

AMENDED IN ASSEMBLY MAY 22, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1532

Introduced by Committee on Local Government

March 23, 2015

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This bill would update obsolete references to a “hospital” district and replace outdated references to the State Department of Health Services with references to the State Department of Public Health and the State Department of Health Care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

~~(6) 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)~~

~~(7) 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)

(8) 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)~~

(9) 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)~~

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

17 (1) The State Department of Health Care Services, including,
18 but not limited to, the Medi-Cal Division.

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

4 (3) The California Health Facilities Financing Authority.

5 (4) The State Department of Public Health, including, but not
 6 limited to, the Licensing and Certification Division.

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

11 SEC. 2. Section 56325 of the Government Code is amended
 12 to read:

13 56325. There is hereby continued in existence in each county
 14 a local agency formation commission. Except as otherwise
 15 provided in this chapter, the commission shall consist of members
 16 appointed as follows:

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

24 If the office of a regular county member becomes vacant, the
 25 alternate member may serve and vote in place of the former regular
 26 county member until the appointment and qualification of a regular
 27 county member to fill the vacancy.

28 (b) Two appointed by the cities in the county, each of whom
 29 shall be a mayor or council member, appointed by the city selection
 30 committee. The city selection committee shall also appoint one
 31 alternate member who shall also be a mayor or council member
 32 and shall be appointed and serve pursuant to Section 56335. The
 33 city selection committee is encouraged to appoint members to
 34 fairly represent the diversity of the cities in the county, with respect
 35 to population and geography.

36 (c) Two presiding officers or members of legislative bodies of
 37 independent special districts appointed by the independent special
 38 district selection committee pursuant to Section 56332. The
 39 independent special district selection committee shall also appoint
 40 a presiding officer or member of the legislative body of an

1 independent special district as an alternate member who shall be
2 appointed and serve pursuant to Section 56332. The independent
3 special district selection committee is encouraged to make
4 appointments that fairly represent the diversity of the independent
5 special districts in the county, with respect to population and
6 geography.

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

20 SEC. 3. Section 56326 of the Government Code is amended
21 to read:

22 56326. In Los Angeles County, the commission shall consist
23 of nine members, appointed as follows:

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

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

35 (b) One appointed by the board of supervisors, who shall not
36 be a member of the board of supervisors but who shall be a resident
37 of the San Fernando Valley Statistical Area, as defined in
38 subdivision (c) of Section 11093. The board of supervisors shall
39 also appoint an alternate member who shall not be a member of
40 the board of supervisors but who is a resident of the San Fernando

1 Valley Statistical Area. The alternate member may serve and vote
2 in place of the member appointed pursuant to this subdivision if
3 that member is absent or disqualifies himself or herself from
4 participating in a meeting of the commission.

5 If the office of the regular member becomes vacant, the alternate
6 member may serve and vote in place of the former regular member
7 until the appointment and qualification of a regular member to fill
8 the vacancy.

9 (c) Two appointed by the cities in the county, each of whom
10 shall be a mayor or council member, appointed by the city selection
11 committee. The city selection committee shall also appoint one
12 alternate member who shall also be a mayor or council member
13 and shall be appointed and serve pursuant to Section 56335. The
14 city selection committee is encouraged to appoint members to
15 fairly represent the diversity of the cities in the county, with respect
16 to population and geography.

17 (d) One appointed by the presiding officer of the legislative
18 body of a city in the county having a population in excess of 30
19 percent of the total population of the county who is a member of
20 the legislative body of the city. The presiding officer of the
21 legislative body shall also appoint an alternate member who is a
22 member of the legislative body. The alternate member may serve
23 and vote in place of the member appointed pursuant to this
24 subdivision if the member is absent or disqualifies himself or
25 herself from participating in a meeting of the commission.

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

30 (e) Two presiding officers or members of legislative bodies of
31 independent special districts appointed by the independent special
32 district selection committee pursuant to Section 56332. The
33 independent special district selection committee shall also appoint
34 one alternate member who shall be a presiding officer or member
35 of the legislative body of an independent special district and shall
36 be appointed and serve pursuant to Section 56332. The independent
37 special district selection committee is encouraged to appoint
38 members to fairly represent the diversity of the independent special
39 districts in the county, with respect to population and geography.

1 (f) One representing the general public appointed by the other
2 members of the commission. The other members of the commission
3 may also appoint one alternate member who shall serve pursuant
4 to Section 56331.

5 SEC. 4. Section 56326.5 of the Government Code is amended
6 to read:

7 56326.5. In Sacramento County, the commission shall consist
8 of seven members, appointed as follows:

9 (a) Two appointed by the board of supervisors from their own
10 membership. The board of supervisors shall appoint a third
11 supervisor who shall serve as an alternate member of the
12 commission. The alternate member may serve and vote in place
13 of any supervisor on the commission who is absent or who
14 disqualifies himself or herself from participating in a meeting of
15 the commission. If the office of the regular county member
16 becomes vacant, the alternate member may serve and vote in place
17 of the former regular county member until the appointment and
18 qualification of a regular county member to fill the vacancy.

19 (b) One appointed by the City of Sacramento who is a member
20 of the city council, appointed by the mayor and confirmed by the
21 city council. The mayor shall also appoint, subject to confirmation
22 by the council, an alternate member who is a member of the city
23 council. The alternate member may serve and vote in place of the
24 regular city member if the city member is absent or disqualifies
25 himself or herself from participating in a meeting of the
26 commission. If the office of the regular city member becomes
27 vacant, the alternate member may serve and vote in place of the
28 former regular city member until the appointment and qualification
29 of a regular city member to fill the vacancy.

30 (c) One appointed by the cities in the county, who is a mayor
31 or council member appointed by the city selection committee. The
32 city selection committee shall also appoint one alternate member
33 who shall also be a mayor or council member and shall be
34 appointed and serve pursuant to Section 56335. The city selection
35 committee is encouraged to appoint members to fairly represent
36 the diversity of the cities in the county, with respect to population
37 and geography.

38 (d) Two presiding officers or members of legislative bodies of
39 independent special districts appointed by the independent special
40 district selection committee pursuant to Section 56332. The

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

8 (e) One representing the general public, appointed by the other
9 six members of the commission. The commission may also appoint
10 an alternate public member who may serve and vote in the place
11 of the regular public member if the regular public member is absent
12 or disqualifies himself or herself from participating in a meeting
13 of the commission. If the office of the regular public member
14 becomes vacant, the alternate member may serve and vote in place
15 of the former regular public member until the appointment and
16 qualification of a regular public member to fill the vacancy.

17 SEC. 5. Section 56327 of the Government Code is amended
18 to read:

19 56327. In Santa Clara County, the commission shall consist
20 of five members, 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 serve as an alternate member of the
24 commission. The alternate member may serve and vote in place
25 of any supervisor on the commission who is absent or who
26 disqualifies himself or herself from participating in a meeting of
27 the commission. If the office of the regular county member
28 becomes vacant, the alternate member may serve and vote in place
29 of the former regular county member until the appointment and
30 qualification of a regular county member to fill the vacancy.

31 (b) One appointed by the city in the county having the largest
32 population, who is a member of the legislative body of the city,
33 appointed by the city council. The city council shall also appoint
34 an alternate member who is a member of the legislative body of
35 the city. The alternate member may serve and vote in place of the
36 regular city member if the city member is absent or disqualifies
37 himself or herself from participating in a meeting of the
38 commission. If the office of the regular city member becomes
39 vacant, the alternate member may serve and vote in place of the

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

3 (c) One appointed by the cities in the county, who is a mayor
4 or council member appointed by the city selection committee. The
5 city selection committee shall also appoint one alternate member
6 who shall also be a mayor or council member and shall be
7 appointed and serve pursuant to Section 56335. The city selection
8 committee is encouraged to appoint members to fairly represent
9 the diversity of the cities in the county, with respect to population
10 and geography.

11 (d) One representing the general public, appointed by the other
12 four, or, if the commission is enlarged pursuant to Section 56327.3,
13 the other six, members of the commission. This member shall not
14 be a resident of a city which is already represented on the
15 commission. The commission may also appoint an alternate public
16 member, who shall not be a resident of a city represented on the
17 commission, and who may serve and vote in the place of the regular
18 public member if the regular public member is absent or
19 disqualifies himself or herself from participating in a meeting of
20 the commission. If the office of the regular public member becomes
21 vacant, the alternate member may serve and vote in place of the
22 former regular public member until the appointment and
23 qualification of a regular public member to fill the vacancy.

24 SEC. 6. Section 56327.3 of the Government Code is amended
25 to read:

26 56327.3. In Santa Clara County, the commission shall be
27 enlarged by two members if, pursuant to the provisions of Chapter
28 5 (commencing with Section 56821), the commission orders
29 representation of special districts upon the commission.

30 SEC. 7. Section 56329 of the Government Code is amended
31 to read:

32 56329. If there is no city in the county, the commission shall
33 consist of five members, appointed as follows which may be further
34 augmented pursuant to Sections 56332 and 56332.5:

35 (a) Three appointed by the board of supervisors from their own
36 membership. The board of supervisors shall appoint a fourth
37 supervisor who is an alternate member of the commission. The
38 alternate member may serve and vote in place of any supervisor
39 on the commission who is absent or who disqualifies himself or
40 herself from participating in a meeting of the commission.

1 If the office of a regular county member becomes vacant, the
2 alternate member may serve and vote in place of the former regular
3 county member until the appointment and qualification of a regular
4 county member to fill the vacancy.

5 (b) Two representing the general public appointed by the other
6 three members of the commission. Appointment of the public
7 member and alternate public member shall be subject to the
8 affirmative vote of at least one of the members selected by each
9 of the other appointing authorities.

10 SEC. 8. Section 56332 of the Government Code is amended
11 to read:

12 56332. (a) The independent special district selection committee
13 shall consist of the presiding officer of the legislative body of each
14 independent special district. However, if the presiding officer of
15 an independent special district is unable to participate in a meeting
16 or election of the independent special district selection committee,
17 the legislative body of the district may appoint one of its members
18 as an alternate to participate in the selection committee in the
19 presiding officer's place. Those districts shall include districts
20 located wholly within the county and those containing territory
21 within the county representing 50 percent or more of the assessed
22 value of taxable property of the district, as shown on the last
23 equalized county assessment roll. Each member of the committee
24 shall be entitled to one vote for each independent special district
25 of which he or she is the presiding officer or his or her alternate
26 as designated by the governing body. Members representing a
27 majority of the eligible districts shall constitute a quorum.

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

31 (1) Whenever the executive officer anticipates that a vacancy
32 will occur within the next 90 days among the members or alternate
33 member representing independent special districts on the
34 commission.

35 (2) Whenever a vacancy exists among the members or alternate
36 member representing independent special districts upon the
37 commission.

38 (3) Upon receipt of a written request by one or more members
39 of the selection committee representing districts having 10 percent

1 or more of the assessed value of taxable property within the county,
2 as shown on the last equalized county assessment roll.

3 (c) The selection committee shall appoint two regular members
4 and one alternate member to the commission. The members so
5 appointed shall be elected or appointed members of the legislative
6 body of an independent special district residing within the county
7 but shall not be members of the legislative body of a city or county.
8 If one of the regular district members is absent from a commission
9 meeting or disqualifies himself or herself from participating in a
10 meeting, the alternate district member may serve and vote in place
11 of the regular district member for that meeting. Service on the
12 commission by a regular district member shall not disqualify, or
13 be cause for disqualification of, the member from acting on
14 proposals affecting the special district on whose legislative body
15 the member serves. The special district selection committee may,
16 at the time it appoints a member or alternate, provide that the
17 member or alternate is disqualified from voting on proposals
18 affecting the district on whose legislative body the member serves.

19 (d) If the office of a regular district member becomes vacant,
20 the alternate member may serve and vote in place of the former
21 regular district member until the appointment and qualification of
22 a regular district member to fill the vacancy.

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

27 (f) If the independent special district selection committee has
28 determined to conduct the committee's business by mail or if the
29 executive officer determines that a meeting of the special district
30 selection committee, for the purpose of appointing the special
31 district members or filling vacancies, is not feasible, the executive
32 officer shall conduct the business of the committee by mail.
33 Elections by mail shall be conducted as provided in this
34 subdivision.

35 (1) The executive officer shall prepare and deliver a call for
36 nominations to each eligible district. The presiding officer, or his
37 or her alternate as designated by the governing body, may respond
38 in writing by the date specified in the call for nominations, which
39 date shall be at least 30 days from the date on which the executive
40 officer mailed the call for nominations to the eligible district.

1 (2) At the end of the nominating period, if only one candidate
2 is nominated for a vacant seat, that candidate shall be deemed
3 appointed. If two or more candidates are nominated, the executive
4 officer shall prepare and deliver one ballot and voting instructions
5 to each eligible district. The ballot shall include the names of all
6 nominees and the office for which each was nominated. Each
7 presiding officer, or his or her alternate as designated by the
8 governing body, shall return the ballot to the executive officer by
9 the date specified in the voting instructions, which date shall be
10 at least 30 days from the date on which the executive officer mailed
11 the ballot to the eligible district.

12 (3) The call for nominations, ballot, and voting instructions shall
13 be delivered by certified mail to each eligible district. As an
14 alternative to the delivery by certified mail, the executive officer,
15 with prior concurrence of the presiding officer or his or her
16 alternate as designated by the governing body, may transmit
17 materials by electronic mail.

18 (4) If the executive officer has transmitted the call for
19 nominations or ballot by electronic mail, the presiding officer, or
20 his or her alternate as designated by the governing body, may
21 respond to the executive officer by electronic mail.

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

25 (6) For an election to be valid, at least a quorum of the special
26 districts must submit valid ballots. The candidate receiving the
27 most votes shall be elected, unless another procedure has been
28 adopted by the selection committee. Any nomination and ballot
29 received by the executive officer after the date specified is invalid,
30 provided, however, that if a quorum of ballots is not received by
31 that date, the executive officer shall extend the date to submit
32 ballots by 60 days and notify all districts of the extension. The
33 executive officer shall announce the results of the election within
34 seven days of the date specified.

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

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

1 SEC. 9. Section 56332.5 of the Government Code is amended
2 to read:

3 56332.5. If the commission does not have representation from
4 independent special districts on January 1, 2001, the commission
5 shall initiate proceedings for representation of independent special
6 districts upon the commission if requested by independent special
7 districts pursuant to this section. If an independent special district
8 adopts a resolution proposing representation of independent special
9 districts upon the commission, it shall immediately forward a copy
10 of the resolution to the executive officer. Upon receipt of those
11 resolutions from a majority of independent special districts within
12 a county, adopted by the districts within one year from the date
13 that the first resolution was adopted, the commission, at its next
14 regular meeting, shall adopt a resolution of intention. The
15 resolution of intention shall state whether the proceedings are
16 initiated by the commission or by an independent special district
17 or districts, in which case, the names of those districts shall be set
18 forth. The commission shall order the executive officer to call and
19 give notice of a meeting of the independent special district selection
20 committee to be held within 15 days after the adoption of the
21 resolution in order to appoint independent special district
22 representation on the commission pursuant to Section 56332.

23 SEC. 10. Section 56375.3 of the Government Code is amended
24 to read:

25 56375.3. (a) In addition to those powers enumerated in Section
26 56375, a commission shall approve, after notice and hearing, the
27 change of organization or reorganization of a city, and waive
28 protest proceedings pursuant to Part 4 (commencing with Section
29 57000) entirely, if all of the following are true:

30 (1) The change of organization or reorganization is initiated on
31 or after January 1, 2000.

32 (2) The change of organization or reorganization is proposed
33 by resolution adopted by the affected city.

34 (3) The commission finds that the territory contained in the
35 change of organization or reorganization proposal meets all of the
36 requirements set forth in subdivision (b).

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

39 (1) It does not exceed 150 acres in area, and that area constitutes
40 the entire island.

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

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

5 (A) Surrounded, or substantially surrounded, by the city to which
6 annexation is proposed or by the city and a county boundary or
7 the Pacific Ocean.

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

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

13 (A) The availability of public utility services.

14 (B) The presence of public improvements.

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

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

18 (6) It will benefit from the change of organization or
19 reorganization or is receiving benefits from the annexing city.

20 (7) This subdivision does not apply to any unincorporated island
21 within a city that is a gated community where services are currently
22 provided by a community services district.

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

29 (c) Notwithstanding any other provision of this subdivision, this
30 subdivision shall not apply to all or any part of that portion of the
31 development project area referenced in subdivision (e) of Section
32 33492.41 of the Health and Safety Code that as of January 1, 2000,
33 meets all of the following requirements:

34 (1) Is unincorporated territory.

35 (2) Contains at least 100 acres.

36 (3) Is surrounded or substantially surrounded by incorporated
37 territory.

38 (4) Contains at least 100 acres zoned for commercial or
39 industrial uses or is designated on the applicable county general
40 plan for commercial or industrial uses.

1 (d) The Legislature finds and declares that the powers set forth
2 in subdivision (a) for territory that meets all the specifications in
3 subdivision (b) are consistent with the intent of promoting orderly
4 growth and development pursuant to Section 56001 and facilitate
5 the annexation of disadvantaged unincorporated communities, as
6 defined in Section 56033.5.

7 SEC. 11. Section 56381.6 of the Government Code is amended
8 to read:

9 56381.6. (a) Notwithstanding the provisions of Section 56381,
10 for counties whose membership on the commission is established
11 pursuant to Sections 56326, 56326.5, 56327, or 56328, the
12 commission's annual operational costs shall be apportioned among
13 the classes of public agencies that appoint members to the
14 commission in proportion to the number of members appointed
15 by each class. The classes of public agencies that may be
16 represented on the commission are the county, the cities, and
17 independent special districts. Any alternative cost apportionment
18 procedure may be adopted by the commission, subject to a majority
19 affirmative vote of the commission that includes the affirmative
20 vote of at least one of the members appointed by the county, one
21 of the members appointed by the cities, and one of the members
22 appointed by districts, if special districts are represented on the
23 commission.

24 (b) Allocation of costs among individual cities and independent
25 special districts and remittance of payments shall be in accordance
26 with the procedures of Section 56381. Notwithstanding Section
27 56381, any city that has permanent membership on the commission
28 pursuant to Sections 56326, 56326.5, 56327, or 56328 shall be
29 apportioned the same percentage of the commission's annual
30 operational costs as its permanent member bears to the total
31 membership of the commission, excluding any public members
32 selected by all the members. The balance of the cities' portion of
33 the commission's annual operational costs shall be apportioned to
34 the remaining cities in the county in accordance with the procedures
35 of Section 56381.

36 SEC. 12. Section 56383 of the Government Code is amended
37 to read:

38 56383. (a) The commission may establish a schedule of fees
39 and a schedule of service charges for the proceedings taken

1 pursuant to this division, including, but not limited to, all of the
2 following:

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

4 (2) Proceedings undertaken by the commission and any
5 reorganization committee.

6 (3) Amending or updating a sphere of influence.

7 (4) Reconsidering a resolution making determinations.

8 (b) The fees shall not exceed the estimated reasonable cost of
9 providing the service for which the fee is charged and shall be
10 imposed pursuant to Section 66016. The service charges shall not
11 exceed the cost of providing the service for which the service
12 charge is charged and shall be imposed pursuant to Section 66016.

13 (c) The commission may require that an applicant deposit some
14 or all of the required amount that will be owed with the executive
15 officer before any further action is taken. The deposit shall be
16 made within the time period specified by the commission. No
17 application shall be deemed filed until the applicant deposits the
18 required amount with the executive officer. The executive officer
19 shall provide the applicant with an accounting of all costs charged
20 against the deposited amount. If the costs are less than the deposited
21 amount, the executive officer shall refund the balance to the
22 applicant after the executive officer verifies the completion of all
23 proceedings. If the costs exceed the deposited amount, the applicant
24 shall pay the difference prior to the completion of all proceedings.

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

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

33 (f) The signatures on a petition submitted to the commission by
34 registered voters shall be verified by the elections official of the
35 county and the costs of verification shall be provided for in the
36 same manner and by the same agencies which bear the costs of
37 verifying signatures for an initiative petition in the same county.

38 (g) For incorporation proceedings that have been initiated by
39 the filing of a sufficient number of voter signatures on petitions
40 that have been verified by the county registrar of voters, the

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

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

15 56384. (a) The commission shall appoint an executive officer
16 who shall conduct and perform the day-to-day business of the
17 commission. If the executive officer is subject to a conflict of
18 interest on a matter before the commission, the commission shall
19 appoint an alternate executive officer. The commission may recover
20 its costs by charging fees pursuant to Section 56383.

21 (b) The commission shall appoint legal counsel to advise it. If
22 the commission's counsel is subject to a conflict of interest on a
23 matter before the commission, the commission shall appoint
24 alternate legal counsel to advise it. The commission may recover
25 its costs by charging fees pursuant to Section 56383.

26 (c) The commission may appoint staff as it deems appropriate.
27 If staff for the commission is subject to a conflict of interest on a
28 matter before the commission, the commission shall appoint
29 alternate staff to assist it. The commission may recover its costs
30 by charging fees pursuant to Section 56383.

31 (d) (1) For purposes of this section, the term "conflict of
32 interest" shall be defined as it is for the purpose of the Political
33 Reform Act of 1974 (Title 9 (commencing with Section 91000)) and shall also include matters proscribed by Article
34 4 (commencing with Section 1090) of Chapter 1 of Division 4 of
35 Title 1.

36 Title 1.
37 (2) For the purposes of subdivision (b), the term "conflict of
38 interest" shall also include matters addressed by Rule 3-310 of the
39 Rules of Professional Conduct promulgated by the State Bar of
40 California, pertaining to representation of adverse interests.

1 ~~SEC. 14. Section 56653 of the Government Code, as amended~~
2 ~~by Section 2 of Chapter 784 of the Statutes of 2014, is amended~~
3 ~~to read:~~

4 ~~56653. (a) If a proposal for a change of organization or~~
5 ~~reorganization is submitted pursuant to this part, the applicant shall~~
6 ~~submit a plan for providing services within the affected territory.~~

7 ~~(b) The plan for providing services shall include all of the~~
8 ~~following information and any additional information required by~~
9 ~~the commission or the executive officer:~~

10 ~~(1) An enumeration and description of the services currently~~
11 ~~provided or to be extended to the affected territory.~~

12 ~~(2) The level and range of those services.~~

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

15 ~~(4) An indication of any improvement or upgrading of structures,~~
16 ~~roads, sewer or water facilities, or other conditions the local agency~~
17 ~~would impose or require within the affected territory if the change~~
18 ~~of organization or reorganization is completed.~~

19 ~~(5) Information with respect to how those services will be~~
20 ~~financed.~~

21 ~~(e) (1) In the case of a change of organization or reorganization~~
22 ~~initiated by a local agency that includes a disadvantaged,~~
23 ~~unincorporated community as defined in Section 56033.5, a local~~
24 ~~agency may include in its resolution of application for change of~~
25 ~~organization or reorganization an annexation development plan~~
26 ~~adopted pursuant to Section 99.3 of the Revenue and Taxation~~
27 ~~Code to improve or upgrade structures, roads, sewer or water~~
28 ~~facilities, or other infrastructure to serve the disadvantaged,~~
29 ~~unincorporated community through the formation of a special~~
30 ~~district or reorganization of one or more existing special districts~~
31 ~~with the consent of each special district's governing body.~~

32 ~~(2) The annexation development plan submitted pursuant to this~~
33 ~~subdivision shall include information that demonstrates that the~~
34 ~~formation or reorganization of the special district will provide all~~
35 ~~of the following:~~

36 ~~(A) The necessary financial resources to improve or upgrade~~
37 ~~structures, roads, sewer, or water facilities or other infrastructure.~~
38 ~~The annexation development plan shall also clarify the local entity~~
39 ~~that shall be responsible for the delivery and maintenance of the~~
40 ~~services identified in the application.~~

1 ~~(B) An estimated timeframe for constructing and delivering the~~
2 ~~services identified in the application.~~

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

6 ~~(3) If a local agency includes an annexation development plan~~
7 ~~pursuant to this subdivision, a local agency formation commission~~
8 ~~may approve the proposal for a change of organization or~~
9 ~~reorganization to include the formation of a special district or~~
10 ~~reorganization of a special district with the special district's~~
11 ~~consent, including, but not limited to, a community services district,~~
12 ~~municipal water district, or sanitary district, to provide financing~~
13 ~~to improve or upgrade structures, roads, sewer or water facilities,~~
14 ~~or other infrastructure to serve the disadvantaged, unincorporated~~
15 ~~community, in conformity with the requirements of the principal~~
16 ~~act of the district proposed to be formed and all required formation~~
17 ~~proceedings.~~

18 ~~(4) Pursuant to Section 56881, the commission shall include in~~
19 ~~its resolution making determinations a description of the annexation~~
20 ~~development plan, including, but not limited to, an explanation of~~
21 ~~the proposed financing mechanism adopted pursuant to Section~~
22 ~~99.3 of the Revenue and Taxation Code, including, but not limited~~
23 ~~to, any planned debt issuance associated with that annexation~~
24 ~~development plan.~~

25 ~~(d) This section shall not preclude a local agency formation~~
26 ~~commission from considering any other options or exercising its~~
27 ~~powers under Section 56375.~~

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

30 ~~SEC. 15.— Section 56653 of the Government Code, as added by~~
31 ~~Section 3 of Chapter 784 of the Statutes of 2014, is amended to~~
32 ~~read:~~

33 ~~56653.— (a) If a proposal for a change of organization or~~
34 ~~reorganization is submitted pursuant to this part, the applicant shall~~
35 ~~submit a plan for providing services within the affected territory.~~

36 ~~(b) The plan for providing services shall include all of the~~
37 ~~following information and any additional information required by~~
38 ~~the commission or the executive officer:~~

39 ~~(1) An enumeration and description of the services currently~~
40 ~~provided or to be extended to the affected territory.~~

- 1 ~~(2) The level and range of those services.~~
- 2 ~~(3) An indication of when those services can feasibly be~~
- 3 ~~extended to the affected territory, if new services are proposed.~~
- 4 ~~(4) An indication of any improvement or upgrading of structures,~~
- 5 ~~roads, sewer or water facilities, or other conditions the local agency~~
- 6 ~~would impose or require within the affected territory if the change~~
- 7 ~~of organization or reorganization is completed.~~
- 8 ~~(5) Information with respect to how those services will be~~
- 9 ~~financed.~~

10 ~~(e) This section shall become operative on January 1, 2025.~~

11 ~~SEC. 16.~~

12 ~~SEC. 14.~~ Section 57002 of the Government Code is amended
13 to read:

14 57002. (a) Within 35 days following the adoption of the
15 commission’s resolution making determinations, the executive
16 officer of the commission shall set the proposal for hearing and
17 give notice of that hearing by mailing, publication, and posting,
18 as provided in Chapter 4 (commencing with Section 56150) of
19 Part 1. The hearing shall not be held prior to the expiration of the
20 reconsideration period specified in subdivision (b) of Section
21 56895. The date of that hearing shall not be less than 21 days, or
22 more than 60 days, after the date the notice is given.

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

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

30 ~~SEC. 17.~~

31 ~~SEC. 15.~~ Section 57075 of the Government Code is amended
32 to read:

33 57075. In the case of registered voter districts or cities, where
34 a change of organization or reorganization consists solely of
35 annexations, detachments, the exercise of new or different functions
36 or class of services or the divestiture of the power to provide
37 particular functions or class of services within all or part of the
38 jurisdictional boundaries of a special district, or any combination
39 of those proposals, the commission, not more than 30 days after
40 the conclusion of the hearing, shall make a finding regarding the

1 value of written protests filed and not withdrawn, and take one of
2 the following actions, except as provided in subdivision (b) of
3 Section 57002:

4 (a) In the case of inhabited territory, take one of the following
5 actions:

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

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

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

14 (B) At least 25 percent of the number of owners of land who
15 also own at least 25 percent of the assessed value of land within
16 the affected territory.

17 (3) Order the change of organization or reorganization without
18 an election if paragraphs (1) and (2) of this subdivision do not
19 apply.

20 (b) In the case of uninhabited territory, take either of the
21 following actions:

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

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

28 ~~SEC. 18.~~

29 *SEC. 16.* Section 57075.5 of the Government Code is amended
30 to read:

31 57075.5. Notwithstanding Section 57075, if territory proposed
32 to be annexed to a city with more than 100,000 residents is
33 inhabited and is located in a county with a population of over
34 4,000,000, the commission, not more than 30 days after conclusion
35 of the hearing, shall make a finding regarding the value of written
36 protests filed and not withdrawn and shall take one of the following
37 actions:

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

1 (b) Order the change of organization or reorganization subject
2 to confirmation by the registered voters residing within the affected
3 territory, and request the city council to call a special election and
4 submit to the voters residing within the affected territory the
5 question of whether it shall be annexed to the city, if written
6 protests have been filed and not withdrawn by either of the
7 following:

8 (1) At least 15 percent of the registered voters residing within
9 the affected territory.

10 (2) At least 15 percent of the number of owners of land who
11 also own not less than 15 percent of the total assessed value of
12 land within the affected territory.

13 (c) Order the territory annexed without an election if
14 subdivisions (a) and (b) do not apply.

15 ~~SEC. 19.~~

16 *SEC. 17.* Section 57177.5 of the Government Code is amended
17 to read:

18 57177.5. In the case of elections on an order of consolidation
19 of cities or districts, the commission shall take one of the following
20 actions:

21 (a) Execute a certificate of completion confirming the order of
22 consolidation if, within the territory of each city or district ordered
23 to be consolidated, a majority of the votes cast on the question
24 favored the consolidation.

25 (b) Execute a certificate of termination of proceedings if, in one
26 of the cities or districts ordered to be consolidated, the votes cast
27 in favor of consolidation did not constitute a majority.

28 ~~SEC. 20.~~

29 *SEC. 18.* Section 57179 of the Government Code is amended
30 to read:

31 57179. The commission shall execute a certificate of
32 termination of proceedings if the votes cast in favor of the change
33 of organization or reorganization do not constitute a majority.