another and (b) two or more distinct



1 communities, as defined in the county general plan, the census
2 unincorporated places listing, or other commonly recognized
3 community designation, as determined by the commission, and
4 any one community has more than 250 registered voters, any
5 protest filed pursuant to Section 57078 shall be accounted
6 separately for that community, unless the annexation is proposed
7 pursuant to Section 56375.3.

8 ~~SEC. 33.—~~

9 *SEC. 31.* Section 57080 of the Government Code is amended
10 to read:

11 57080. (a) With respect to a proceeding initiated on or after
12 January 1, 2007, when approved and authorized by the
13 commission pursuant to Section 56375.3, Sections 57050, 57051,
14 57052, and 57078, shall apply and Section 57075 shall not apply.

15 (b) The commission, not more than 30 days after conclusion of
16 the hearing, shall make a finding regarding the value of written
17 protests filed and not withdrawn and shall do either of the
18 following:

19 (1) Terminate proceedings if written protests have been filed
20 and not withdrawn by 50 percent or more of the registered voters
21 within the affected territory.

22 (2) Order the territory annexed without an election.

23 ~~SEC. 34.—~~

24 *SEC. 32.* Section 57102 of the Government Code is amended
25 to read:

26 57102. (a) In any resolution ordering a dissolution, the
27 commission shall make findings upon one or more of the following
28 matters:

29 (1) That the corporate powers have not been used, as specified
30 in Section 56871, and that there is a reasonable probability that
31 those powers will not be used in the future.

32 (2) That the district is a registered-voter district and is
33 uninhabited.

34 (3) That the board of directors of the district has, by unanimous
35 resolution, consented to the dissolution of the district.

36 (4) That the commission has authorized, pursuant to Section
37 56854, the dissolution of the district without an election.

38 (b) If the commission makes any of the findings specified in
39 subdivision (a), the commission may, except as otherwise



1 provided in Section 57103, order the dissolution of the district
2 without election.

3 ~~SEC. 35.—~~

4 *SEC. 33.* Section 57108 of the Government Code is amended
5 to read:

6 57108. At any time prior to the conclusion of the protest
7 hearing by the commission ordering the district to be merged with
8 or established as a subsidiary district of a city, a petition may be
9 filed with the executive officer referring, by date of adoption, to
10 the commission's resolution making determinations and
11 requesting that any election upon that question be called, held, and
12 conducted only within that district. Any petition so filed shall be
13 immediately examined and certified by the executive officer by the
14 same method and in the same manner as provided in Sections
15 56707 to 56711, inclusive, for the examination of petitions by the
16 executive officer. The commission shall forward the proposal to
17 the affected city, and the affected city shall call, hold, and conduct
18 any election upon the question of a merger or the establishment of
19 a subsidiary district only within the district to be merged or
20 established as a subsidiary district, if the executive officer certifies
21 that any petition so filed was signed by either of the following:

22 (a) In the case of a registered voter district, by not less than 10
23 percent of the registered voters of the district.

24 (b) In the case of a landowner-voter district, by not less than 10
25 percent of the number of landowner-voters within the district who
26 also own not less than 10 percent of the assessed value of land
27 within the district.

28 ~~SEC. 36.—~~

29 *SEC. 34.* Section 57109 of the Government Code is amended
30 to read:

31 57109. At any time prior to the completion of the protest
32 hearing by the commission and the adoption of a resolution
33 ordering a reorganization that includes an incorporation and the
34 establishment of a subsidiary district or a merger, a petition may
35 be filed with the executive officer referring, by date of adoption,
36 to the commission's resolution making determinations and
37 requesting that a separate election be called, held, and conducted
38 only within that district on the establishment of the subsidiary
39 district or the merger. That election shall be conducted at the same
40 time as the election on the incorporation. Any petition so filed shall



1 be immediately examined and certified by the executive officer by
2 the same method and in the same manner as provided in Sections
3 56707 to 56711, inclusive, for the examination of petitions by the
4 executive officer. The commission shall forward the proposal to
5 the principal county and the principal county shall call, hold, and
6 conduct any election upon the question of a merger or the
7 establishment of a subsidiary district only within the district to be
8 merged or established as a subsidiary district, if the executive
9 officer certifies that any petition so filed was signed by either of
10 the following:

11 (a) In the case of a registered voter district, by not less than 10
12 percent of the registered voters of the district.

13 (b) In the case of a landowner-voter district, by not less than 10
14 percent of the number of landowner-voters within the district who
15 also own not less than 10 percent of the assessed value of land
16 within the district.

17 ~~SEC. 37.—~~

18 *SEC. 35.* Section 57119 of the Government Code is amended
19 to read:

20 57119. Notwithstanding Section 57118, any resolution
21 ordering a special reorganization shall require the principal county
22 to call an election in both of the following territories:

23 (a) The territory ordered to be detached from the city.

24 (b) The entire territory of the city from which the detachment
25 is ordered to occur.

26 ~~SEC. 38.—~~

27 *SEC. 36.* Section 57302 of the Government Code is amended
28 to read:

29 57302. The general provisions of this part shall apply only if
30 the commission does not impose terms and conditions on any
31 change of organization or reorganization pursuant to Section
32 56886. If a change of organization or a reorganization specifically
33 provides for, and is made subject to any of, the terms and
34 conditions authorized by Section 56886, the specific terms and
35 conditions shall be deemed to be the exclusive terms and
36 conditions of the change of organization or reorganization and
37 shall control over the general provisions of this part. Any of those
38 terms and conditions may be provided for, and be made applicable
39 to, any affected county, affected city, or affected district, to all or
40 any part of the territory of the county, city, or district, to any



1 territory proposed to be annexed to the county, city, or district and
2 to the owner or owners of property within that territory. The
3 general provisions of this part shall not be construed as limiting in
4 any manner the authority of the commission to impose one or more
5 of the terms and conditions set forth in Section 56886.

6 ~~SEC. 39.—~~

7 *SEC. 37.* Section 57450 of the Government Code is amended
8 to read:

9 57450. On and after the effective date of the dissolution of a
10 district, the district shall be dissolved, disincorporated, and
11 extinguished, its existence shall be terminated, and all of its
12 corporate powers shall cease, except as the commission may
13 otherwise provide pursuant to Section 56886 or for the purpose of
14 winding up the affairs of the district and as otherwise provided in
15 this chapter. The general provisions of this chapter shall not be
16 construed as limiting in any manner the authority of the
17 commission to impose one or more of the terms and conditions set
18 forth in Section 56886.

19 ~~SEC. 40.— Notwithstanding Section 17610 of the Government~~
20 ~~Code, if the Commission on State Mandates determines that this~~
21 ~~act contains costs mandated by the state, reimbursement to local~~
22 ~~agencies and school districts for those costs shall be made pursuant~~
23 ~~to Part 7 (commencing with Section 17500) of Division 4 of Title~~
24 ~~2 of the Government Code. If the statewide cost of the claim for~~
25 ~~reimbursement does not exceed one million dollars (\$1,000,000),~~
26 ~~reimbursement shall be made from the State Mandates Claims~~
27 ~~Fund.~~

28 *SEC. 38.* *No reimbursement is required by this act pursuant*
29 *to Section 6 of Article XIII B of the California Constitution*
30 *because a local agency or school district has the authority to levy*
31 *service charges, fees, or assessments sufficient to pay for the*
32 *program or level of service mandated by this act, within the*
33 *meaning of Section 17556 of the Government Code.*

