

AMENDED IN ASSEMBLY APRIL 22, 2002

AMENDED IN ASSEMBLY APRIL 1, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2843**

**Introduced by Assembly Member Thomson**

February 25, 2002

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An act to amend Sections 56080, 56300, 56434, 56720, and 56750 of, and to add Section ~~56300~~ 56302 to, the Government Code, relating to local agency formation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2843, as amended, Thomson. Local agency formation.

(1) The existing Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 prescribes procedures for the approval of proposals for organization or reorganization of local agencies. The act declares the intent of the Legislature that each local agency formation commission, not later than January 1, 2002, establish written policies and procedures and exercise its powers pursuant to the act in a manner consistent with those policies and procedures and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns.

This bill would ~~delete that declaration of intent and instead require all actions of each commission to exercise its powers pursuant to the act to provide, among other things, the efficient extension of local government services and discourage premature expansion of local agency boundaries, according to prescribed policies~~ *be consistent with*

*policies encouraging infill development to the maximum extent possible, prohibiting the approval of an amendment of a sphere of influence or urban services area or any proposal involving other than open-space uses on prime agricultural lands in open-space use unless an adequate supply of land for the proposed use is not available, as specified, and requiring that proposals for changes of organization or reorganization shall contribute to or maintain a reasonable balance of uses, as specified.* The bill would create a state-mandated local program by imposing new duties on local agencies.

(2) 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.

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.

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 56080 of the Government Code is  
2 amended to read:  
3 56080. “Urban service area” means developed,  
4 undeveloped, or agricultural land, either incorporated or  
5 unincorporated, within the sphere of influence of a city, which is  
6 served by urban facilities, utilities, and services or which are  
7 proposed to be served by urban facilities, utilities, and services  
8 during the first five years of an adopted capital improvement  
9 program of the city if the city adopts that type of program for those  
10 facilities, utilities, and services. The boundary around an urban  
11 area shall be called the “urban service area boundary” and shall  
12 be developed in cooperation with a city and adopted by a  
13 commission pursuant to policies of Sections ~~56300-1~~ 56302,  
14 56301, and 56425.



1 SEC. 2. Section 56300 of the Government Code is amended  
2 to read:

3 56300. (a) *Each commission, not later than January 1, 2002,*  
4 *shall establish written policies and procedures that encourage*  
5 *planned, well-ordered, efficient urban development patterns and*  
6 *take into appropriate consideration the need to preserve open*  
7 *space within those patterns. Each commission shall exercise its*  
8 *powers pursuant to this part in a manner consistent with those*  
9 *written policies and procedures.*

10 (b) Each commission with a proposal pending on January 1,  
11 2001, shall, by March 31, 2001, hold a public hearing to discuss  
12 the adoption of policies and procedures to require the disclosure  
13 of contributions, expenditures, and independent expenditures  
14 authorized by Section 56100.1. Reporting requirements adopted  
15 pursuant to this section shall be effective upon the date of adoption  
16 or a later date specified in the resolution. Any commission that  
17 does not have a proposal pending on January 1, 2001, shall hold  
18 a public hearing to discuss the adoption of those policies and  
19 procedures within 90 days of submission of a proposal or at any  
20 time prior to submission of a proposal. Once a hearing has taken  
21 place under this subdivision, no subsequent hearing shall be  
22 required except by petition of 100 or more registered voters  
23 residing in the county in which the commission is located.

24 ~~(b)~~  
25 (c) A commission may require, through the adoption of written  
26 policies and procedures, lobbying disclosure and reporting  
27 requirements for persons who attempt to influence pending  
28 decisions by commission members, staff, or consultants.  
29 Disclosure shall be made either to the commission's executive  
30 officer, in which case it shall be posted on the commission Web  
31 site, if applicable, or to the recorder, registrar of voters, or clerk of  
32 the board of supervisors of the county in which the commission is  
33 located. Each commission, that on January 1, 2001, has a pending  
34 proposal, as defined in Section 56069, shall, by March 31, 2001,  
35 hold a public hearing to discuss the adoption of policies and  
36 procedures governing lobbying disclosure authorized by this  
37 subdivision. Reporting requirements adopted pursuant to this  
38 section shall be effective upon the date of adoption or on a later  
39 date specified in the resolution. Any commission that does not  
40 have a proposal pending on January 1, 2001, shall hold a public



1 hearing to discuss the adoption of those policies and procedures  
 2 within 90 days of submission of a proposal, or at any time prior to  
 3 submission of a proposal.

4 ~~(e)~~

5 (d) Any public hearings required by this section may be held  
 6 concurrently.

7 ~~(d)~~

8 (e) The written policies and procedures adopted by the  
 9 commission shall include forms to be used for various submittals  
 10 to the commission ~~including at a minimum~~, *including at a*  
 11 *minimum*, a form for any protests to be filed with the commission  
 12 concerning any proposed organization change.

13 ~~(e)~~

14 (f) (1) On or before January 1, 2002, the commission shall  
 15 establish and maintain, or otherwise provide access to notices and  
 16 other commission information for the public through an Internet  
 17 Web site.

18 (2) The written policies and procedures adopted by the  
 19 commission shall require that, to the extent that the commission  
 20 maintains an Internet Web site, notice of all public hearings and  
 21 commission meetings shall be made available in electronic format  
 22 on that site.

23 SEC. 3. Section ~~56300.1~~ 56302 is added to the Government  
 24 Code, to read:

25 ~~56300.1. (a) Each commission shall exercise its powers~~  
 26 ~~pursuant to this part to do all of the following:~~

27 ~~(1) Provide the efficient extension of local government~~  
 28 ~~services and discourage premature expansion of local agency~~  
 29 ~~boundaries.~~

30 ~~(2) Promote a change of organization or reorganization of local~~  
 31 ~~agencies where it can be shown that a change of organization or~~  
 32 ~~reorganization would result in service cost savings, services~~  
 33 ~~improvements, or both, and prevent the formation of new local~~  
 34 ~~agencies where an existing local agency can provide the necessary~~  
 35 ~~services and controls.~~

36 ~~(3) Encourage the inclusion of developed areas requiring the~~  
 37 ~~full range of local government services within the boundaries of~~  
 38 ~~a single general purpose local agency, and balance the expansion~~  
 39 ~~of local agency serviced areas between revenue-producing~~  
 40 ~~activities and activities characterized by higher service costs that~~



1 ~~need or would benefit from the services provided by the local~~  
2 ~~agency.~~

3 ~~(4) Prevent the premature and unnecessary conversion of~~  
4 ~~agricultural and other valuable open-space lands to other uses.~~

5 ~~(b)–~~

6 56302. (a) In order to carry out the intent of this section ~~part,~~  
7 all actions of each commission shall be consistent with the  
8 following policies:

9 ~~(1) The demand for public facilities and services created by the~~  
10 ~~activities proposed for the area subject to a proposed change of~~  
11 ~~organization or reorganization shall justify the change of~~  
12 ~~organization or reorganization.~~

13 ~~(2) The planned public facilities and services shall meet the~~  
14 ~~demand occasioned by the uses proposed for the area that is the~~  
15 ~~subject of the change of organization or reorganization and the~~  
16 ~~provision of those facilities and services shall be fiscally feasible.~~  
17 ~~A demonstrable method for financing the acquired improvements~~  
18 ~~shall exist.~~

19 ~~(3) Determinations regarding changes of organization or~~  
20 ~~reorganization shall reflect an evaluation of feasible alternatives~~  
21 ~~for the delivery of necessary facilities and promote the most~~  
22 ~~efficient delivery of the services and avoid duplication of those~~  
23 ~~services.~~

24 ~~(4)–~~

25 (1) Infill development shall be encouraged to the maximum  
26 extent feasible. Available developable land inside the jurisdiction  
27 of a local agency shall be substantially developed before proposals  
28 to expand the jurisdiction of local agencies to include undeveloped  
29 land are approved. Available land inside the sphere of influence of  
30 a local agency shall be substantially developed before proposals to  
31 expand the sphere of influence to include undeveloped land are  
32 approved. *As used in this chapter “substantially developed”*  
33 *means 75 percent developed.*

34 ~~(5)–~~

35 (2) No amendment of a sphere of influence or urban services  
36 ~~line area~~ or any proposal involving activities other than  
37 open-space uses shall be approved on prime agricultural lands that  
38 are in open-space use unless an adequate supply of land for the use  
39 proposed is not available within the existing sphere of influence or  
40 jurisdiction of a local agency.



1 ~~(6) Proposals shall contribute to or maintain within the~~  
 2 (3) *Proposals for changes of organization or reorganization*  
 3 *shall contribute to, or at least maintain, within the affected*  
 4 *jurisdiction a reasonable balance of revenue-producing uses,*  
 5 *including commercial and industrial uses, and uses characterized*  
 6 *by higher service costs, including a reasonable balance of jobs and*  
 7 ~~housing, such as houses.~~

8 SEC. 4. Section 56434 of the Government Code is amended  
 9 to read:

10 56434. (a) The commission may review and approve a  
 11 proposal that extends services into previously unserved territory  
 12 within unincorporated areas and may review the creation of new  
 13 service providers to extend urban type development into  
 14 previously unserved territory within unincorporated areas to  
 15 ensure that the proposed extension is consistent with the policies  
 16 of Sections 56001, ~~56300.1, and 56301~~ 56301, and 56302, and the  
 17 adopted policies of the commission implementing these sections,  
 18 including promoting orderly development, discouraging urban  
 19 sprawl, preserving open space and prime agricultural lands,  
 20 providing housing for persons and families of all incomes, and the  
 21 efficient extension of governmental services.

22 (b) This section shall remain in effect only until January 1,  
 23 2007, and as of that date is repealed, unless a later enacted statute,  
 24 that is enacted before January 1, 2007, deletes or extends that date.

25 SEC. 5. Section 56720 of the Government Code is amended  
 26 to read:

27 56720. The commission shall not approve or conditionally  
 28 approve any proposal that includes an incorporation, unless the  
 29 commission finds, based on the entire record, that:

30 (a) The proposed incorporation is consistent with the intent of  
 31 this division, including, but not limited to, the policies of Sections  
 32 56001, ~~56300.1, 56301~~ 56301, 56302, and 56377.

33 (b) It has reviewed the spheres of influence of the affected local  
 34 agencies and the incorporation is consistent with those spheres of  
 35 influence.

36 (c) It has reviewed the comprehensive fiscal analysis prepared  
 37 pursuant to Section 56800 and the Controller's report prepared  
 38 pursuant to Section 56801.



1 (d) It has reviewed the executive officer's report and  
2 recommendation prepared pursuant to Section 56665, and the  
3 testimony presented at its public hearing.

4 (e) The proposed city is expected to receive revenues sufficient  
5 to provide public services and facilities and a reasonable reserve  
6 during the three fiscal years following incorporation.

7 SEC. 6. Section 56750 of the Government Code is amended  
8 to read:

9 56750. Notwithstanding Sections ~~56300.1 and 56301~~ 56301  
10 and 56302, the commission shall not disapprove a change of  
11 organization or reorganization where the reason for disapproval is  
12 that the farmland security zone is excluded from the affected  
13 territory.

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

