

**ASSEMBLY BILL**

**No. 1532**

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**Introduced by Committee on Local Government**

March 23, 2015

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An act to amend Sections 56131.5, 56325, 56326, 56326.5, 56327, 56327.3, 56329, 56332, 56332.5, 56375.3, 56381.6, 56383, 56384, 56653, 57002, 57075, 57075.5, 57177.5, and 57179 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1532, as introduced, Committee on Local Government. Local government: omnibus.

(1) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, requires a local agency formation commission to notify specified state agencies having oversight or regulatory responsibility over, or a contractual relationship with, a local health care district when a proposal is made for any of specified changes of organization affecting that district.

This bill would update obsolete references to a “hospital” district and replace outdated references to the State Department of Health Services with references to the State Department of Public Health and the State Department of Health Care Services.

(2) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 establishes in each county a local agency formation commission consisting of 7 members and provides for the selection of members of the commission and designation of alternate members according to specified procedures. Existing law establishes special procedures for the creation and selection of members of the commissions for Los Angeles County, Sacramento County, Santa Clara County, and

counties in which there are no cities. Existing law provides for the selection of representatives of independent special districts on each commission by an independent special district selection committee. Existing law also provides for the apportionment of the annual operational costs for specified commissions among the classes of public agencies that select members on the commission.

This bill would recast these provisions and instead provide for the appointment of members and alternates to the commission of each county, including the above-described counties for which special procedures apply. The bill would also make various technical changes.

(3) Existing law authorizes the commission to waive protest proceedings and approve a change of organization or reorganization of a city, after notice and a hearing, of unincorporated islands. Existing law excludes from these provisions an unincorporated island within a city that is a gated community where services are currently provided by a community services district. Existing law also authorizes, at the option of either the city or the county, a separate property tax transfer agreement between a city and a county regarding an annexation of territory subject to these provisions without affecting an existing master tax sharing agreement between the city and the county.

This bill would make technical, nonsubstantive changes to these provisions.

(4) Under existing law, a commission may establish a schedule of fees and service charges for proceedings taken by the commission, including a fee for amending a sphere of influence.

This bill would expand the list of proceedings in that provision to include updating a sphere of influence.

(5) Existing law requires the commission to appoint legal counsel. If the commission's legal counsel is subject to a conflict of interest on an issue before the commission, existing law requires the commission to appoint alternate staff to assist it. Existing law defines, for the purposes of provisions relating to commission officers and staff, the term "conflict of interest".

This bill would expand the definition of "conflict of interest" with respect to the commission's legal counsel to include matters covered by specified rules promulgated by the State Bar of California pertaining to representation of adverse interests.

(6) Existing law establishes procedures for commission proceedings for a change of organization or reorganization, as defined. Existing law requires that an applicant seeking a change of organization or

reorganization, among other things, submit a plan for providing services within the affected territory. The plan must include specified information, including an enumeration and description of the services to be extended to the affected territory and indication of when those services can feasibly be extended to the affected territory.

This bill would provide that the plan may alternatively specify services currently provided in the affected territory. The bill would also require only that the plan indicate when services can be feasibly extended to the affected territory if new services are proposed.

(7) Existing law generally requires the commission to conduct a hearing for a change of organization or reorganization, as specified. However, the commission may, without a hearing, approve a change of organization that consists of an annexation or a detachment, or a reorganization that consists solely of annexations or detachments, or both, or the formation of a county service area that, for which the commission is authorized to waive protest proceedings if certain things have occurred.

This bill would additionally authorize the commission to approve, without a hearing, a proposal for an annexation, a detachment, or a reorganization consisting solely of annexations or detachments, or both, or formation of a county service area for which the commission is authorized to make determinations without a hearing and to waive protest proceedings, if the affected territory is uninhabited and certain conditions are met.

(8) Under existing law, in cases involving specified kinds of change of organization or reorganization the commission must, within 30 days after a hearing, make findings regarding the value of written protests filed and not withdrawn and take a specified action. If a majority protest exists, as specified, the commission must terminate proceedings. If written protests have been filed and not withdrawn by either between 25% and 50% of the registered voters in the affected territory or 25% of the number of owners of land who also own at least 25% of the assessed value of land within the affected territory, the commission must order the organization or change of organization subject to confirmation by the registered voters of the affected territory. If written protests have been filed and not withdrawn by less than 25% of the registered voters in the affected territory or less than 25% of the number of owners of land owning less than 25% of the assessed value of land within the affected territory, the commission must order the change of organization or reorganization.

This bill would recast these provisions to specify that the commission may order the change of organization or reorganization without an election only if there is neither a majority protest nor written protests filed and not withdrawn by between 25% and 50% of the registered voters in the affected territory or 25% of the number of owners of land who also own at least 25% of the assessed value of land within the affected territory.

(9) Under existing law, notwithstanding the above-described procedures for protest, in cases where a city with more than 100,000 people proposes to annex inhabited territory located in a county with a population of over 400,000, the commission must, within 30 days after a hearing, make findings regarding the value of written protests filed and not withdrawn and take specified action. If written protests have been filed and not withdrawn by 50% or more of the registered voters within the affected territory, the commission must terminate proceedings. If written protests have been filed and not withdrawn by either 15% or more of the registered voters in the affected territory or 15% or more of the number of owners of land who also own at least 15% of the assessed value of land within the affected territory, the commission must order the territory annexed subject to confirmation by the voters within the affected territory on the question of whether to be annexed to the city. The commission must request the city council to call a special election for this purpose. If written protests have been filed and not withdrawn by less than 15% of the registered voters in the affected territory and less than 15% of the owners of land who also own less than 15% of the assessed value of land within the affected territory, the commission must order the territory annexed without an election.

This bill would recast these provisions to specify that the commission may order the annexation without an election only if there are neither written protests filed and not withdrawn by 50% or more of the registered voters within the affected territory nor written protests filed and not withdrawn by 15% or more of the registered voters in the affected territory or 15% of the number of owners of land who also own at least 15% of the assessed value of land within the affected territory. The bill would also specify that the confirmation under these provisions is subject to a special election by the registered voters residing within the affected territory.

(10) Existing law requires the commission, in the case of elections on an order of consolidation of cities or districts, to issue a certificate

of completion confirming the order of consolidation, or a certification of completion terminating proceedings, as specified.

This bill would instead require the commission to issue either a certification of completion or a certification of termination, as specified.

(11) Existing law requires the commission to execute a certificate of termination of proceedings if the majority of the votes cast by members of the commission are against the change in organization or reorganization.

This bill would instead require the commission to execute a certificate of termination of proceedings if the votes in favor of the change in organization or reorganization do not constitute a majority.

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 56131.5 of the Government Code is  
2 amended to read:

3 56131.5. (a) Upon the filing of an application for the formation  
4 of, annexation to, consolidation of, or dissolution of a local ~~hospital~~  
5 *health care* district created pursuant to Division 23 (commencing  
6 with Section 32000) of the Health and Safety Code or of an  
7 application for a reorganization including any of those changes of  
8 organization or the initiation by the commission of any of those  
9 changes of organization or any reorganization including any of  
10 those changes of organization, the commission shall notify all state  
11 agencies that have oversight or regulatory responsibility over, or  
12 a contractual relationship with, the local ~~hospital~~ *health care* district  
13 that is the subject of the proposed change of organization or  
14 reorganization, of its receipt of the application or the initiation by  
15 the commission of the proposed change of organization or  
16 reorganization and the proposal, including, but not limited to, the  
17 following:

18 (a)

19 (1) The State Department of Health *Care* Services, including,  
20 but not limited to, ~~Licensing and Certification~~ and the Medi-Cal  
21 Division.

22 (b)

1 (2) The Office of Statewide Health Planning and Development,  
2 including, but not limited to, the Cal-Mortgage Loan Insurance  
3 Division.

4 (e)

5 (3) The California Health Facilities Financing Authority.

6 (d)

7 (4) ~~The California Medical Assistance Commission~~ *State*  
8 *Department of Public Health, including, but not limited to, the*  
9 *Licensing and Certification Division.*

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11 (b) A state agency shall have 60 days from the date of receipt  
12 of notification by the commission to comment on the proposal.  
13 The commission shall consider all comments received from any  
14 state agency in making its decision.

15 SEC. 2. Section 56325 of the Government Code is amended  
16 to read:

17 56325. There is hereby continued in existence in each county  
18 a local agency formation commission. Except as otherwise  
19 provided in this chapter, the commission shall consist of members  
20 ~~selected~~ *appointed* as follows:

21 (a) Two appointed by the board of supervisors from their own  
22 membership. The board of supervisors shall appoint a third  
23 supervisor who shall be an alternate member of the commission.  
24 The alternate member may serve and vote in place of any  
25 supervisor on the commission who is absent or who disqualifies  
26 himself or herself from participating in a meeting of the  
27 commission.

28 If the office of a regular county member becomes vacant, the  
29 alternate member may serve and vote in place of the former regular  
30 county member until the appointment and qualification of a regular  
31 county member to fill the vacancy.

32 (b) ~~Two selected~~ *appointed* by the cities in the county, each of  
33 whom shall be a mayor or council member, appointed by the city  
34 selection committee. The city selection committee shall also  
35 ~~designate~~ *appoint* one alternate member who shall *also be a mayor*  
36 *or council member and shall* be appointed and serve pursuant to  
37 Section 56335. ~~The alternate shall also be a mayor or council~~  
38 ~~member.~~ The city selection committee is encouraged to ~~select~~  
39 *appoint* members to fairly represent the diversity of the cities in  
40 the county, with respect to population and geography.

1 (c) Two presiding officers or members of legislative bodies of  
2 independent special districts ~~selected~~ *appointed* by the independent  
3 special district selection committee pursuant to Section 56332.  
4 The independent special district selection committee shall also  
5 ~~designate~~ *appoint* a presiding officer or member of the legislative  
6 body of an independent special district as an ~~alternative~~ *alternate*  
7 member who shall be appointed and serve pursuant to Section  
8 56332. The independent special district selection committee is  
9 encouraged to make ~~selections~~ *appointments* that fairly represent  
10 the diversity of the independent special districts in the county, with  
11 respect to population and geography.

12 (d) One representing the general public appointed by the other  
13 members of the commission. The other members of the commission  
14 may also ~~designate~~ *appoint* one alternate member who shall ~~be~~  
15 ~~appointed~~ and serve pursuant to Section 56331. ~~Selection~~  
16 *Appointment* of the public member and alternate public member  
17 shall be subject to the affirmative vote of at least one of the  
18 members ~~selected~~ *appointed* by each of the other appointing  
19 authorities. Whenever a vacancy occurs in the public member or  
20 alternate public member position, the commission shall cause a  
21 notice of vacancy to be posted as provided in Section 56158. A  
22 copy of this notice shall be sent to the clerk or secretary of the  
23 legislative body of each local agency within the county. Final  
24 appointment to fill the vacancy may not be made for at least 21  
25 days after the posting of the notice.

26 SEC. 3. Section 56326 of the Government Code is amended  
27 to read:

28 56326. In Los Angeles County, the commission shall consist  
29 of nine members, ~~selected~~ *appointed* as follows:

30 (a) Two appointed by the board of supervisors from its own  
31 membership. The board of supervisors shall also appoint a third  
32 supervisor who shall be an alternate member of the commission.  
33 The alternate member may serve and vote in place of any  
34 supervisor on the commission who is absent or who disqualifies  
35 himself or herself from participating in a meeting of the  
36 commission.

37 If the office of the regular county member becomes vacant, the  
38 alternate member may serve and vote in place of the former regular  
39 county member until the appointment and qualification of a regular  
40 county member to fill the vacancy.

1 (b) One appointed by the board of supervisors, who shall not  
 2 be a member of the board of supervisors but who shall be a resident  
 3 of the San Fernando Valley Statistical Area, as defined in  
 4 subdivision (c) of Section 11093. The board of supervisors shall  
 5 also appoint an alternate member who shall not be a member of  
 6 the board of supervisors but who is a resident of the San Fernando  
 7 Valley Statistical Area. The alternate member may serve and vote  
 8 in place of the member appointed pursuant to this subdivision if  
 9 that member is absent or disqualifies himself or herself from  
 10 participating in a meeting of the commission.

11 If the office of the regular member becomes vacant, the alternate  
 12 member may serve and vote in place of the former regular member  
 13 until the appointment and qualification of a regular member to fill  
 14 the vacancy.

15 (c) ~~Two selected~~ *appointed* by the cities in the county, each of  
 16 whom shall be a mayor or council member, appointed by the city  
 17 selection committee. The city selection committee shall also  
 18 ~~designate~~ *appoint* one alternate member who shall *also be a mayor*  
 19 *or council member and shall* be appointed and serve pursuant to  
 20 Section 56335. ~~The alternate shall also be a mayor or council~~  
 21 ~~member.~~ The city selection committee is encouraged to ~~select~~  
 22 *appoint* members to fairly represent the diversity of the cities in  
 23 the county, with respect to population and geography.

24 (d) ~~One selected by~~ *appointed by the presiding officer of the*  
 25 *legislative body of* a city in the county having a population in  
 26 excess of 30 percent of the total population of the county who is  
 27 a member of the legislative body of the ~~city, appointed by the~~  
 28 ~~presiding officer of the legislative body.~~ *city.* The presiding officer  
 29 of the legislative body shall also ~~designate~~ *appoint* an alternate  
 30 member who is a member of the legislative body. The alternate  
 31 member may serve and vote in place of the member appointed  
 32 pursuant to this subdivision if the member is absent or disqualifies  
 33 himself or herself from participating in a meeting of the  
 34 commission.

35 If the office of the regular member becomes vacant, the alternate  
 36 member may serve and vote in place of the former regular member  
 37 until the appointment and qualification of a regular member to fill  
 38 the vacancy.

39 (e) Two presiding officers or members of legislative bodies of  
 40 independent special districts ~~selected by an~~ *appointed by the*

1 independent special district selection committee pursuant to Section  
2 56332. The independent special district selection committee shall  
3 also ~~designate~~ *appoint* one alternate member who shall be a  
4 presiding officer or member of the legislative body of an  
5 independent special district and shall be appointed and serve  
6 pursuant to Section 56332. The independent special district  
7 selection committee is encouraged to ~~select~~ *appoint* members to  
8 fairly represent the diversity of the independent special districts  
9 in the county, with respect to population and geography.

10 (f) One representing the general public appointed by the other  
11 members of the commission. *The other members of the commission*  
12 *may also appoint one alternate member who shall serve pursuant*  
13 *to Section 56331.*

14 SEC. 4. Section 56326.5 of the Government Code is amended  
15 to read:

16 56326.5. In Sacramento County, the commission shall consist  
17 of seven members, ~~selected~~ *appointed* as follows:

18 (a) Two appointed by the board of supervisors from their own  
19 membership. The board of supervisors shall appoint a third  
20 supervisor who shall serve as an alternate member of the  
21 commission. The alternate member may serve and vote in place  
22 of any supervisor on the commission who is absent or who  
23 disqualifies himself or herself from participating in a meeting of  
24 the commission. If the office of the regular county member  
25 becomes vacant, the alternate member may serve and vote in place  
26 of the former regular county member until the appointment and  
27 qualification of a regular county member to fill the vacancy.

28 (b) One ~~selected~~ *appointed* by the City of Sacramento who is a  
29 member of the city council, appointed by the mayor and confirmed  
30 by the city council. The mayor shall also appoint, subject to  
31 confirmation by the council, an alternate member who is a member  
32 of the city council. The alternate member may serve and vote in  
33 place of the regular city member if the city member is absent or  
34 disqualifies himself or herself from participating in a meeting of  
35 the commission. If the office of the regular city member becomes  
36 vacant, the alternate member may serve and vote in place of the  
37 former regular city member until the appointment and qualification  
38 of a regular city member to fill the vacancy.

39 (c) One ~~selected~~ *appointed* by the cities in the county, who is a  
40 mayor or council member appointed by the city selection

1 committee. The city selection committee shall also ~~designate~~  
2 *appoint* one alternate member who shall *also be a mayor or council*  
3 *member and shall* be appointed and serve pursuant to Section  
4 56335. ~~The alternate shall also be a mayor or council member.~~  
5 The city selection committee is encouraged to ~~select~~ *appoint*  
6 members to fairly represent the diversity of the cities in the county,  
7 with respect to population and geography.

8 (d) Two presiding officers or members of legislative bodies of  
9 independent special districts ~~selected by an~~ *appointed by the*  
10 independent special district selection committee pursuant to Section  
11 56332. The independent special district selection committee shall  
12 also ~~designate~~ *appoint* one alternate member who shall be a  
13 presiding officer or member of the legislative body of an  
14 independent special district and shall be appointed and serve  
15 pursuant to Section 56332. The independent special district  
16 selection committee is encouraged to ~~select~~ *appoint* members to  
17 fairly represent the diversity of the independent special districts  
18 in the county, with respect to population and geography.

19 (e) One representing the general public, appointed by the other  
20 six members of the commission. The commission may also appoint  
21 an alternate public member who may serve and vote in the place  
22 of the regular public member if the regular public member is absent  
23 or disqualifies himself or herself from participating in a meeting  
24 of the commission. If the office of the regular public member  
25 becomes vacant, the alternate member may serve and vote in place  
26 of the former regular public member until the appointment and  
27 qualification of a regular public member to fill the vacancy.

28 SEC. 5. Section 56327 of the Government Code is amended  
29 to read:

30 56327. In Santa Clara County, the commission shall consist  
31 of five members, ~~selected~~ *appointed* as follows:

32 (a) Two appointed by the board of supervisors from their own  
33 membership. The board of supervisors shall appoint a third  
34 supervisor who shall serve as an alternate member of the  
35 commission. The alternate member may serve and vote in place  
36 of any supervisor on the commission who is absent or who  
37 disqualifies himself or herself from participating in a meeting of  
38 the commission. If the office of the regular county member  
39 becomes vacant, the alternate member may serve and vote in place

1 of the former regular county member until the appointment and  
2 qualification of a regular county member to fill the vacancy.

3 (b) ~~One selected~~ *appointed* by the city in the county having the  
4 largest population, who is a member of the legislative body of the  
5 city, appointed by the city council. The city council shall also  
6 appoint an alternate member who is a member of the legislative  
7 body of the city. The alternate member may serve and vote in place  
8 of the regular city member if the city member is absent or  
9 disqualifies himself or herself from participating in a meeting of  
10 the commission. If the office of the regular city member becomes  
11 vacant, the alternate member may serve and vote in place of the  
12 former regular city member until the appointment and qualification  
13 of a regular city member to fill the vacancy.

14 (c) ~~One selected~~ *appointed* by the cities in the county, who is a  
15 mayor or council member appointed by the city selection  
16 committee. The city selection committee shall also ~~designate~~  
17 *appoint* one alternate member who shall *also be a mayor or council*  
18 *member and shall* be appointed and serve pursuant to Section  
19 56335. ~~The alternate shall also be a mayor or council member.~~  
20 The city selection committee is encouraged to ~~select~~ *appoint*  
21 members to fairly represent the diversity of the cities in the county,  
22 with respect to population and geography.

23 (d) One representing the general public, appointed by the other  
24 ~~four~~ *four, or, if the commission is enlarged pursuant to Section*  
25 *56327.3, the other six*, members of the commission. This member  
26 shall not be a resident of a city which is already represented on  
27 the commission. The commission may also appoint an alternate  
28 public member, who shall not be a resident of a city represented  
29 on the commission, and who may serve and vote in the place of  
30 the regular public member if the regular public member is absent  
31 or disqualifies himself or herself from participating in a meeting  
32 of the commission. If the office of the regular public member  
33 becomes vacant, the alternate member may serve and vote in place  
34 of the former regular public member until the appointment and  
35 qualification of a regular public member to fill the vacancy.

36 SEC. 6. Section 56327.3 of the Government Code is amended  
37 to read:

38 56327.3. In Santa Clara County, the commission shall be  
39 enlarged by two members if, pursuant to the provisions of Chapter

1 5 (commencing with Section ~~56820~~; 56821), the commission  
2 orders representation of special districts upon the commission.

3 SEC. 7. Section 56329 of the Government Code is amended  
4 to read:

5 56329. If there is no city in the county, the commission shall  
6 consist of five members, ~~selected~~ *appointed* as follows which may  
7 be further augmented pursuant to Sections 56332 and 56332.5:

8 (a) Three appointed by the board of supervisors from their own  
9 membership. The board of supervisors shall appoint a fourth  
10 supervisor who is an alternate member of the commission. The  
11 alternate member may serve and vote in place of any supervisor  
12 on the commission who is absent or who disqualifies himself or  
13 herself from participating in a meeting of the commission.

14 If the office of a regular county member becomes vacant, the  
15 alternate member may serve and vote in place of the former regular  
16 county member until the appointment and qualification of a regular  
17 county member to fill the vacancy.

18 (b) Two representing the general public appointed by the other  
19 three members of the commission. ~~Selection~~ *Appointment* of the  
20 public member and alternate public member shall be subject to the  
21 affirmative vote of at least one of the members selected by each  
22 of the other appointing authorities.

23 SEC. 8. Section 56332 of the Government Code is amended  
24 to read:

25 56332. (a) The independent special district selection committee  
26 shall consist of the presiding officer of the legislative body of each  
27 independent special district. However, if the presiding officer of  
28 an independent special district is unable to participate in a meeting  
29 or election of the independent special district selection committee,  
30 the legislative body of the district may appoint one of its members  
31 as an alternate to participate in the selection committee in the  
32 presiding officer's place. Those districts shall include districts  
33 located wholly within the county and those containing territory  
34 within the county representing 50 percent or more of the assessed  
35 value of taxable property of the district, as shown on the last  
36 equalized county assessment roll. Each member of the committee  
37 shall be entitled to one vote for each independent special district  
38 of which he or she is the presiding officer or his or her alternate  
39 as designated by the governing body. Members representing a  
40 majority of the eligible districts shall constitute a quorum.

1 (b) The executive officer shall call and give written notice of  
2 all meetings of the members of the selection committee. A meeting  
3 shall be called and held under one of the following circumstances:

4 (1) Whenever the executive officer anticipates that a vacancy  
5 will occur within the next 90 days among the members or alternate  
6 member representing independent special districts on the  
7 commission.

8 (2) Whenever a vacancy exists among the members or alternate  
9 member representing independent special districts upon the  
10 commission.

11 (3) Upon receipt of a written request by one or more members  
12 of the selection committee representing districts having 10 percent  
13 or more of the assessed value of taxable property within the county,  
14 as shown on the last equalized county assessment roll.

15 (c) The selection committee shall appoint two regular members  
16 and one alternate member to the commission. The members so  
17 appointed shall be elected or appointed members of the legislative  
18 body of an independent special district residing within the county  
19 but shall not be members of the legislative body of a city or county.  
20 If one of the regular district members is absent from a commission  
21 meeting or disqualifies himself or herself from participating in a  
22 meeting, the alternate district member may serve and vote in place  
23 of the regular district member for that meeting. Service on the  
24 commission by a regular district member shall not disqualify, or  
25 be cause for disqualification of, the member from acting on  
26 proposals affecting the special district on whose legislative body  
27 the member serves. The special district selection committee may,  
28 at the time it appoints a member or alternate, provide that the  
29 member or alternate is disqualified from voting on proposals  
30 affecting the district on whose legislative body the member serves.

31 (d) If the office of a regular district member becomes vacant,  
32 the alternate member may serve and vote in place of the former  
33 regular district member until the appointment and qualification of  
34 a regular district member to fill the vacancy.

35 (e) A majority of the independent special district selection  
36 committee may determine to conduct the committee's business by  
37 mail, including holding all elections by mailed ballot, pursuant to  
38 subdivision (f).

39 (f) If the independent special district selection committee has  
40 determined to conduct the committee's business by mail or if the

1 executive officer determines that a meeting of the special district  
2 selection committee, for the purpose of ~~selecting~~ *appointing* the  
3 special district members or filling vacancies, is not feasible, the  
4 executive officer shall conduct the business of the committee by  
5 mail. Elections by mail shall be conducted as provided in this  
6 subdivision.

7 (1) The executive officer shall prepare and deliver a call for  
8 nominations to each eligible district. The presiding officer, or his  
9 or her alternate as designated by the governing body, may respond  
10 in writing by the date specified in the call for nominations, which  
11 date shall be at least 30 days from the date on which the executive  
12 officer mailed the call for nominations to the eligible district.

13 (2) At the end of the nominating period, if only one candidate  
14 is nominated for a vacant seat, that candidate shall be deemed  
15 ~~selected~~. *appointed*. If two or more candidates are nominated, the  
16 executive officer shall prepare and deliver one ballot and voting  
17 instructions to each eligible district. The ballot shall include the  
18 names of all nominees and the office for which each was  
19 nominated. Each presiding officer, or his or her alternate as  
20 designated by the governing body, shall return the ballot to the  
21 executive officer by the date specified in the voting instructions,  
22 which date shall be at least 30 days from the date on which the  
23 executive officer mailed the ballot to the eligible district.

24 (3) The call for nominations, ballot, and voting instructions shall  
25 be delivered by certified mail to each eligible district. As an  
26 alternative to the delivery by certified mail, the executive officer,  
27 with prior concurrence of the presiding officer or his or her  
28 alternate as designated by the governing body, may transmit  
29 materials by electronic mail.

30 (4) If the executive officer has transmitted the call for  
31 nominations or ballot by electronic mail, the presiding officer, or  
32 his or her alternate as designated by the governing body, may  
33 respond to the executive officer by electronic mail.

34 (5) Each returned nomination and ballot shall be signed by the  
35 presiding officer or his or her alternate as designated by the  
36 governing body of the eligible district.

37 (6) For an election to be valid, at least a quorum of the special  
38 districts must submit valid ballots. The candidate receiving the  
39 most votes shall be elected, unless another procedure has been  
40 adopted by the selection committee. Any nomination and ballot

1 received by the executive officer after the date specified is invalid,  
2 provided, however, that if a quorum of ballots is not received by  
3 that date, the executive officer shall extend the date to submit  
4 ballots by 60 days and notify all districts of the extension. The  
5 executive officer shall announce the results of the election within  
6 seven days of the date specified.

7 (7) All election materials shall be retained by the executive  
8 officer for a period of at least six months after the announcement  
9 of the election results.

10 (g) For purposes of this section, “executive officer” means the  
11 executive officer or designee as authorized by the commission.

12 SEC. 9. Section 56332.5 of the Government Code is amended  
13 to read:

14 56332.5. If the commission does not have representation from  
15 independent special districts on January 1, 2001, the commission  
16 shall initiate proceedings for representation of independent special  
17 districts upon the commission if requested by independent special  
18 districts pursuant to this section. If an independent special district  
19 adopts a resolution proposing representation of independent special  
20 districts upon the commission, it shall immediately forward a copy  
21 of the resolution to the executive officer. Upon receipt of those  
22 resolutions from a majority of independent special districts within  
23 a county, adopted by the districts within one year from the date  
24 that the first resolution was adopted, the commission, at its next  
25 regular meeting, shall adopt a resolution of intention. The  
26 resolution of intention shall state whether the proceedings are  
27 initiated by the commission or by an independent special district  
28 or districts, in which case, the names of those districts shall be set  
29 forth. The commission shall order the executive officer to call and  
30 give notice of a meeting of the independent special district selection  
31 committee to be held within 15 days after the adoption of the  
32 resolution in order to ~~select~~ *appoint* independent special district  
33 representation on the commission pursuant to Section 56332.

34 SEC. 10. Section 56375.3 of the Government Code is amended  
35 to read:

36 56375.3. (a) In addition to those powers enumerated in Section  
37 56375, a commission shall approve, after notice and hearing, the  
38 change of organization or reorganization of a city, and waive  
39 protest proceedings pursuant to Part 4 (commencing with Section  
40 57000) entirely, if all of the following are true:

- 1 (1) The change of organization or reorganization is initiated on
- 2 or after January 1, 2000.
- 3 (2) The change of organization or reorganization is proposed
- 4 by resolution adopted by the affected city.
- 5 (3) The commission finds that the territory contained in the
- 6 change of organization or reorganization proposal meets all of the
- 7 requirements set forth in subdivision (b).
- 8 (b) Subdivision (a) applies to territory that meets all of the
- 9 following requirements:
- 10 (1) It does not exceed 150 acres in area, and that area constitutes
- 11 the entire island.
- 12 (2) The territory constitutes an entire unincorporated island
- 13 located within the limits of a city, or constitutes a reorganization
- 14 containing a number of individual unincorporated islands.
- 15 (3) It is surrounded in either of the following ways:
- 16 (A) Surrounded, or substantially surrounded, by the city to which
- 17 annexation is proposed or by the city and a county boundary or
- 18 the Pacific Ocean.
- 19 (B) Surrounded by the city to which annexation is proposed and
- 20 adjacent cities.
- 21 ~~(C) This subdivision shall not be construed to apply to any~~
- 22 ~~unincorporated island within a city that is a gated community where~~
- 23 ~~services are currently provided by a community services district.~~
- 24 ~~(D) Notwithstanding any other provision of law, at the option~~
- 25 ~~of either the city or the county, a separate property tax transfer~~
- 26 ~~agreement may be agreed to between a city and a county pursuant~~
- 27 ~~to Section 99 of the Revenue and Taxation Code regarding an~~
- 28 ~~annexation subject to this subdivision without affecting any existing~~
- 29 ~~master tax sharing agreement between the city and county.~~
- 30 (4) It is substantially developed or developing. The finding
- 31 required by this paragraph shall be based upon one or more factors,
- 32 including, but not limited to, any of the following factors:
- 33 (A) The availability of public utility services.
- 34 (B) The presence of public improvements.
- 35 (C) The presence of physical improvements upon the parcel or
- 36 parcels within the area.
- 37 (5) It is not prime agricultural land, as defined by Section 56064.
- 38 (6) It will benefit from the change of organization or
- 39 reorganization or is receiving benefits from the annexing city.

1 (7) *This subdivision does not apply to any unincorporated island*  
2 *within a city that is a gated community where services are currently*  
3 *provided by a community services district.*

4 (8) *Notwithstanding any other law, at the option of either the*  
5 *city or the county, a separate property tax transfer agreement may*  
6 *be agreed to between a city and a county pursuant to Section 99*  
7 *of the Revenue and Taxation Code regarding an annexation subject*  
8 *to this subdivision without affecting any existing master tax sharing*  
9 *agreement between the city and county.*

10 (c) Notwithstanding any other provision of this subdivision, this  
11 subdivision shall not apply to all or any part of that portion of the  
12 development project area referenced in subdivision (e) of Section  
13 33492.41 of the Health and Safety Code that as of January 1, 2000,  
14 meets all of the following requirements:

- 15 (1) Is unincorporated territory.
- 16 (2) Contains at least 100 acres.
- 17 (3) Is surrounded or substantially surrounded by incorporated  
18 territory.
- 19 (4) Contains at least 100 acres zoned for commercial or  
20 industrial uses or is designated on the applicable county general  
21 plan for commercial or industrial uses.

22 (d) The Legislature finds and declares that the powers set forth  
23 in subdivision (a) for territory that meets all the specifications in  
24 subdivision (b) are consistent with the intent of promoting orderly  
25 growth and development pursuant to Section 56001 and facilitate  
26 the annexation of disadvantaged unincorporated communities, as  
27 defined in Section 56033.5.

28 SEC. 11. Section 56381.6 of the Government Code is amended  
29 to read:

30 56381.6. (a) Notwithstanding the provisions of Section 56381,  
31 for counties whose membership on the commission is established  
32 pursuant to Sections 56326, 56326.5, 56327, or 56328, the  
33 commission's annual operational costs shall be apportioned among  
34 the classes of public agencies that ~~select~~ *appoint* members ~~on~~ *to*  
35 the commission in proportion to the number of members ~~selected~~  
36 *appointed* by each class. The classes of public agencies that may  
37 be represented on the commission are the county, the cities, and  
38 independent special districts. Any alternative cost apportionment  
39 procedure may be adopted by the commission, subject to a majority  
40 affirmative vote of the commission that includes the affirmative

1 vote of at least one of the members ~~selected~~ *appointed* by the  
2 county, one of the members ~~selected~~ *appointed* by the cities, and  
3 one of the members ~~selected~~ *appointed* by districts, if special  
4 districts are represented on the commission.

5 (b) Allocation of costs among individual cities and independent  
6 special districts and remittance of payments shall be in accordance  
7 with the procedures of Section 56381. Notwithstanding Section  
8 56381, any city that has permanent membership on the commission  
9 pursuant to Sections 56326, 56326.5, 56327, or 56328 shall be  
10 apportioned the same percentage of the commission's annual  
11 operational costs as its permanent member bears to the total  
12 membership of the commission, excluding any public members  
13 selected by all the members. The balance of the cities' portion of  
14 the commission's annual operational costs shall be apportioned to  
15 the remaining cities in the county in accordance with the procedures  
16 of Section 56381.

17 SEC. 12. Section 56383 of the Government Code is amended  
18 to read:

19 56383. (a) The commission may establish a schedule of fees  
20 and a schedule of service charges for the proceedings taken  
21 pursuant to this division, including, but not limited to, all of the  
22 following:

- 23 (1) Filing and processing applications filed with the commission.
- 24 (2) Proceedings undertaken by the commission and any  
25 reorganization committee.
- 26 (3) Amending *or updating* a sphere of influence.
- 27 (4) Reconsidering a resolution making determinations.

28 (b) The fees shall not exceed the estimated reasonable cost of  
29 providing the service for which the fee is charged and shall be  
30 imposed pursuant to Section 66016. The service charges shall not  
31 exceed the cost of providing the service for which the service  
32 charge is charged and shall be imposed pursuant to Section 66016.

33 (c) The commission may require that an applicant deposit some  
34 or all of the required amount that will be owed with the executive  
35 officer before any further action is taken. The deposit shall be  
36 made within the time period specified by the commission. No  
37 application shall be deemed filed until the applicant deposits the  
38 required amount with the executive officer. The executive officer  
39 shall provide the applicant with an accounting of all costs charged  
40 against the deposited amount. If the costs are less than the deposited

1 amount, the executive officer shall refund the balance to the  
2 applicant after the executive officer verifies the completion of all  
3 proceedings. If the costs exceed the deposited amount, the applicant  
4 shall pay the difference prior to the completion of all proceedings.

5 (d) The commission may reduce or waive a fee, service charge,  
6 or deposit if it finds that payment would be detrimental to the  
7 public interest. The reduction or waiver of any fee, service charge,  
8 or deposit is limited to the costs incurred by the commission in  
9 the proceedings of an application.

10 (e) Any mandatory time limits for commission action may be  
11 deferred until the applicant pays the required fee, service charge,  
12 or deposit.

13 (f) The signatures on a petition submitted to the commission by  
14 registered voters shall be verified by the elections official of the  
15 county and the costs of verification shall be provided for in the  
16 same manner and by the same agencies which bear the costs of  
17 verifying signatures for an initiative petition in the same county.

18 (g) For incorporation proceedings that have been initiated by  
19 the filing of a sufficient number of voter signatures on petitions  
20 that have been verified by the county registrar of voters, the  
21 commission may, upon the receipt of a certification by the  
22 proponents that they are unable to raise sufficient funds to  
23 reimburse fees, service charges, or deposits for the proceedings,  
24 take no action on the proposal and request a loan from the General  
25 Fund of an amount sufficient to cover those expenses subject to  
26 availability of an appropriation for those purposes and in  
27 accordance with any provisions of the appropriation. Repayment  
28 of the loan shall be made a condition of approval of the  
29 incorporation, if successful, and shall become an obligation of the  
30 newly formed city. Repayment shall be made within two years of  
31 the effective date of incorporation. If the proposal is denied by the  
32 commission or defeated at an election, the loan shall be forgiven.

33 SEC. 13. Section 56384 of the Government Code is amended  
34 to read:

35 56384. (a) The commission shall appoint an executive officer  
36 who shall conduct and perform the day-to-day business of the  
37 commission. If the executive officer is subject to a conflict of  
38 interest on a matter before the commission, the commission shall  
39 appoint an alternate executive officer. The commission may recover  
40 its costs by charging fees pursuant to Section 56383.

1 (b) The commission shall appoint legal counsel to advise it. If  
 2 the commission’s counsel is subject to a conflict of interest on a  
 3 matter before the commission, the commission shall appoint  
 4 alternate legal counsel to advise it. The commission may recover  
 5 its costs by charging fees pursuant to Section 56383.

6 (c) The commission may appoint staff as it deems appropriate.  
 7 If staff for the commission is subject to a conflict of interest on a  
 8 matter before the commission, the commission shall appoint  
 9 alternate staff to assist it. The commission may recover its costs  
 10 by charging fees pursuant to Section 56383.

11 (d) (1) For purposes of this section, the term “conflict of  
 12 interest” shall be defined as it is for the purpose of the Political  
 13 Reform Act of 1974 (*Title 9(commences with Section 81000)*) and  
 14 shall also include matters proscribed by Article 4 (commencing  
 15 with Section 1090) of Chapter 1 of Division 4 of Title 1.

16 (2) *For the purposes of subdivision (b), the term “conflict of*  
 17 *interest” shall also include matters addressed by Rule 3-310 of*  
 18 *the Rules of Professional Conduct promulgated by the State Bar*  
 19 *of California, pertaining to representation of adverse interests.*

20 SEC. 14. Section 56653 of the Government Code, as amended  
 21 by Section 2 of Chapter 784 of the Statutes of 2014, is amended  
 22 to read:

23 56653. (a) If a proposal for a change of organization or  
 24 reorganization is submitted pursuant to this part, the applicant shall  
 25 submit a plan for providing services within the affected territory.

26 (b) The plan for providing services shall include all of the  
 27 following information and any additional information required by  
 28 the commission or the executive officer:

29 (1) An enumeration and description of the services *currently*  
 30 *provided or* to be extended to the affected territory.

31 (2) The level and range of those services.

32 (3) An indication of when those services can feasibly be  
 33 extended to the affected ~~territory.~~ *territory, if new services are*  
 34 *proposed.*

35 (4) An indication of any improvement or upgrading of structures,  
 36 roads, sewer or water facilities, or other conditions the local agency  
 37 would impose or require within the affected territory if the change  
 38 of organization or reorganization is completed.

39 (5) Information with respect to how those services will be  
 40 financed.

1 (c) (1) In the case of a change of organization or reorganization  
2 initiated by a local agency that includes a disadvantaged,  
3 unincorporated community as defined in Section 56033.5, a local  
4 agency may include in its resolution of application for change of  
5 organization or reorganization an annexation development plan  
6 adopted pursuant to Section 99.3 of the Revenue and Taxation  
7 Code to improve or upgrade structures, roads, sewer or water  
8 facilities, or other infrastructure to serve the disadvantaged,  
9 unincorporated community through the formation of a special  
10 district or reorganization of one or more existing special districts  
11 with the consent of each special district's governing body.

12 (2) The annexation development plan submitted pursuant to this  
13 subdivision shall include information that demonstrates that the  
14 formation or reorganization of the special district will provide all  
15 of the following:

16 (A) The necessary financial resources to improve or upgrade  
17 structures, roads, sewer, or water facilities or other infrastructure.  
18 The annexation development plan shall also clarify the local entity  
19 that shall be responsible for the delivery and maintenance of the  
20 services identified in the application.

21 (B) An estimated timeframe for constructing and delivering the  
22 services identified in the application.

23 (C) The governance, oversight, and long-term maintenance of  
24 the services identified in the application after the initial costs are  
25 recouped and the tax increment financing terminates.

26 (3) If a local agency includes an annexation development plan  
27 pursuant to this subdivision, a local agency formation commission  
28 may approve the proposal for a change of organization or  
29 reorganization to include the formation of a special district or  
30 reorganization of a special district with the special district's  
31 consent, including, but not limited to, a community services district,  
32 municipal water district, or sanitary district, to provide financing  
33 to improve or upgrade structures, roads, sewer or water facilities,  
34 or other infrastructure to serve the disadvantaged, unincorporated  
35 community, in conformity with the requirements of the principal  
36 act of the district proposed to be formed and all required formation  
37 proceedings.

38 (4) Pursuant to Section 56881, the commission shall include in  
39 its resolution making determinations a description of the annexation  
40 development plan, including, but not limited to, an explanation of

1 the proposed financing mechanism adopted pursuant to Section  
2 99.3 of the Revenue and Taxation Code, including, but not limited  
3 to, any planned debt issuance associated with that annexation  
4 development plan.

5 (d) This section shall not preclude a local agency formation  
6 commission from considering any other options or exercising its  
7 powers under Section 56375.

8 (e) This section shall remain in effect only until January 1, 2025,  
9 and as of that date is repealed.

10 SEC. 15. Section 56653 of the Government Code, as added by  
11 Section 3 of Chapter 784 of the Statutes of 2014, is amended to  
12 read:

13 56653. (a) If a proposal for a change of organization or  
14 reorganization is submitted pursuant to this part, the applicant shall  
15 submit a plan for providing services within the affected territory.

16 (b) The plan for providing services shall include all of the  
17 following information and any additional information required by  
18 the commission or the executive officer:

19 (1) An enumeration and description of the services *currently*  
20 *provided or* to be extended to the affected territory.

21 (2) The level and range of those services.

22 (3) An indication of when those services can feasibly be  
23 extended to the affected ~~territory~~. *territory, if new services are*  
24 *proposed.*

25 (4) An indication of any improvement or upgrading of structures,  
26 roads, sewer or water facilities, or other conditions the local agency  
27 would impose or require within the affected territory if the change  
28 of organization or reorganization is completed.

29 (5) Information with respect to how those services will be  
30 financed.

31 (c) This section shall become operative on January 1, 2025.

32 SEC. 16. Section 57002 of the Government Code is amended  
33 to read:

34 57002. (a) Within 35 days following the adoption of the  
35 commission’s resolution making determinations, the executive  
36 officer of the commission shall set the proposal for hearing and  
37 give notice of that hearing by mailing, publication, and posting,  
38 as provided in Chapter 4 (commencing with Section 56150) of  
39 Part 1. The hearing shall not be held prior to the expiration of the  
40 reconsideration period specified in subdivision (b) of Section

1 56895. The date of that hearing shall not be less than 21 days, or  
2 more than 60 days, after the date the notice is given.

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

7 (c) If authorized by the commission pursuant to Section 56662  
8 or 56663, a change of organization or reorganization may be  
9 approved without notice, hearing, and election.

10 SEC. 17. Section 57075 of the Government Code is amended  
11 to read:

12 57075. In the case of registered voter districts or cities, where  
13 a change of organization or reorganization consists solely of  
14 annexations, detachments, the exercise of new or different functions  
15 or class of services or the divestiture of the power to provide  
16 particular functions or class of services within all or part of the  
17 jurisdictional boundaries of a special district, or any combination  
18 of those proposals, the commission, not more than 30 days after  
19 the conclusion of the hearing, shall make a finding regarding the  
20 value of written protests filed and not withdrawn, and take one of  
21 the following actions, except as provided in subdivision (b) of  
22 Section 57002:

23 (a) In the case of inhabited territory, take one of the following  
24 actions:

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

27 (2) Order the change of organization or reorganization subject  
28 to confirmation by the registered voters residing within the affected  
29 territory if written protests have been filed and not withdrawn by  
30 either of the following:

31 (A) At least 25 percent, but less than 50 percent, of the registered  
32 voters residing in the affected territory.

33 (B) At least 25 percent of the number of owners of land who  
34 also own at least 25 percent of the assessed value of land within  
35 the affected territory.

36 (3) Order the change of organization or reorganization without  
37 an election if ~~written protests have been filed and not withdrawn~~  
38 ~~by less than 25 percent of the registered voters or less than 25~~  
39 ~~percent of the number of owners of land owning less than 25~~

1 ~~percent of the assessed value of land within the affected territory.~~  
 2 ~~paragraphs (1) and (2) of this subdivision do not apply.~~

3 (b) In the case of uninhabited territory, take either of the  
 4 following actions:

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

7 (2) Order the change of organization or reorganization if written  
 8 protests have been filed and not withdrawn by owners of land who  
 9 own less than 50 percent of the total assessed value of land within  
 10 the affected territory.

11 SEC. 18. Section 57075.5 of the Government Code is amended  
 12 to read:

13 57075.5. Notwithstanding Section 57075, if territory proposed  
 14 to be annexed to a city with more than 100,000 residents is  
 15 inhabited and is located in a county with a population of over  
 16 4,000,000, the commission, not more than 30 days after conclusion  
 17 of the hearing, shall make a finding regarding the value of written  
 18 protests filed and not withdrawn and shall take one of the following  
 19 actions:

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

23 (b) Order the ~~territory annexed~~ *change of organization or*  
 24 *reorganization* subject to the confirmation by the *registered voters*  
 25 ~~on the question~~, *residing within the affected territory*, and request  
 26 the city council to call a special election and submit to the voters  
 27 residing within the affected territory the question of whether it  
 28 shall be annexed to the city, if written protests have been filed and  
 29 not withdrawn by either ~~15 percent or more of the registered voters~~  
 30 ~~within the territory, or 15 percent or more of the number of owners~~  
 31 ~~of land who also own not less than 15 percent of the total assessed~~  
 32 ~~value of land within the territory.~~ *of the following:*

33 (1) *At least 15 percent of the registered voters residing within*  
 34 *the affected territory.*

35 (2) *At least 15 percent of the number of owners of land who*  
 36 *also own not less than 15 percent of the total assessed value of*  
 37 *land within the affected territory.*

38 (c) Order the territory annexed without an election if ~~written~~  
 39 ~~protests have been filed and not withdrawn by less than 15 percent~~  
 40 ~~of the registered voters within the territory and less than 15 percent~~

1 ~~of the owners of land who own less than 15 percent of the total~~  
2 ~~assessed value of land within the territory. subdivisions (a) and~~  
3 ~~(b) do not apply.~~

4 SEC. 19. Section 57177.5 of the Government Code is amended  
5 to read:

6 57177.5. In the case of elections on an order of consolidation  
7 of cities or districts, the commission shall take one of the following  
8 actions:

9 (a) Execute a certificate of completion confirming the order of  
10 consolidation if, within the territory of each city or district ordered  
11 to be consolidated, a majority of the votes cast on the question  
12 favored the consolidation.

13 (b) Execute a certificate of ~~completion terminating~~ *termination*  
14 *of proceedings* if, in one of the cities or districts ordered to be  
15 consolidated, the votes cast in favor of consolidation did not  
16 constitute a majority.

17 SEC. 20. Section 57179 of the Government Code is amended  
18 to read:

19 57179. ~~If the majority of~~ *The commission shall execute a*  
20 *certificate of termination of proceedings if the votes cast is against*  
21 *in favor of* the change of organization or ~~reorganization, the~~  
22 ~~commission shall execute a certificate of termination proceedings.~~  
23 *reorganization do not constitute a majority.*