

ASSEMBLY BILL

No. 2698

**Introduced by Committee on Local Government (Smyth (Chair),
Alejo (Vice Chair), Bradford, Davis, Gordon, and Hueso)**

March 21, 2012

An act to amend Sections 56375, 56425, 56658, 56827, 56853, 57077, 57107, and 57113 of, to add Sections 57077.1, 57077.2, 57077.3, and 57077.4 to, and to repeal Sections 56854, 57081, and 57114 of, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2698, as introduced, Committee on Local Government. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

(1) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the power to approve the annexation of a contiguous disadvantaged community, under specified circumstances. Existing law provides that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the residents within the affected territory are opposed to annexation.

This bill would provide that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the registered voters within the affected territory are opposed to annexation.

(2) The act additionally requires the commission to determine the sphere of influence of each local governmental agency within the county,

and to enact policies designated to promote the logical and orderly development of areas within the sphere.

This bill would instead require the commission to determine the sphere of influence of each city, and each special district subject to the jurisdiction of the commission, within the county.

(3) The act authorizes a petitioner or legislative body desiring to initiate proceedings before the commission to submit an application to the executive officer of the principal county, and requires the executive officer, immediately after receiving an application and before issuing a certificate of filing, to give mailed notice that the application has been received to specified agencies, as specified.

This bill would correct an incorrect cross-reference in these provisions.

(4) The act also authorizes the commission to approve proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission. The act requires a local agency formation commission to comply with certain procedural requirements prior to ordering a change of organization or reorganization, including, among others, requiring voter approval of a change of organization or reorganization if certain requirements are met.

This bill would revise and recast those provisions to, among other things, specify that voter approval is required for a change of organization or reorganization that consists of an incorporation or disincorporation, and provides for specific protest standards for a change of organization that consists of a dissolution of a district, a consolidation of 2 or more districts, certain types of reorganizations, and the merger or establishment of a subsidiary district.

(5) The act provides that if a commission has initiated a change of organization or reorganization that affects more than one special district, the commission may utilize and is encouraged to utilize a reorganization committee to review the proposal.

This bill would revise and recast that provision.

(6) The act requires a commission to order the consolidation of districts, dissolution, merger, the establishment of a subsidiary district, or a reorganization that includes any of these changes of organization, without an election, as specified. The act exempts from these provisions, any proposal for a change of organization or reorganization submitted to a commission before January 1, 2003, where the Goleta Sanitary District or the Goleta West Sanitary district is an affected district, as specified.

This bill would repeal this exemption.

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

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

1 SECTION 1. Section 56375 of the Government Code is
2 amended to read:

3 56375. The commission shall have all of the following powers
4 and duties subject to any limitations upon its jurisdiction set forth
5 in this part:

6 (a) (1) To review and approve with or without amendment,
7 wholly, partially, or conditionally, or disapprove proposals for
8 changes of organization or reorganization, consistent with written
9 policies, procedures, and guidelines adopted by the commission.

10 (2) The commission may initiate proposals by resolution of
11 application for any of the following:

12 (A) The consolidation of a district, as defined in Section 56036.

13 (B) The dissolution of a district.

14 (C) A merger.

15 (D) The establishment of a subsidiary district.

16 (E) The formation of a new district or districts.

17 (F) A reorganization that includes any of the changes specified
18 in subparagraph (A), (B), (C), (D), or (E).

19 (3) A commission may initiate a proposal described in paragraph
20 (2) only if that change of organization or reorganization is
21 consistent with a recommendation or conclusion of a study
22 prepared pursuant to Section 56378, 56425, or 56430, and the
23 commission makes the determinations specified in subdivision (b)
24 of Section 56881.

25 (4) A commission shall not disapprove an annexation to a city,
26 initiated by resolution, of contiguous territory that the commission
27 finds is any of the following:

28 (A) Surrounded or substantially surrounded by the city to which
29 the annexation is proposed or by that city and a county boundary
30 or the Pacific Ocean if the territory to be annexed is substantially
31 developed or developing, is not prime agricultural land as defined
32 in Section 56064, is designated for urban growth by the general
33 plan of the annexing city, and is not within the sphere of influence
34 of another city.

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

5 (C) An annexation or reorganization of unincorporated islands
6 meeting the requirements of Section 56375.3.

7 (5) As a condition to the annexation of an area that is
8 surrounded, or substantially surrounded, by the city to which the
9 annexation is proposed, the commission may require, where
10 consistent with the purposes of this division, that the annexation
11 include the entire island of surrounded, or substantially surrounded,
12 territory.

13 (6) A commission shall not impose any conditions that would
14 directly regulate land use density or intensity, property
15 development, or subdivision requirements.

16 (7) The decision of the commission with regard to a proposal
17 to annex territory to a city shall be based upon the general plan
18 and rezoning of the city. When the development purposes are not
19 made known to the annexing city, the annexation shall be reviewed
20 on the basis of the adopted plans and policies of the annexing city
21 or county. A commission shall require, as a condition to
22 annexation, that a city rezone the territory to be annexed or present
23 evidence satisfactory to the commission that the existing
24 development entitlements on the territory are vested or are already
25 at build-out, and are consistent with the city's general plan.
26 However, the commission shall not specify how, or in what
27 manner, the territory shall be rezoned.

28 (8) (A) Except for those changes of organization or
29 reorganization authorized under Section 56375.3, and except as
30 provided by subparagraph (B), a commission shall not approve an
31 annexation to a city of any territory greater than 10 acres, or as
32 determined by commission policy, where there exists a
33 disadvantaged unincorporated community that is contiguous to
34 the area of proposed annexation, unless an application to annex
35 the disadvantaged unincorporated community to the subject city
36 has been filed with the executive officer.

37 (B) An application to annex a contiguous disadvantaged
38 community shall not be required if either of the following apply:

39 (i) A prior application for annexation of the same disadvantaged
40 community has been made in the preceding five years.

1 (ii) The commission finds, based upon written evidence, that a
2 majority of the ~~residents~~ *registered voters* within the affected
3 territory are opposed to annexation.

4 (b) With regard to a proposal for annexation or detachment of
5 territory to, or from, a city or district or with regard to a proposal
6 for reorganization that includes annexation or detachment, to
7 determine whether territory proposed for annexation or detachment,
8 as described in its resolution approving the annexation, detachment,
9 or reorganization, is inhabited or uninhabited.

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

13 (d) To approve the annexation of unincorporated, noncontiguous
14 territory, subject to the limitations of Section 56742, located in the
15 same county as that in which the city is located, and that is owned
16 by a city and used for municipal purposes and to authorize the
17 annexation of the territory without notice and hearing.

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

28 (f) With respect to the incorporation of a new city or the
29 formation of a new special district, to determine the number of
30 registered voters residing within the proposed city or special district
31 or, for a landowner-voter special district, the number of owners
32 of land and the assessed value of their land within the territory
33 proposed to be included in the new special district. The number
34 of registered voters shall be calculated as of the time of the last
35 report of voter registration by the county elections official to the
36 Secretary of State prior to the date the first signature was affixed
37 to the petition. The executive officer shall notify the petitioners of
38 the number of registered voters resulting from this calculation.
39 The assessed value of the land within the territory proposed to be

1 included in a new landowner-voter special district shall be
2 calculated as shown on the last equalized assessment roll.

3 (g) To adopt written procedures for the evaluation of proposals,
4 including written definitions consistent with existing state law.
5 The commission may adopt standards for any of the factors
6 enumerated in Section 56668. Any standards adopted by the
7 commission shall be written.

8 (h) To adopt standards and procedures for the evaluation of
9 service plans submitted pursuant to Section 56653 and the initiation
10 of a change of organization or reorganization pursuant to
11 subdivision (a).

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

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

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

19 (l) To review the boundaries of the territory involved in any
20 proposal with respect to the definiteness and certainty of those
21 boundaries, the nonconformance of proposed boundaries with lines
22 of assessment or ownership, and other similar matters affecting
23 the proposed boundaries.

24 (m) To waive the restrictions of Section 56744 if it finds that
25 the application of the restrictions would be detrimental to the
26 orderly development of the community and that the area that would
27 be enclosed by the annexation or incorporation is so located that
28 it cannot reasonably be annexed to another city or incorporated as
29 a new city.

30 (n) To waive the application of Section 22613 of the Streets and
31 Highways Code if it finds the application would deprive an area
32 of a service needed to ensure the health, safety, or welfare of the
33 residents of the area and if it finds that the waiver would not affect
34 the ability of a city to provide any service. However, within 60
35 days of the inclusion of the territory within the city, the legislative
36 body may adopt a resolution nullifying the waiver.

37 (o) If the proposal includes the incorporation of a city, as defined
38 in Section 56043, or the formation of a district, as defined in
39 Section 2215 of the Revenue and Taxation Code, the commission

1 shall determine the property tax revenue to be exchanged by the
2 affected local agencies pursuant to Section 56810.

3 (p) To authorize a city or district to provide new or extended
4 services outside its jurisdictional boundaries pursuant to Section
5 56133.

6 (q) To enter into an agreement with the commission for an
7 adjoining county for the purpose of determining procedures for
8 the consideration of proposals that may affect the adjoining county
9 or where the jurisdiction of an affected agency crosses the boundary
10 of the adjoining county.

11 (r) To approve with or without amendment, wholly, partially,
12 or conditionally, or disapprove pursuant to this section the
13 annexation of territory served by a mutual water company formed
14 pursuant to Part 7 (commencing with Section 14300) of Division
15 3 of Title 1 of the Corporations Code that operates a public water
16 system to a city or special district. Any annexation approved in
17 accordance with this subdivision shall be subject to the state and
18 federal constitutional prohibitions against the taking of private
19 property without the payment of just compensation. This
20 subdivision shall not impair the authority of a public agency or
21 public utility to exercise eminent domain authority.

22 SEC. 2. Section 56425 of the Government Code is amended
23 to read:

24 56425. (a) In order to carry out its purposes and responsibilities
25 for planning and shaping the logical and orderly development and
26 coordination of local governmental agencies *subject to the*
27 *jurisdiction of the commission* to advantageously provide for the
28 present and future needs of the county and its communities, the
29 commission shall develop and determine the sphere of influence
30 of each ~~local governmental agency~~ *city and each special district,*
31 *as defined by Section 56036,* within the county and enact policies
32 designed to promote the logical and orderly development of areas
33 within the sphere.

34 (b) Prior to a city submitting an application to the commission
35 to update its sphere of influence, representatives from the city and
36 representatives from the county shall meet to discuss the proposed
37 new boundaries of the sphere and explore methods to reach
38 agreement on development standards and planning and zoning
39 requirements within the sphere to ensure that development within
40 the sphere occurs in a manner that reflects the concerns of the

1 affected city and is accomplished in a manner that promotes the
2 logical and orderly development of areas within the sphere. If an
3 agreement is reached between the city and county, the city shall
4 forward the agreement in writing to the commission, along with
5 the application to update the sphere of influence. The commission
6 shall consider and adopt a sphere of influence for the city consistent
7 with the policies adopted by the commission pursuant to this
8 section, and the commission shall give great weight to the
9 agreement to the extent that it is consistent with commission
10 policies in its final determination of the city sphere.

11 (c) If the commission's final determination is consistent with
12 the agreement reached between the city and county pursuant to
13 subdivision (b), the agreement shall be adopted by both the city
14 and county after a noticed public hearing. Once the agreement has
15 been adopted by the affected local agencies and their respective
16 general plans reflect that agreement, then any development
17 approved by the county within the sphere shall be consistent with
18 the terms of that agreement.

19 (d) If no agreement is reached pursuant to subdivision (b), the
20 application may be submitted to the commission and the
21 commission shall consider a sphere of influence for the city
22 consistent with the policies adopted by the commission pursuant
23 to this section.

24 (e) In determining the sphere of influence of each local agency,
25 the commission shall consider and prepare a written statement of
26 its determinations with respect to each of the following:

27 (1) The present and planned land uses in the area, including
28 agricultural and open-space lands.

29 (2) The present and probable need for public facilities and
30 services in the area.

31 (3) The present capacity of public facilities and adequacy of
32 public services that the agency provides or is authorized to provide.

33 (4) The existence of any social or economic communities of
34 interest in the area if the commission determines that they are
35 relevant to the agency.

36 (5) For an update of a sphere of influence of a city or special
37 district that provides public facilities or services related to sewers,
38 municipal and industrial water, or structural fire protection, that
39 occurs pursuant to subdivision (g) on or after July 1, 2012, the
40 present and probable need for those public facilities and services

1 of any disadvantaged unincorporated communities within the
2 existing sphere of influence.

3 (f) Upon determination of a sphere of influence, the commission
4 shall adopt that sphere.

5 (g) On or before January 1, 2008, and every five years thereafter,
6 the commission shall, as necessary, review and update each sphere
7 of influence.

8 (h) In determining a sphere of influence, the commission may
9 assess the feasibility of governmental reorganization of particular
10 agencies and recommend reorganization of those agencies when
11 reorganization is found to be feasible and if reorganization will
12 further the goals of orderly development and efficient and
13 affordable service delivery. The commission shall make all
14 reasonable efforts to ensure wide public dissemination of the
15 recommendations.

16 (i) When adopting, amending, or updating a sphere of influence
17 for a special district, the commission shall do all of the following:

18 (1) Require existing districts to file written statements with the
19 commission specifying the functions or classes of services provided
20 by those districts.

21 (2) Establish the nature, location, and extent of any functions
22 or classes of services provided by existing districts.

23 SEC. 3. Section 56658 of the Government Code is amended
24 to read:

25 56658. (a) Any petitioner or legislative body desiring to initiate
26 proceedings shall submit an application to the executive officer of
27 the principal county.

28 (b) (1) Immediately after receiving an application and before
29 issuing a certificate of filing, the executive officer shall give mailed
30 notice that the application has been received to each interested
31 agency and each subject agency, the county committee on school
32 district organization, and each school superintendent whose school
33 district overlies the subject area. The notice shall generally describe
34 the proposal and the affected territory. The executive officer shall
35 not be required to give notice pursuant to this subdivision if a local
36 agency has already given notice pursuant to subdivision ~~(b)~~ (c) of
37 Section 56654.

38 (2) It is the intent of the Legislature that an incorporation
39 proposal shall be processed in a timely manner. With regard to an
40 application that includes an incorporation, the executive officer

1 shall immediately notify all affected local agencies and any
2 applicable state agencies by mail and request the affected agencies
3 to submit the required data to the commission within a reasonable
4 timeframe established by the executive officer. Each affected
5 agency shall respond to the executive officer within 15 days
6 acknowledging receipt of the request. Each affected local agency
7 and the officers and departments thereof shall submit the required
8 data to the executive officer within the timelines established by
9 the executive officer. Each affected state agency and the officers
10 and departments thereof shall submit the required data to the
11 executive officer within the timelines agreed upon by the executive
12 officer and the affected state departments.

13 (c) If a special district is, or as a result of a proposal will be,
14 located in more than one county, the executive officer of the
15 principal county shall immediately give the executive officer of
16 each other affected county mailed notice that the application has
17 been received. The notice shall generally describe the proposal
18 and the affected territory.

19 (d) Except when a commission is the lead agency pursuant to
20 Section 21067 of the Public Resources Code, the executive officer
21 shall determine within 30 days of receiving an application whether
22 the application is complete and acceptable for filing or whether
23 the application is incomplete.

24 (e) The executive officer shall not accept an application for
25 filing and issue a certificate of filing for at least 20 days after giving
26 the mailed notice required by subdivision (b). The executive officer
27 shall not be required to comply with this subdivision in the case
28 of an application which meets the requirements of Section 56663
29 or in the case of an application for which a local agency has already
30 given notice pursuant to subdivision (b) of Section 56654.

31 (f) If the appropriate fees have been paid, an application shall
32 be deemed accepted for filing if no determination has been made
33 by the executive officer within the 30-day period. An executive
34 officer shall accept for filing, and file, any application submitted
35 in the form prescribed by the commission and containing all of
36 the information and data required pursuant to Section 56652.

37 (g) When an application is accepted for filing, the executive
38 officer shall immediately issue a certificate of filing to the
39 applicant. A certificate of filing shall be in the form prescribed by
40 the executive officer and shall specify the date upon which the

1 proposal shall be heard by the commission. From the date of
2 issuance of a certificate of filing, or the date upon which an
3 application is deemed to have been accepted, whichever is earlier,
4 an application shall be deemed filed pursuant to this division.

5 (h) If an application is determined not to be complete, the
6 executive officer shall immediately transmit that determination to
7 the applicant specifying those parts of the application which are
8 incomplete and the manner in which they can be made complete.

9 (i) Following the issuance of the certificate of filing, the
10 executive officer shall proceed to set the proposal for hearing and
11 give published notice thereof as provided in this part. The date of
12 the hearing shall be not more than 90 days after issuance of the
13 certificate of filing or after the application is deemed to have been
14 accepted, whichever is earlier. Notwithstanding Section 56106,
15 the date for conducting the hearing, as determined pursuant to this
16 subdivision, is mandatory.

17 SEC. 4. Section 56827 of the Government Code is amended
18 to read:

19 56827. (a) Except as provided in subdivision (b), upon the
20 presentation of any petition or applications making a proposal for
21 a reorganization, the commission may take proceedings pursuant
22 to Part 3 (commencing with Section 56650) without referring the
23 proposal to a reorganization committee, as provided in this part.

24 (b) The commission may refer to a reorganization committee
25 any incorporation proposal that includes, or may be modified to
26 include, any of the following changes of organization affecting an
27 independent special district: consolidation, dissolution, formation,
28 merger, or establishment of a subsidiary district.

29 (c) *If the commission has initiated a change of organization or*
30 *reorganization that affects more than one special district, the*
31 *commission may, and is encouraged to, utilize a reorganization*
32 *committee to review the proposal.*

33 SEC. 5. Section 56853 of the Government Code is amended
34 to read:

35 56853. (a) If a majority of the members of each of the
36 legislative bodies of two or more local agencies adopt substantially
37 similar resolutions of application making proposals either for the
38 consolidation of districts or for the reorganization of all or any
39 part of the districts into a single local agency, the commission shall
40 approve, or conditionally approve, the proposal. ~~The commission~~

1 shall order the consolidation or reorganization without an election,
 2 except as otherwise provided in subdivision (b) of Section 57081.

3 (b) Except as provided in subdivision (d), a commission may
 4 order any material change in the provisions or the terms and
 5 conditions of the consolidation or reorganization, as set forth in
 6 the proposals of the local agencies. The commission shall direct
 7 the executive officer to give each subject agency mailed notice of
 8 any change prior to ordering a change. The commission shall not,
 9 without the written consent of all subject agencies, take any further
 10 action on the consolidation or reorganization for 30 days following
 11 that mailing. Upon written demand by any subject agency, filed
 12 with the executive officer during that 30-day period, the
 13 commission shall make determinations upon the proposals only
 14 after notice and hearing on the proposals. If no written demand is
 15 filed, the commission may make those determinations without
 16 notice and hearing. The application of any provision of this
 17 subdivision may be waived by consent of all of the subject
 18 agencies.

19 ~~(e) Where the commission has initiated a change of organization~~
 20 ~~or reorganization affecting more than one special district, the~~
 21 ~~commission may utilize and is encouraged to utilize a~~
 22 ~~reorganization committee to review the proposal.~~

23 ~~(d)~~
 24 (c) The commission shall not order a material change in the
 25 provisions of a consolidation or reorganization, as set forth in the
 26 proposals of the local agencies pursuant to subdivision (a), that
 27 would add or delete districts without the written consent of the
 28 applicant local agencies.

29 SEC. 6. Section 56854 of the Government Code is repealed.

30 ~~56854. (a) Notwithstanding Sections 57077 and 57107, the~~
 31 ~~commission shall order (1) the consolidation of districts, (2)~~
 32 ~~dissolution, (3) merger, or (4) the establishment of a subsidiary~~
 33 ~~district, or (5) a reorganization that includes any of these changes~~
 34 ~~of organization without an election, except that an election shall~~
 35 ~~be held in each affected city or district if there are written protests~~
 36 ~~as follows:~~

37 ~~(1) Where the proposal was not initiated by the commission,~~
 38 ~~and where an affected city or district has not objected by resolution~~
 39 ~~to the proposal, a written protest has been submitted that meets~~

1 the requirements specified in subdivisions (b) and (c) of Section
2 57081.

3 ~~(2) Where the proposal was not initiated by the commission,
4 and where an affected city or district has objected by resolution
5 to the proposal, a written protest has been submitted that meets
6 the requirements specified in paragraphs (1) and (2) of subdivision
7 (a) and subdivision (b) of Section 57114.~~

8 ~~(3) Where the proposal was initiated by the commission, and
9 regardless of whether an affected city or district has objected to
10 the proposal by resolution, a written protest has been submitted
11 that meets the requirements of Section 57113.~~

12 ~~(b) Notwithstanding subdivision (a), the commission shall not
13 order a merger or establishment of a subsidiary district without
14 the consent of the affected city.~~

15 ~~(e) This section shall not apply to any proposal for a change of
16 organization or reorganization that is submitted to the commission
17 before January 1, 2003, where the Goleta Sanitary District or the
18 Goleta West Sanitary District is an affected district. The Legislature
19 finds and declares that a special law is necessary and that a general
20 law cannot be made applicable within the meaning of Section 16
21 of Article IV of the California Constitution because of the
22 following special circumstances:~~

23 ~~The voters of the Goleta Sanitary District previously voted
24 against a proposed consolidation with the Goleta West Sanitary
25 District by a margin of two to one. More recently, a reorganization
26 proposal was submitted to the commission in Santa Barbara County
27 that would have combined the Goleta Sanitary District and the
28 Goleta West Sanitary District under circumstances where no
29 opportunity for confirmation by the Goleta Sanitary District voters
30 would be available. In light of the issues that were raised in
31 connection with these earlier consolidation and reorganization
32 proposals, a five-year moratorium on the application of Section
33 56854 to proposals affecting the Goleta Sanitary District or the
34 Goleta West Sanitary District is necessary to ensure an opportunity
35 for voter confirmation.~~

36 SEC. 7. Section 57077 of the Government Code is amended
37 to read:

38 57077. ~~(a) If a change of organization consists of a dissolution,
39 disincorporation, incorporation, establishment of a subsidiary
40 district, consolidation, or merger, the commission shall do either~~

1 of the following: an incorporation or disincorporation, or if a
2 reorganization includes an incorporation or disincorporation, the
3 commission shall order the change of organization or
4 reorganization subject to confirmation of the voters. A protest
5 proceeding shall not be conducted.

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

11 ~~(2) Order the change of organization without election if it is a~~
12 ~~change of organization that meets the requirements of Section~~
13 ~~56854, 57081, 57102, or 57107; otherwise, the commission shall~~
14 ~~take the action specified in paragraph (1).~~

15 ~~(b) Notwithstanding subdivision (a) or Section 57102, if a~~
16 ~~change of organization consists of the dissolution of a district that~~
17 ~~is consistent with a prior action of the commission pursuant to~~
18 ~~Section 56378, 56425, or 56430, the commission may do either~~
19 ~~of the following:~~

20 ~~(1) If the dissolution is initiated by the district board,~~
21 ~~immediately order the dissolution without an election or protest~~
22 ~~proceeding pursuant to this part.~~

23 ~~(2) If the dissolution is initiated by an affected local agency, by~~
24 ~~the commission pursuant to Section 56375, or by petition pursuant~~
25 ~~to Section 56650, order the dissolution after holding at least one~~
26 ~~noticed public hearing, and after conducting protest proceedings~~
27 ~~in accordance with this part. Notwithstanding any other law, the~~
28 ~~commission shall terminate proceedings if a majority protest exists~~
29 ~~in accordance with Section 57078. If a majority protest is not found~~
30 ~~the commission shall order the dissolution without an election.~~

31 ~~(c) If a reorganization consists of one or more dissolutions,~~
32 ~~incorporations, — formations, — disincorporations, — mergers,~~
33 ~~establishments of subsidiary districts, consolidations, or any~~
34 ~~combination of those proposals, the commission shall do either of~~
35 ~~the following:~~

36 ~~(1) Order the reorganization subject to confirmation of the~~
37 ~~voters, or in the case of landowner-voter districts, subject to~~
38 ~~confirmation by the landowners, unless otherwise authorized~~
39 ~~pursuant to Section 56854.~~

1 ~~(2) Order the reorganization without election if it is a~~
2 ~~reorganization that meets the requirements of Section 56853.5,~~
3 ~~56853.6, 56854, 57081, 57102, 57107, or 57111; otherwise, the~~
4 ~~commission shall take the action specified in paragraph (1).~~

5 SEC. 8. Section 57077.1 is added to the Government Code, to
6 read:

7 57077.1. Notwithstanding Section 57102, if a change of
8 organization consists of the dissolution of a district that is
9 consistent with a prior action of the commission pursuant to Section
10 56378, 56425, or 56430, the commission may do either of the
11 following:

12 (a) If the dissolution is initiated by the district board,
13 immediately approve and order the dissolution without an election
14 or protest proceedings pursuant to this part.

15 (b) If the dissolution is initiated by an affected local agency, by
16 the commission pursuant to Section 56375, or by petition pursuant
17 to Section 56650, order the dissolution after holding at least one
18 noticed public hearing, and after conducting protest proceedings
19 in accordance with this part. Notwithstanding any other law, the
20 commission shall terminate proceedings if a majority protest exists
21 in accordance with Section 57078. If a majority protest is not
22 found, the commission shall order the dissolution without an
23 election.

24 SEC. 9. Section 57077.2 is added to the Government Code, to
25 read:

26 57077.2. (a) If the change of organization consists of a
27 consolidation of two or more districts, the commission shall order
28 the consolidation without confirmation by the voters, except that
29 if the proposal meets the requirements of subdivision (b), the
30 commission shall order the consolidation subject to confirmation
31 of the voters.

32 (b) The commission shall order the consolidation subject to the
33 confirmation of the voters as follows:

34 (1) If the commission has approved a proposal submitted by
35 resolution of a majority of the members of the legislative bodies
36 of two or more local agencies pursuant to Section 56853, and the
37 commission has found that protests meet one of the following
38 protest thresholds:

39 (A) In the case of inhabited territory, protests have been signed
40 by either of the following:

1 (i) At least 25 percent of the number of landowners within the
2 territory subject to the consolidation who own at least 25 percent
3 of the assessed value of land within the territory.

4 (ii) At least 25 percent of the voters entitled to vote as a result
5 of residing within, or owning land within, the territory.

6 (B) In the case of a landowner-voter district, the territory is
7 uninhabited and protests have been signed by at least 25 percent
8 of the number of landowners within the territory subject to the
9 consolidation, owning at least 25 percent of the assessed value of
10 land within the territory.

11 (2) If the commission has approved a proposal not initiated by
12 the commission and if a subject agency has not objected by
13 resolution to the proposal, written protests have been submitted
14 that meet the requirements specified in subparagraph (A) or (B)
15 of paragraph (1).

16 (3) If the proposal was not initiated by the commission, and if
17 a subject agency has objected by resolution to the proposal, written
18 protests have been submitted as follows:

19 (A) In the case of inhabited territory, protests have been signed
20 by either of the following:

21 (i) At least 25 percent of the number of landowners within any
22 subject agency within the affected territory who own at least 25
23 percent of the assessed value of land within the territory.

24 (ii) At least 25 percent of the voters entitled to vote as a result
25 of residing within, or owning land within, any subject agency
26 within the affected territory.

27 (B) In the case of a landowner-voter district, the territory is
28 uninhabited, and protests have been signed by at least 25 percent
29 of the number of landowners within any subject agency within the
30 affected territory, owning at least 25 percent of the assessed value
31 of land within the subject agency.

32 (4) If the commission has approved a proposal initiated by the
33 commission, and regardless of whether a subject agency has
34 objected to the proposal by resolution, written protests have been
35 submitted that meet the requirements of Section 57113.

36 SEC. 10. Section 57077.3 is added to the Government Code,
37 to read:

38 57077.3. (a) If a proposal consists of a reorganization not
39 described in Section 57075, 57075.5, 57076, 57077, 57077.4, or
40 57111, the commission shall order the reorganization without

1 confirmation by the voters except that if the reorganization meets
2 the requirements of subdivision (b), the commission shall order
3 the reorganization subject to confirmation of the voters.

4 (b) The commission shall order the reorganization subject to
5 confirmation of the voters as follows:

6 (1) If the commission has approved a proposal submitted by
7 resolution of a majority of the members of the legislative bodies
8 of two or more local agencies pursuant to Section 56853, and the
9 commission has found that protests meet one of the following
10 protest thresholds:

11 (A) In the case of inhabited territory, protests have been signed
12 by:

13 (i) At least 25 percent of the number of landowners within the
14 affected territory who own at least 25 percent of the assessed value
15 of land within the territory.

16 (ii) At least 25 percent of the voters entitled to vote as a result
17 of residing within, or owning land within, the affected territory.

18 (B) In the case of a landowner-voter district, that the territory
19 is uninhabited, and that protests have been signed by at least 25
20 percent of the number of landowners within the affected territory,
21 owning at least 25 percent of the assessed value of land within the
22 territory.

23 (2) If the commission has approved a proposal not initiated by
24 the commission, and if a subject agency has not objected by
25 resolution to the proposal, a written protest has been submitted
26 that meets the requirements specified in subparagraph (A) or (B)
27 of paragraph (1).

28 (3) If the commission has approved a proposal not initiated by
29 the commission, and if a subject agency has objected by resolution
30 to the proposal, written protests have been submitted as follows:

31 (A) In the case of inhabited territory, protests have been signed
32 by either of the following:

33 (i) At least 25 percent of the number of landowners within any
34 subject agency within the affected territory who own at least 25
35 percent of the assessed value of land within the territory.

36 (ii) At least 25 percent of the voters entitled to vote as a result
37 of residing within, or owning land within, the affected territory.

38 (B) In the case of a landowner-voter district, the territory is
39 uninhabited, and protests have been signed by at least 25 percent
40 of the number of landowners within any subject agency within the

1 affected territory, owning at least 25 percent of the assessed value
2 of land within the subject agency.

3 (4) If the commission has approved a proposal initiated by the
4 commission, and regardless of whether a subject agency has
5 objected to the proposal by resolution, written protests have been
6 submitted that meet the requirements of Section 57113.

7 (c) This section shall not apply to reorganizations governed by
8 Sections 56853.5 and 56853.6.

9 SEC. 11. Section 57077.4 is added to the Government Code,
10 to read:

11 57077.4. (a) If a reorganization consists of the dissolution of
12 one or more districts and the annexation of all or substantially all
13 the territory to another district not initiated pursuant to Section
14 56853 or by the commission pursuant to Section 56375, the
15 commission shall order the reorganization without confirmation
16 by the voters except that if the reorganization meets the
17 requirements of subdivision (b), the commission shall order the
18 reorganization subject to confirmation by the voters.

19 (b) The commission shall order the reorganization subject to
20 confirmation by the voters as follows:

21 (1) In the case of inhabited territory, protests have been signed
22 by either of the following:

23 (A) At least 25 percent of the number of landowners within any
24 subject agency within the affected territory who own at least 25
25 percent of the assessed value of land within the territory.

26 (B) At least 25 percent of the voters entitled to vote as a result
27 of residing within, or owning land within, any subject agency
28 within the affected territory.

29 (2) In the case of a landowner-voter district, the territory is
30 uninhabited, and protests have been signed by at least 25 percent
31 of the number of landowners within any subject agency within the
32 affected territory, owning at least 25 percent of the assessed value
33 of land within the subject agency.

34 (3) If the reorganization has been initiated by the commission
35 pursuant to Section 56375, protests have been submitted that meet
36 the requirements of Section 57113.

37 SEC. 12. Section 57081 of the Government Code is repealed.

38 ~~57081. (a) If authorized by the commission pursuant to Section~~
39 ~~56853, the protest proceedings shall be conducted for the~~
40 ~~consolidation of districts or the reorganization of all or any part~~

1 of those districts into a single local agency pursuant to this section.
2 The commission shall hold at least one noticed public hearing on
3 the proposal within 30 days after approval of the application by
4 the commission. After the conclusion of the hearing, the
5 commission shall order the consolidation or reorganization without
6 an election, except as otherwise provided in subdivision (b).

7 (b) An election shall only be held if the commission finds either
8 of the following:

9 (1) In the case of inhabited territory, that a petition requesting
10 that the proposal be submitted to confirmation by the voters has
11 been signed by either of the following:

12 (A) At least 25 percent of the number of landowners within the
13 territory subject to the consolidation or reorganization who own
14 at least 25 percent of the assessed value of land within the territory.

15 (B) At least 25 percent of the voters entitled to vote as a result
16 of residing within, or owning land within, the territory.

17 (2) In the case of a landowner-voter district, that the territory
18 is uninhabited and a petition requesting that the proposal be
19 submitted to confirmation by the voters has been signed by at least
20 25 percent of the number of landowners within the territory subject
21 to the consolidation or reorganization, owning at least 25 percent
22 of the assessed value of land within the territory.

23 (c) The petition shall be filed with the commission prior to the
24 conclusion of the protest hearing.

25 SEC. 13. Section 57107 of the Government Code is amended
26 to read:

27 57107. (a) In any resolution ordering a merger or
28 establishment of a subsidiary district, the commission shall take
29 one of the following actions: *approve the change of organization*
30 *without an election except that if the change of organization meets*
31 *the requirements of subdivision (b), the commission shall order*
32 *the change of organization subject to confirmation of the voters.*

33 (b) *The commission shall order the change of organization*
34 *subject to confirmation of the voters within any subject agency as*
35 *follows:*

36 (1) *If the proposal was not initiated by the commission, and if*
37 *a subject agency has not objected by resolution to the proposal,*
38 *the commission has found that protests meet one of the following*
39 *protest thresholds:*

1 (A) In the case of inhabited territory, protests have been signed
 2 by:
 3 (i) At least 25 percent of the number of landowners within the
 4 affected territory who own at least 25 percent of the assessed value
 5 of land within the territory.
 6 (ii) At least 25 percent of the voters entitled to vote as a result
 7 of residing within or owning land within, the affected territory.
 8 (B) In the case of a landowner-voter district, that the territory
 9 is uninhabited and that protests have been signed by at least 25
 10 percent of the number of landowners within the affected territory
 11 owning at least 25 percent of the assessed value of land within the
 12 territory.
 13 (2) If the proposal was not initiated by the commission, and if
 14 a subject agency has objected by resolution to the proposal, written
 15 protests have been submitted as follows:
 16 (A) In the case of inhabited territory, protests have been signed
 17 by either of the following:
 18 (i) At least 25 percent of the number of landowners within any
 19 subject agency within the affected territory who own at least 25
 20 percent of the assessed value of land within the territory.
 21 (ii) At least 25 percent of the voters entitled to vote as a result
 22 of residing within, or owning land within, any subject agency
 23 within the affected territory.
 24 (B) In the case of a landowner-voter district, that the territory
 25 is uninhabited and protests have been signed by at least 25 percent
 26 of the number of landowners within any subject agency within the
 27 affected territory, owning at least 25 percent of the assessed value
 28 of land within the subject agency.
 29 (3) If the proposal was initiated by the commission, and
 30 regardless of whether a subject agency has objected to the proposal
 31 by resolution, written protests have been submitted that meet the
 32 requirements of Section 57113.
 33 (c) Notwithstanding subdivision (a) or (b), the commission shall
 34 not order the merger or establishment of a subsidiary district
 35 without the consent of the subject city.
 36 ~~(a) Order the merger or establishment of the subsidiary district~~
 37 ~~subject to confirmation of the voters upon the questions, as the~~
 38 ~~case may be, of merger, the establishment of a subsidiary district,~~
 39 ~~or both merger and the establishment of a subsidiary district.~~

1 ~~(b) Order the merger or establishment of the subsidiary district~~
2 ~~without election, if the legislative body of the city and the board~~
3 ~~of directors of the district have by resolution consented to the~~
4 ~~merger or the establishment of the subsidiary district.~~

5 SEC. 14. Section 57113 of the Government Code is amended
6 to read:

7 57113. ~~(a) Notwithstanding Section 57081, 57102, 57107,~~
8 ~~57108, or 57111, for any proposal that was initiated by the~~
9 ~~commission pursuant to subdivision (a) of Section 56375, the~~
10 ~~commission shall forward the change of organization or~~
11 ~~reorganization for confirmation by the voters if the commission~~
12 ~~finds either of the following:~~

13 ~~(1)~~

14 ~~(a) In the case of inhabited territory, that a petition requesting~~
15 ~~that the proposal be submitted to confirmation by the voters has~~
16 ~~protests have been signed by either of the following:~~

17 ~~(A)~~

18 ~~(1) At least 10 percent of the number of landowners within any~~
19 ~~affected district subject agency within the affected territory who~~
20 ~~own at least 10 percent of the assessed value of land within the~~
21 ~~territory. However, if the number of landowners within an affected~~
22 ~~district a subject agency is less than 300, the petition requesting~~
23 ~~the proposal to be submitted to the voters the protests shall be~~
24 ~~signed by at least 25 percent of the landowners who own at least~~
25 ~~25 percent of the assessed value of land within the territory of the~~
26 ~~affected district.~~

27 ~~(B)~~

28 ~~(2) At least 10 percent of the voters entitled to vote as a result~~
29 ~~of residing within, or owning land within, any affected district a~~
30 ~~subject agency within the affected territory. However, if the number~~
31 ~~of voters entitled to vote within an affected district subject agency~~
32 ~~is less than 300, the petition requesting the proposal to be submitted~~
33 ~~to the voters the protests shall be signed by at least 25 percent of~~
34 ~~the voters entitled to vote.~~

35 ~~(2)~~

36 ~~(b) In the case of a landowner-voter district, that the territory~~
37 ~~is uninhabited and a petition requesting that the proposal be~~
38 ~~submitted to confirmation by the voters has protests have been~~
39 ~~signed by at least 10 percent of the number of landowners within~~
40 ~~any affected district subject agency within the affected territory,~~

1 owning at least 10 percent of the assessed value of land within the
2 territory. However, if the number of voters entitled to vote within
3 an affected district *a subject agency* is less than 300, the petition
4 requesting the proposal to be submitted to the voters *protests* shall
5 be signed by at least 25 percent of the voters entitled to vote.

6 ~~(b) The petition shall be filed with the commission prior to the~~
7 ~~conclusion of the protest hearing.~~

8 SEC. 15. Section 57114 of the Government Code is repealed.

9 ~~57114. (a) Notwithstanding Sections 56854 and 57111, for~~
10 ~~any proposal for the dissolution of one or more districts and the~~
11 ~~annexation of all or substantially all of their territory to another~~
12 ~~district, not initiated by the commission pursuant to subdivision~~
13 ~~(a) of Section 56375, the commission shall forward the change of~~
14 ~~organization or reorganization for confirmation by the voters if~~
15 ~~the commission finds either of the following:~~

16 ~~(1) In the case of inhabited territory, that a petition requesting~~
17 ~~that the proposal be submitted to confirmation by the voters has~~
18 ~~been signed by either of the following:~~

19 ~~(A) At least 25 percent of the number of landowners within any~~
20 ~~affected district within the affected territory who own at least 25~~
21 ~~percent of the assessed value of land within the territory.~~

22 ~~(B) At least 25 percent of the voters entitled to vote as a result~~
23 ~~of residing within, or owning land within, any affected district~~
24 ~~within the affected territory.~~

25 ~~(2) In the case of a landowner-voter district, that the territory~~
26 ~~is uninhabited and a petition requesting that the proposal be~~
27 ~~submitted to confirmation by the voters has been signed by at least~~
28 ~~25 percent of the number of landowners within any affected district~~
29 ~~within the affected territory, owning at least 25 percent of the~~
30 ~~assessed value of land within the territory of that district.~~

31 ~~(b) If a petition that meets the requirements of this section has~~
32 ~~been filed, the commission shall order the proposal subject to~~
33 ~~confirmation by the voters of each district that has filed such a~~
34 ~~petition. The voter confirmation requirements set forth in~~
35 ~~subdivision (a) shall not apply to any proposal initiated by the~~
36 ~~commission under Section 56375 or where each affected district~~
37 ~~has consented to the proposal by a resolution adopted by a majority~~
38 ~~vote of its board of directors.~~

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