

AMENDED IN ASSEMBLY JANUARY 3, 2000

AMENDED IN ASSEMBLY MAY 13, 1999

AMENDED IN ASSEMBLY APRIL 26, 1999

AMENDED IN ASSEMBLY APRIL 7, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 185

Introduced by Assembly Member Hertzberg

January 21, 1999

~~An act to add Article 7.5 (commencing with Section 9147.5) to Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government Code, relating to government programs, and making an appropriation therefor. An act to amend Section 56375 of, to amend the headings of Chapter 4 (commencing with Section 56800) and Chapter 5 (commencing with Section 56825) of Part 3 of Division 3 of Title 5 of, to amend, renumber, and add Section 56800 of, to add Sections 56655, 56657, 56658, 56660, 56661, 56662, 56663, 56664, 56665, 56666, 56667, 56668, and 56803 to, to add Chapter 3 (commencing with Section 56720) to, to add a heading as Article 1 (commencing with Section 56800) to Chapter 4 of, and a heading as Article 1 (commencing with Section 56825) to Chapter 5 of, to add Article 2 (commencing with 56810) to Chapter 4 of, Article 3 (commencing with Section 56815) to Chapter 4 of, Article 2 (commencing with Section 56860) to Chapter 5 of, Article 3 (commencing with Section 56865) to Chapter 5 of, Article 4 (commencing with Section 56870) to Chapter 5 of, Article 5~~



(commencing with Section 56875) to Chapter 5 of, and Chapter 6 (commencing with Section 56880) to, Part 3 of Division 3 of Title 5 of, to repeal Sections 56108, 56109, 56110, 56111, 56111.1, 56111.5, 56111.6, 56111.7, 56111.9, 56111.10, 56111.11, 56111.12, 56111.13, 56111.14, 56112, 56113, 56114, 56375.1, 56375.4, 56375.45, 56656, 56700.3, 56700.5, 56701, 56702, 56800.3, 56827.5, 56828.5, 56833.1, 56833.3, 56833.5, 56839.1, 56840.5, 56842.2, 56842.5, 56842.6, 56842.7, 56844.1, 56844.2, 56848.3, 56848.5, 56852.3, 56852.5, 56856, 56857, 56858, and 56859 of, to repeal the headings of Chapter 5 (commencing with Section 56450) of Part 2 of, Chapter 6 (commencing with Section 56475) of Part 2 of, Chapter 3 (commencing with Section 56750) of Part 3 of, Division 3 of Title 5 of, and to repeal and add Sections 56801, 56802, 56826, 56827, 56828, 56829, 56830, 56831, 56832, 56833, 56834, 56835, 56836, 56837, 56838, 56839, 56840, 56841, 56842, 56843, 56844, 56845, 56846, 56847, 56849, 56850, 56851, 56852, 56853, 56854, and 56855 of, the Government Code, and to amend Section 99 of the Revenue and Taxation Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 185, as amended, Hertzberg. ~~Governmental—agency performance reports~~ Local government formation.

Under existing law, the Cortese-Knox Local Government Reorganization Act of 1985, the local agency formation commission in each county reviews and approves or disapproves proposals for changes of organization or reorganization of cities and districts within the county.

This bill would reorganize and recast these provisions of law.

~~Under existing law, the Legislative Analyst, operating under the authority of the Joint Legislative Budget Committee, provides to the Legislature fiscal analyses of the annual State Budget and other subjects.~~

~~This bill would create the California Local Government Report Card Advisory Board consisting of 15 appointed members with certain qualifications. The bill would require the advisory board to select at least 3 locally administered programs from designated categories for performance~~

~~measurement and to transmit to the Legislature on or before July 1, 2001, a performance measurement report, including specified criteria, for each selected program. The bill would require the Office of Planning and Research to select and oversee an agency to perform research and prepare reports on the programs selected.~~

~~This bill would appropriate \$100,000 from the General Fund to the Office of Planning and Research for the purposes of the bill.~~

~~Vote: $\frac{2}{3}$ majority. Appropriation: yes no. Fiscal committee: yes. State-mandated local program: no.~~

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

1 ~~SECTION 1. Article 7.5 (commencing with Section~~
2 ~~SECTION 1. Section 56108 of the Government Code~~
3 ~~is repealed.~~

4 ~~56108. (a) No tidelands or submerged lands, as~~
5 ~~defined in subdivision (g), which are owned by the state~~
6 ~~or by its grantees in trust shall be incorporated into, or~~
7 ~~annexed to, a city, except lands which may be approved~~
8 ~~by the State Lands Commission.~~

9 ~~(b) If those tidelands or submerged lands are included~~
10 ~~within the boundaries of any territory proposed to be~~
11 ~~incorporated into, or annexed to, a city, a description of~~
12 ~~the boundaries, together with a map showing the~~
13 ~~boundaries, shall be filed with the State Lands~~
14 ~~Commission by the proponents of the incorporation or~~
15 ~~annexation. The filing with the State Lands Commission~~
16 ~~shall be made prior to the executive officer issuing a~~
17 ~~certificate of filing for the proposal.~~

18 ~~(c) The State Lands Commission shall approve or~~
19 ~~disapprove all portions of the boundaries located upon~~
20 ~~the tidelands or submerged lands. In making that~~
21 ~~determination, it shall, where feasible and appropriate,~~
22 ~~require any extensions of land boundaries of the city or~~
23 ~~proposed city to be at right angles to the general direction~~
24 ~~of the shoreline at each point of intersection of the~~
25 ~~shoreline with the land boundaries of the city or proposed~~
26 ~~city. However, in the interest of ensuring an orderly and~~



1 equitable pattern of offshore boundaries, the State Lands
2 Commission may establish angles and other courses for
3 each offshore boundary it deems necessary considering
4 any irregularity of the shoreline, other geographical
5 features, the effect of incorporation or annexation of the
6 offshore or submerged lands on the uplands of the city, or
7 proposed city, and adjoining territory, and the existing
8 and potential boundaries of other cities and of
9 unincorporated communities.

10 (d) Within 45 days after the filing of the boundary
11 description and map with the State Lands Commission,
12 the State Lands Commission shall make a determination
13 of the proper offshore or submerged lands boundaries.
14 That determination shall be final and conclusive. If the
15 State Lands Commission does not make the
16 determination within that time, the proposed offshore or
17 submerged lands boundaries shall be deemed approved.

18 (e) The State Lands Commission shall report its
19 determination to the executive officer and to each
20 affected city, affected county, affected district, or person,
21 if any, that has filed the boundary description and map.
22 Thereafter, filings and action may be taken pursuant to
23 this part.

24 (f) The local agency formation commission may
25 review and make determinations as to all portions of the
26 boundaries, other than those offshore or submerged lands
27 boundaries.

28 (g) “Submerged lands,” as used in this section,
29 includes, but is not limited to, lands underlying navigable
30 waters which are in sovereign ownership of the state
31 whether or not those waters are subject to tidal
32 influences.

33 *SEC. 2. Section 56109 of the Government Code is*
34 *repealed.*

35 56109. Unless otherwise determined by the
36 commission pursuant to subdivision (o) of Section 56375,
37 territory shall not be incorporated into, or annexed to, a
38 city pursuant to this division if, as a result of that
39 incorporation or annexation, unincorporated territory is
40 completely surrounded by that city or by territory of that



1 ~~city on one or more sides and the Pacific Ocean on the~~
2 ~~remaining sides.~~

3 ~~SEC. 3. Section 56110 of the Government Code is~~
4 ~~repealed.~~

5 ~~56110. Territory may not be annexed to a city unless~~
6 ~~it is located in the same county. Unless otherwise~~
7 ~~provided in this division, territory may not be annexed to~~
8 ~~a city unless it is contiguous to the city at the time the~~
9 ~~proposal is initiated pursuant to this part. Territory~~
10 ~~incorporated as a city shall be located within one county~~
11 ~~and, except as otherwise provided in Section 56111, shall~~
12 ~~be contiguous with all other territory being incorporated~~
13 ~~as a city.~~

14 ~~SEC. 4. Section 56111 of the Government Code is~~
15 ~~repealed.~~

16 ~~56111. Notwithstanding Section 56110, upon approval~~
17 ~~of the commission a city may annex noncontiguous~~
18 ~~territory not exceeding 300 acres in area, which is located~~
19 ~~in the same county as that in which the city is situated, and~~
20 ~~which is owned by the city and is being used for municipal~~
21 ~~purposes at the time commission proceedings are~~
22 ~~initiated. If, after the completion of the annexation, the~~
23 ~~city sells that territory or any part of that territory, all of~~
24 ~~the territory which is no longer owned by the city shall~~
25 ~~cease to be a part of the city. Territory which is used by~~
26 ~~a city for reclamation, disposal, and storage of treated~~
27 ~~waste water may be annexed to the city pursuant to this~~
28 ~~section without limitation as to the size of the area~~
29 ~~encompassed within the territory so annexed.~~

30 ~~If territory is annexed pursuant to this section, the~~
31 ~~annexing city may not annex any territory not owned by~~
32 ~~the city and not contiguous to the city, although the~~
33 ~~territory is contiguous to the territory annexed pursuant~~
34 ~~to this section.~~

35 ~~Notwithstanding any other provision of this section, a~~
36 ~~city which annexes territory pursuant to this section may~~
37 ~~annex additional territory in the same county as that in~~
38 ~~which the city is situated which is owned by the United~~
39 ~~States government or the State of California and which is~~
40 ~~contiguous to the first annexed territory if the total~~



1 acreage of the first annexed and the subsequently
2 annexed territory together does not exceed 300 acres in
3 area. If after the completion of the subsequent
4 annexation, the city sells all or any part of the
5 first annexed territory, the subsequently annexed
6 territory shall cease to be part of the city if the
7 subsequently annexed territory is no longer contiguous to
8 territory owned by the city.

9 When territory ceases to be part of a city pursuant to
10 this section, the legislative body of the city shall adopt a
11 resolution confirming the detachment. The resolution
12 shall describe the detached territory and shall be
13 accompanied by a map indicating the territory.
14 Immediately upon adoption of the resolution, the city
15 clerk shall make any filing required by Chapter 8
16 (commencing with Section 57200).

17 If territory annexed to a city pursuant to this section
18 becomes contiguous to the city, the limitations imposed
19 by this section shall cease to apply.

20 *SEC. 5. Section 56111.1 of the Government Code is*
21 *repealed:*

22 56111.1. (a) Notwithstanding Section 56110, upon
23 approval of the commission, the City of Soledad may
24 annex noncontiguous territory of not more than 1,000
25 acres in area, located in the County of Monterey and
26 which constitutes a state correctional training facility. If,
27 after the completion of the annexation, the State of
28 California sells that territory or any part thereof, all of that
29 territory which is no longer owned by the state shall cease
30 to be a part of the City of Soledad.

31 (b) If territory is annexed pursuant to this section, the
32 city may not annex any territory not owned by the State
33 of California and not contiguous to the city although that
34 territory is contiguous to the territory annexed pursuant
35 to this section.

36 (c) When territory ceases to be part of the city
37 pursuant to this section, the legislative body of the city
38 shall adopt a resolution confirming the detachment of
39 that territory from the city. The resolution shall describe
40 the detached territory and shall be accompanied by a



1 ~~map indicating the territory. Immediately upon adoption~~
2 ~~of the resolution, the city clerk shall make any filing~~
3 ~~provided for by Chapter 8 (commencing with Section~~
4 ~~57200) of Part 4 of Division 3.~~

5 ~~(d) If territory annexed to the City of Soledad~~
6 ~~pursuant to this section becomes contiguous to the city,~~
7 ~~the limitations imposed by this section shall cease to~~
8 ~~apply.~~

9 ~~(e) The City of Soledad may enter into an agreement~~
10 ~~with any other city under which the city apportions any~~
11 ~~increase in state subventions resulting from the~~
12 ~~annexation of territory pursuant to this section.~~

13 ~~SEC. 6. Section 56111.5 of the Government Code is~~
14 ~~repealed.~~

15 ~~56111.5. (a) Notwithstanding Section 56110, upon~~
16 ~~approval of the commission a city may annex~~
17 ~~noncontiguous territory not exceeding 3,100 acres in area,~~
18 ~~which is located in the same county as that in which the~~
19 ~~city is situated, and which is owned by the city and is~~
20 ~~being used for municipal water purposes at the time~~
21 ~~preliminary proceedings are initiated pursuant to Part 3~~
22 ~~(commencing with Section 56650). If, after the~~
23 ~~completion of the annexation, the city sells that territory~~
24 ~~or any part thereof, all of that territory which is no longer~~
25 ~~owned by the city shall cease to be a part of the city.~~

26 ~~(b) If territory is annexed pursuant to this section, the~~
27 ~~annexing city may not annex any territory not owned by~~
28 ~~it and not contiguous to it although that territory is~~
29 ~~contiguous to the territory annexed pursuant to this~~
30 ~~section.~~

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



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

4 ~~(e) If territory is annexed pursuant to this section, it~~
5 ~~shall be used only for municipal water purposes. The city~~
6 ~~may, however, enter into agreements to lease the land for~~
7 ~~timber production or grazing by animals. If the territory~~
8 ~~is used by the city for any other purpose at any time, it~~
9 ~~shall cease to be a part of the city.~~

10 ~~(f) This section applies only to the City of Willits.~~

11 *SEC. 7. Section 56111.6 of the Government Code is*
12 *repealed.*

13 ~~56111.6. (a) Notwithstanding Section 56110, upon~~
14 ~~approval of the commission, the City of Blythe may annex~~
15 ~~noncontiguous territory of not more than 1,800 acres in~~
16 ~~area, located in the County of Riverside and which~~
17 ~~constitutes a state correctional facility. If, after the~~
18 ~~completion of the annexation, the State of California sells~~
19 ~~that territory or any part thereof, all of that territory~~
20 ~~which is no longer owned by the state shall cease to be a~~
21 ~~part of the City of Blythe.~~

22 ~~(b) If territory is annexed pursuant to this section, the~~
23 ~~city may not annex any territory not owned by the State~~
24 ~~of California and not contiguous to the city although that~~
25 ~~territory is contiguous to the territory annexed pursuant~~
26 ~~to this section.~~

27 ~~(c) When territory ceases to be part of the city~~
28 ~~pursuant to this section, the legislative body of the city~~
29 ~~shall adopt a resolution confirming the detachment of~~
30 ~~that territory from the city. The resolution shall describe~~
31 ~~the detached territory and shall be accompanied by a~~
32 ~~map indicating the territory. Immediately upon adoption~~
33 ~~of the resolution, the city clerk shall make any filing~~
34 ~~provided for by Chapter 8 (commencing with Section~~
35 ~~57200) of Part 4 of Division 3.~~

36 ~~(d) If territory annexed to the City of Blythe pursuant~~
37 ~~to this section becomes contiguous to the city, the~~
38 ~~limitations imposed by this section shall cease to apply.~~

39 ~~(e) The City of Blythe may enter into an agreement~~
40 ~~with any other city under which the city apportions any~~



1 ~~increase in state subventions resulting from the~~
2 ~~annexation of territory pursuant to this section.~~

3 *SEC. 8. Section 56111.7 of the Government Code is*
4 *repealed.*

5 ~~56111.7. (a) Notwithstanding Section 56110, upon~~
6 ~~approval of the commission, the City of Susanville may~~
7 ~~annex noncontiguous territory of not more than 1,400~~
8 ~~acres in area, located in the County of Lassen and which~~
9 ~~constitutes a state correctional facility. If, after the~~
10 ~~completion of the annexation, the State of California sells~~
11 ~~that territory or any part thereof, all of that territory~~
12 ~~which is no longer owned by the state shall cease to be a~~
13 ~~part of the City of Susanville.~~

14 ~~(b) If territory is annexed pursuant to this section, the~~
15 ~~city may not annex any territory not owned by the State~~
16 ~~of California and not contiguous to the city although that~~
17 ~~territory is contiguous to the territory annexed pursuant~~
18 ~~to this section.~~

19 ~~(c) When territory ceases to be part of the city~~
20 ~~pursuant to this section, the legislative body of the city~~
21 ~~shall adopt a resolution confirming the detachment of~~
22 ~~that territory from the city. The resolution shall describe~~
23 ~~the detached territory and shall be accompanied by a~~
24 ~~map indicating the territory. Immediately upon adoption~~
25 ~~of the resolution, the city clerk shall make any filing~~
26 ~~provided for by Chapter 8 (commencing with Section~~
27 ~~57200) of Part 4 of Division 3.~~

28 ~~(d) If territory annexed to the City of Susanville~~
29 ~~pursuant to this section becomes contiguous to the city,~~
30 ~~the limitations imposed by this section shall cease to~~
31 ~~apply.~~

32 ~~(e) The City of Susanville may enter into an~~
33 ~~agreement with any other city under which the city~~
34 ~~apportions any increase in state subventions resulting~~
35 ~~from the annexation of territory pursuant to this section.~~

36 *SEC. 9. Section 56111.9 of the Government Code is*
37 *repealed.*

38 ~~56111.9. (a) Notwithstanding Section 56110, upon~~
39 ~~approval of the commission, the City of Calipatria may~~
40 ~~annex noncontiguous territory of not more than 1,300~~



1 acres in area, located in the County of Imperial and which
2 constitutes a state correctional facility. If, after the
3 completion of the annexation, the State of California sells
4 that territory or any part thereof, all of that territory
5 which is no longer owned by the state shall cease to be a
6 part of the City of Calipatria.

7 (b) If territory is annexed pursuant to this section, the
8 city may not annex any territory not owned by the State
9 of California and not contiguous to the city although that
10 territory is contiguous to the territory annexed pursuant
11 to this section.

12 (c) When territory ceases to be part of the city
13 pursuant to this section, the legislative body of the city
14 shall adopt a resolution confirming the detachment of
15 that territory from the city. The resolution shall describe
16 the detached territory and shall be accompanied by a
17 map indicating the territory. Immediately upon adoption
18 of the resolution, the city clerk shall make any filing
19 provided for by Chapter 8 (commencing with Section
20 57200) of Part 4 of Division 3.

21 (d) If territory annexed to the City of Calipatria
22 pursuant to this section becomes contiguous to the city,
23 the limitations imposed by this section shall cease to
24 apply.

25 (e) The City of Calipatria may enter into an
26 agreement with any other city under which the city
27 apportions any increase in state subventions resulting
28 from the annexation of territory pursuant to this section.

29 *SEC. 10. Section 56111.10 of the Government Code is*
30 *repealed.*

31 56111.10. (a) Notwithstanding Section 56110, upon
32 approval of the commission, Crescent City may annex
33 noncontiguous territory of not more than 300 acres in
34 area, located in the County of Del Norte and which
35 constitutes a state correctional facility. If, after the
36 completion of the annexation, the State of California sells
37 that territory or any part thereof, all of the territory which
38 is no longer owned by the state shall cease to be a part of
39 Crescent City.



1 ~~(b) If territory is annexed pursuant to this section, the~~
2 ~~city may not annex any territory not owned by the State~~
3 ~~of California and not contiguous to the city although that~~
4 ~~territory is contiguous to the territory annexed pursuant~~
5 ~~to this section.~~

6 ~~(c) When territory ceases to be part of the city~~
7 ~~pursuant to this section, the legislative body of the city~~
8 ~~shall adopt a resolution confirming the detachment of~~
9 ~~that territory from the city. The resolution shall describe~~
10 ~~the detached territory and shall be accompanied by a~~
11 ~~map indicating the territory. Immediately upon adoption~~
12 ~~of the resolution, the city clerk shall make any filing~~
13 ~~provided for by Chapter 8 (commencing with Section~~
14 ~~57200) of Part 4 of Division 3.~~

15 ~~(d) If territory annexed to Crescent City pursuant to~~
16 ~~this section becomes contiguous to the city, the~~
17 ~~limitations imposed by this section shall cease to apply.~~

18 ~~(e) Crescent City may enter into an agreement with~~
19 ~~any other city under which the city apportions any~~
20 ~~increase in state subventions resulting from the~~
21 ~~annexation of territory pursuant to this section.~~

22 *SEC. 11. Section 56111.11 of the Government Code is*
23 *repealed.*

24 ~~56111.11. (a) Notwithstanding Section 56110, upon~~
25 ~~approval of the commission, the City of El Centro or the~~
26 ~~City of Imperial may annex noncontiguous territory of~~
27 ~~not more than 1,960 acres in area, located in the County~~
28 ~~of Imperial and which constitutes a state correctional~~
29 ~~facility. If, after the completion of the annexation, the~~
30 ~~State of California sells that territory or any part thereof,~~
31 ~~all of that territory which is no longer owned by the state~~
32 ~~shall cease to be a part of that city.~~

33 ~~(b) If territory is annexed pursuant to this section, the~~
34 ~~city may not annex any territory not owned by the State~~
35 ~~of California and not contiguous to the city although that~~
36 ~~territory is contiguous to the territory annexed pursuant~~
37 ~~to this section.~~

38 ~~(c) When territory ceases to be part of the city~~
39 ~~pursuant to this section, the legislative body of the city~~
40 ~~shall adopt a resolution confirming the detachment of~~



1 ~~that territory from the city. The resolution shall describe~~
2 ~~the detached territory and shall be accompanied by a~~
3 ~~map indicating the territory. Immediately upon adoption~~
4 ~~of the resolution, the city clerk shall make any filing~~
5 ~~provided for by Chapter 8 (commencing with Section~~
6 ~~57200) of Part 4 of Division 3.~~

7 ~~(d) If territory annexed to the City of El Centro or the~~
8 ~~City of Imperial pursuant to this section becomes~~
9 ~~contiguous to the city, the limitations imposed by this~~
10 ~~section shall cease to apply.~~

11 ~~(e) In any commission order giving approval to an~~
12 ~~annexation pursuant to this section, the commission may~~
13 ~~require, as a condition of that approval, that the City of~~
14 ~~El Centro or the City of Imperial enter into an agreement~~
15 ~~with the other city under which the city apports any~~
16 ~~increase in state subventions resulting from the~~
17 ~~annexation of territory pursuant to this section.~~

18 *SEC. 12. Section 56111.12 of the Government Code is*
19 *repealed.*

20 ~~56111.12. (a) Notwithstanding Section 56110, upon~~
21 ~~approval of the commission, the City of Chowehilla may~~
22 ~~annex noncontiguous territory of not more than 1,280~~
23 ~~acres in size located in the County of Madera and which~~
24 ~~constitutes state correctional facilities. If, after~~
25 ~~completion of the annexation, the State of California sells~~
26 ~~that territory or any part thereof, all of the territory that~~
27 ~~is no longer owned by the state shall cease to be part of~~
28 ~~the City of Chowehilla.~~

29 ~~(b) If territory is annexed pursuant to this section, the~~
30 ~~city may not annex any territory not owned by the State~~
31 ~~of California and not contiguous to the city although that~~
32 ~~territory is contiguous to the territory annexed pursuant~~
33 ~~to this section.~~

34 ~~(c) When territory ceases to be part of the city~~
35 ~~pursuant to this section, the legislative body of the city~~
36 ~~shall adopt a resolution confirming the detachment of~~
37 ~~that territory from the city. The resolution shall describe~~
38 ~~the detached territory and shall be accompanied by a~~
39 ~~map indicating the territory. Immediately upon adoption~~
40 ~~of the resolution, the city clerk shall make any filing~~



1 ~~provided for by Chapter 8 (commencing with Section~~
2 ~~57200) of Part 4 of Division 3.~~

3 ~~(d) If territory annexed to the City of Chowchilla~~
4 ~~pursuant to this section becomes contiguous to the city,~~
5 ~~the limitations imposed by this section shall cease to~~
6 ~~apply.~~

7 *SEC. 13. Section 56111.13 of the Government Code is*
8 *repealed.*

9 ~~56111.13. (a) Notwithstanding Section 56110, upon~~
10 ~~approval of the commission, the City of Tehachapi may~~
11 ~~annex noncontiguous territory of not more than 1,680~~
12 ~~acres in area, that is located in the County of Kern, and~~
13 ~~that constitutes a correctional facility. If, after the~~
14 ~~completion of the annexation, the State of California sells~~
15 ~~that territory, or any part thereof, all of the territory that~~
16 ~~is no longer owned by the state shall cease to be part of~~
17 ~~the City of Tehachapi.~~

18 ~~(b) If territory is annexed to the City of Tehachapi~~
19 ~~pursuant to this section, the city may not annex any~~
20 ~~territory not owned by the state and not contiguous to the~~
21 ~~city although that territory is contiguous to the territory~~
22 ~~annexed pursuant to this section.~~

23 ~~(c) When territory ceases to be part of the city~~
24 ~~pursuant to this section, the legislative body of the city~~
25 ~~shall adopt a resolution confirming the detachment of~~
26 ~~that territory from the city. The resolution shall describe~~
27 ~~the detached territory, and shall be accompanied by a~~
28 ~~map indicating the territory. Immediately upon adoption~~
29 ~~of the resolution, the city clerk shall make any filing~~
30 ~~provided for by Chapter 8 (commencing with Section~~
31 ~~57200) of Part 4.~~

32 ~~(d) If the territory annexed to the City of Tehachapi~~
33 ~~pursuant to this section becomes contiguous to the city,~~
34 ~~the limitations imposed by this section shall cease to~~
35 ~~apply.~~

36 ~~(e) The City of Tehachapi may enter into an~~
37 ~~agreement with any other city under which the City of~~
38 ~~Tehachapi apportions any increase in state subventions~~
39 ~~resulting from the annexation of territory pursuant to this~~
40 ~~section.~~



1 *SEC. 14. Section 56111.14 of the Government Code is*
2 *repealed.*

3 ~~56111.14. (a) Notwithstanding Section 56110, upon~~
4 ~~approval of the commission, the City of Coalinga may~~
5 ~~annex noncontiguous territory of not more than 640 acres~~
6 ~~in area, which territory is located in the County of Fresno~~
7 ~~and constitutes a correctional facility. If, after the~~
8 ~~completion of the annexation, the State of California sells~~
9 ~~that territory, or any part thereof, all of the territory that~~
10 ~~is no longer owned by the state shall cease to be part of~~
11 ~~the City of Coalinga.~~

12 ~~(b) If territory is annexed to the City of Coalinga~~
13 ~~pursuant to this section, the city may not annex any~~
14 ~~territory not owned by the state and not contiguous to the~~
15 ~~city although that territory is contiguous to the territory~~
16 ~~annexed pursuant to this section.~~

17 ~~(c) When territory ceases to be part of the city~~
18 ~~pursuant to this section, the legislative body of the city~~
19 ~~shall adopt a resolution confirming the detachment of~~
20 ~~that territory from the city. The resolution shall describe~~
21 ~~the detached territory, and shall be accompanied by a~~
22 ~~map indicating the territory. Immediately upon adoption~~
23 ~~of the resolution, the city clerk shall make any filing~~
24 ~~provided for by Chapter 8 (commencing with Section~~
25 ~~57200) of Part 4.~~

26 ~~(d) If the territory annexed to the City of Coalinga~~
27 ~~pursuant to this section becomes contiguous to the city,~~
28 ~~the limitations imposed by this section shall cease to~~
29 ~~apply.~~

30 ~~(e) The City of Coalinga may enter into an agreement~~
31 ~~with any other city or the County of Fresno under which~~
32 ~~the City of Coalinga apportions any increase in state~~
33 ~~subventions resulting from the annexation of territory~~
34 ~~pursuant to this section.~~

35 *SEC. 15. Section 56112 of the Government Code is*
36 *repealed.*

37 ~~56112. If authorized by the commission pursuant to~~
38 ~~subdivision (d) of Section 56375, unless the conducting~~
39 ~~authority terminates the proceedings as provided in~~



1 ~~Section 57080, the conducting authority shall order~~
2 ~~annexation of the territory without an election.~~

3 *SEC. 16. Section 56113 of the Government Code is*
4 *repealed.*

5 ~~56113. (a) The authority to initiate, conduct, and~~
6 ~~complete any proceeding pursuant to Section 56112 does~~
7 ~~not apply to any territory which, after January 1, 1978,~~
8 ~~became surrounded or substantially surrounded by the~~
9 ~~city to which annexation is proposed. The authority to~~
10 ~~initiate, conduct, and complete any proceeding pursuant~~
11 ~~to Section 56112 shall expire January 1, 1988. The period~~
12 ~~of time between January 1, 1978, and January 1, 1988, shall~~
13 ~~not include any period of time during which, in an action~~
14 ~~pending in any court, a local agency is enjoined from~~
15 ~~conducting proceedings pursuant to Section 56112. Upon~~
16 ~~final disposition of that case, the previously enjoined local~~
17 ~~agency may initiate, conduct, and complete proceedings~~
18 ~~pursuant to Section 56112 for the same period of time as~~
19 ~~was remaining under that 10-year limit at the time the~~
20 ~~injunction commenced. However, if the remaining time~~
21 ~~is less than six months, that authority shall continue for six~~
22 ~~months following final disposition of the action.~~

23 ~~(b) No new proposal involving the same or~~
24 ~~substantially the same territory as a proposal initiated~~
25 ~~pursuant to Section 56112 after January 1, 1984, shall be~~
26 ~~initiated for two years after the date of adoption by the~~
27 ~~commission or by the conducting authority of a resolution~~
28 ~~terminating proceedings.~~

29 *SEC. 17. Section 56114 of the Government Code is*
30 *repealed.*

31 ~~56114. (a) Notwithstanding Section 56031,~~
32 ~~unincorporated territory consisting of property abutting~~
33 ~~on a street, highway, or road, and the street, highway, or~~
34 ~~road, to the extent that it abuts that property, together~~
35 ~~with the road strip may be annexed to a city pursuant to~~
36 ~~this division under the following conditions:~~

37 ~~(1) The annexation may be made only if the property~~
38 ~~to be annexed is within the sphere of influence of the~~
39 ~~annexing city, as adopted by the commission, and lies~~
40 ~~within an unincorporated area wholly surrounded by the~~



1 ~~annexing city or the annexing city and the county line or~~
2 ~~the annexing city and the Pacific Ocean or the annexing~~
3 ~~city and a boundary of another city.~~

4 ~~(2) The property to be annexed shall not be annexed~~
5 ~~if the distance between the boundary of the annexing city~~
6 ~~and the point closest to the annexing city at which the~~
7 ~~road strip connects with the abutting property, as~~
8 ~~measured by the road strip, is more than one-half mile.~~

9 ~~(b) Subsequent annexations to the road strip and~~
10 ~~abutting territory shall not be made unless both of the~~
11 ~~following conditions are met:~~

12 ~~(1) The distance between the point at which the~~
13 ~~original road strip abuts the boundary of the annexing city~~
14 ~~and the point closest to the city at which the road strip~~
15 ~~connects with the abutting property to be annexed, as~~
16 ~~measured by the road strip, is one-half mile or less.~~

17 ~~(2) The annexation is contiguous to the road strip.~~

18 ~~(e) As used in this section:~~

19 ~~(1) "Property to be annexed" means the property~~
20 ~~abutting on a street, highway, or road, and the street,~~
21 ~~highway, or road, to the extent it abuts the property.~~

22 ~~(2) "Road strip" means the street, highway, or road~~
23 ~~which connects the territory of the property to be~~
24 ~~annexed to the annexing city.~~

25 ~~(d) This section applies only to the City of Cupertino.~~

26 *SEC. 18. Section 56375 of the Government Code is*
27 *amended to read:*

28 56375. The commission shall have all of the following
29 powers and duties subject to any limitations upon its
30 jurisdiction set forth in this part:

31 (a) To review and approve or disapprove with or
32 without amendment, wholly, partially, or conditionally,
33 proposals for changes of organization or reorganization.
34 Effective July 1, 1994, the commission may initiate
35 proposals for (1) consolidation of districts, as defined in
36 Section 56036, (2) dissolution, (3) merger, or (4)
37 establishment of a subsidiary district, or a reorganization
38 that includes any of these changes of organization. A
39 commission shall have the authority to initiate only a (1)
40 consolidation of districts, (2) dissolution, (3) merger, (4)



1 establishment of a subsidiary district, or (5) a
2 reorganization that includes any of these changes of
3 organization, if that change of organization or
4 reorganization is consistent with a recommendation or
5 conclusion of a study prepared pursuant to Section 56378
6 or 56425. However, a commission shall not have the
7 power to disapprove an annexation to a city, initiated by
8 resolution, of contiguous territory that the commission
9 finds is any of the following:

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

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

23 (3) An annexation or reorganization of
24 unincorporated islands meeting the requirements of
25 subdivision (d).

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

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



1 the commission shall not specify how, or in what manner,
2 the territory shall be prezoned.

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

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

14 ~~(d) To approve the annexation to a city after notice
15 and hearing, and authorize the conducting authority to
16 order annexation of the territory without an election, or
17 waive the conducting authority proceedings if the
18 annexation meets the requirements of this subdivision
19 and is proposed by resolution adopted by the affected
20 city, if the commission finds that the territory contained
21 in an annexation proposal meets all of the following
22 requirements:~~

23 ~~(1) It does not exceed 75 acres in area, that area
24 constitutes the entire island, and that island does not
25 constitute a part of an unincorporated area that is more
26 than 100 acres in area.~~

27 ~~(2) The territory constitutes an entire unincorporated
28 island located within the limits of a city, or constitutes a
29 reorganization containing a number of individual
30 unincorporated islands.~~

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

32 ~~(A) Surrounded, or substantially surrounded, by the
33 city to which annexation is proposed or by the city and a
34 county boundary or the Pacific Ocean.~~

35 ~~(B) Surrounded by the city to which annexation is
36 proposed and adjacent cities.~~

37 ~~(C) This subdivision shall not be construed to apply to
38 any unincorporated island within a city that is a gated
39 community where services are currently provided by a
40 community services district.~~



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

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

12 ~~(A) The availability of public utility services.~~

13 ~~(B) The presence of public improvements.~~

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

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

18 ~~(6) It will benefit from the annexation or is receiving~~
19 ~~benefits from the annexing city.~~

20 ~~Notwithstanding any other provision of this~~
21 ~~subdivision, this subdivision shall not apply to all or any~~
22 ~~part of that portion of the redevelopment project area~~
23 ~~referenced in subdivision (e) of Section 33492.41 of the~~
24 ~~Health and Safety Code that as of January 1, 2000, that~~
25 ~~meets all of the following requirements: is~~
26 ~~unincorporated territory; contains at least 100 acres; is~~
27 ~~surrounded or substantially surrounded by incorporated~~
28 ~~territory; and contains at least 100 acres zoned for~~
29 ~~commercial or industrial uses or is designated on the~~
30 ~~applicable county general plan for commercial or~~
31 ~~industrial uses.~~

32 ~~(e) To approve the annexation of unincorporated,~~
33 ~~noncontiguous territory, subject to the limitations of~~
34 ~~Section 56111, located in the same county as that in which~~
35 ~~the city is located, and that is owned by a city and used for~~
36 ~~municipal purposes and to authorize the conducting~~
37 ~~authority to annex the territory without notice and~~
38 ~~hearing.~~



1 ~~(f) Subject to Section 56029, to designate in the~~
2 ~~resolution making determinations the conducting~~
3 ~~authority for proceedings.~~

4 ~~(g) When a change of organization or a reorganization~~
5 ~~includes the annexation of inhabited territory to a city~~
6 ~~and the assessed value of land within the territory equals~~
7 ~~one-half or more of the assessed value of land within the~~
8 ~~city, or the number of registered voters residing within~~
9 ~~the territory equals one-half or more of the number of~~
10 ~~registered voters residing within the city, to determine as~~
11 ~~a condition of the proposal that the change of~~
12 ~~organization or reorganization shall also be subject to~~
13 ~~confirmation by the voters in an election to be called,~~
14 ~~held, and conducted within the territory of the city to~~
15 ~~which annexation is proposed.~~

16 (h) With respect to the incorporation of a new city or
17 the formation of a new special district, to determine the
18 number of registered voters residing within the proposed
19 city or special district. The number of registered voters
20 shall be calculated as of the time of the last report of voter
21 registration by the county clerk to the Secretary of State
22 prior to the date the first signature was affixed to the
23 petition. The executive officer shall notify the petitioners
24 of the number of registered voters resulting from this
25 calculation.

26 (i) To adopt written procedures for the evaluation of
27 proposals. The commission may adopt standards for any
28 of the factors enumerated in Section ~~56841~~ 56657. Any
29 standards adopted by the commission shall be written.

30 (j) To adopt standards and procedures for the
31 evaluation of service plans submitted pursuant to Section
32 56653 and the initiation of a change of organization or
33 reorganization pursuant to subdivision (a).

34 (k) To make and enforce regulations for the orderly
35 and fair conduct of hearings by the commission.

36 (l) To incur usual and necessary expenses for the
37 accomplishment of its functions.

38 (m) To appoint and assign staff personnel and to
39 employ or contract for professional or consulting services
40 to carry out and effect the functions of the commission.



1 (n) To review the boundaries of the territory involved
2 in any proposal with respect to the definiteness and
3 certainty of those boundaries, the nonconformance of
4 proposed boundaries with lines of assessment or
5 ownership, and other similar matters affecting the
6 proposed boundaries.

7 (o) To waive the restrictions of Section ~~56109~~ 56744 if
8 it finds that the application of the restrictions would be
9 detrimental to the orderly development of the
10 community and that the area that would be enclosed by
11 the annexation or incorporation is so located that it
12 cannot reasonably be annexed to another city or
13 incorporated as a new city.

14 (p) To waive the application of Section 25210.90 or
15 Section 22613 of the Streets and Highways Code if it finds
16 the application would deprive an area of a service needed
17 to ensure the health, safety, or welfare of the residents of
18 the area and if it finds that the waiver would not affect the
19 ability of a city to provide any service. However, within
20 60 days of the inclusion of the territory within the city, the
21 legislative body may adopt a resolution nullifying the
22 waiver.

23 (q) If the proposal includes the incorporation of a city,
24 as defined in Section 56043, or the formation of a district,
25 as defined in Section 2215 of the Revenue and Taxation
26 Code, the commission shall determine the property tax
27 revenue to be exchanged by the affected local agencies
28 pursuant to Section ~~56842~~ 56810.

29 (r) To authorize a city or district to provide new or
30 extended services outside its jurisdictional boundaries
31 pursuant to Section 56133.

32 *SEC. 19. Section 56375.1 of the Government Code is*
33 *repealed.*

34 ~~56375.1. The commission shall not approve or~~
35 ~~conditionally approve any proposal which includes an~~
36 ~~incorporation, unless the commission finds, based on the~~
37 ~~entire record, that:~~

38 ~~(a) The proposed incorporation is consistent with the~~
39 ~~intent of this division, including, but not limited to, the~~
40 ~~policies of Sections 56001, 56300, 56301, and 56377.~~



1 ~~(b) It has reviewed the spheres of influence of the~~
2 ~~affected local agencies and the incorporation is consistent~~
3 ~~with those spheres of influence.~~

4 ~~(c) It has reviewed the comprehensive fiscal analysis~~
5 ~~prepared pursuant to Section 56833.1 and the Controller's~~
6 ~~report prepared pursuant to Section 56833.3.~~

7 ~~(d) It has reviewed the executive officer's report and~~
8 ~~recommendation prepared pursuant to Section 56833,~~
9 ~~and the testimony presented at its public hearing.~~

10 ~~(e) The proposed city is expected to receive revenues~~
11 ~~sufficient to provide public services and facilities and a~~
12 ~~reasonable reserve during the three fiscal years following~~
13 ~~incorporation.~~

14 *SEC. 20. Section 56375.4 of the Government Code is*
15 *repealed.*

16 ~~56375.4. (a) The commission shall not approve or~~
17 ~~conditionally approve a change of organization or~~
18 ~~reorganization that would result in the annexation to a~~
19 ~~city of territory that is within a farmland security zone~~
20 ~~created pursuant to Article 7 (commencing with Section~~
21 ~~51296) of Chapter 7 of Division 1. However, this~~
22 ~~subdivision shall not apply under any of the following~~
23 ~~circumstances:~~

24 ~~(1) If the farmland security zone is located within a~~
25 ~~designated, delineated area that has been approved by~~
26 ~~the voters as a limit for existing and future urban facilities,~~
27 ~~utilities, and services.~~

28 ~~(2) If annexation of a parcel or a portion of a parcel is~~
29 ~~necessary for the location of a public improvement, as~~
30 ~~defined in Section 51290.5, except as provided in~~
31 ~~subdivision (f) or (g) of Section 51296.~~

32 ~~(3) If the landowner consents to the annexation.~~

33 ~~(b) The commission shall not approve or conditionally~~
34 ~~approve a change of organization or reorganization that~~
35 ~~would result in the annexation to a special district of~~
36 ~~territory that is within a farmland security zone created~~
37 ~~pursuant to Article 7 (commencing with Section 51296)~~
38 ~~of Chapter 7 of Division 1 if that special district provides~~
39 ~~or would provide facilities or services related to sewers,~~
40 ~~nonagricultural water, or streets and roads, unless the~~



1 facilities or services benefit land uses that are allowed
2 under the farmland security zone contract and the
3 landowner consents to the change of organization or
4 reorganization.

5 (e) This section shall not apply during the three-year
6 period preceding the termination of a farmland security
7 zone contract under Article 7 (commencing with Section
8 51296) of Chapter 7 of Division 1.

9 SEC. 21. Section 56375.45 of the Government Code is
10 repealed.

11 56375.45. Notwithstanding Sections 56300 and 56301,
12 the commission shall not disapprove a change of
13 organization or reorganization where the reason for
14 disapproval is that the farmland security zone is excluded
15 from the affected territory.

16 SEC. 22. The heading of Chapter 5 (commencing
17 with Section 56450) of Part 2 of Division 3 of Title 5 of the
18 Government Code is repealed.

19

20 CHAPTER 5. ~~SPECIAL DISTRICTS~~

21 SEC. 23. Chapter 6 (commencing with Section 56475)
22 of Part 2 of Division 3 of Title 5 of the Government Code
23 is repealed.

24 SEC. 24. Section 56655 is added to the Government
25 Code, to read:

26 56655. If two or more proposals pending before the
27 commission conflict or in any way are inconsistent with
28 each other, as determined by the commission, the
29 commission may determine the relative priority for
30 conducting any further proceedings based on any of those
31 proposals. That determination shall be included in the
32 terms and conditions imposed by the commission. In the
33 absence of that determination, priority is given to that
34 proceeding which shall be based upon the proposal first
35 filed with the executive officer.

36 SEC. 25. Section 56656 of the Government Code is
37 repealed.

38 56656. (a) Notwithstanding any other provision of
39 this division, proceedings for a special reorganization that
40 consists of the detachment of territory consisting of all of



1 the San Fernando Valley from the City of Los Angeles and
2 the incorporation of that entire detached territory as a
3 city shall be conducted pursuant to this section. In the
4 event of any conflict between this section and the
5 provisions of this division, this section shall prevail.

6 (b) There is created the Special Commission on Los
7 Angeles Boundaries, which shall consist of eight
8 members. Within three months from the date that funds
9 are appropriated for the implementation of this section,
10 the Governor shall appoint two members, the Speaker of
11 the Assembly shall appoint one member, and the Senate
12 Committee on Rules shall appoint one member to the
13 special commission from lists of nominees submitted by
14 community groups whose members reside within the San
15 Fernando Valley. Within three months from the date that
16 funds are appropriated for the implementation of this
17 section, the City Council of the City of Los Angeles shall
18 appoint four members to the special commission.

19 (c) Notwithstanding any other provision of this
20 division, or Section 7550.5, within nine months from the
21 date that funds are appropriated for the implementation
22 of this section, the special commission shall issue a report
23 with recommendations to the Local Agency Formation
24 Commission of the County of Los Angeles, the City
25 Council of the City of Los Angeles, the Board of
26 Supervisors of the County of Los Angeles, the Governor,
27 and the Legislature, regarding the feasibility and
28 desirability of a special reorganization that consists of the
29 detachment of territory consisting of all of the San
30 Fernando Valley from the City of Los Angeles and the
31 incorporation of that entire detached territory as a city.
32 The report shall include, but not be limited to, the
33 following:

34 (1) A comprehensive fiscal analysis that substantially
35 complies with Section 56833.1.

36 (2) The amount of property tax revenue that would be
37 exchanged pursuant to Section 56842.

38 (3) The provisional appropriations limit that would be
39 determined pursuant to Section 56842.6.



1 ~~(4) Any terms and conditions that would be imposed~~
2 ~~pursuant to Sections 56843, 56844, and 56845.~~

3 ~~(5) Any other matters that the special commission~~
4 ~~deems relevant.~~

5 ~~(d) A special reorganization may be initiated, the~~
6 ~~Local Agency Formation Commission of the County of~~
7 ~~Los Angeles may conduct commission proceedings for a~~
8 ~~special reorganization, the conducting authority may~~
9 ~~conduct proceedings, an election may be conducted, and~~
10 ~~a special reorganization may be completed before the~~
11 ~~special commission issues the report required pursuant to~~
12 ~~subdivision (e).~~

13 ~~(e) The special commission shall conduct public~~
14 ~~meetings to solicit the views and advice of the public,~~
15 ~~including elected and appointed local officials, regarding~~
16 ~~city organization and boundaries in the County of Los~~
17 ~~Angeles.~~

18 ~~(f) The special commission shall select a chair and vice~~
19 ~~chair from among its respective membership.~~

20 ~~(g) The members of the special commission shall be~~
21 ~~reimbursed for their actual and necessary expenses for~~
22 ~~attending the meetings of the special commission. The~~
23 ~~special commission may authorize a payment of a per~~
24 ~~diem not to exceed one hundred dollars (\$100) to the~~
25 ~~members of the special commission for each day while~~
26 ~~they are in attendance at meetings of the special~~
27 ~~commission. The per diem may be in addition to the~~
28 ~~reimbursement for actual and necessary expenses. The~~
29 ~~special commission may appoint employees, including~~
30 ~~counsel, define their qualifications and duties, and~~
31 ~~provide compensation for the performance of their~~
32 ~~duties. The special commission may contract with any~~
33 ~~other public or private agency for any services necessary~~
34 ~~to carry out the purposes of this section. The cost of the~~
35 ~~quarters, equipment, supplies, and operating expenses~~
36 ~~incurred by the special commission shall not be a county~~
37 ~~charge but shall be paid by the special commission.~~

38 ~~(h) As used in this section:~~



1 ~~(1) “San Fernando Valley” means the territory~~
2 ~~included within the San Fernando Valley Statistical Area,~~
3 ~~as defined in Section 11093.~~

4 ~~(2) “Special commission” means the Special~~
5 ~~Commission on Los Angeles Boundaries created pursuant~~
6 ~~to subdivision (b).~~

7 ~~(i) This section shall only be implemented to the~~
8 ~~extent that funds for that purpose are appropriated in the~~
9 ~~annual Budget Act.~~

10 *SEC. 26. Section 56657 is added to the Government*
11 *Code, to read:*

12 *56657. Notwithstanding Section 56655, the*
13 *commission shall not approve a proposal for*
14 *incorporation, consolidation of districts, dissolution,*
15 *merger, or establishment of a subsidiary district, or a*
16 *reorganization that includes any of these changes of*
17 *organization until it has considered any other change of*
18 *organization which conflicts with the subject proposal*
19 *and which was submitted to the commission within 60*
20 *days of the submission of the subject proposal.*

21 *SEC. 27. Section 56658 is added to the Government*
22 *Code, to read:*

23 *56658. (a) Any petitioner or legislative body desiring*
24 *to initiate proceedings shall submit an application to the*
25 *executive officer of the principal county.*

26 *(b) Immediately after receiving an application and*
27 *before issuing a certificate of filing, the executive officer*
28 *shall give mailed notice that the application has been*
29 *received to each interested agency and each subject*
30 *agency. The notice shall generally describe the proposal*
31 *and the affected territory. The executive officer shall not*
32 *be required to give notice pursuant to this subdivision if*
33 *a local agency has already given notice pursuant to*
34 *subdivision (b) of Section 56654.*

35 *(c) If a special district is, or as a result of a proposal will*
36 *be, located in more than one county, the executive officer*
37 *of the principal county shall immediately give the*
38 *executive officer of each other affected county mailed*
39 *notice that the application has been received. The notice*



1 shall generally describe the proposal and the affected
2 territory.

3 (d) Except when a commission is the lead agency
4 pursuant to Section 21067 of the Public Resources Code,
5 the executive officer shall determine within 30 days of
6 receiving an application whether the application is
7 complete and acceptable for filing or whether the
8 application is incomplete.

9 (e) The executive officer shall not accept an
10 application for filing and issue a certificate of filing for at
11 least 20 days after giving the mailed notice required by
12 subdivision (b). The executive officer shall not be
13 required to comply with this subdivision in the case of an
14 application which meets the requirements of Section
15 56652 or in the case of an application for which a local
16 agency has already given notice pursuant to subdivision
17 (b) of Section 56654.

18 (f) If the appropriate fees have been paid, an
19 application shall be deemed accepted for filing if no
20 determination has been made by the executive officer
21 within the 30-day period. An executive officer shall
22 accept for filing, and file, any application submitted in the
23 form prescribed by the commission and containing all of
24 the information and data required pursuant to Section
25 56652.

26 (g) When an application is accepted for filing, the
27 executive officer shall immediately issue a certificate of
28 filing to the applicant. A certificate of filing shall be in the
29 form prescribed by the executive officer and shall specify
30 the date upon which the proposal shall be heard by the
31 commission. From the date of issuance of a certificate of
32 filing, or the date upon which an application is deemed
33 to have been accepted, whichever is earlier, an
34 application shall be deemed filed pursuant to this
35 division.

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



1 (i) Following the issuance of the certificate of filing,
2 the executive officer shall proceed to set the proposal for
3 hearing and give published notice thereof as provided in
4 this part. The date of the hearing shall be not more than
5 90 days after issuance of the certificate of filing or after the
6 application is deemed to have been accepted, whichever
7 is earlier. Notwithstanding Section 56106, the date for
8 conducting the hearing, as determined pursuant to this
9 subdivision, is mandatory.

10 SEC. 28. Section 56660 is added to the Government
11 Code, to read:

12 56660. The executive officer shall give notice of any
13 hearing by the commission by publication, as provided in
14 Sections 56153 and 56154, and by posting, as provided in
15 Sections 56158 and 56159.

16 SEC. 29. Section 56661 is added to the Government
17 Code, to read:

18 56661. The executive officer shall also give mailed
19 notice of any hearing by the commission, as provided in
20 Sections 56155 to 56157, inclusive, by mailing notice of the
21 hearing to all of the following persons and entities:

22 (a) To each affected local agency.

23 (b) To the chief petitioners, if any.

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

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

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

33 (f) If the proposal includes the formation of, or
34 annexation of territory to, a fire protection district
35 formed pursuant to the Fire Protection District Law of
36 1987, Part 3 (commencing with Section 13800) of Division
37 12 of the Health and Safety Code, and all or part of the
38 affected territory has been classified as a state
39 responsibility area, to the Director of Forestry and Fire
40 Protection.



1 SEC. 30. Section 56662 is added to the Government
2 Code, to read:

3 56662. (a) The commission may make either of the
4 following determinations without notice and hearing:

5 (1) Subject to the limitations of Section 56837,
6 approval or disapproval of a proposal for an annexation,
7 detachment, or reorganization which consists solely of
8 annexations or detachments, or both.

9 (2) Subject to the limitations of Section 56837,
10 approval or disapproval of the formation of a county
11 service area.

12 (b) Except for the determinations authorized to be
13 made by subdivision (a), the commission shall not make
14 any determinations upon any proposal, plan of
15 reorganization, or report and recommendation of a
16 reorganization committee until after public hearing by
17 the commission on that proposal, plan of reorganization,
18 or report and recommendation of a reorganization
19 committee.

20 SEC. 31. Section 56663 is added to the Government
21 Code, to read:

22 56663. (a) If a petition for an annexation, a
23 detachment, or a reorganization consisting solely of
24 annexations or detachments, or both, or the formation of
25 a county service area is signed by all of the owners of land
26 within the affected territory of the proposed change of
27 organization or reorganization, or if a resolution of
28 application by a legislative body of an affected district,
29 affected county, or affected city making a proposal for an
30 annexation or detachment, or for a reorganization
31 consisting solely of annexations or detachments, or both,
32 or the formation of a county service area is accompanied
33 by proof, satisfactory to the commission, that all the
34 owners of land within the affected territory have given
35 their written consent to that change of organization or
36 reorganization, the commission may approve or
37 disapprove the change of organization or reorganization,
38 without notice and hearing by the commission. In those
39 cases, the commission may also approve and authorize the
40 conducting authority to conduct proceedings for the



1 *change of organization or reorganization under any of the*
2 *following conditions:*

3 (1) *Without notice and hearing.*

4 (2) *Without an election.*

5 (3) *Without notice, hearing, or an election.*

6 (b) *The executive officer shall give any affected*
7 *agency mailed notice of the filing of the petition or*
8 *resolution of application initiating proceedings by the*
9 *commission. The commission shall not, without the*
10 *written consent of the subject agency, take any further*
11 *action on the petition or resolution of application for 10*
12 *days following that mailing. Upon written demand by an*
13 *affected local agency, filed with the executive officer*
14 *during that 10-day period, the commission shall make*
15 *determinations upon the petition or resolution of*
16 *application only after notice and hearing on the petition*
17 *or resolution of application. If no written demand is filed,*
18 *the commission may make those determinations without*
19 *notice and hearing. By written consent, which may be*
20 *filed with the executive officer at any time, a subject*
21 *agency may do any of the following:*

22 (1) *Waive the requirement of mailed notice.*

23 (2) *Consent to the commission making*
24 *determinations without notice and hearing.*

25 (3) *Waive the requirement of mailed notice and*
26 *consent to the commission making determinations*
27 *without notice and hearing.*

28 (c) *The commission may waive conducting authority*
29 *proceedings entirely if all of the following conditions*
30 *apply:*

31 (1) *The affected territory is uninhabited.*

32 (2) *All the owners of land within the affected territory*
33 *have given their written consent to the change of*
34 *organization or reorganization.*

35 (3) *All affected local agencies that will gain territory*
36 *as a result of the change of organization or reorganization*
37 *have consented in writing to a waiver of conducting*
38 *authority proceedings.*

39 SEC. 32. Section 56664 is added to the Government
40 Code, to read:



1 56664. Where the commission desires to provide for
2 notice and hearing prior to making a determination on a
3 matter which the commission is authorized, but not
4 required, to determine without notice and hearing, the
5 commission shall order a public hearing on that matter
6 and set a date, time, and place for the hearing. The date
7 of hearing shall not be more than 90 days after the date
8 of the order.

9 SEC. 33. Section 56665 is added to the Government
10 Code, to read:

11 56665. The executive officer shall review each
12 application which is filed with the executive officer and
13 shall prepare a report, including his or her
14 recommendations, on the application. The report shall be
15 completed not less than five days prior to the date
16 specified in the notice of hearing. Upon completion, the
17 executive officer shall furnish copies of the report to each
18 of the following:

19 (a) The officers or persons designated in the
20 application.

21 (b) Each local agency whose boundaries or sphere of
22 influence would be changed by the proposal or
23 recommendation.

24 (c) Each affected local agency which has filed a
25 request for a report with the executive officer.

26 (d) The executive officer of another affected county
27 when a district is or will be located in that other county.

28 (e) Each affected city.

29 SEC. 34. Section 56666 is added to the Government
30 Code, to read:

31 56666. (a) The hearing shall be held by the
32 commission upon the date and at the time and place
33 specified. The hearing may be continued from time to
34 time but not to exceed 70 days from the date specified in
35 the original notice.

36 (b) At the hearing, the commission shall hear and
37 receive any oral or written protests, objections, or
38 evidence which shall be made, presented, or filed, and
39 consider the report of the executive officer and the plan



1 for providing services to the territory prepared pursuant
2 to Section 56653.

3 SEC. 35. Section 56667 is added to the Government
4 Code, to read:

5 56667. If the report filed pursuant to Section 56665
6 indicates that more than 50 percent of the land proposed
7 for incorporation is owned by or dedicated to the use of
8 a city or county and that the proposed incorporation
9 would result in a revenue loss to that city or county, and
10 at the hearing held pursuant to Section 56666 the board
11 of supervisors of the county or city council of the city
12 presents a resolution objecting to the incorporation, no
13 further proceedings shall be conducted by the
14 commission and no new proposal involving incorporation
15 of substantially the same territory shall be initiated for
16 one year.

17 In the absence of a resolution of objection from a city
18 or county, the commission may approve the proposal only
19 if it imposes as a condition thereto that the newly
20 incorporated city may not adopt any regulation or policy
21 which would have a negative fiscal impact on any
22 contract existing at the time of the incorporation which
23 is related to the publicly owned land.

24 This section shall not preclude the completion of
25 proceedings to incorporate territory which is the subject
26 of incorporation proceedings filed with the executive
27 officer of the commission prior to February 15, 1986.

28 SEC. 36. Section 56668 is added to the Government
29 Code, to read:

30 56668. Factors to be considered in the review of a
31 proposal shall include, but not be limited to, all of the
32 following:

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

39 (b) Need for organized community services; the
40 present cost and adequacy of governmental services and



1 controls in the area; probable future needs for those
2 services and controls; probable effect of the proposed
3 incorporation, formation, annexation, or exclusion and of
4 alternative courses of action on the cost and adequacy of
5 services and controls in the area and adjacent areas.

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

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

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

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

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

29 (g) Consistency with city or county general and
30 specific plans.

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

33 (i) The comments of any affected local agency.

34 SEC. 37. Section 56700.3 of the Government Code is
35 repealed.

36 ~~56700.3. If the proposal would result in the annexation~~
37 ~~to a city of land that is subject to a contract executed~~
38 ~~pursuant to the Williamson Act (Chapter 7 (commencing~~
39 ~~with Section 51200) of Division 1), then the petition shall~~
40 ~~state whether the city shall succeed to the contract~~



1 ~~pursuant to Section 51243 or whether the city intends to~~
2 ~~exercise its option to not succeed to the contract pursuant~~
3 ~~to Section 51243.5.~~

4 *SEC. 38. Section 56700.5 of the Government Code is*
5 *repealed.*

6 ~~56700.5. (a) Before circulating any petition for~~
7 ~~change of organization for a city with a population of~~
8 ~~more than 100,000 which is located in a county with a~~
9 ~~population of over 4,000,000, the proponents shall publish~~
10 ~~a notice of intention which shall include a written~~
11 ~~statement not to exceed 500 words in length, setting forth~~
12 ~~the reasons for the proposal. The notice shall be published~~
13 ~~pursuant to Section 56153. The notice shall be signed by~~
14 ~~at least one, but not more than three, chief petitioners and~~
15 ~~shall be in substantially the following form:~~

16
17 ~~Notice of Intent to Circulate Petition~~

18
19 ~~Notice is hereby given of the intention to circulate a~~
20 ~~petition proposing to _____ territory to the City of~~
21 ~~_____. The reasons for the proposal are:-~~

22
23 ~~(b) Within five days after the date of publication, the~~
24 ~~chief petitioners shall file with the clerk of the city and the~~
25 ~~executive officer a copy of the notice together with an~~
26 ~~affidavit made by a representative of the newspaper in~~
27 ~~which the notice was published certifying to the fact of~~
28 ~~publication.~~

29 ~~(c) After the filing required pursuant to subdivision~~
30 ~~(b), the petition may be circulated for signatures.~~

31 *SEC. 39. Section 56701 of the Government Code is*
32 *repealed.*

33 ~~56701. If a petition is for incorporation of a new city,~~
34 ~~consolidation of cities or districts, or formation of a new~~
35 ~~district, the petition may propose a name for the new or~~
36 ~~consolidated city or district.~~

37 ~~The proposed name for the new or consolidated city~~
38 ~~may contain the word "town."~~

39 *SEC. 40. Section 56702 of the Government Code is*
40 *repealed.*



1 ~~56702. If the petition is for incorporation, it may also~~
2 ~~include provisions for appointment of a city manager and~~
3 ~~appointment of elective city officials, except city council~~
4 ~~members.~~

5 *SEC. 41. Chapter 3 (commencing with Section 56720)*
6 *is added to Part 3 of Division 3 of Title 5 of the*
7 *Government Code, to read:*

8

9

CHAPTER 3. PROCEEDINGS FOR CITIES

10

11

Article 1. Incorporation

12

13 *56720. The commission shall not approve or*
14 *conditionally approve any proposal that includes an*
15 *incorporation, unless the commission finds, based on the*
16 *entire record, that:*

17 *(a) The proposed incorporation is consistent with the*
18 *intent of this division, including, but not limited to, the*
19 *policies of Sections 56001, 56300, 56301, and 56377.*

20 *(b) It has reviewed the spheres of influence of the*
21 *affected local agencies and the incorporation is consistent*
22 *with those spheres of influence.*

23 *(c) It has reviewed the comprehensive fiscal analysis*
24 *prepared pursuant to Section 56800 and the Controller's*
25 *report prepared pursuant to Section 56801.*

26 *(d) It has reviewed the executive officer's report and*
27 *recommendation prepared pursuant to Section 56833,*
28 *and the testimony presented at its public hearing.*

29 *(e) The proposed city is expected to receive revenues*
30 *sufficient to provide public services and facilities and a*
31 *reasonable reserve during the three fiscal years following*
32 *incorporation.*

33 *56721. When a change of organization or a*
34 *reorganization includes the annexation of inhabited*
35 *territory to a city and the assessed value of land within the*
36 *territory equals one-half or more of the assessed value of*
37 *land within the city, or the number of registered voters*
38 *residing within the territory equals one-half or more of*
39 *the number of registered voters residing within the city,*
40 *the commission may determine as a condition of the*



1 proposal that the change of organization or
2 reorganization shall also be subject to confirmation by the
3 voters in an election to be called, held, and conducted
4 within the territory of the city to which annexation is
5 proposed.

6 56722. If the proposal would result in the annexation
7 to a city of land that is subject to a contract executed
8 pursuant to the Williamson Act (Chapter 7 (commencing
9 with Section 51200) of Division 1), then the petition shall
10 state whether the city shall succeed to the contract
11 pursuant to Section 51243 or whether the city intends to
12 exercise its option to not succeed to the contract pursuant
13 to Section 51243.5.

14 56723. (a) Before circulating any petition for change
15 of organization for a city with a population of more than
16 100,000 which is located in a county with a population of
17 over 4,000,000, the proponents shall publish a notice of
18 intention which shall include a written statement not to
19 exceed 500 words in length, setting forth the reasons for
20 the proposal. The notice shall be published pursuant to
21 Section 56153. The notice shall be signed by at least one,
22 but not more than three, chief petitioners and shall be in
23 substantially the following form:

24
25 *Notice of Intent to Circulate Petition*

26
27 Notice is hereby given of the intention to circulate a
28 petition proposing to _____ territory to the City of
29 _____. The reasons for the proposal are:

30
31 (b) Within five days after the date of publication, the
32 chief petitioners shall file with the clerk of the city and the
33 executive officer a copy of the notice together with an
34 affidavit made by a representative of the newspaper in
35 which the notice was published certifying to the fact of
36 publication.

37 (c) After the filing required pursuant to subdivision
38 (b), the petition may be circulated for signatures.

39 56724. If a petition is for incorporation of a new city,
40 consolidation of cities or districts, or formation of a new



1 district, the petition may propose a name for the new or
2 consolidated city or district.

3 The proposed name for the new or consolidated city
4 may contain the word “town.”

5 56725. If the petition is for incorporation, it may also
6 include provisions for appointment of a city manager and
7 appointment of elective city officials, except city council
8 members.

9 56726. A petition for the incorporation of a city shall
10 be signed by either of the following:

11 (a) Not less than 25 percent of the registered voters
12 residing in the area to be incorporated, as determined by
13 the commission pursuant to subdivision (h) of Section
14 56375.

15 (b) Not less than 25 percent of the number of owners
16 of land within the territory proposed to be incorporated
17 who also own not less than 25 percent of the assessed value
18 of land within the territory proposed to be incorporated,
19 as shown on the last equalized assessment roll of the
20 county.

21 56727. (a) If the commission approves a proposal that
22 includes the incorporation of a city, the resolution making
23 determinations shall, upon the incorporation applicant’s
24 request, specify that the first election of city officers is to
25 be held after voter approval of the proposal.

26 (b) If the applicant has submitted an application to the
27 commission prior to the effective date of this section, the
28 applicant may request that the election of city officers be
29 held after the vote on the incorporation proposal.

30 (c) If the election of city officers is to be conducted
31 after the vote on the incorporation proposal, the
32 commission shall not set the effective date to be sooner
33 than the election date of the city officers.

34 56728. (a) Notwithstanding any other provision of
35 this division, proceedings for a special reorganization that
36 consists of the detachment of territory consisting of all of
37 the San Fernando Valley from the City of Los Angeles and
38 the incorporation of that entire detached territory as a
39 city shall be conducted pursuant to this section. In the



1 event of any conflict between this section and the
2 provisions of this division, this section shall prevail.

3 (b) There is created the Special Commission on Los
4 Angeles Boundaries, which shall consist of eight
5 members. Within three months from the date that funds
6 are appropriated for the implementation of this section,
7 the Governor shall appoint two members, the Speaker of
8 the Assembly shall appoint one member, and the Senate
9 Committee on Rules shall appoint one member to the
10 special commission from lists of nominees submitted by
11 community groups whose members reside within the San
12 Fernando Valley. Within three months from the date that
13 funds are appropriated for the implementation of this
14 section, the City Council of the City of Los Angeles shall
15 appoint four members to the special commission.

16 (c) Notwithstanding any other provision of this
17 division, or Section 7550.5, within nine months from the
18 date that funds are appropriated for the implementation
19 of this section, the special commission shall issue a report
20 with recommendations to the Local Agency Formation
21 Commission of the County of Los Angeles, the City
22 Council of the City of Los Angeles, the Board of
23 Supervisors of the County of Los Angeles, the Governor,
24 and the Legislature, regarding the feasibility and
25 desirability of a special reorganization that consists of the
26 detachment of territory consisting of all of the San
27 Fernando Valley from the City of Los Angeles and the
28 incorporation of that entire detached territory as a city.
29 The report shall include, but not be limited to, the
30 following:

31 (1) A comprehensive fiscal analysis that substantially
32 complies with Section 56800.

33 (2) The amount of property tax revenue that would be
34 exchanged pursuant to Section 56810.

35 (3) The provisional appropriations limit that would be
36 determined pursuant to Section 56812.

37 (4) Any terms and conditions that would be imposed
38 pursuant to Sections 56885.5, 56886, and 56815.

39 (5) Any other matters that the special commission
40 deems relevant.



1 (d) A special reorganization may be initiated, the
2 Local Agency Formation Commission of the County of
3 Los Angeles may conduct commission proceedings for a
4 special reorganization, the conducting authority may
5 conduct proceedings, an election may be conducted, and
6 a special reorganization may be completed before the
7 special commission issues the report required pursuant to
8 subdivision (c).

9 (e) The special commission shall conduct public
10 meetings to solicit the views and advice of the public,
11 including elected and appointed local officials, regarding
12 city organization and boundaries in the County of Los
13 Angeles.

14 (f) The special commission shall select a chair and vice
15 chair from among its respective membership.

16 (g) The members of the special commission shall be
17 reimbursed for their actual and necessary expenses for
18 attending the meetings of the special commission. The
19 special commission may authorize a payment of a per
20 diem not to exceed one hundred dollars (\$100) to the
21 members of the special commission for each day while
22 they are in attendance at meetings of the special
23 commission. The per diem may be in addition to the
24 reimbursement for actual and necessary expenses. The
25 special commission may appoint employees, including
26 counsel, define their qualifications and duties, and
27 provide compensation for the performance of their
28 duties. The special commission may contract with any
29 other public or private agency for any services necessary
30 to carry out the purposes of this section. The cost of the
31 quarters, equipment, supplies, and operating expenses
32 incurred by the special commission shall not be a county
33 charge but shall be paid by the special commission.

34 (h) As used in this section:

35 (1) "San Fernando Valley" means the territory
36 included within the San Fernando Valley Statistical Area,
37 as defined in Section 11093.

38 (2) "Special commission" means the Special
39 Commission on Los Angeles Boundaries created pursuant
40 to subdivision (b).

1 (i) This section shall only be implemented to the
2 extent that funds for that purpose are appropriated in the
3 annual Budget Act.

4

5

Article 2. Disincorporation

6

7 56730. A petition for the disincorporation of a city
8 shall be signed by not less than 25 percent of the
9 registered voters residing in the city proposed to be
10 disincorporated as shown on the county register of voters.

11

12

Article 3. Consolidation

13

14 56735. A petition for the consolidation of two or more
15 cities shall be signed by not less than 20 percent of the
16 registered voters of each affected city as shown on the
17 county register of voters.

18

19

Article 4. Annexation

20

21 56740. (a) No tidelands or submerged lands, as
22 defined in subdivision (g), which are owned by the state
23 or by its grantees in trust shall be incorporated into, or
24 annexed to, a city, except lands which may be approved
25 by the State Lands Commission.

26 (b) If those tidelands or submerged lands are included
27 within the boundaries of any territory proposed to be
28 incorporated into, or annexed to, a city, a description of
29 the boundaries, together with a map showing the
30 boundaries, shall be filed with the State Lands
31 Commission by the proponents of the incorporation or
32 annexation. The filing with the State Lands Commission
33 shall be made prior to the executive officer issuing a
34 certificate of filing for the proposal.

35 (c) The State Lands Commission shall approve or
36 disapprove all portions of the boundaries located upon
37 the tidelands or submerged lands. In making that
38 determination, it shall, where feasible and appropriate,
39 require any extensions of land boundaries of the city or
40 proposed city to be at right angles to the general direction



1 of the shoreline at each point of intersection of the
2 shoreline with the land boundaries of the city or proposed
3 city. However, in the interest of ensuring an orderly and
4 equitable pattern of offshore boundaries, the State Lands
5 Commission may establish angles and other courses for
6 each offshore boundary it deems necessary considering
7 any irregularity of the shoreline, other geographical
8 features, the effect of incorporation or annexation of the
9 offshore or submerged lands on the uplands of the city, or
10 proposed city, and adjoining territory, and the existing
11 and potential boundaries of other cities and of
12 unincorporated communities.

13 (d) Within 45 days after the filing of the boundary
14 description and map with the State Lands Commission,
15 the State Lands Commission shall make a determination
16 of the proper offshore or submerged lands boundaries.
17 That determination shall be final and conclusive. If the
18 State Lands Commission does not make the
19 determination within that time, the proposed offshore or
20 submerged lands boundaries shall be deemed approved.

21 (e) The State Lands Commission shall report its
22 determination to the executive officer and to each
23 affected city, affected county, affected district, or person,
24 if any, that has filed the boundary description and map.
25 Thereafter, filings and action may be taken pursuant to
26 this part.

27 (f) The local agency formation commission may
28 review and make determinations as to all portions of the
29 boundaries, other than those offshore or submerged lands
30 boundaries.

31 (g) "Submerged lands," as used in this section,
32 includes, but is not limited to, lands underlying navigable
33 waters which are in sovereign ownership of the state
34 whether or not those waters are subject to tidal
35 influences.

36 56741. Territory may not be annexed to a city unless
37 it is located in the same county. Unless otherwise
38 provided in this division, territory may not be annexed to
39 a city unless it is contiguous to the city at the time the
40 proposal is initiated pursuant to this part. Territory



1 *incorporated as a city shall be located within one county*
2 *and, except as otherwise provided in Section 56742, shall*
3 *be contiguous with all other territory being incorporated*
4 *as a city.*

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

19 *If territory is annexed pursuant to this section, the*
20 *annexing city may not annex any territory not owned by*
21 *the city and not contiguous to the city, although the*
22 *territory is contiguous to the territory annexed pursuant*
23 *to this section.*

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

38 *When territory ceases to be part of a city pursuant to*
39 *this section, the legislative body of the city shall adopt a*
40 *resolution confirming the detachment. The resolution*



1 shall describe the detached territory and shall be
2 accompanied by a map indicating the territory.
3 Immediately upon adoption of the resolution, the city
4 clerk shall make any filing required by Chapter 8
5 (commencing with Section 57200) of Part 4.

6 If territory annexed to a city pursuant to this section
7 becomes contiguous to the city, the limitations imposed
8 by this section shall cease to apply.

9 56742.1. (a) Notwithstanding Section 56741, upon
10 approval of the commission, the City of Soledad may
11 annex noncontiguous territory of not more than 1,000
12 acres in area, located in the County of Monterey and
13 which constitutes a state correctional training facility. If,
14 after the completion of the annexation, the State of
15 California sells that territory or any part thereof, all of that
16 territory which is no longer owned by the state shall cease
17 to be a part of the City of Soledad.

18 (b) If territory is annexed pursuant to this section, the
19 city may not annex any territory not owned by the State
20 of California and not contiguous to the city although that
21 territory is contiguous to the territory annexed pursuant
22 to this section.

23 (c) When territory ceases to be part of the city
24 pursuant to this section, the legislative body of the city
25 shall adopt a resolution confirming the detachment of
26 that territory from the city. The resolution shall describe
27 the detached territory and shall be accompanied by a
28 map indicating the territory. Immediately upon adoption
29 of the resolution, the city clerk shall make any filing
30 provided for by Chapter 8 (commencing with Section
31 57200) of Part 4 of Division 3.

32 (d) If territory annexed to the City of Soledad
33 pursuant to this section becomes contiguous to the city,
34 the limitations imposed by this section shall cease to
35 apply.

36 (e) The City of Soledad may enter into an agreement
37 with any other city under which the city apportions any
38 increase in state subventions resulting from the
39 annexation of territory pursuant to this section.

1 56742.2. (a) Notwithstanding Section 56741, upon
2 approval of the commission, the City of Blythe may annex
3 noncontiguous territory of not more than 1,800 acres in
4 area, located in the County of Riverside and which
5 constitutes a state correctional facility. If, after the
6 completion of the annexation, the State of California sells
7 that territory or any part thereof, all of that territory
8 which is no longer owned by the state shall cease to be a
9 part of the City of Blythe.

10 (b) If territory is annexed pursuant to this section, the
11 city may not annex any territory not owned by the State
12 of California and not contiguous to the city although that
13 territory is contiguous to the territory annexed pursuant
14 to this section.

15 (c) When territory ceases to be part of the city
16 pursuant to this section, the legislative body of the city
17 shall adopt a resolution confirming the detachment of
18 that territory from the city. The resolution shall describe
19 the detached territory and shall be accompanied by a
20 map indicating the territory. Immediately upon adoption
21 of the resolution, the city clerk shall make any filing
22 provided for by Chapter 8 (commencing with Section
23 57200) of Part 4 of Division 3.

24 (d) If territory annexed to the City of Blythe pursuant
25 to this section becomes contiguous to the city, the
26 limitations imposed by this section shall cease to apply.

27 (e) The City of Blythe may enter into an agreement
28 with any other city under which the city apportions any
29 increase in state subventions resulting from the
30 annexation of territory pursuant to this section.

31 56742.3. (a) Notwithstanding Section 56741, upon
32 approval of the commission, the City of Susanville may
33 annex noncontiguous territory of not more than 1,400
34 acres in area, located in the County of Lassen and which
35 constitutes a state correctional facility. If, after the
36 completion of the annexation, the State of California sells
37 that territory or any part thereof, all of that territory
38 which is no longer owned by the state shall cease to be a
39 part of the City of Susanville.



1 (b) If territory is annexed pursuant to this section, the
2 city may not annex any territory not owned by the State
3 of California and not contiguous to the city although that
4 territory is contiguous to the territory annexed pursuant
5 to this section.

6 (c) When territory ceases to be part of the city
7 pursuant to this section, the legislative body of the city
8 shall adopt a resolution confirming the detachment of
9 that territory from the city. The resolution shall describe
10 the detached territory and shall be accompanied by a
11 map indicating the territory. Immediately upon adoption
12 of the resolution, the city clerk shall make any filing
13 provided for by Chapter 8 (commencing with Section
14 57200) of Part 4 of Division 3.

15 (d) If territory annexed to the City of Susanville
16 pursuant to this section becomes contiguous to the city,
17 the limitations imposed by this section shall cease to
18 apply.

19 (e) The City of Susanville may enter into an
20 agreement with any other city under which the city
21 apportions any increase in state subventions resulting
22 from the annexation of territory pursuant to this section.

23 56742.4. (a) Notwithstanding Section 56741, upon
24 approval of the commission, the City of Calipatria may
25 annex noncontiguous territory of not more than 1,300
26 acres in area, located in the County of Imperial and which
27 constitutes a state correctional facility. If, after the
28 completion of the annexation, the State of California sells
29 that territory or any part thereof, all of that territory
30 which is no longer owned by the state shall cease to be a
31 part of the City of Calipatria.

32 (b) If territory is annexed pursuant to this section, the
33 city may not annex any territory not owned by the State
34 of California and not contiguous to the city although that
35 territory is contiguous to the territory annexed pursuant
36 to this section.

37 (c) When territory ceases to be part of the city
38 pursuant to this section, the legislative body of the city
39 shall adopt a resolution confirming the detachment of
40 that territory from the city. The resolution shall describe



1 *the detached territory and shall be accompanied by a*
2 *map indicating the territory. Immediately upon adoption*
3 *of the resolution, the city clerk shall make any filing*
4 *provided for by Chapter 8 (commencing with Section*
5 *57200) of Part 4 of Division 3.*

6 *(d) If territory annexed to the City of Calipatria*
7 *pursuant to this section becomes contiguous to the city,*
8 *the limitations imposed by this section shall cease to*
9 *apply.*

10 *(e) The City of Calipatria may enter into an*
11 *agreement with any other city under which the city*
12 *apportions any increase in state subventions resulting*
13 *from the annexation of territory pursuant to this section.*

14 *56742.5. (a) Notwithstanding Section 56741, upon*
15 *approval of the commission, Crescent City may annex*
16 *noncontiguous territory of not more than 300 acres in*
17 *area, located in the County of Del Norte and which*
18 *constitutes a state correctional facility. If, after the*
19 *completion of the annexation, the State of California sells*
20 *that territory or any part thereof, all of the territory which*
21 *is no longer owned by the state shall cease to be a part of*
22 *Crescent City.*

23 *(b) If territory is annexed pursuant to this section, the*
24 *city may not annex any territory not owned by the State*
25 *of California and not contiguous to the city although that*
26 *territory is contiguous to the territory annexed pursuant*
27 *to this section.*

28 *(c) When territory ceases to be part of the city*
29 *pursuant to this section, the legislative body of the city*
30 *shall adopt a resolution confirming the detachment of*
31 *that territory from the city. The resolution shall describe*
32 *the detached territory and shall be accompanied by a*
33 *map indicating the territory. Immediately upon adoption*
34 *of the resolution, the city clerk shall make any filing*
35 *provided for by Chapter 8 (commencing with Section*
36 *57200) of Part 4 of Division 3.*

37 *(d) If territory annexed to Crescent City pursuant to*
38 *this section becomes contiguous to the city, the*
39 *limitations imposed by this section shall cease to apply.*



1 (e) Crescent City may enter into an agreement with
2 any other city under which the city apportions any
3 increase in state subventions resulting from the
4 annexation of territory pursuant to this section.

5 56742.6. (a) Notwithstanding Section 56741, upon
6 approval of the commission, the City of El Centro or the
7 City of Imperial may annex noncontiguous territory of
8 not more than 1,960 acres in area, located in the County
9 of Imperial and which constitutes a state correctional
10 facility. If, after the completion of the annexation, the
11 State of California sells that territory or any part thereof,
12 all of that territory which is no longer owned by the state
13 shall cease to be a part of that city.

14 (b) If territory is annexed pursuant to this section, the
15 city may not annex any territory not owned by the State
16 of California and not contiguous to the city although that
17 territory is contiguous to the territory annexed pursuant
18 to this section.

19 (c) When territory ceases to be part of the city
20 pursuant to this section, the legislative body of the city
21 shall adopt a resolution confirming the detachment of
22 that territory from the city. The resolution shall describe
23 the detached territory and shall be accompanied by a
24 map indicating the territory. Immediately upon adoption
25 of the resolution, the city clerk shall make any filing
26 provided for by Chapter 8 (commencing with Section
27 57200) of Part 4 of Division 3.

28 (d) If territory annexed to the City of El Centro or the
29 City of Imperial pursuant to this section becomes
30 contiguous to the city, the limitations imposed by this
31 section shall cease to apply.

32 (e) In any commission order giving approval to an
33 annexation pursuant to this section, the commission may
34 require, as a condition of that approval, that the City of
35 El Centro or the City of Imperial enter into an agreement
36 with the other city under which the city apportions any
37 increase in state subventions resulting from the
38 annexation of territory pursuant to this section.

39 56742.7. (a) Notwithstanding Section 56741, upon
40 approval of the commission, the City of Chowchilla may



1 annex noncontiguous territory of not more than 1,280
2 acres in size located in the County of Madera and which
3 constitutes state correctional facilities. If, after
4 completion of the annexation, the State of California sells
5 that territory or any part thereof, all of the territory that
6 is no longer owned by the state shall cease to be part of
7 the City of Chowchilla.

8 (b) If territory is annexed pursuant to this section, the
9 city may not annex any territory not owned by the State
10 of California and not contiguous to the city although that
11 territory is contiguous to the territory annexed pursuant
12 to this section.

13 (c) When territory ceases to be part of the city
14 pursuant to this section, the legislative body of the city
15 shall adopt a resolution confirming the detachment of
16 that territory from the city. The resolution shall describe
17 the detached territory and shall be accompanied by a
18 map indicating the territory. Immediately upon adoption
19 of the resolution, the city clerk shall make any filing
20 provided for by Chapter 8 (commencing with Section
21 57200) of Part 4 of Division 3.

22 (d) If territory annexed to the City of Chowchilla
23 pursuant to this section becomes contiguous to the city,
24 the limitations imposed by this section shall cease to
25 apply.

26 56742.8. (a) Notwithstanding Section 56741, upon
27 approval of the commission, the City of Tehachapi may
28 annex noncontiguous territory of not more than 1,680
29 acres in area, that is located in the County of Kern, and
30 that constitutes a correctional facility. If, after the
31 completion of the annexation, the State of California sells
32 that territory, or any part thereof, all of the territory that
33 is no longer owned by the state shall cease to be part of
34 the City of Tehachapi.

35 (b) If territory is annexed to the City of Tehachapi
36 pursuant to this section, the city may not annex any
37 territory not owned by the state and not contiguous to the
38 city although that territory is contiguous to the territory
39 annexed pursuant to this section.



1 (c) When territory ceases to be part of the city
2 pursuant to this section, the legislative body of the city
3 shall adopt a resolution confirming the detachment of
4 that territory from the city. The resolution shall describe
5 the detached territory, and shall be accompanied by a
6 map indicating the territory. Immediately upon adoption
7 of the resolution, the city clerk shall make any filing
8 provided for by Chapter 8 (commencing with Section
9 57200) of Part 4.

10 (d) If the territory annexed to the City of Tehachapi
11 pursuant to this section becomes contiguous to the city,
12 the limitations imposed by this section shall cease to
13 apply.

14 (e) The City of Tehachapi may enter into an
15 agreement with any other city under which the City of
16 Tehachapi apportion any increase in state subventions
17 resulting from the annexation of territory pursuant to this
18 section.

19 56742.9. (a) Notwithstanding Section 56741, upon
20 approval of the commission, the City of Coalinga may
21 annex noncontiguous territory of not more than 640 acres
22 in area, which territory is located in the County of Fresno
23 and constitutes a correctional facility. If, after the
24 completion of the annexation, the State of California sells
25 that territory, or any part thereof, all of the territory that
26 is no longer owned by the state shall cease to be part of
27 the City of Coalinga.

28 (b) If territory is annexed to the City of Coalinga
29 pursuant to this section, the city may not annex any
30 territory not owned by the state and not contiguous to the
31 city although that territory is contiguous to the territory
32 annexed pursuant to this section.

33 (c) When territory ceases to be part of the city
34 pursuant to this section, the legislative body of the city
35 shall adopt a resolution confirming the detachment of
36 that territory from the city. The resolution shall describe
37 the detached territory, and shall be accompanied by a
38 map indicating the territory. Immediately upon adoption
39 of the resolution, the city clerk shall make any filing

1 provided for by Chapter 8 (commencing with Section
2 57200) of Part 4.

3 (d) If the territory annexed to the City of Coalinga
4 pursuant to this section becomes contiguous to the city,
5 the limitations imposed by this section shall cease to
6 apply.

7 (e) The City of Coalinga may enter into an agreement
8 with any other city or the County of Fresno under which
9 the City of Coalinga apportions any increase in state
10 subventions resulting from the annexation of territory
11 pursuant to this section.

12 56743. (a) Notwithstanding Section 56741, upon
13 approval of the commission a city may annex
14 noncontiguous territory not exceeding 3,100 acres in area,
15 which is located in the same county as that in which the
16 city is situated, and which is owned by the city and is
17 being used for municipal water purposes at the time
18 preliminary proceedings are initiated pursuant to this
19 part. If, after the completion of the annexation, the city
20 sells that territory or any part thereof, all of that territory
21 which is no longer owned by the city shall cease to be a
22 part of the city.

23 (b) If territory is annexed pursuant to this section, the
24 annexing city may not annex any territory not owned by
25 it and not contiguous to it although that territory is
26 contiguous to the territory annexed pursuant to this
27 section.

28 (c) When territory ceases to be part of a city pursuant
29 to this section, the legislative body of the city shall adopt
30 a resolution confirming the detachment of that territory
31 from the city. The resolution shall describe the detached
32 territory and shall be accompanied by a map indicating
33 the territory. Immediately upon adoption of the
34 resolution, the city clerk shall make any filing provided
35 for by Chapter 8 (commencing with Section 57200) of
36 Part 4.

37 (d) If territory annexed to a city pursuant to this
38 section becomes contiguous to the city, the limitations
39 imposed by this section shall cease to apply.



1 (e) If territory is annexed pursuant to this section, it
2 shall be used only for municipal water purposes. The city
3 may, however, enter into agreements to lease the land for
4 timber production or grazing by animals. If the territory
5 is used by the city for any other purpose at any time, it
6 shall cease to be a part of the city.

7 (f) This section applies only to the City of Willits.

8 56744. Unless otherwise determined by the
9 commission pursuant to subdivision (o) of Section 56375,
10 territory shall not be incorporated into, or annexed to, a
11 city pursuant to this division if, as a result of that
12 incorporation or annexation, unincorporated territory is
13 completely surrounded by that city or by territory of that
14 city on one or more sides and the Pacific Ocean on the
15 remaining sides.

16 56745. If authorized by the commission pursuant to
17 Section 56748, unless the conducting authority terminates
18 the proceedings as provided in Section 57080, the
19 conducting authority shall order annexation of the
20 territory without an election.

21 56746. (a) The authority to initiate, conduct, and
22 complete any proceeding pursuant to Section 56745 does
23 not apply to any territory which, after January 1, 2000,
24 became surrounded or substantially surrounded by the
25 city to which annexation is proposed. The authority to
26 initiate, conduct, and complete any proceeding pursuant
27 to Section 56745 shall expire January 1, 2007. The period
28 of time between January 1, 2000, and January 1, 2007, shall
29 not include any period of time during which, in an action
30 pending in any court, a local agency is enjoined from
31 conducting proceedings pursuant to Section 56745. Upon
32 final disposition of that case, the previously enjoined local
33 agency may initiate, conduct, and complete proceedings
34 pursuant to Section 56745 for the same period of time as
35 was remaining under that seven-year limit at the time the
36 injunction commenced. However, if the remaining time
37 is less than six months, that authority shall continue for six
38 months following final disposition of the action.

39 (b) Between January 1, 2000, and January 1, 2007, no
40 new proposal involving the same or substantially the



1 same territory as a proposal initiated pursuant to Section
2 56745 after January 1, 2000, shall be initiated for two years
3 after the date of adoption by the commission or by the
4 conducting authority of a resolution terminating
5 proceedings.

6 56747. (a) Notwithstanding Section 56031,
7 unincorporated territory consisting of property abutting
8 on a street, highway, or road, and the street, highway, or
9 road, to the extent that it abuts that property, together
10 with the road strip may be annexed to a city pursuant to
11 this division under the following conditions:

12 (1) The annexation may be made only if the property
13 to be annexed is within the sphere of influence of the
14 annexing city, as adopted by the commission, and lies
15 within an unincorporated area wholly surrounded by the
16 annexing city or the annexing city and the county line or
17 the annexing city and the Pacific Ocean or the annexing
18 city and a boundary of another city.

19 (2) The property to be annexed shall not be annexed
20 if the distance between the boundary of the annexing city
21 and the point closest to the annexing city at which the
22 road strip connects with the abutting property, as
23 measured by the road strip, is more than one-half mile.

24 (b) Subsequent annexations to the road strip and
25 abutting territory shall not be made unless both of the
26 following conditions are met:

27 (1) The distance between the point at which the
28 original road strip abuts the boundary of the annexing city
29 and the point closest to the city at which the road strip
30 connects with the abutting property to be annexed, as
31 measured by the road strip, is one-half mile or less.

32 (2) The annexation is contiguous to the road strip.

33 (c) As used in this section:

34 (1) "Property to be annexed" means the property
35 abutting on a street, highway, or road, and the street,
36 highway, or road, to the extent it abuts the property.

37 (2) "Road strip" means the street, highway, or road
38 which connects the territory of the property to be
39 annexed to the annexing city.

40 (d) This section applies only to the City of Cupertino.



1 56748. (a) *The commission may approve the*
2 *annexation to a city after notice and hearing, and*
3 *authorize the conducting authority to order annexation*
4 *of the territory without an election, or waive the*
5 *proceedings if the annexation meets the requirements of*
6 *this subdivision and is proposed by resolution adopted by*
7 *the affected city, if the commission finds that the territory*
8 *contained in an annexation proposal meets all of the*
9 *following requirements:*

10 (1) *It does not exceed 75 acres in area, that area*
11 *constitutes the entire island, and that island does not*
12 *constitute a part of an unincorporated area that is more*
13 *than 100 acres in area.*

14 (2) *The territory constitutes an entire unincorporated*
15 *island located within the limits of a city, or constitutes a*
16 *reorganization containing a number of individual*
17 *unincorporated islands.*

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

19 (A) *Surrounded, or substantially surrounded, by the*
20 *city to which annexation is proposed or by the city and a*
21 *county boundary or the Pacific Ocean.*

22 (B) *Surrounded by the city to which annexation is*
23 *proposed and adjacent cities.*

24 (C) *This subdivision shall not be construed to apply to*
25 *any unincorporated island within a city that is a gated*
26 *community where services are currently provided by a*
27 *community services district.*

28 (D) *Notwithstanding any other provision of law, at the*
29 *option of either the city or the county, a separate property*
30 *tax transfer agreement may be agreed to between a city*
31 *and a county pursuant to Section 99 of the Revenue and*
32 *Taxation Code regarding an annexation subject to this*
33 *subdivision without affecting any existing master tax*
34 *sharing agreement between the city and county.*

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

39 (A) *The availability of public utility services.*

40 (B) *The presence of public improvements.*



1 (C) *The presence of physical improvements upon the*
2 *parcel or parcels within the area.*

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

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

7 (b) *Notwithstanding any other provision of this*
8 *subdivision, this subdivision shall not apply to all or any*
9 *part of that portion of the redevelopment project area*
10 *referenced in subdivision (e) of Section 33492.41 of the*
11 *Health and Safety Code that as of January 1, 2000, that*
12 *meets all of the following requirements: is*
13 *unincorporated territory; contains at least 100 acres; is*
14 *surrounded or substantially surrounded by incorporated*
15 *territory; and contains at least 100 acres zoned for*
16 *commercial or industrial uses or is designated on the*
17 *applicable county general plan for commercial or*
18 *industrial uses.*

19 56749. (a) *The commission shall not approve or*
20 *conditionally approve a change of organization or*
21 *reorganization that would result in the annexation to a*
22 *city of territory that is within a farmland security zone*
23 *created pursuant to Article 7 (commencing with Section*
24 *51296) of Chapter 7 of Division 1. However, this*
25 *subdivision shall not apply under any of the following*
26 *circumstances:*

27 (1) *If the farmland security zone is located within a*
28 *designated, delineated area that has been approved by*
29 *the voters as a limit for existing and future urban facilities,*
30 *utilities, and services.*

31 (2) *If annexation of a parcel or a portion of a parcel is*
32 *necessary for the location of a public improvement, as*
33 *defined in Section 51290.5, except as provided in*
34 *subdivision (f) or (g) of Section 51296.*

35 (3) *If the landowner consents to the annexation.*

36 (b) *The commission shall not approve or conditionally*
37 *approve a change of organization or reorganization that*
38 *would result in the annexation to a special district of*
39 *territory that is within a farmland security zone created*
40 *pursuant to Article 7 (commencing with Section 51296)*



1 of Chapter 7 of Division 1 if that special district provides
2 or would provide facilities or services related to sewers,
3 nonagricultural water, or streets and roads, unless the
4 facilities or services benefit land uses that are allowed
5 under the farmland security zone contract and the
6 landowner consents to the change of organization or
7 reorganization.

8 (c) This section shall not apply during the three-year
9 period preceding the termination of a farmland security
10 zone contract under Article 7 (commencing with Section
11 51296) of Chapter 7 of Division 1.

12 56750. Notwithstanding Sections 56300 and 56301, the
13 commission shall not disapprove a change of organization
14 or reorganization where the reason for disapproval is that
15 the farmland security zone is excluded from the affected
16 territory.

17 56751. (a) Except as otherwise provided in
18 subdivision (b), a petition for annexation of territory to
19 a city shall be signed by either of the following:

20 (1) Not less than 5 percent of the number of registered
21 voters residing within the territory proposed to be
22 annexed as shown on the county register of voters.

23 (2) Not less than 5 percent of the number of owners of
24 land within the territory proposed to be annexed who also
25 own 5 percent of the assessed value of land within the
26 territory as shown on the last equalized assessment roll.

27 (b) Notwithstanding subdivision (a), a petition for the
28 annexation of territory to a city with more than 100,000
29 residents which is located in a county with a population
30 of over 4,000,000, shall be signed by either of the
31 following:

32 (1) Not less than 8 percent of the number of registered
33 voters residing within the territory proposed to be
34 annexed as shown on the county register of voters.

35 (2) Not less than 8 percent of the number of owners of
36 land within the territory proposed to be annexed who also
37 own 8 percent of the assessed value of land within the
38 territory as shown on the last equalized assessment roll.

39 56752. If the proposal would result in the annexation
40 to a city of land that is subject to a contract executed



1 pursuant to the Williamson Act (Chapter 7 (commencing
2 with Section 51200) of Division 1), then the resolution
3 shall state whether the city shall succeed to the contract
4 pursuant to Section 51243 or whether the city intends to
5 exercise its option to not succeed to the contract pursuant
6 to Section 51243.5.

7 56753. The executive officer shall give mailed notice
8 of any hearing by the commission, as provided in Sections
9 56155 to 56157, inclusive, by mailing notice of the hearing
10 to the Director of Conservation if the proposal would
11 result in the annexation to a city of land that is subject to
12 a contract executed pursuant to the Williamson Act
13 (Chapter 7 (commencing with Section 51200) of Division
14 1).

15 56753.5. Within 10 days after receiving a proposal that
16 would result in the annexation to a city of land that is
17 subject to a contract executed pursuant to the Williamson
18 Act (Chapter 7 (commencing with Section 51200) of
19 Division 1), the executive officer shall notify the Director
20 of Conservation of the proposal. The notice shall include
21 the contract number, the date of the contract's execution,
22 and a copy of any protest that the city had filed pursuant
23 to Section 51243.5.

24 56754. If a change of organization or reorganization
25 would result in the annexation to a city of land that is
26 subject to a contract executed pursuant to the Williamson
27 Act (Chapter 7 (commencing with Section 51200) of
28 Division 1), the commission shall determine one of the
29 following:

30 (a) That the city shall succeed to the rights, duties, and
31 powers of the county pursuant to Section 51243, or

32 (b) That the city may exercise its option to not succeed
33 to the rights, duties, and powers of the county pursuant
34 to Section 51243.5.

35 56755. Prior to submitting a resolution of application
36 for the annexation of territory described in Section 56748
37 to the commission, the legislative body adopting the
38 resolution shall conduct a public hearing on the
39 resolution. Notice of the hearing shall be published
40 pursuant to Sections 56153 and 56154. At the hearing, any



1 landowner shall be given an opportunity to present his or
2 her views on the resolution.

3 56756. The clerk of the legislative body adopting a
4 resolution of application shall file a certified copy of that
5 resolution with the executive officer.

6 56757. (a) The commission shall not review a
7 reorganization that includes an annexation to any city in
8 Santa Clara County of unincorporated territory that is
9 within the urban service area of the city if the
10 reorganization is initiated by resolution of the legislative
11 body of the city.

12 (b) The city council shall be the conducting authority
13 for the reorganization and the proceedings for the
14 reorganization shall be initiated and conducted as nearly
15 as may be practicable in accordance with Part 4
16 (commencing with Section 57000).

17 (c) The city council, in adopting the resolution
18 approving the reorganization, shall make all of the
19 following findings:

20 (1) That the unincorporated territory is within the
21 urban service area of the city as adopted by the
22 commission.

23 (2) That the county surveyor has determined the
24 boundaries of the proposal to be definite and certain, and
25 in compliance with the road annexation policies of the
26 commission. The city shall reimburse the county for the
27 actual costs incurred by the county surveyor in making
28 this determination.

29 (3) That the proposal does not split lines of assessment
30 or ownership.

31 (4) That the proposal does not create islands or areas
32 in which it would be difficult to provide municipal
33 services.

34 (5) That the proposal is consistent with the adopted
35 general plan of the city.

36 (6) That the territory is contiguous to existing city
37 limits.

38 (7) That the city has complied with all conditions
39 imposed by the commission for inclusion of the territory
40 in the urban service area of the city.



1 (d) All reorganizations which involve territory for
2 which the land use designation in the general plan of the
3 city has changed from the time that the urban service
4 area of the city was last adopted by the commission, and
5 which are processed by a city pursuant to this section shall
6 be subject to an appeal to the commission upon
7 submission of a petition of appeal, signed by at least 50
8 registered voters in the county.

9 (e) An appeal to the commission may also be made by
10 submission of a resolution of appeal adopted by the
11 legislative body of a special district solely for the purpose
12 of determining whether some or all of the territory
13 contained in the reorganization proposal should also be
14 annexed or detached from that special district.

15 (f) Any petition submitted under subdivision (d) or
16 resolution submitted under subdivision (e) shall be
17 submitted to the executive officer within 15 days of the
18 adoption by the city council of the resolution approving
19 the annexation. The executive officer shall schedule the
20 hearing for the next regular meeting of the commission
21 as is practicable. The commission may set a reasonable
22 appeal fee.

23 56758. If the proposal includes the annexation of
24 inhabited territory to a city with over 100,000 residents
25 which is located in a county with a population of over
26 4,000,000, no proceedings shall be initiated either by
27 petition or by application of a legislative body unless the
28 proposal is consistent with the sphere of influence of any
29 affected city or affected district.

30 56759. In any order approving a proposal for an
31 annexation or a reorganization that includes annexation
32 of inhabited territory to a city when the assessed value of
33 land within that territory proposed to be annexed equals
34 one-half, or more, of that within the city, as shown by the
35 last equalized assessment rolls, or the number of
36 registered voters of the territory equals one-half, or more,
37 of the number of registered voters within the city, as
38 shown by the county register of voters, the commission
39 shall require that an election called upon the question of
40 confirming the annexation or reorganization shall also be



1 called, held, and conducted within the territory of the city
2 to which territory is proposed to be annexed.

3

4 Article 5. Deannexation and Detachment

5

6 56760. A petition for detachment of territory from a
7 city shall be signed by either of the following:

8 (a) Not less than 20 percent of the registered voters
9 residing within the territory proposed to be detached, as
10 shown on the county register of voters.

11 (b) Not less than 20 percent of the number of owners
12 of land within the territory proposed to be detached who
13 also own 20 percent of the assessed value of land within
14 the territory, as shown on the last equalized assessment
15 roll.

16 SEC. 42. Chapter 3 (commencing with Section 56750)
17 of Part 3 of Division 3 of Title 5 of the Government Code
18 is repealed.

19 SEC. 43. The heading of Chapter 4 (commencing
20 with Section 56800) of Part 3 of Division 3 of Title 5 of the
21 Government Code is amended to read:

22

23 CHAPTER 4. ~~RESOLUTION OF APPLICATION~~
24 COMPREHENSIVE FISCAL ANALYSIS

25 SEC. 44. A heading is added as Article 1 (commencing
26 with Section 56800) to Chapter 4 of Part 3 of Division 3 of
27 Title 5 of the Government Code, to read:

28

29 Article 1. Content and Procedures

30

31 SEC. 45. Section 56800 of the Government Code is
32 amended and renumbered to read:

33 56800.—

34 56654. (a) A proposal for a change of organization or
35 a reorganization may be made by the adoption of a
36 resolution of application by the legislative body of an
37 affected local agency.

38 (b) At least 20 days before the adoption of the
39 resolution, the legislative body may give mailed notice of
40 its intention to adopt a resolution of application to the



1 commission and to each interested agency and each
2 subject agency. The notice shall generally describe the
3 proposal and the affected territory.

4 (c) Except for the provisions regarding signers and
5 signatures, a resolution of application shall contain all of
6 the matters specified for a petition in Section 56700 and
7 shall be submitted with a plan for services prepared
8 pursuant to Section 56653.

9 *SEC. 46. Section 56800 is added to the Government
10 Code, to read:*

11 *56800. For any proposal which includes an
12 incorporation, the executive officer shall prepare, or
13 cause to be prepared by contract, a comprehensive fiscal
14 analysis. This analysis shall become part of the report
15 required pursuant to Section 56664. Data used for the
16 analysis shall be from the most recent fiscal year for which
17 data are available, provided that the data are not more
18 than one fiscal year old. When data from the most recent
19 fiscal year are unavailable, the analysis shall document
20 the source and methodology of the data used. The analysis
21 shall review and document each of the following:*

22 *(a) The costs to the proposed city of providing public
23 services and facilities during the three fiscal years
24 following incorporation.*

25 *(b) The revenues of the proposed city during the
26 three fiscal years following incorporation.*

27 *(c) The effects on the costs and revenues of any
28 affected local agency during the three fiscal years of
29 incorporation.*

30 *(d) Any other information and analysis needed to
31 make the findings required by Section 56375.1.*

32 *SEC. 47. Section 56800.3 of the Government Code is
33 repealed.*

34 ~~*56800.3. If the proposal would result in the annexation
35 to a city of land that is subject to a contract executed
36 pursuant to the Williamson Act (Chapter 7 (commencing
37 with Section 51200) of Division 1), then the resolution
38 shall state whether the city shall succeed to the contract
39 pursuant to Section 51243 or whether the city intends to*~~



1 ~~exercise its option to not succeed to the contract pursuant~~
2 ~~to Section 51243.5.~~

3 *SEC. 48. Section 56801 of the Government Code is*
4 *repealed.*

5 ~~56801. Prior to submitting a resolution of application~~
6 ~~for the annexation of territory described in subdivision~~
7 ~~(d) of Section 56375 to the commission, the legislative~~
8 ~~body adopting the resolution shall conduct a public~~
9 ~~hearing on the resolution. Notice of the hearing shall be~~
10 ~~published pursuant to Sections 56153 and 56154. At the~~
11 ~~hearing, any landowner shall be given an opportunity to~~
12 ~~present his or her views on the resolution.~~

13 *SEC. 49. Section 56801 is added to the Government*
14 *Code, to read:*

15 *56801. (a) For any proposal that includes an*
16 *incorporation, the executive officer shall, at the request*
17 *of an interested party, which request is submitted*
18 *pursuant to subdivision (b), and prior to issuing his or her*
19 *report and recommendation pursuant to Section 56664,*
20 *request the Controller to review the comprehensive*
21 *fiscal analysis prepared pursuant to Section 56800. The*
22 *request by an interested party shall specify in writing any*
23 *element of the comprehensive fiscal analysis that the*
24 *Controller is requested to review and the reasons the*
25 *Controller is requested to review each element.*

26 *(b) The commission may adopt written procedures for*
27 *the acceptance, referral, and payment for a request for*
28 *the Controller's review, which shall include setting a time*
29 *period during which an interested party is permitted to*
30 *submit a request pursuant to subdivision (a). The time*
31 *period for accepting a request shall not be less than 30*
32 *days following notice given in the same manner as*
33 *specified in Section 56153.*

34 *(c) Within 45 days of receiving the analysis, the*
35 *Controller shall issue a report to the executive officer*
36 *regarding the accuracy and reliability of the information,*
37 *methodologies, and documentation used in the analysis.*
38 *The times within which the executive officer or*
39 *commission is required to act pursuant to this chapter*
40 *shall be tolled for the time required by the Controller for*



1 completion of the report. The executive officer shall
2 include the results of the Controller's report into his or
3 her own report and recommendation issued pursuant to
4 Section 56664.

5 (d) Notwithstanding Sections 56378 and 56386, the
6 Controller may charge the commission for the actual
7 costs incurred pursuant to this section. The commission
8 may recover these costs by charging the person who
9 requested the Controller's review.

10 SEC. 50. Section 56802 of the Government Code is
11 repealed.

12 ~~56802. The clerk of the legislative body adopting a~~
13 ~~resolution of application shall file a certified copy of that~~
14 ~~resolution with the executive officer.~~

15 SEC. 51. Section 56802 is added to the Government
16 Code, to read:

17 56802. (a) For any proposal for incorporation of the
18 territory within the Mountain House Community
19 Services District, San Joaquin County shall provide the
20 required funds to those petitioners filing the
21 incorporation application for all costs involved in filing
22 the application for incorporation pursuant to this division,
23 including the preparation of the comprehensive fiscal
24 analysis pursuant to Section 56833.1.

25 (b) The funds provided by the county pursuant to this
26 section shall not be construed to be a gift of public funds
27 and may only be granted to a quasi-public or nonprofit
28 organization formed for the purpose of pursuing
29 incorporation of the Mountain House area.

30 (c) San Joaquin County shall provide the funds
31 required in subdivision (a) only one time, upon the first
32 filing of application for incorporation.

33 SEC. 52. Section 56803 is added to the Government
34 Code, to read:

35 56803. If the commission approves a proposal which
36 includes the incorporation of a city, the resolution making
37 determinations shall accept or reject each of the findings
38 and recommendations made in the executive officer's
39 report prepared pursuant to Section 56664, and the fiscal
40 analysis prepared pursuant to Section 56800. If the



1 *commission rejects a finding or recommendation, the*
2 *resolution making determinations shall include findings*
3 *by the commission which present the basis for any*
4 *rejection.*

5 *SEC. 53. Article 2 (commencing with Section 56810)*
6 *is added to Chapter 4 of Part 3 of Division 3 of Title 5 of*
7 *the Government Code, to read:*

8

9

Article 2. Property Tax Exchange

10

11 *56810. (a) (1) If the proposal includes the*
12 *incorporation of a city, as defined in Section 56043, the*
13 *commission shall determine the amount of property tax*
14 *revenue to be exchanged by the affected local agency*
15 *pursuant to this section and Section 56815.*

16 *(2) If the proposal includes the formation of a district,*
17 *as defined in Section 2215 of the Revenue and Taxation*
18 *Code, the commission shall determine the amount of*
19 *property tax to be exchanged by the affected local agency*
20 *pursuant to this section.*

21 *(b) The commission shall notify the county auditor of*
22 *the proposal and the services which the new jurisdiction*
23 *proposes to assume within the area, and identify for the*
24 *auditor the existing service providers within the area*
25 *subject to the proposal.*

26 *(c) If the proposal would not transfer all of an affected*
27 *agency's service responsibilities to the proposed city or*
28 *district, the commission and the county auditor shall do*
29 *all of the following:*

30 *(1) The county auditor shall determine the proportion*
31 *that the amount of property tax revenue derived by each*
32 *affected local agency pursuant to subdivision (b) of*
33 *Section 93 of the Revenue and Taxation Code bears to the*
34 *total amount of revenue from all sources, available for*
35 *general purposes, received by each affected local agency*
36 *in the prior fiscal year. For purposes of making this*
37 *determination and the determination required by*
38 *paragraph (3), "total amount of revenue from all sources*
39 *available for general purposes" means the total amount*
40 *of revenue which an affected local agency may use on a*



1 *discretionary basis for any purpose and does not include*
2 *any of the following:*

3 (A) *Revenue which, by statute, is required to be used*
4 *for a specific purpose.*

5 (B) *Revenue from fees, charges, or assessments which*
6 *are levied to specifically offset the cost of particular*
7 *services and do not exceed the cost reasonably borne in*
8 *providing these services.*

9 (C) *Revenue received from the federal government*
10 *which is required to be used for a specific purpose.*

11 (2) *The commission shall determine, based on*
12 *information submitted by each affected local agency, an*
13 *amount equal to the total net cost to each affected local*
14 *agency during the prior fiscal year of providing those*
15 *services which the new jurisdiction will assume within the*
16 *area subject to the proposal. For purposes of this*
17 *paragraph, “total net cost” means the total direct and*
18 *indirect costs which were funded by general purpose*
19 *revenues of the affected local agency and excludes any*
20 *portion of the total cost which was funded by any*
21 *revenues of that agency which are specified in*
22 *subparagraphs (A), (B), and (C) of paragraph (1).*

23 (3) *The commission shall multiply the amount*
24 *determined pursuant to paragraph (2) for each affected*
25 *local agency by the corresponding proportion*
26 *determined pursuant to paragraph (1) to derive the*
27 *amount of property tax revenue used to provide services*
28 *by each affected local agency during the prior fiscal year*
29 *within the area subject to the proposal. The county*
30 *auditor shall adjust the amount described in the previous*
31 *sentence by the annual tax increment according to the*
32 *procedures set forth in Chapter 6 (commencing with*
33 *Section 95) of Part 0.5 of Division 1 of the Revenue and*
34 *Taxation Code, to the fiscal year in which the new city or*
35 *district receives its initial allocation of property taxes.*

36 (4) *For purposes of this subdivision, in any county in*
37 *which, prior to the adoption of Article XIII A of the*
38 *California Constitution, and continuing thereafter, a*
39 *separate fund or funds were established consisting of*
40 *revenues derived from the unincorporated area of the*



1 county and from which fund or funds services rendered
2 in the unincorporated area have been paid, the amount
3 of property tax revenues derived pursuant to paragraph
4 (3), may, at the discretion of the commission, be
5 transferred to the proposed city over a period not to
6 exceed 12 fiscal years following its incorporation. In
7 determining whether the transfer of the amount of
8 property tax revenues determined pursuant to paragraph
9 (3) shall occur entirely within the fiscal year immediately
10 following the incorporation of the proposed city or shall
11 be phased in over a period not to exceed 12 full fiscal years
12 following the incorporation, the commission shall
13 consider each of the following:

14 (A) The total amount of revenue from all sources
15 available to the proposed city.

16 (B) The fiscal impact of the proposed transfer on the
17 transferring agency.

18 (C) Any other relevant facts which interested parties
19 to the exchange may present to the commission in written
20 form.

21 The decision of the commission shall be supported by
22 written findings setting forth the basis for its decision.

23 (d) If the proposal would transfer all of an affected
24 agency's service responsibilities to the proposed city or
25 district, the commission shall request the auditor to
26 determine the property tax revenue generated for the
27 affected service providers by tax rate area, or portion
28 thereof, and transmit that information to the commission.

29 (e) The executive officer shall notify the auditor of the
30 amount determined pursuant to paragraph (3) of
31 subdivision (c) or subdivision (d), as the case may be,
32 and, where applicable, the period of time within which
33 and the procedure by which the transfer of property tax
34 revenues will be effected pursuant to paragraph (4) of
35 subdivision (c), at the time the executive officer records
36 a certificate of completion pursuant to Section 57203 for
37 any proposal described in subdivision (a), and the auditor
38 shall transfer that amount to the new jurisdiction.

39 (f) The amendments to this section enacted during
40 the 1985–86 Regular Session of the Legislature shall apply



1 to any proposal described in subdivision (a) for which a
2 certificate of completion is recorded with the county
3 recorder on or after January 1, 1987.

4 (g) For purposes of this section, “prior fiscal year”
5 means the most recent fiscal year for which data on actual
6 direct and indirect costs and revenues needed to perform
7 the calculations required by this section are available
8 preceding the fiscal year in which the commission
9 approves by resolution the city’s proposal to incorporate
10 or the district’s proposal to form.

11 (h) An action brought by a city or district to contest
12 any determinations of the county auditor or the
13 commission with regard to the amount of property tax
14 revenue to be exchanged by the affected local agency
15 pursuant to this section shall be commenced within three
16 years of the effective date of the city’s incorporation or
17 the district’s formation. These actions may be brought by
18 any city that incorporated or by any district that formed
19 on or after January 1, 1986.

20 (i) This section applies to any city that incorporated or
21 district that formed on or after January 1, 1986.

22 (j) The calculations and procedures specified in this
23 section shall be made prior to and shall be incorporated
24 into the calculations specified in Section 56815.

25 56811. If a proposal includes the formation of a
26 district, the commission shall determine the
27 appropriations limit of the district in accordance with
28 Section 7902.7 and Article XIII B of the California
29 Constitution.

30 56812. (a) If a proposal includes the incorporation of
31 a city, the commission shall determine the provisional
32 appropriations limit of the city in accordance with
33 Section 7902.7 and Article XIII B of the California
34 Constitution. The commission shall determine the
35 provisional appropriations limit of the city in the
36 following manner:

37 (1) Estimate the amount of revenue anticipated to be
38 received by the city from the proceeds of taxes for the
39 first full fiscal year of operation.



1 (2) Adjust the amount determined in paragraph (1)
2 for the estimated change in the cost of living and
3 population in the next full fiscal year of operation and
4 such other changes as may be required or permitted by
5 Article XIII B of the California Constitution.

6 (b) The governing body of the city shall determine the
7 proposed permanent appropriations limit of the city to be
8 submitted to the voters in the following manner:

9 (1) Determine the amount of revenue actually
10 received by the city from the proceeds of taxes for the
11 first full fiscal year of operation.

12 (2) Adjust the amount determined in paragraph (1)
13 for the estimated change in the cost of living and
14 population in the next full fiscal year of operation and
15 such other changes as may be required or permitted by
16 Article XIII B of the California Constitution.

17 (c) The permanent appropriations limit of the city
18 shall be set at the first municipal election which is held
19 following the first full fiscal year of operation and shall not
20 be considered to be a change in the appropriations limit
21 of the city pursuant to Section 4 of Article XIII B of the
22 California Constitution.

23 SEC. 54. Article 3 (commencing with Section 56815)
24 is added to Chapter 4 of Part 3 of Division 3 of Title 5 of
25 the Government Code, to read:

26

27

Article 3. Revenue Neutrality

28

29 56815. (a) It is the intent of the Legislature that any
30 proposal that includes an incorporation should result in a
31 similar exchange of both revenue and responsibility for
32 service delivery among the county, the proposed city, and
33 other subject agencies. It is the further intent of the
34 Legislature that an incorporation should not occur
35 primarily for financial reasons.

36 (b) The commission shall not approve a proposal that
37 includes an incorporation unless it finds that the following
38 two quantities are substantially equal:

39 (1) Revenues currently received by the local agency
40 transferring the affected territory which, but for the



1 operation of this section, would accrue to the local agency
2 receiving the affected territory.

3 (2) Expenditures currently made by the local agency
4 transferring the affected territory for those services
5 which will be assumed by the local agency receiving the
6 affected territory.

7 (c) Notwithstanding subdivision (b), the commission
8 may approve a proposal that includes an incorporation if
9 it finds either of the following:

10 (1) The county and all of the subject agencies agree to
11 the proposed transfer.

12 (2) The negative fiscal effect has been adequately
13 mitigated by tax sharing agreements, lump-sum
14 payments, payments over a fixed period of time, or any
15 other terms and conditions pursuant to Section 56886.

16 (d) Nothing in this section is intended to change the
17 distribution of growth on the revenues within the
18 affected territory unless otherwise provided in the
19 agreement or agreements specified in paragraph (2) of
20 subdivision (c).

21 (e) Any terms and conditions that mitigate the
22 negative fiscal effect of a proposal that contains an
23 incorporation shall be included in the commission
24 resolution making determinations adopted pursuant to
25 Section 56851 and the terms and conditions specified in
26 the questions pursuant to Section 57134.

27 SEC. 55. The heading of Chapter 5 (commencing
28 with Section 56825) of Part 3 of Division 3 of Title 5 of the
29 Government Code is amended to read:

30

31 CHAPTER 5. ~~COMMISSION~~ PROCEEDINGS FOR SPECIAL
32 DISTRICTS

33 SEC. 56. A heading is added as Article 1 (commencing
34 with Section 56825) to Chapter 5 of Part 3 of Division 3 of
35 Title 5 of the Government Code, to read:

36

37 Article 1. Reorganization

38

39 SEC. 57. Section 56826 of the Government Code is
40 repealed.



1 56826. ~~(a) The commission shall not review a~~
2 ~~reorganization which includes an annexation to any city~~
3 ~~in Santa Clara County of unincorporated territory which~~
4 ~~is within the urban service area of the city if the~~
5 ~~reorganization is initiated by resolution of the legislative~~
6 ~~body of the city.~~

7 ~~(b) The city council shall be the conducting authority~~
8 ~~for the reorganization and the proceedings for the~~
9 ~~reorganization shall be initiated and conducted as nearly~~
10 ~~as may be practicable in accordance with Part 4~~
11 ~~(commencing with Section 57000).~~

12 ~~The city council, in adopting the resolution approving~~
13 ~~the reorganization, shall make all of the following~~
14 ~~findings:~~

15 ~~(1) That the unincorporated territory is within the~~
16 ~~urban service area of the city as adopted by the~~
17 ~~commission.~~

18 ~~(2) That the county surveyor has determined the~~
19 ~~boundaries of the proposal to be definite and certain, and~~
20 ~~in compliance with the road annexation policies of the~~
21 ~~commission. The city shall reimburse the county for the~~
22 ~~actual costs incurred by the county surveyor in making~~
23 ~~this determination.~~

24 ~~(3) That the proposal does not split lines of assessment~~
25 ~~or ownership.~~

26 ~~(4) That the proposal does not create islands or areas~~
27 ~~in which it would be difficult to provide municipal~~
28 ~~services.~~

29 ~~(5) That the proposal is consistent with the adopted~~
30 ~~general plan of the city.~~

31 ~~(6) That the territory is contiguous to existing city~~
32 ~~limits.~~

33 ~~(7) That the city has complied with all conditions~~
34 ~~imposed by the commission for inclusion of the territory~~
35 ~~in the urban service area of the city.~~

36 ~~(e) All reorganizations which involve territory for~~
37 ~~which the land use designation in the general plan of the~~
38 ~~city has changed from the time that the urban service~~
39 ~~area of the city was last adopted by the commission, and~~
40 ~~which are processed by a city pursuant to this section shall~~



1 ~~be subject to an appeal to the commission upon~~
2 ~~submission of a petition of appeal, signed by at least 50~~
3 ~~registered voters in the county.~~

4 ~~(d) An appeal to the commission may also be made by~~
5 ~~submission of a resolution of appeal adopted by the~~
6 ~~legislative body of a special district solely for the purpose~~
7 ~~of determining whether some or all of the territory~~
8 ~~contained in the reorganization proposal should also be~~
9 ~~annexed or detached from that special district.~~

10 ~~(e) Any petition submitted under subdivision (c) or~~
11 ~~resolution submitted under subdivision (d) shall be~~
12 ~~submitted to the executive officer within 15 days of the~~
13 ~~adoption by the city council of the resolution approving~~
14 ~~the annexation. The executive officer shall schedule the~~
15 ~~hearing for the next regular meeting of the commission~~
16 ~~as is practicable. The commission may set a reasonable~~
17 ~~appeal fee.~~

18 *SEC. 58. Section 56826 is added to the Government*
19 *Code, to read:*

20 *56826. A reorganization or a plan of reorganization*
21 *shall provide for one or more changes of organization of*
22 *any type for each of the subject districts and may provide*
23 *for the formation of one or more new districts pursuant*
24 *to the principal act or acts designated in the*
25 *reorganization or plan of reorganization.*

26 *SEC. 59. Section 56827 of the Government Code is*
27 *repealed.*

28 ~~56827. If two or more proposals pending before the~~
29 ~~commission conflict or in any way are inconsistent with~~
30 ~~each other, as determined by the commission, the~~
31 ~~commission may determine the relative priority for~~
32 ~~conducting any further proceedings based on any of those~~
33 ~~proposals. That determination shall be included in the~~
34 ~~terms and conditions imposed by the commission. In the~~
35 ~~absence of that determination, priority is given to that~~
36 ~~proceeding which shall be based upon the proposal first~~
37 ~~filed with the executive officer.~~

38 *SEC. 60. Section 56827 is added to the Government*
39 *Code, to read:*



1 56827. (a) Except as provided in subdivision (b),
2 upon the presentation of any petition or applications
3 making a proposal for a reorganization, the commission
4 may take proceedings pursuant to Part 3 (commencing
5 with Section 56650) without referring the proposal to a
6 reorganization committee, as provided in this part.

7 (b) The commission may refer to a reorganization
8 committee any incorporation proposal that includes, or
9 may be modified to include, any of the following changes
10 of organization affecting an independent special district:
11 consolidation, dissolution, formation, merger, or
12 establishment of a subsidiary district.

13 SEC. 61. Section 56827.5 of the Government Code is
14 repealed.

15 ~~56827.5. Notwithstanding Section 56827, the~~
16 ~~commission shall not approve a proposal for~~
17 ~~incorporation, consolidation of districts, dissolution,~~
18 ~~merger, or establishment of a subsidiary district, or a~~
19 ~~reorganization that includes any of these changes of~~
20 ~~organization until it has considered any other change of~~
21 ~~organization which conflicts with the subject proposal~~
22 ~~and which was submitted to the commission within 60~~
23 ~~days of the submission of the subject proposal.~~

24 SEC. 62. Section 56828 of the Government Code is
25 repealed.

26 ~~56828. (a) Any petitioner or legislative body desiring~~
27 ~~to initiate proceedings shall submit an application to the~~
28 ~~executive officer of the principal county.~~

29 ~~(b) Immediately after receiving an application and~~
30 ~~before issuing a certificate of filing, the executive officer~~
31 ~~shall give mailed notice that the application has been~~
32 ~~received to each interested agency and each subject~~
33 ~~agency. The notice shall generally describe the proposal~~
34 ~~and the affected territory. The executive officer shall not~~
35 ~~be required to give notice pursuant to this subdivision if~~
36 ~~a local agency has already given notice pursuant to~~
37 ~~subdivision (b) of Section 56800.~~

38 ~~(c) If a special district is, or as a result of a proposal will~~
39 ~~be, located in more than one county, the executive officer~~
40 ~~of the principal county shall immediately give the~~



1 ~~executive officer of each other affected county mailed~~
2 ~~notice that the application has been received. The notice~~
3 ~~shall generally describe the proposal and the affected~~
4 ~~territory.~~

5 ~~(d) Except when a commission is the lead agency~~
6 ~~pursuant to Section 21067 of the Public Resources Code,~~
7 ~~the executive officer shall determine within 30 days of~~
8 ~~receiving an application whether the application is~~
9 ~~complete and acceptable for filing or whether the~~
10 ~~application is incomplete.~~

11 ~~(e) The executive officer shall not accept an~~
12 ~~application for filing and issue a certificate of filing for at~~
13 ~~least 20 days after giving the mailed notice required by~~
14 ~~subdivision (b). The executive officer shall not be~~
15 ~~required to comply with this subdivision in the case of an~~
16 ~~application which meets the requirements of Section~~
17 ~~56837 or in the case of an application for which a local~~
18 ~~agency has already given notice pursuant to subdivision~~
19 ~~(b) of Section 56800.~~

20 ~~(f) If the appropriate fees have been paid, an~~
21 ~~application shall be deemed accepted for filing if no~~
22 ~~determination has been made by the executive officer~~
23 ~~within the 30-day period. An executive officer shall~~
24 ~~accept for filing, and file, any application submitted in the~~
25 ~~form prescribed by the commission and containing all of~~
26 ~~the information and data required pursuant to Section~~
27 ~~56652.~~

28 ~~(g) When an application is accepted for filing, the~~
29 ~~executive officer shall immediately issue a certificate of~~
30 ~~filing to the applicant. A certificate of filing shall be in the~~
31 ~~form prescribed by the executive officer and shall specify~~
32 ~~the date upon which the proposal shall be heard by the~~
33 ~~commission. From the date of issuance of a certificate of~~
34 ~~filing, or the date upon which an application is deemed~~
35 ~~to have been accepted, whichever is earlier, an~~
36 ~~application shall be deemed filed pursuant to this~~
37 ~~division.~~

38 ~~(h) If an application is determined not to be complete,~~
39 ~~the executive officer shall immediately transmit that~~
40 ~~determination to the applicant specifying those parts of~~



1 ~~the application which are incomplete and the manner in~~
2 ~~which they can be made complete.~~

3 ~~(i) Following the issuance of the certificate of filing,~~
4 ~~the executive officer shall proceed to set the proposal for~~
5 ~~hearing and give published notice thereof as provided in~~
6 ~~this part. The date of the hearing shall be not more than~~
7 ~~90 days after issuance of the certificate of filing or after the~~
8 ~~application is deemed to have been accepted, whichever~~
9 ~~is earlier. Notwithstanding Section 56106, the date for~~
10 ~~conducting the hearing, as determined pursuant to this~~
11 ~~subdivision, is mandatory.~~

12 *SEC. 63. Section 56828 is added to the Government*
13 *Code, to read:*

14 *56828. Before any proposal for reorganization is*
15 *referred to any reorganization committee, the*
16 *commission may provide for a public hearing on the*
17 *question of whether the proposal should be disapproved*
18 *or referred to a reorganization committee and set a time*
19 *and place for that hearing.*

20 *SEC. 64. Section 56828.5 of the Government Code is*
21 *repealed.*

22 ~~56828.5. Within 10 days after receiving a proposal that~~
23 ~~would result in the annexation to a city of land that is~~
24 ~~subject to a contract executed pursuant to the Williamson~~
25 ~~Act (Chapter 7 (commencing with Section 51200) of~~
26 ~~Division 1), the executive officer shall notify the Director~~
27 ~~of Conservation of the proposal. The notice shall include~~
28 ~~the contract number, the date of the contract's execution,~~
29 ~~and a copy of any protest that the city had filed pursuant~~
30 ~~to Section 51243.5.~~

31 *SEC. 65. Section 56829 of the Government Code is*
32 *repealed.*

33 ~~56829. (a) Within 10 days after receiving a proposal~~
34 ~~to form a subsidiary district, the executive officer shall~~
35 ~~notify by certified mail the district or districts which are~~
36 ~~the subject of the proposal.~~

37 ~~(b) Within 35 days after receiving the notice from the~~
38 ~~executive officer, the board of directors of the subject~~
39 ~~district or districts may do either of the following:~~



1 ~~(1) Adopt a resolution consenting to the subsidiary~~
2 ~~district proposal, with or without requesting additional~~
3 ~~terms and conditions.~~

4 ~~(2) Adopt a resolution of intention to file an~~
5 ~~alternative proposal to the subsidiary district proposal.~~

6 ~~(e) Any resolution adopted under paragraph (1) or~~
7 ~~(2) of subdivision (b) shall immediately be filed with the~~
8 ~~executive officer.~~

9 *SEC. 66. Section 56829 is added to the Government*
10 *Code, to read:*

11 *56829. The executive officer shall give notice of that*
12 *hearing by publication, as provided in Sections 56153 and*
13 *56154, and by posting, as provided in Sections 56158 and*
14 *56159.*

15 *SEC. 67. Section 56830 of the Government Code is*
16 *repealed.*

17 ~~56830. (a) If a district files a resolution of intention to~~
18 ~~file an alternative proposal pursuant to paragraph (2) of~~
19 ~~subdivision (b) of Section 56829, the executive officer~~
20 ~~shall take no further action on the original proposal to~~
21 ~~form a subsidiary district for a period of 70 days. During~~
22 ~~this period, the district which has filed a resolution of~~
23 ~~intention shall prepare and submit a completed~~
24 ~~application for the alternative proposal in a form similar~~
25 ~~to the original proposal, as prescribed by the commission.~~

26 ~~(b) A district which has filed a resolution of intention~~
27 ~~to file an alternative proposal but which does not file a~~
28 ~~completed application within the prescribed time period,~~
29 ~~shall be deemed to have consented to the original~~
30 ~~proposal to form a subsidiary district.~~

31 ~~(c) After receiving an alternative proposal, the~~
32 ~~executive officer shall analyze and report on both the~~
33 ~~original proposal and the alternative proposal~~
34 ~~concurrently and set both for hearing by the commission~~
35 ~~in order that both proposals may be considered~~
36 ~~simultaneously at a single hearing.~~

37 ~~(d) “Alternative proposal,” as used in this section,~~
38 ~~means an alternative proposal to a subsidiary district~~
39 ~~proposal as provided for in Section 56829.~~



1 SEC. 68. Section 56830 is added to the Government
2 Code, to read:

3 56830. The executive officer shall also give mailed
4 notice of any hearing, as provided in Sections 56155 to
5 56157, inclusive, by mailing notice of hearing to all of the
6 following persons and entities:

- 7 (a) Each affected city and affected district.
- 8 (b) The chief petitioners, if any.
- 9 (c) Each person who has filed a written request for
10 special notice with the executive officer.

11 SEC. 69. Section 56831 of the Government Code is
12 repealed.

13 ~~56831. (a) Within 35 days following the conclusion of~~
14 ~~a hearing on an original and an alternative proposal to~~
15 ~~form a subsidiary district, the commission shall adopt its~~
16 ~~resolution of determination, which shall do one of the~~
17 ~~following:~~

- 18 ~~(1) Deny both the original proposal and the~~
19 ~~alternative proposal.~~
- 20 ~~(2) Approve both the original proposal and the~~
21 ~~alternative proposal.~~
- 22 ~~(3) Approve one proposal and deny the other.~~

23 ~~(b) If the commission approves both proposals, it shall~~
24 ~~adopt an order directing the board of supervisors to~~
25 ~~consider both proposals at a single hearing and to do one~~
26 ~~of the following:~~

- 27 ~~(1) Deny both the original proposal and the~~
28 ~~alternative proposal.~~
- 29 ~~(2) Approve both the original proposal and the~~
30 ~~alternative proposal.~~
- 31 ~~(3) Approve one proposal and deny the other.~~

32 ~~(c) "Alternative proposal," as used in this section,~~
33 ~~means an alternative proposal to a subsidiary district~~
34 ~~proposal as provided for in Section 56829.~~

35 SEC. 70. Section 56831 is added to the Government
36 Code, to read:

37 56831. The hearing shall be held by the commission on
38 the date and at the time and place specified in the notice.
39 After the conclusion of the hearing, the commission shall
40 adopt a resolution doing either of the following:



- 1 (a) *Disapproving the proposal of reorganization.*
- 2 (b) *Ordering the proposal referred to a reorganization*
- 3 *committee for study, report, and recommendation.*

4 *SEC. 71. Section 56832 of the Government Code is*
 5 *repealed.*

6 ~~56832. If any sufficient petition or resolution of~~
 7 ~~application shall propose, as a part of the petition or~~
 8 ~~resolution of application, that the district shall furnish gas~~
 9 ~~or electric service, as provided in Sections 56129 to 56131,~~
 10 ~~inclusive, a certified copy of the report of the Public~~
 11 ~~Utilities Commission shall be on file with the executive~~
 12 ~~officer prior to setting that petition or resolution for~~
 13 ~~public hearing by the commission.~~

14 *SEC. 72. Section 56832 is added to the Government*
 15 *Code, to read:*

16 *56832. The commission may accept contributions*
 17 *from any source for the purpose of paying the expenses*
 18 *of a reorganization committee in the conduct of its study,*
 19 *report, and recommendation. Any affected county,*
 20 *affected city, or affected district may make contributions*
 21 *for that purpose. The commission and any affected*
 22 *county, affected city, or affected district may make any*
 23 *of its facilities available for the use of a reorganization*
 24 *committee and may authorize any of its officers and*
 25 *employees to furnish advice, assistance, or services to the*
 26 *committee.*

27 *SEC. 73. Section 56833 of the Government Code is*
 28 *repealed.*

29 ~~56833. The executive officer shall review each~~
 30 ~~application which is filed with the executive officer and~~
 31 ~~shall prepare a report, including his or her~~
 32 ~~recommendations, on the application. The report shall be~~
 33 ~~completed not less than five days prior to the date~~
 34 ~~specified in the notice of hearing. Upon completion, the~~
 35 ~~executive officer shall furnish copies of the report to each~~
 36 ~~of the following:~~

- 37 (a) ~~The officers or persons designated in the~~
 38 ~~application.~~



1 ~~(b) Each local agency whose boundaries or sphere of~~
2 ~~influence would be changed by the proposal or~~
3 ~~recommendation.~~

4 ~~(c) Each affected local agency which has filed a~~
5 ~~request for a report with the executive officer.~~

6 ~~(d) The executive officer of another affected county~~
7 ~~when a district is or will be located in that other county.~~

8 ~~(e) Each affected city.~~

9 *SEC. 74. Section 56833 is added to the Government*
10 *Code, to read:*

11 *56833. Any resolution adopted by the commission*
12 *ordering a proposal of reorganization referred to a*
13 *reorganization committee shall do all of the following:*

14 *(a) Describe the proposed reorganization and*
15 *designate the subject districts (the description and*
16 *designation may be by reference to the proposal).*

17 *(b) Specify the maximum number of members, not to*
18 *exceed three, to represent each subject district on the*
19 *committee.*

20 *(c) Fix a time and place for the first meeting of the*
21 *reorganization committee.*

22 *(d) Designate a date, not less than 60 days from the*
23 *date of the first meeting of the committee, for the*
24 *completion and submission to the commission of the*
25 *report and recommendation of the committee.*

26 *SEC. 75. Section 56833.1 of the Government Code is*
27 *repealed.*

28 ~~56833.1. For any proposal which includes an~~
29 ~~incorporation, the executive officer shall prepare, or~~
30 ~~cause to be prepared by contract, a comprehensive fiscal~~
31 ~~analysis. This analysis shall become part of the report~~
32 ~~required pursuant to Section 56833. Data used for the~~
33 ~~analysis shall be from the most recent fiscal year for which~~
34 ~~data are available, provided that the data are not more~~
35 ~~than one fiscal year old. When data from the most recent~~
36 ~~fiscal year are unavailable, the analysis shall document~~
37 ~~the source and methodology of the data used. The analysis~~
38 ~~shall review and document each of the following:~~



1 ~~(a) The costs to the proposed city of providing public~~
2 ~~services and facilities during the three fiscal years~~
3 ~~following incorporation.~~

4 ~~(b) The revenues of the proposed city during the~~
5 ~~three fiscal years following incorporation.~~

6 ~~(c) The effects on the costs and revenues of any~~
7 ~~affected local agency during the three fiscal years of~~
8 ~~incorporation.~~

9 ~~(d) Any other information and analysis needed to~~
10 ~~make the findings required by Section 56375.1.~~

11 *SEC. 76. Section 56833.3 of the Government Code is*
12 *repealed.*

13 ~~56833.3. (a) For any proposal which includes an~~
14 ~~incorporation, the executive officer shall, at the request~~
15 ~~of an interested party, which is submitted pursuant to~~
16 ~~paragraph (b), and prior to issuing his or her report and~~
17 ~~recommendation pursuant to Section 56833, request the~~
18 ~~Controller to review the comprehensive fiscal analysis~~
19 ~~prepared pursuant to Section 56833.1. The request by an~~
20 ~~interested party shall specify in writing the element or~~
21 ~~elements of the comprehensive fiscal analysis which the~~
22 ~~Controller is requested to review and the reasons the~~
23 ~~Controller is requested to review them.~~

24 ~~(b) The commission may adopt written procedures for~~
25 ~~the acceptance, referral, and payment for a request for~~
26 ~~the Controller's review, which shall include setting a time~~
27 ~~period during which an interested party is permitted to~~
28 ~~submit a request pursuant to subdivision (a). The time~~
29 ~~period for accepting a request shall not be less than 30~~
30 ~~days following notice given in the same manner as~~
31 ~~specified in Section 56153.~~

32 ~~(c) Within 45 days of receiving the analysis, the~~
33 ~~Controller shall issue a report to the executive officer~~
34 ~~regarding the accuracy and reliability of the information,~~
35 ~~methodologies, and documentation used in the analysis.~~
36 ~~The times within which the executive officer or~~
37 ~~commission is required to act pursuant to this chapter~~
38 ~~shall be tolled for the time required by the Controller for~~
39 ~~completion of the report. The executive officer shall~~
40 ~~include the results of the Controller's report into his or~~



1 her own report and recommendation issued pursuant to
2 Section 56833.

3 (d) Notwithstanding Sections 56378 and 56386, the
4 Controller may charge the commission for the actual
5 costs incurred pursuant to this section. The commission
6 may recover these costs by charging the person who
7 requested the Controller's review.

8 *SEC. 77. Section 56833.5 of the Government Code is*
9 *repealed.*

10 56833.5. (a) For any proposal for incorporation of the
11 territory within the Mountain House Community
12 Services District, San Joaquin County shall provide the
13 required funds to those petitioners filing the
14 incorporation application for all costs involved in filing
15 the application for incorporation pursuant to this division,
16 including the preparation of the comprehensive fiscal
17 analysis pursuant to Section 56833.1.

18 (b) The funds provided by the county pursuant to this
19 section shall not be construed to be a gift of public funds
20 and may only be granted to a quasi-public or nonprofit
21 organization formed for the purpose of pursuing
22 incorporation of the Mountain House area.

23 (c) San Joaquin County shall provide the funds
24 required in subdivision (a) only one time, upon the first
25 filing of application for incorporation.

26 *SEC. 78. Section 56834 of the Government Code is*
27 *repealed.*

28 56834. The executive officer shall give notice of any
29 hearing by the commission by publication, as provided in
30 Sections 56153 and 56154, and by posting, as provided in
31 Sections 56158 and 56159.

32 *SEC. 79. Section 56834 is added to the Government*
33 *Code, to read:*

34 56834. From time to time during the course of study
35 upon a proposed plan of reorganization, the commission
36 may do any of the following:

37 (a) Extend the time for completion and submission of
38 the report and recommendation of a reorganization
39 committee.



1 (b) Change the scope of the study by the addition or
2 deletion of territory or of subject districts.

3 (c) Authorize the committee to develop, study,
4 report, and make recommendations upon alternative
5 plans of reorganization.

6 SEC. 80. Section 56835 of the Government Code is
7 repealed.

8 ~~56835. The executive officer shall also give mailed~~
9 ~~notice of any hearing by the commission, as provided in~~
10 ~~Sections 56155 to 56157, inclusive, by mailing notice of the~~
11 ~~hearing to all of the following persons and entities:~~

12 ~~(a) To each affected local agency.~~

13 ~~(b) To the chief petitioners, if any.~~

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

16 ~~(d) If the proposal is for any annexation or~~
17 ~~detachment, or for a reorganization providing for the~~
18 ~~formation of a new district, to each city within three miles~~
19 ~~of the exterior boundaries of the territory proposed to be~~
20 ~~annexed, detached, or formed into a new district.~~

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

23 ~~(f) If the proposal includes the formation of, or~~
24 ~~annexation of territory to, a fire protection district~~
25 ~~formed pursuant to the Fire Protection District Law of~~
26 ~~1987, Part 3 (commencing with Section 13800) of Division~~
27 ~~12 of the Health and Safety Code, and all or part of the~~
28 ~~affected territory has been classified as a state~~
29 ~~responsibility area, to the Director of Forestry and Fire~~
30 ~~Protection.~~

31 ~~(g) If the proposal would result in the annexation to a~~
32 ~~city of land that is subject to a contract executed pursuant~~
33 ~~to the Williamson Act (Chapter 7 (commencing with~~
34 ~~Section 51200) of Division 1), to the Director of~~
35 ~~Conservation.~~

36 SEC. 81. Section 56835 is added to the Government
37 Code, to read:

38 56835. At least 15 days before the date of the first
39 meeting of a reorganization committee, the executive
40 officer shall mail a copy of the resolution adopted by the



1 *commission to each subject district designated in the*
2 *resolution.*

3 *SEC. 82. Section 56836 of the Government Code is*
4 *repealed.*

5 ~~56836. (a) The commission may make either of the~~
6 ~~following determinations without notice and hearing:~~

7 ~~(1) Subject to the limitations of Section 56837,~~
8 ~~approval or disapproval of a proposal for an annexation,~~
9 ~~detachment, or reorganization which consists solely of~~
10 ~~annexations or detachments, or both.~~

11 ~~(2) Subject to the limitations of Section 56837,~~
12 ~~approval or disapproval of the formation of a county~~
13 ~~service area.~~

14 ~~(b) Except for the determinations authorized to be~~
15 ~~made by subdivision (a), the commission shall not make~~
16 ~~any determinations upon any proposal, plan of~~
17 ~~reorganization, or report and recommendation of a~~
18 ~~reorganization committee until after public hearing by~~
19 ~~the commission on that proposal, plan of reorganization,~~
20 ~~or report and recommendation of a reorganization~~
21 ~~committee.~~

22 *SEC. 83. Section 56836 is added to the Government*
23 *Code, to read:*

24 *56836. Any person, including, but not limited to, a*
25 *member of the legislative body of a subject district and an*
26 *officer or employee of the district, may be appointed as*
27 *a member to represent the district upon a reorganization*
28 *committee.*

29 *SEC. 84. Section 56837 of the Government Code is*
30 *repealed.*

31 ~~56837. (a) If a petition for an annexation, a~~
32 ~~detachment, or a reorganization consisting solely of~~
33 ~~annexations or detachments, or both, or the formation of~~
34 ~~a county service area is signed by all of the owners of land~~
35 ~~within the affected territory of the proposed change of~~
36 ~~organization or reorganization, or if a resolution of~~
37 ~~application by a legislative body of an affected district,~~
38 ~~affected county, or affected city making a proposal for an~~
39 ~~annexation or detachment, or for a reorganization~~
40 ~~consisting solely of annexations or detachments, or both,~~



1 ~~or the formation of a county service area is accompanied~~
2 ~~by proof, satisfactory to the commission, that all the~~
3 ~~owners of land within the affected territory have given~~
4 ~~their written consent to that change of organization or~~
5 ~~reorganization, the commission may approve or~~
6 ~~disapprove the change of organization or reorganization,~~
7 ~~without notice and hearing by the commission. In those~~
8 ~~cases, the commission may also approve and authorize the~~
9 ~~conducting authority to conduct proceedings for the~~
10 ~~change of organization or reorganization under any of the~~
11 ~~following conditions:~~

12 ~~(1) Without notice and hearing.~~

13 ~~(2) Without an election.~~

14 ~~(3) Without notice, hearing, or an election.~~

15 ~~(b) The executive officer shall give any affected~~
16 ~~agency mailed notice of the filing of the petition or~~
17 ~~resolution of application initiating proceedings by the~~
18 ~~commission. The commission shall not, without the~~
19 ~~written consent of the subject agency, take any further~~
20 ~~action on the petition or resolution of application for 10~~
21 ~~days following that mailing. Upon written demand by an~~
22 ~~affected local agency, filed with the executive officer~~
23 ~~during that 10-day period, the commission shall make~~
24 ~~determinations upon the petition or resolution of~~
25 ~~application only after notice and hearing on the petition~~
26 ~~or resolution of application. If no written demand is filed,~~
27 ~~the commission may make those determinations without~~
28 ~~notice and hearing. By written consent, which may be~~
29 ~~filed with the executive officer at any time, a subject~~
30 ~~agency may do any of the following:~~

31 ~~(1) Waive the requirement of mailed notice.~~

32 ~~(2) Consent to the commission making~~
33 ~~determinations without notice and hearing.~~

34 ~~(3) Waive the requirement of mailed notice and~~
35 ~~consent to the commission making determinations~~
36 ~~without notice and hearing.~~

37 ~~(e) The commission may waive conducting authority~~
38 ~~proceedings entirely if all of the following conditions~~
39 ~~apply:~~

40 ~~(1) The affected territory is uninhabited.~~



1 ~~(2) All the owners of land within the affected territory~~
2 ~~have given their written consent to the change of~~
3 ~~organization or reorganization.~~

4 ~~(3) All affected local agencies that will gain territory~~
5 ~~as a result of the change of organization or reorganization~~
6 ~~have consented in writing to a waiver of conducting~~
7 ~~authority proceedings.~~

8 SEC. 85. Section 56837 is added to the Government
9 Code, to read:

10 56837. (a) The legislative body of each affected
11 district shall appoint one or more members, not to exceed
12 the maximum number specified by the commission, to
13 represent the district on the reorganization committee.
14 That legislative body may remove and replace any
15 member previously appointed by it, and may fill any
16 vacancy in its membership upon the committee.

17 (b) In the case of a reorganization committee created
18 pursuant to subdivision (b) of Section 56476, the county
19 board of supervisors shall appoint one or more members,
20 not to exceed the maximum number specified by the
21 commission, to represent the county on the
22 reorganization committee. The county board of
23 supervisors may appoint any person, including, but not
24 limited to, an officer or employee of the county to
25 represent the county on the reorganization committee.
26 The county board of supervisors may remove and replace
27 any member previously appointed by it, and may fill any
28 vacancy in its membership on the committee.

29 (c) In the case of a reorganization committee created
30 pursuant to subdivision (b) of Section 56476, the
31 commission shall appoint one or more members to
32 represent the general public on the reorganization
33 committee. The number of members appointed to
34 represent the general public shall not exceed the
35 maximum number specified by the commission to
36 represent the county or each subject district. A member
37 appointed pursuant to this subdivision shall not be an
38 officer or employee of any local agency. The commission
39 may remove and replace any member previously



1 appointed by it, and may fill any vacancy in its
2 membership on the committee.

3 SEC. 86. Section 56838 of the Government Code is
4 repealed.

5 ~~56838. Where the commission desires to provide for
6 notice and hearing prior to making a determination on a
7 matter which the commission is authorized, but not
8 required, to determine without notice and hearing, the
9 commission shall order a public hearing on that matter
10 and set a date, time, and place for the hearing. The date
11 of hearing shall not be more than 90 days after the date
12 of the order.~~

13 SEC. 87. Section 56838 is added to the Government
14 Code, to read:

15 56838. The clerk of a subject district shall give
16 immediate notice to the executive officer of all
17 appointments and removals made by the legislative body
18 to a reorganization committee.

19 SEC. 88. Section 56839 of the Government Code is
20 repealed.

21 ~~56839. (a) If a majority of the members of each of the
22 legislative bodies of two or more local agencies adopt
23 substantially similar resolutions of application making
24 proposals either for the consolidation of districts or for the
25 reorganization of all or any part of the districts into a
26 single local agency, the commission shall approve, or
27 conditionally approve, the proposal. The commission
28 shall authorize the board of supervisors to order the
29 consolidation or reorganization without an election,
30 except as otherwise provided in subdivision (b) of Section
31 57081.~~

32 ~~(b) Before ordering any material change in the
33 provisions or the terms and conditions of the
34 consolidation or reorganization, as set forth in the
35 proposals of the local agencies, the commission shall
36 direct the executive officer to give each subject agency
37 mailed notice of that change. The commission shall not,
38 without the written consent of all subject agencies, take
39 any further action on the consolidation or reorganization
40 for 30 days following that mailing. Upon written demand~~



1 by any subject agency, filed with the executive officer
2 during that 30-day period, the commission shall make
3 determinations upon the proposals only after notice and
4 hearing proposals. If no written demand is filed, the
5 commission may make those determinations without
6 notice and hearing. Application of any provision of this
7 subdivision may be waived by consent of all of the subject
8 agencies.

9 (e) Where the commission has initiated a change of
10 organization or reorganization affecting more than one
11 special district, the commission may utilize and is
12 encouraged to utilize a reorganization committee to
13 review the proposal.

14 *SEC. 89. Section 56839 is added to the Government*
15 *Code, to read:*

16 *56839. At any time after the date fixed for the first*
17 *meeting of a reorganization committee or during the*
18 *course of the study by the committee, if the legislative*
19 *body of any subject district, after written request by the*
20 *executive officer, does not appoint any members to the*
21 *committee, those members may be appointed by the*
22 *commission.*

23 *SEC. 90. Section 56839.1 of the Government Code is*
24 *repealed.*

25 ~~56839.1. (a) Notwithstanding Sections 57077 and~~
26 ~~57087, the commission shall authorize the conducting~~
27 ~~authority to order (1) the consolidation of districts, (2)~~
28 ~~dissolution, (3) merger, or (4) the establishment of a~~
29 ~~subsidiary district, or (5) a reorganization that includes~~
30 ~~any of these changes of organization without an election,~~
31 ~~except that an election shall be held in each affected city~~
32 ~~or district if there are written protests as follows:~~

33 (1) Where the proposal was not initiated by the
34 commission, and where an affected city or district has not
35 objected by resolution to the proposal, a written protest
36 has been submitted that meets the requirements
37 specified in subdivisions (b) and (c) of Section 57081.

38 (2) Where the proposal was not initiated by the
39 commission, and where an affected city or district has
40 objected by resolution to the proposal, a written protest



1 ~~has been submitted that meets the requirements~~
2 ~~specified in paragraphs (1) and (2) of subdivision (a) and~~
3 ~~subdivision (b) of Section 57093.~~

4 ~~(3) Where the proposal was initiated by the~~
5 ~~commission, and regardless of whether an affected city or~~
6 ~~district has objected to the proposal by resolution, a~~
7 ~~written protest has been submitted that meets the~~
8 ~~requirements of Section 57092.~~

9 ~~(b) Notwithstanding subdivision (a), the commission~~
10 ~~shall not authorize the conducting authority to order a~~
11 ~~merger or establishment of a subsidiary district without~~
12 ~~the consent of the affected city.~~

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

23 ~~The voters of the Goleta Sanitary District previously~~
24 ~~voted against a proposed consolidation with the Goleta~~
25 ~~West Sanitary District by a margin of two to one. More~~
26 ~~recently, a reorganization proposal was submitted to the~~
27 ~~commission in Santa Barbara County that would have~~
28 ~~combined the Goleta Sanitary District and the Goleta~~
29 ~~West Sanitary District under circumstances where no~~
30 ~~opportunity for confirmation by the Goleta Sanitary~~
31 ~~District voters would be available. In light of the issues~~
32 ~~that were raised in connection with these earlier~~
33 ~~consolidation and reorganization proposals, a five-year~~
34 ~~moratorium on the application of Section 56839.1 to~~
35 ~~proposals affecting the Goleta Sanitary District or the~~
36 ~~Goleta West Sanitary District is necessary to ensure an~~
37 ~~opportunity for voter confirmation.~~

38 ~~SEC. 91. Section 56840 of the Government Code is~~
39 ~~repealed.~~



1 ~~56840. (a) The hearing shall be held by the~~
2 ~~commission upon the date and at the time and place~~
3 ~~specified. The hearing may be continued from time to~~
4 ~~time but not to exceed 70 days from the date specified in~~
5 ~~the original notice.~~

6 ~~(b) At the hearing, the commission shall hear and~~
7 ~~receive any oral or written protests, objections, or~~
8 ~~evidence which shall be made, presented, or filed, and~~
9 ~~consider the report of the executive officer and the plan~~
10 ~~for providing services to the territory prepared pursuant~~
11 ~~to Section 56653.~~

12 *SEC. 92. Section 56840 is added to the Government*
13 *Code, to read:*

14 *56840. If, during the course of study upon a proposed*
15 *plan of reorganization, the commission authorizes a*
16 *change in the scope of the study, the membership of the*
17 *reorganization committee shall be immediately changed*
18 *to exclude representatives of each district or city for*
19 *which a change of organization is no longer proposed and*
20 *to include representatives of each district or city for*
21 *which a new change of organization is proposed.*

22 *SEC. 93. Section 56840.5 of the Government Code is*
23 *repealed.*

24 ~~56840.5. If the report filed pursuant to Section 56833~~
25 ~~indicates that more than 50 percent of the land proposed~~
26 ~~for incorporation is owned by or dedicated to the use of~~
27 ~~a city or county and that the proposed incorporation~~
28 ~~would result in a revenue loss to that city or county, and~~
29 ~~at the hearing held pursuant to Section 56840 the board~~
30 ~~of supervisors of the county or city council of the city~~
31 ~~presents a resolution objecting to the incorporation, no~~
32 ~~further proceedings shall be conducted by the~~
33 ~~commission and no new proposal involving incorporation~~
34 ~~of substantially the same territory shall be initiated for~~
35 ~~one year.~~

36 ~~In the absence of a resolution of objection from a city~~
37 ~~or county, the commission may approve the proposal only~~
38 ~~if it imposes as a condition thereto that the newly~~
39 ~~incorporated city may not adopt any regulation or policy~~
40 ~~which would have a negative fiscal impact on any~~



1 ~~contract existing at the time of the incorporation which~~
2 ~~is related to the publicly owned land.~~

3 ~~This section shall not preclude the completion of~~
4 ~~proceedings to incorporate territory which is the subject~~
5 ~~of incorporation proceedings filed with the executive~~
6 ~~officer of the commission prior to February 15, 1986.~~

7 *SEC. 94. Section 56841 of the Government Code is*
8 *repealed.*

9 ~~56841. Factors to be considered in the review of a~~
10 ~~proposal shall include, but not be limited to, all of the~~
11 ~~following:~~

12 ~~(a) Population, population density; land area and land~~
13 ~~use; per capita assessed valuation; topography, natural~~
14 ~~boundaries, and drainage basins; proximity to other~~
15 ~~populated areas; the likelihood of significant growth in~~
16 ~~the area, and in adjacent incorporated and~~
17 ~~unincorporated areas, during the next 10 years.~~

18 ~~(b) Need for organized community services; the~~
19 ~~present cost and adequacy of governmental services and~~
20 ~~controls in the area; probable future needs for those~~
21 ~~services and controls; probable effect of the proposed~~
22 ~~incorporation, formation, annexation, or exclusion and of~~
23 ~~alternative courses of action on the cost and adequacy of~~
24 ~~services and controls in the area and adjacent areas.~~

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

30 ~~(c) The effect of the proposed action and of~~
31 ~~alternative actions, on adjacent areas, on mutual social~~
32 ~~and economic interests, and on the local governmental~~
33 ~~structure of the county.~~

34 ~~(d) The conformity of both the proposal and its~~
35 ~~anticipated effects with both the adopted commission~~
36 ~~policies on providing planned, orderly, efficient patterns~~
37 ~~of urban development, and the policies and priorities set~~
38 ~~forth in Section 56377.~~



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

4 ~~(f) The definiteness and certainty of the boundaries of~~
5 ~~the territory, the nonconformance of proposed~~
6 ~~boundaries with lines of assessment or ownership, the~~
7 ~~creation of islands or corridors of unincorporated~~
8 ~~territory, and other similar matters affecting the~~
9 ~~proposed boundaries.~~

10 ~~(g) Consistency with city or county general and~~
11 ~~specific plans.~~

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

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

15 *SEC. 95. Section 56841 is added to the Government*
16 *Code, to read:*

17 *56841. Subject to any standards and procedures*
18 *adopted by regulation by the commission, a*
19 *reorganization committee shall provide for the selection*
20 *of a presiding officer and secretary either of whom may*
21 *but are not required to be members of the committee,*
22 *adopt the standards and procedures which it deems*
23 *advisable, fix the time and place for meetings of the*
24 *committee, and determine the manner and method to be*
25 *followed by the committee in its study, report, and*
26 *recommendation.*

27 *SEC. 96. Section 56842 of the Government Code is*
28 *repealed.*

29 ~~56842. (a) (1) If the proposal includes the~~
30 ~~incorporation of a city, as defined in Section 56043, the~~
31 ~~commission shall determine the amount of property tax~~
32 ~~revenue to be exchanged by the affected local agency~~
33 ~~pursuant to this section and Section 56845.~~

34 ~~(2) If the proposal includes the formation of a district,~~
35 ~~as defined in Section 2215 of the Revenue and Taxation~~
36 ~~Code, the commission shall determine the amount of~~
37 ~~property tax to be exchanged by the affected local agency~~
38 ~~pursuant to this section.~~

39 ~~(b) The commission shall notify the county auditor of~~
40 ~~the proposal and the services which the new jurisdiction~~



1 ~~proposes to assume within the area, and identify for the~~
2 ~~auditor the existing service providers within the area~~
3 ~~subject to the proposal.~~

4 ~~(e) If the proposal would not transfer all of an affected~~
5 ~~agency's service responsibilities to the proposed city or~~
6 ~~district, the commission and the county auditor shall do~~
7 ~~all of the following:~~

8 ~~(1) The county auditor shall determine the proportion~~
9 ~~that the amount of property tax revenue derived by each~~
10 ~~affected local agency pursuant to subdivision (b) of~~
11 ~~Section 93 of the Revenue and Taxation Code bears to the~~
12 ~~total amount of revenue from all sources, available for~~
13 ~~general purposes, received by each affected local agency~~
14 ~~in the prior fiscal year. For purposes of making this~~
15 ~~determination and the determination required by~~
16 ~~paragraph (3), "total amount of revenue from all sources~~
17 ~~available for general purposes" means the total amount~~
18 ~~of revenue which an affected local agency may use on a~~
19 ~~discretionary basis for any purpose and does not include~~
20 ~~any of the following:~~

21 ~~(A) Revenue which, by statute, is required to be used~~
22 ~~for a specific purpose.~~

23 ~~(B) Revenue from fees, charges, or assessments which~~
24 ~~are levied to specifically offset the cost of particular~~
25 ~~services and do not exceed the cost reasonably borne in~~
26 ~~providing these services.~~

27 ~~(C) Revenue received from the federal government~~
28 ~~which is required to be used for a specific purpose.~~

29 ~~(2) The commission shall determine, based on~~
30 ~~information submitted by each affected local agency, an~~
31 ~~amount equal to the total net cost to each affected local~~
32 ~~agency during the prior fiscal year of providing those~~
33 ~~services which the new jurisdiction will assume within the~~
34 ~~area subject to the proposal. For purposes of this~~
35 ~~paragraph, "total net cost" means the total direct and~~
36 ~~indirect costs which were funded by general purpose~~
37 ~~revenues of the affected local agency and excludes any~~
38 ~~portion of the total cost which was funded by any~~
39 ~~revenues of that agency which are specified in~~
40 ~~subparagraphs (A), (B), and (C) of paragraph (1).~~



1 ~~(3) The commission shall multiply the amount~~
2 ~~determined pursuant to paragraph (2) for each affected~~
3 ~~local agency by the corresponding proportion~~
4 ~~determined pursuant to paragraph (1) to derive the~~
5 ~~amount of property tax revenue used to provide services~~
6 ~~by each affected local agency during the prior fiscal year~~
7 ~~within the area subject to the proposal. The county~~
8 ~~auditor shall adjust the amount described in the previous~~
9 ~~sentence by the annual tax increment according to the~~
10 ~~procedures set forth in Chapter 6 (commencing with~~
11 ~~Section 95) of Part 0.5 of Division 1 of the Revenue and~~
12 ~~Taxation Code, to the fiscal year in which the new city or~~
13 ~~district receives its initial allocation of property taxes.~~

14 ~~(4) For purposes of this subdivision, in any county in~~
15 ~~which, prior to the adoption of Article XIII A of the~~
16 ~~California Constitution, and continuing thereafter, a~~
17 ~~separate fund or funds were established consisting of~~
18 ~~revenues derived from the unincorporated area of the~~
19 ~~county and from which fund or funds services rendered~~
20 ~~in the unincorporated area have been paid, the amount~~
21 ~~of property tax revenues derived pursuant to paragraph~~
22 ~~(3), may, at the discretion of the commission, be~~
23 ~~transferred to the proposed city over a period not to~~
24 ~~exceed 12 fiscal years following its incorporation. In~~
25 ~~determining whether the transfer of the amount of~~
26 ~~property tax revenues determined pursuant to paragraph~~
27 ~~(3) shall occur entirely within the fiscal year immediately~~
28 ~~following the incorporation of the proposed city or shall~~
29 ~~be phased in over a period not to exceed 12 full fiscal years~~
30 ~~following the incorporation, the commission shall~~
31 ~~consider each of the following:~~

32 ~~(A) The total amount of revenue from all sources~~
33 ~~available to the proposed city.~~

34 ~~(B) The fiscal impact of the proposed transfer on the~~
35 ~~transferring agency.~~

36 ~~(C) Any other relevant facts which interested parties~~
37 ~~to the exchange may present to the commission in written~~
38 ~~form.~~

39 ~~The decision of the commission shall be supported by~~
40 ~~written findings setting forth the basis for its decision.~~



1 ~~(d) If the proposal would transfer all of an affected~~
2 ~~agency's service responsibilities to the proposed city or~~
3 ~~district, the commission shall request the auditor to~~
4 ~~determine the property tax revenue generated for the~~
5 ~~affected service providers by tax rate area, or portion~~
6 ~~thereof, and transmit that information to the commission.~~

7 ~~(e) The executive officer shall notify the auditor of the~~
8 ~~amount determined pursuant to paragraph (3) of~~
9 ~~subdivision (e) or subdivision (d), as the case may be,~~
10 ~~and, where applicable, the period of time within which~~
11 ~~and the procedure by which the transfer of property tax~~
12 ~~revenues will be effected pursuant to paragraph (4) of~~
13 ~~subdivision (e), at the time the executive officer records~~
14 ~~a certificate of completion pursuant to Section 57203 for~~
15 ~~any proposal described in subdivision (a), and the auditor~~
16 ~~shall transfer that amount to the new jurisdiction.~~

17 ~~(f) The amendments to this section enacted during~~
18 ~~the 1985-86 Regular Session of the Legislature shall apply~~
19 ~~to any proposal described in subdivision (a) for which a~~
20 ~~certificate of completion is recorded with the county~~
21 ~~recorder on or after January 1, 1987.~~

22 ~~(g) For purposes of this section, "prior fiscal year"~~
23 ~~means the most recent fiscal year for which data on actual~~
24 ~~direct and indirect costs and revenues needed to perform~~
25 ~~the calculations required by this section are available~~
26 ~~preceding the fiscal year in which the commission~~
27 ~~approves by resolution the city's proposal to incorporate~~
28 ~~or the district's proposal to form.~~

29 ~~(h) An action brought by a city or district to contest~~
30 ~~any determinations of the county auditor or the~~
31 ~~commission with regard to the amount of property tax~~
32 ~~revenue to be exchanged by the affected local agency~~
33 ~~pursuant to this section shall be commenced within three~~
34 ~~years of the effective date of the city's incorporation or~~
35 ~~the district's formation. These actions may be brought by~~
36 ~~any city that incorporated or by any district that formed~~
37 ~~on or after January 1, 1986.~~

38 ~~(i) This section applies to any city that incorporated or~~
39 ~~district that formed on or after January 1, 1986.~~



1 ~~(j) The calculations and procedures specified in this~~
2 ~~section shall be made prior to and shall be incorporated~~
3 ~~into the calculations specified in Section 56845.~~

4 *SEC. 97. Section 56842 is added to the Government*
5 *Code, to read:*

6 *56842. A quorum shall be deemed to be present at a*
7 *meeting of a reorganization committee if members*
8 *representing one-half or more of the subject districts are*
9 *present. Each subject district shall be entitled to one vote*
10 *at any reorganization committee meeting, which vote*
11 *shall be determined by a majority of the members of the*
12 *district present at the meeting.*

13 *SEC. 98. Section 56842.2 of the Government Code is*
14 *repealed.*

15 ~~56842.2. Any city which was incorporated during the~~
16 ~~1977-78 fiscal year may apply to the commission for a~~
17 ~~determination of the amount of property tax revenue to~~
18 ~~be exchanged by the affected local agency. The~~
19 ~~commission shall make the determination within 120 days~~
20 ~~following the date of the application. The commission~~
21 ~~shall make this determination in accordance with Section~~
22 ~~54790.3 as if that section had not been repealed by~~
23 ~~Chapter 541 of the Statutes of 1985, provided that the~~
24 ~~commission shall reduce the amount determined~~
25 ~~pursuant to that section by the amount of the property tax~~
26 ~~revenues received by the city as a result of the concurrent~~
27 ~~or subsequent dissolution of special districts or the~~
28 ~~conversion of special districts into subsidiary districts.~~
29 ~~Notwithstanding any other provision of law, the amount~~
30 ~~determined pursuant to this section shall not reduce the~~
31 ~~amount of property tax revenue which a city has been~~
32 ~~receiving.~~

33 ~~The amount of property tax revenue to be exchanged~~
34 ~~as determined pursuant to this section shall be payable to~~
35 ~~the city commencing with the fiscal year next following~~
36 ~~the fiscal year in which the determination is made.~~

37 ~~For purposes of this section, any reference in Section~~
38 ~~56842 to “prior fiscal year” means the 1976-77 fiscal year.~~

39 ~~For purposes of this section, in making the calculation~~
40 ~~required by paragraph (1) of subdivision (c) of Section~~



1 ~~56842, the county auditor shall exclude the amount of~~
2 ~~property tax revenue related to the county's share of~~
3 ~~Medi-Cal and SSI/SSP costs, the amount of property tax~~
4 ~~revenue from business inventories which was supplanted~~
5 ~~by an increased allocation of motor vehicle license fee~~
6 ~~subventions to counties pursuant to Chapter 448 of the~~
7 ~~Statutes of 1984, and the amount of property tax revenue~~
8 ~~which was used to finance health services and was~~
9 ~~supplanted by the subvention for county health services~~
10 ~~provided by Part 4.5 (commencing with Section 16700)~~
11 ~~of Division 9 of the Welfare and Institutions Code. All of~~
12 ~~the above amounts shall be excluded from both the~~
13 ~~“amount of property tax revenue,” as used in Section~~
14 ~~56842, and the “total amount of revenue from all sources~~
15 ~~available for general purposes,” as defined in Section~~
16 ~~56842, except for the amount of property tax revenue~~
17 ~~from business inventories which shall be excluded only~~
18 ~~from the “amount of property tax revenue.”~~

19 ~~The county auditor may assess each city which makes~~
20 ~~an application for the actual costs of making the~~
21 ~~determinations required by this section and Section~~
22 ~~56842.~~

23 *SEC. 99. Section 56842.5 of the Government Code is*
24 *repealed.*

25 ~~56842.5. If a proposal includes the formation of a~~
26 ~~district, the commission shall determine the~~
27 ~~appropriations limit of the district in accordance with~~
28 ~~Section 7902.7 and Article XIII B of the California~~
29 ~~Constitution.~~

30 *SEC. 100. Section 56842.6 of the Government Code is*
31 *repealed.*

32 ~~56842.6. (a) If a proposal includes the incorporation~~
33 ~~of a city, the commission shall determine the provisional~~
34 ~~appropriations limit of the city in accordance with~~
35 ~~Section 7902.7 and Article XIII B of the California~~
36 ~~Constitution. The commission shall determine the~~
37 ~~provisional appropriations limit of the city in the~~
38 ~~following manner:~~



1 ~~(1) Estimate the amount of revenue anticipated to be~~
2 ~~received by the city from the proceeds of taxes for the~~
3 ~~first full fiscal year of operation.~~

4 ~~(2) Adjust the amount determined in paragraph (1)~~
5 ~~for the estimated change in the cost of living and~~
6 ~~population in the next full fiscal year of operation and~~
7 ~~such other changes as may be required or permitted by~~
8 ~~Article XIII B of the California Constitution.~~

9 ~~(b) The governing body of the city shall determine the~~
10 ~~proposed permanent appropriations limit of the city to be~~
11 ~~submitted to the voters in the following manner:~~

12 ~~(1) Determine the amount of revenue actually~~
13 ~~received by the city from the proceeds of taxes for the~~
14 ~~first full fiscal year of operation.~~

15 ~~(2) Adjust the amount determined in paragraph (1)~~
16 ~~for the estimated change in the cost of living and~~
17 ~~population in the next full fiscal year of operation and~~
18 ~~such other changes as may be required or permitted by~~
19 ~~Article XIII B of the California Constitution.~~

20 ~~(c) The permanent appropriations limit of the city~~
21 ~~shall be set at the first municipal election which is held~~
22 ~~following the first full fiscal year of operation and shall not~~
23 ~~be considered to be a change in the appropriations limit~~
24 ~~of the city pursuant to Section 4 of Article XIII B of the~~
25 ~~California Constitution.~~

26 *SEC. 101. Section 56842.7 of the Government Code is*
27 *repealed.*

28 ~~56842.7. If a change of organization or reorganization~~
29 ~~would result in the annexation to a city of land that is~~
30 ~~subject to a contract executed pursuant to the Williamson~~
31 ~~Act (Chapter 7 (commencing with Section 51200) of~~
32 ~~Division 1), the commission shall determine one of the~~
33 ~~following:~~

34 ~~(a) That the city shall succeed to the rights, duties, and~~
35 ~~powers of the county pursuant to Section 51243, or~~

36 ~~(b) That the city may exercise its option to not succeed~~
37 ~~to the rights, duties, and powers of the county pursuant~~
38 ~~to Section 51243.5.~~

39 *SEC. 102. Section 56843 of the Government Code is*
40 *repealed.*



1 56843. (a) In any commission order giving approval
2 to any change of organization or reorganization, the
3 commission may make that approval conditional upon
4 any of the following factors:

5 (1) Any of the conditions set forth in Section 56844.

6 (2) The initiation, conduct, or completion of
7 proceedings for another change of organization or a
8 reorganization.

9 (3) The approval or disapproval, with or without
10 election, as may be provided by this division, of any
11 resolution or ordinance ordering that change of
12 organization or reorganization.

13 (b) If the commission so conditions its approval, the
14 commission may order that any further action pursuant
15 to this division be continued and held in abeyance for the
16 period of time designated by the commission, not to
17 exceed six months from the date of that conditional
18 approval.

19 (c) The commission order may also provide that any
20 election called upon any change of organization or
21 reorganization shall be called, held, and conducted
22 before, upon the same date as, or after the date of any
23 election to be called, held, and conducted upon any other
24 change of organization or reorganization.

25 (d) The commission order may also provide that in any
26 election at which the questions of annexation and district
27 reorganization or incorporation and district
28 reorganization are to be considered at the same time,
29 there shall be a single question appearing on the ballot
30 upon the issues of annexation and district reorganization
31 or incorporation and district reorganization.

32 *SEC. 103. Section 56843 is added to the Government*
33 *Code, to read:*

34 *56843. If a reorganization committee does not*
35 *complete and submit its report and recommendation*
36 *before the date specified by the commission or, prior to*
37 *that date, if members of the committee representing*
38 *one-half or more of the subject districts report to the*
39 *commission that the committee is unable to agree upon*
40 *the report and recommendation, the commission may*



1 *either order the discharge of the committee, or appoint*
2 *additional members to the committee, not to exceed the*
3 *maximum number authorized for a single subject district,*
4 *to represent the public and order the committee, as so*
5 *enlarged, to continue its study.*

6 *SEC. 104. Section 56844 of the Government Code is*
7 *repealed.*

8 ~~56844. Any change of organization or reorganization~~
9 ~~may provide for, or be made subject to one or more of, the~~
10 ~~following terms and conditions. However, none of the~~
11 ~~following terms and conditions shall directly regulate~~
12 ~~land use, property development, or subdivision~~
13 ~~requirements:~~

14 (a) ~~The payment of a fixed or determinable amount of~~
15 ~~money, either as a lump sum or in installments, for the~~
16 ~~acquisition, transfer, use or right of use of all or any part~~
17 ~~of the existing property, real or personal, of any city,~~
18 ~~county, or district.~~

19 (b) ~~The levying or fixing and the collection of any of~~
20 ~~the following, for the purpose of providing for any~~
21 ~~payment required pursuant to subdivision (a):~~

22 (1) ~~Special, extraordinary, or additional taxes or~~
23 ~~assessments.~~

24 (2) ~~Special, extraordinary, or additional service~~
25 ~~charges, rentals, or rates.~~

26 (3) ~~Both taxes or assessments and service charges,~~
27 ~~rentals, or rates.~~

28 (c) ~~The imposition, exemption, transfer, division, or~~
29 ~~apportionment, as among any affected cities, affected~~
30 ~~counties, affected districts, and affected territory of~~
31 ~~liability for payment of all or any part of principal,~~
32 ~~interest, and any other amounts which shall become due~~
33 ~~on account of all or any part of any outstanding or then~~
34 ~~authorized but thereafter issued bonds, including~~
35 ~~revenue bonds, or other contracts or obligations of any~~
36 ~~city, county, district, or any improvement district within~~
37 ~~a local agency, and the levying or fixing and the collection~~
38 ~~of any (1) taxes or assessments, or (2) service charges,~~
39 ~~rentals, or rates, or (3) both taxes or assessments and~~
40 ~~service charges, rentals, or rates, in the same manner as~~



1 ~~provided in the original authorization of the bonds and in~~
2 ~~the amount necessary to provide for that payment.~~

3 ~~(d) If, as a result of any term or condition made~~
4 ~~pursuant to subdivision (c), the liability of any affected~~
5 ~~city, affected county, or affected district for payment of~~
6 ~~the principal of any bonded indebtedness is increased or~~
7 ~~decreased, the term and condition may specify the~~
8 ~~amount, if any, of that increase or decrease which shall be~~
9 ~~included in, or excluded from, the outstanding bonded~~
10 ~~indebtedness of that entity for the purpose of the~~
11 ~~application of any statute or charter provision imposing~~
12 ~~a limitation upon the principal amount of outstanding~~
13 ~~bonded indebtedness of the entity.~~

14 ~~(e) The formation of a new improvement district or~~
15 ~~districts or the annexation or detachment of territory to,~~
16 ~~or from, any existing improvement district or districts.~~

17 ~~(f) The incurring of new indebtedness or liability by,~~
18 ~~or on behalf of, all or any part of any local agency,~~
19 ~~including territory being annexed to any local agency, or~~
20 ~~of any existing or proposed new improvement district~~
21 ~~within that local agency. The new indebtedness may be~~
22 ~~the obligation solely of territory to be annexed if the local~~
23 ~~agency has the authority to establish zones for incurring~~
24 ~~indebtedness. The indebtedness or liability shall be~~
25 ~~incurred substantially in accordance with the laws~~
26 ~~otherwise applicable to the local agency.~~

27 ~~(g) The issuance and sale of any bonds, including~~
28 ~~authorized but unissued bonds of a local agency, either by~~
29 ~~that local agency or by a local agency designated as the~~
30 ~~successor to any local agency which is extinguished as a~~
31 ~~result of any change of organization or reorganization.~~

32 ~~(h) The acquisition, improvement, disposition, sale,~~
33 ~~transfer, or division of any property, real or personal.~~

34 ~~(i) The disposition, transfer, or division of any moneys~~
35 ~~or funds, including cash on hand and moneys due but~~
36 ~~uncollected, and any other obligations.~~

37 ~~(j) The fixing and establishment of priorities of use, or~~
38 ~~right of use, of water, or capacity rights in any public~~
39 ~~improvements or facilities or of any other property, real~~
40 ~~or personal.~~



1 ~~(k) The establishment, continuation, or termination of~~
2 ~~any office, department, or board, or the transfer,~~
3 ~~combining, consolidation, or separation of any offices,~~
4 ~~departments, or boards, or any of the functions of those~~
5 ~~offices, departments, or boards, if, and to the extent that,~~
6 ~~any of those matters is authorized by the principal act.~~

7 ~~(l) The employment, transfer, or discharge of~~
8 ~~employees, the continuation, modification, or~~
9 ~~termination of existing employment contracts, civil~~
10 ~~service rights, seniority rights, retirement rights, and~~
11 ~~other employee benefits and rights.~~

12 ~~(m) The designation of a city, county, or district, as the~~
13 ~~successor to any local agency which is extinguished as a~~
14 ~~result of any change of organization or reorganization, for~~
15 ~~the purpose of succeeding to all of the rights, duties, and~~
16 ~~obligations of the extinguished local agency with respect~~
17 ~~to enforcement, performance, or payment of any~~
18 ~~outstanding bonds, including revenue bonds, or other~~
19 ~~contracts and obligations of the extinguished local~~
20 ~~agency.~~

21 ~~(n) The designation (1) of the method for the~~
22 ~~selection of members of the legislative body of a district~~
23 ~~or (2) the number of those members, or (3) both, where~~
24 ~~the proceedings are for a consolidation, or a~~
25 ~~reorganization providing for a consolidation or formation~~
26 ~~of a new district and the principal act provides for~~
27 ~~alternative methods of that selection or for varying~~
28 ~~numbers of those members, or both.~~

29 ~~(o) The initiation, conduct, or completion of~~
30 ~~proceedings on a proposal made under, and pursuant to,~~
31 ~~this division.~~

32 ~~(p) The fixing of the effective date of any change of~~
33 ~~organization, subject to the limitations of Section 57202.~~

34 ~~(q) Any terms and conditions authorized or required~~
35 ~~by the principal act with respect to any change of~~
36 ~~organization.~~

37 ~~(r) The continuation or provision of any service~~
38 ~~provided at that time, or previously authorized to be~~
39 ~~provided by an official act of the local agency.~~



1 ~~(s) The levying of assessments, including the~~
2 ~~imposition of a fee pursuant to Section 50029 or 66484.3 or~~
3 ~~the approval by the voters of general or special taxes. For~~
4 ~~the purposes of this section, imposition of a fee as a~~
5 ~~condition of the issuance of a building permit does not~~
6 ~~constitute direct regulation of land use, property~~
7 ~~development, or subdivision requirements.~~

8 ~~(t) The extension or continuation of any previously~~
9 ~~authorized charge, fee, assessment, or tax by the local~~
10 ~~agency or a successor local agency in the affected~~
11 ~~territory.~~

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

30 ~~(v) Any other matters necessary or incidental to any~~
31 ~~of the terms and conditions specified in this section.~~

32 *SEC. 105. Section 56844 is added to the Government*
33 *Code, to read:*

34 *56844. If the commission orders the discharge of a*
35 *reorganization committee, the commission may make a*
36 *study, report, and recommendation upon a plan of*
37 *reorganization in the place of the reorganization*
38 *committee.*

39 *SEC. 106. Section 56844.1 of the Government Code is*
40 *repealed.*



1 ~~56844.1. Any change of organization or~~
2 ~~reorganization may be conditionally approved by a local~~
3 ~~agency formation commission subject to the certification~~
4 ~~by the California Coastal Commission of an amendment~~
5 ~~to the local coastal program of a city or a county.~~

6 *SEC. 107. Section 56844.2 of the Government Code, as*
7 *added by Chapter 911 of the Statutes of 1997, is repealed.*

8 ~~56844.2. (a) This section shall only apply to a special~~
9 ~~reorganization.~~

10 ~~(b) All public employees to which Chapter 10~~
11 ~~(commencing with Section 3500) of Division 4 of Title 1~~
12 ~~applies shall continue to be deemed public employees of~~
13 ~~the original local agency or of the newly incorporated~~
14 ~~local agency for all the purposes of that chapter,~~
15 ~~including, but not limited to, the continuation and~~
16 ~~application of any collective bargaining agreement that~~
17 ~~applies to these employees, and all representational and~~
18 ~~collective bargaining rights under that chapter.~~

19 ~~(c) Any existing collective bargaining agreement shall~~
20 ~~remain in effect and be fully binding on the original local~~
21 ~~agency or on the newly incorporated local agency, and on~~
22 ~~the employee organizations that are parties to the~~
23 ~~agreement for the balance of the term of the agreement,~~
24 ~~and until a subsequent agreement has been established.~~

25 ~~(d) Any existing retiree benefits, including, but not~~
26 ~~limited to, health, dental, and vision care benefits, shall~~
27 ~~not be diminished.~~

28 ~~(e) Notwithstanding any other provision of law, an~~
29 ~~employee organization that has been recognized as the~~
30 ~~exclusive representative of local agency public~~
31 ~~employees affected by a special reorganization shall~~
32 ~~retain exclusive representation of the unit employees of~~
33 ~~the original local agency, or of the newly incorporated~~
34 ~~local agency.~~

35 *SEC. 108. Section 56844.2 of the Government Code, as*
36 *added by Chapter 590 of the Statutes of 1998, is repealed.*

37 ~~56844.2. If any commission order approving or~~
38 ~~conditionally approving a change of organization or~~
39 ~~reorganization would result in the annexation to a city of~~
40 ~~land that is subject to a contract executed pursuant to the~~



1 ~~Williamson Act (Chapter 7 (commencing with Section~~
2 ~~51200) of Division 1), for which the commission has~~
3 ~~determined pursuant to Section 56842.7 that the city shall~~
4 ~~succeed to the contract, the commission shall impose a~~
5 ~~condition that requires the city to adopt the rules and~~
6 ~~procedures required by the Williamson Act, including~~
7 ~~but not limited to the rules and procedures required by~~
8 ~~Sections 51231, 51237, and 51237.5.~~

9 *SEC. 109. Section 56845 of the Government Code is*
10 *repealed.*

11 ~~56845. (a) It is the intent of the Legislature that any~~
12 ~~proposal that includes an incorporation should result in a~~
13 ~~similar exchange of both revenue and responsibility for~~
14 ~~service delivery among the county, the proposed city, and~~
15 ~~other subject agencies. It is the further intent of the~~
16 ~~Legislature that an incorporation should not occur~~
17 ~~primarily for financial reasons.~~

18 ~~(b) The commission shall not approve a proposal that~~
19 ~~includes an incorporation unless it finds that the~~
20 ~~following two quantities are substantially equal:~~

21 ~~(1) Revenues currently received by the local agency~~
22 ~~transferring the affected territory which, but for the~~
23 ~~operation of this section, would accrue to the local agency~~
24 ~~receiving the affected territory.~~

25 ~~(2) Expenditures currently made by the local agency~~
26 ~~transferring the affected territory for those services~~
27 ~~which will be assumed by the local agency receiving the~~
28 ~~affected territory.~~

29 ~~(c) Notwithstanding subdivision (b), the commission~~
30 ~~may approve a proposal that includes an incorporation if~~
31 ~~it finds either of the following:~~

32 ~~(1) The county and all of the subject agencies agree to~~
33 ~~the proposed transfer.~~

34 ~~(2) The negative fiscal effect has been adequately~~
35 ~~mitigated by tax sharing agreements, lump-sum~~
36 ~~payments, payments over a fixed period of time, or any~~
37 ~~other terms and conditions pursuant to Section 56844.~~

38 ~~(d) Nothing in this section is intended to change the~~
39 ~~distribution of growth on the revenues within the~~
40 ~~affected territory unless otherwise provided in the~~



1 ~~agreement or agreements specified in paragraph (2) of~~
2 ~~subdivision (e).~~

3 ~~(e) Any terms and conditions that mitigate the~~
4 ~~negative fiscal effect of a proposal that contains an~~
5 ~~incorporation shall be included in the commission~~
6 ~~resolution making determinations adopted pursuant to~~
7 ~~Section 56851 and the terms and conditions specified in~~
8 ~~the questions pursuant to Section 57134.~~

9 *SEC. 110. Section 56845 is added to the Government*
10 *Code, to read:*

11 *56845. If the commission appoints additional*
12 *members to the reorganization committee to represent*
13 *the public and orders the reorganization committee, as so*
14 *enlarged, to continue its study, the additional members*
15 *shall have all of the rights and powers of members*
16 *representing a single subject district, including*
17 *participation in all studies, reports, and*
18 *recommendations, attendance at all meetings, and the*
19 *casting of a single vote on behalf of all of the additional*
20 *members on any matter before the committee.*

21 *SEC. 111. Section 56846 of the Government Code is*
22 *repealed.*

23 ~~56846. Any of the terms and conditions authorized by~~
24 ~~Section 56844 may be made applicable to all or any part~~
25 ~~of any city or district or any improvement district within~~
26 ~~that local agency or any territory annexed to, or detached~~
27 ~~from, any city or district or improvement district within~~
28 ~~that local agency.~~

29 *SEC. 112. Section 56846 is added to the Government*
30 *Code, to read:*

31 *56846. Every officer of any affected county, affected*
32 *city, or affected district shall make available to a*
33 *reorganization committee any records, reports, maps,*
34 *data, or other documents which in any way affect or*
35 *pertain to the committee's study, report, and*
36 *recommendation and shall confer with the committee*
37 *concerning the problems and affairs of that county, city,*
38 *or district.*

39 *SEC. 113. Section 56847 of the Government Code is*
40 *repealed.*



1 ~~56847. If any change of organization or reorganization~~
2 ~~pertains to city or district territory which is located, in~~
3 ~~whole or in part, within the boundaries of any city or~~
4 ~~county, any terms and conditions authorized by Section~~
5 ~~56844 may be made applicable to that city or county.~~
6 ~~However, no indebtedness or liability which is subject to~~
7 ~~the requirement of an election, under the provisions of~~
8 ~~Section 18 of Article XVI of the California Constitution;~~
9 ~~shall be incurred or assumed by any city or county, except~~
10 ~~as provided in Section 18 of Article XVI of the California~~
11 ~~Constitution.~~

12 *SEC. 114. Section 56847 is added to the Government*
13 *Code, to read:*

14 *56847. Upon completion of the study of a*
15 *reorganization committee, the committee shall prepare*
16 *and submit to the commission a report and*
17 *recommendation containing all of the following:*

18 *(a) A brief summary of the nature and extent of the*
19 *study of the committee.*

20 *(b) A full and complete description of the plan of*
21 *reorganization and any alternative plans of*
22 *reorganization which were studied by the committee.*

23 *(c) The recommendation of the committee for the*
24 *approval or disapproval of all or any part of the plan of*
25 *reorganization and of any alternative plans of*
26 *reorganization.*

27 *SEC. 115. Section 56848 is added to the Government*
28 *Code, to read:*

29 *56848. Approval by a reorganization committee of the*
30 *report and recommendation shall require the affirmative*
31 *vote of more than one-half of the subject districts*
32 *represented on the reorganization committee.*

33 *SEC. 116. Section 56848.3 of the Government Code is*
34 *repealed.*

35 ~~56848.3. (a) This section shall apply to any proposal~~
36 ~~which contains the annexation of territory to a fire~~
37 ~~protection district which is organized pursuant to the~~
38 ~~Fire Protection District Law of 1987, Part 3 (commencing~~
39 ~~with Section 13800) of Division 12 of the Health and~~
40 ~~Safety Code, and the affected territory is or is proposed~~



1 ~~to be all or part of a city which is within the fire protection~~
2 ~~district.~~

3 ~~(b) Prior to the adoption by the local agency formation~~
4 ~~commission of a resolution making determinations, the~~
5 ~~district may request and the commission shall impose, as~~
6 ~~a term and condition, a requirement that the legislative~~
7 ~~body of the city shall enter into a contract with the~~
8 ~~district. The contract shall require:~~

9 ~~(1) That the affected territory shall remain part of the~~
10 ~~district for a period of at least 10 years.~~

11 ~~(2) That the city shall pay the cost of services provided~~
12 ~~by the district. This payment shall be in amounts and on~~
13 ~~terms specified in the contract.~~

14 ~~(3) Any other conditions to which the city and the~~
15 ~~district mutually agree.~~

16 *SEC. 117. Section 56848.5 of the Government Code is*
17 *repealed.*

18 ~~56848.5. If the proposal includes the annexation of~~
19 ~~inhabited territory to a city with over 100,000 residents~~
20 ~~which is located in a county with a population of over~~
21 ~~4,000,000, no proceedings shall be initiated either by~~
22 ~~petition or by application of a legislative body unless the~~
23 ~~proposal is consistent with the sphere of influence of any~~
24 ~~affected city or affected district.~~

25 *SEC. 118. Section 56849 of the Government Code is*
26 *repealed.*

27 ~~56849. In any order approving a proposal for an~~
28 ~~annexation to, or detachment from, a district, the~~
29 ~~commission may determine that any election called upon~~
30 ~~the question of confirming an order for the annexation or~~
31 ~~detachment shall be called, held, and conducted upon~~
32 ~~that question under either of the following conditions:~~

33 ~~(a) Only within the territory ordered to be annexed or~~
34 ~~detached.~~

35 ~~(b) Both within the territory ordered to be annexed or~~
36 ~~detached and within all or any part of the district which~~
37 ~~is outside of the territory.~~

38 *SEC. 119. Section 56849 is added to the Government*
39 *Code, to read:*



1 56849. The reorganization committee shall file the
2 original of its report and recommendation with the
3 executive officer and a copy of the report and
4 recommendation with the clerk of each subject district.
5 Upon filing that report and recommendation with the
6 executive officer, the reorganization committee shall be
7 terminated. However, the commission may cause the
8 committee to be reconvened at any time for the sole
9 purpose of correcting or clarifying any error, omission, or
10 uncertainty appearing in the report and
11 recommendation, as determined by the commission.

12 SEC. 120. Section 56850 of the Government Code is
13 repealed.

14 ~~56850. In any order approving a proposal for an~~
15 ~~annexation or a reorganization which includes~~
16 ~~annexation of inhabited territory to a city when the~~
17 ~~assessed value of land within that territory proposed to be~~
18 ~~annexed equals one-half, or more, of that within the city,~~
19 ~~as shown by the last equalized assessment rolls, or the~~
20 ~~number of registered voters of the territory equals~~
21 ~~one-half, or more, of the number of registered voters~~
22 ~~within the city, as shown by the county register of voters,~~
23 ~~the commission shall require that an election called upon~~
24 ~~the question of confirming the annexation or~~
25 ~~reorganization shall also be called, held, and conducted~~
26 ~~within the territory of the city to which territory is~~
27 ~~proposed to be annexed.~~

28 SEC. 121. Section 56850 is added to the Government
29 Code, to read:

30 56850. Petitions for the annexation of territory to, or
31 detachment of territory from, a district shall be signed as
32 follows:

33 (a) For a registered voter district, by any of the
34 following:

35 (1) Not less than 5 percent of the registered voters
36 within the territory proposed to be annexed.

37 (2) Not less than 5 percent of the number of
38 landowners within the territory proposed to be annexed
39 who also own not less than 5 percent of the assessed value
40 of land within the territory.



1 (b) For a landowner-voter district, by not less than 5
2 percent of the number of landowners owning land within
3 the territory proposed to be annexed who also own not
4 less than 5 percent of the assessed value of land within the
5 territory.

6 SEC. 122. Section 56851 of the Government Code is
7 repealed.

8 ~~56851. At any time not later than 35 days after the~~
9 ~~conclusion of the hearing, the commission shall adopt a~~
10 ~~resolution making determinations approving or~~
11 ~~disapproving the proposal, with or without conditions,~~
12 ~~the plan of reorganization, or any alternative plan of~~
13 ~~reorganization as set forth in the report and~~
14 ~~recommendation of a reorganization committee. If the~~
15 ~~commission disapproves the proposal, plan of~~
16 ~~reorganization, or any alternative plan of reorganization,~~
17 ~~no further proceedings shall be taken on those proposals~~
18 ~~or plans.~~

19 SEC. 123. Section 56851 is added to the Government
20 Code, to read:

21 56851. (a) A petition for reorganization shall be
22 signed so as to comply with the applicable signature
23 requirements of this article with respect to each of the
24 various changes proposed in the petition.

25 (b) If a proposal for reorganization includes a proposal
26 for the formation of a new district, the petition shall
27 comply with the signature requirements, if any, of a
28 petition for formation of the district, as set forth in the
29 principal act designated in the petition for formation, and
30 if there are no such requirements, then the requirements
31 of this part pertaining to dissolution.

32 (c) If a proposal for reorganization includes
33 incorporation, the petition shall comply with the
34 signature requirements for incorporation.

35 SEC. 124. Section 56852 of the Government Code is
36 repealed.

37 ~~56852. The resolution making determinations shall~~
38 ~~also do all of the following:~~

39 (a) ~~Make any of the findings or determinations~~
40 ~~authorized or required pursuant to Section 56375.~~



1 ~~(b) For any proposal initiated by the commission~~
2 ~~pursuant to subdivision (a) of Section 56375, make both~~
3 ~~of the following determinations:~~

4 ~~(1) Public service costs of a proposal that the~~
5 ~~commission is authorizing are likely to be less than or~~
6 ~~substantially similar to the costs of alternative means of~~
7 ~~providing the service.~~

8 ~~(2) A change or organization or reorganization that is~~
9 ~~authorized by the commission promotes public access~~
10 ~~and accountability for community services needs and~~
11 ~~financial resources.~~

12 ~~(e) If applicable, assign a distinctive short-term~~
13 ~~designation to the affected territory and a description of~~
14 ~~the territory.~~

15 ~~(d) Direct the appropriate conducting authority to~~
16 ~~initiate proceedings in compliance with the resolution.~~

17 *SEC. 125. Section 56852 is added to the Government*
18 *Code, to read:*

19 *56852. If a person is qualified to sign for two or more*
20 *of the changes of organization proposed by the petition,*
21 *that person need sign the petition only once and his or her*
22 *signature shall be counted as if that person had signed and*
23 *requested each change of organization.*

24 *SEC. 126. Section 56852.3 of the Government Code is*
25 *repealed.*

26 ~~56852.3. If the commission approves a proposal which~~
27 ~~includes the incorporation of a city, the resolution making~~
28 ~~determinations shall accept or reject each of the findings~~
29 ~~and recommendations made in the executive officer's~~
30 ~~report prepared pursuant to Section 56833, and the fiscal~~
31 ~~analysis prepared pursuant to Section 56833.1. If the~~
32 ~~commission rejects a finding or recommendation, the~~
33 ~~resolution making determinations shall include findings~~
34 ~~by the commission which present the basis for any~~
35 ~~rejection.~~

36 *SEC. 127. Section 56852.5 of the Government Code is*
37 *repealed.*

38 ~~56852.5. (a) If the commission approves a proposal~~
39 ~~which includes the incorporation of a city, the resolution~~
40 ~~making determinations shall, upon the incorporation~~



1 applicant's request, specify that the first election of city
2 officers is to be held after voter approval of the proposal.

3 (b) If the applicant has submitted an application to the
4 commission prior to the effective date of this section, the
5 applicant may request that the election of city officers be
6 held after the vote on the incorporation proposal.

7 (c) If the election of city officers is to be conducted
8 after the vote on the incorporation proposal, the
9 commission shall not set the effective date to be sooner
10 than the election date of the city officers.

11 *SEC. 128. Section 56853 of the Government Code is*
12 *repealed.*

13 56853. The executive officer shall mail a copy of the
14 resolution adopted by the commission making
15 determinations addressed to each of the following
16 persons or entities:

17 (a) The chief petitioners, if any, where the
18 proceedings for change of organization were initiated by
19 petition.

20 (b) Each affected local agency whose boundaries
21 would be changed by the proposal.

22 (c) The conducting authority, by certified mail, return
23 receipt requested. The copy of the resolution mailed to
24 the conducting authority shall be certified as a true and
25 correct copy by the executive officer. As an alternative to
26 mailing the resolution by certified mail, the executive
27 officer, with the prior concurrence of the conducting
28 authority, may transmit the resolution by electronic mail,
29 provided that the executive officer shall retain written
30 evidence of the receipt of that resolution.

31 *SEC. 129. Section 56853 is added to the Government*
32 *Code, to read:*

33 56853. (a) If a majority of the members of each of the
34 legislative bodies of two or more local agencies adopt
35 substantially similar resolutions of application making
36 proposals either for the consolidation of districts or for the
37 reorganization of all or any part of the districts into a
38 single local agency, the commission shall approve, or
39 conditionally approve, the proposal. The commission
40 shall order the consolidation or reorganization without an



1 election, except as otherwise provided in subdivision (b)
2 of Section 57081.

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

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

25 SEC. 130. Section 56854 of the Government Code is
26 repealed.

27 ~~56854. Any conducting authority may, before the~~
28 ~~completion of a proceeding, on good cause being shown,~~
29 ~~correct clerical errors or mistakes made through~~
30 ~~inadvertence, surprise, or excusable neglect that may be~~
31 ~~contained in the resolution adopted by the commission~~
32 ~~making determinations, if it first obtains the written~~
33 ~~consent of either the executive officer or the commission.~~
34 ~~The commission may likewise make those corrections~~
35 ~~before the completion of proceedings upon written~~
36 ~~request by any member of the commission, by the~~
37 ~~executive officer, or by any affected agency. A correction~~
38 ~~made pursuant to this section shall not be cause for filing~~
39 ~~a request pursuant to Section 56857.~~



1 SEC. 131. Section 56854 is added to the Government
2 Code, to read:

3 56854. (a) Notwithstanding Sections 57077 and
4 57087, the commission shall authorize the conducting
5 authority to order (1) the consolidation of districts, (2)
6 dissolution, (3) merger, or (4) the establishment of a
7 subsidiary district, or (5) a reorganization that includes
8 any of these changes of organization without an election,
9 except that an election shall be held in each affected city
10 or district if there are written protests as follows:

11 (1) Where the proposal was not initiated by the
12 commission, and where an affected city or district has not
13 objected by resolution to the proposal, a written protest
14 has been submitted that meets the requirements
15 specified in subdivisions (b) and (c) of Section 57081.

16 (2) Where the proposal was not initiated by the
17 commission, and where an affected city or district has
18 objected by resolution to the proposal, a written protest
19 has been submitted that meets the requirements
20 specified in paragraphs (1) and (2) of subdivision (a) and
21 subdivision (b) of Section 57093.

22 (3) Where the proposal was initiated by the
23 commission, and regardless of whether an affected city or
24 district has objected to the proposal by resolution, a
25 written protest has been submitted that meets the
26 requirements of Section 57092.

27 (b) Notwithstanding subdivision (a), the commission
28 shall not authorize the conducting authority to order a
29 merger or establishment of a subsidiary district without
30 the consent of the affected city.

31 (c) This section shall not apply to any proposal for a
32 change of organization or reorganization that is
33 submitted to the commission before January 1, 2003,
34 where the Goleta Sanitary District or the Goleta West
35 Sanitary District is an affected district. The Legislature
36 finds and declares that a special law is necessary and that
37 a general law cannot be made applicable within the
38 meaning of Section 16 of Article IV of the California
39 Constitution because of the following special
40 circumstances:



1 The voters of the Goleta Sanitary District previously
2 voted against a proposed consolidation with the Goleta
3 West Sanitary District by a margin of two to one. More
4 recently, a reorganization proposal was submitted to the
5 commission in Santa Barbara County that would have
6 combined the Goleta Sanitary District and the Goleta
7 West Sanitary District under circumstances where no
8 opportunity for confirmation by the Goleta Sanitary
9 District voters would be available. In light of the issues
10 that were raised in connection with these earlier
11 consolidation and reorganization proposals, a five-year
12 moratorium on the application of Section 56839.1 to
13 proposals affecting the Goleta Sanitary District or the
14 Goleta West Sanitary District is necessary to ensure an
15 opportunity for voter confirmation.

16 SEC. 132. Section 56855 of the Government Code is
17 repealed.

18 ~~56855. (a) Except as otherwise provided in~~
19 ~~subdivision (b), if the commission wholly disapproves any~~
20 ~~proposal:~~

21 ~~(1) No further proceedings shall be taken on that~~
22 ~~proposal.~~

23 ~~(2) No similar proposal involving the same or~~
24 ~~substantially the same territory shall be initiated for one~~
25 ~~year after the date of adoption of the resolution~~
26 ~~terminating proceedings.~~

27 ~~(b) The commission may waive the requirements of~~
28 ~~subdivision (a) if it finds those requirements are~~
29 ~~detrimental to the public interest.~~

30 SEC. 133. Section 56855 is added to the Government
31 Code, to read:

32 56855. (a) This section shall apply to any proposal
33 which contains the annexation of territory to a fire
34 protection district which is organized pursuant to the
35 Fire Protection District Law of 1987, Part 3 (commencing
36 with Section 13800) of Division 12 of the Health and
37 Safety Code, and the affected territory is or is proposed
38 to be all or part of a city which is within the fire protection
39 district.



1 (b) Prior to the adoption by the local agency formation
2 commission of a resolution making determinations, the
3 district may request and the commission shall impose, as
4 a term and condition, a requirement that the legislative
5 body of the city shall enter into a contract with the
6 district. The contract shall require:

7 (1) That the affected territory shall remain part of the
8 district for a period of at least 10 years.

9 (2) That the city shall pay the cost of services provided
10 by the district. This payment shall be in amounts and on
11 terms specified in the contract.

12 (3) Any other conditions to which the city and the
13 district mutually agree.

14 SEC. 134. Section 56856 of the Government Code is
15 repealed.

16 ~~56856. The commission may, at any time, authorize
17 any legislative body holding a hearing pursuant to this
18 division, to continue the hearing to a date or dates
19 extending beyond the dates specified in this division.~~

20 SEC. 135. Section 56857 of the Government Code is
21 repealed.

22 ~~56857. (a) Any person or affected agency may file a
23 written request with the executive officer requesting
24 amendments to or reconsideration of any resolution
25 adopted by the commission making determinations. The
26 request shall state the specific modification to the
27 resolution being requested.~~

28 ~~(b) Notwithstanding Section 56106, the deadlines set
29 by this section are mandatory. The person or agency shall
30 file the written request within 30 days of the adoption of
31 the initial or superseding resolution by the commission
32 making determinations or prior to the adoption of a
33 resolution by the conducting authority pursuant to
34 Chapter 4 (commencing with Section 57075), whichever
35 is earlier. If no person or agency files a timely request, the
36 commission shall not take any action pursuant to this
37 section.~~

38 ~~(c) Upon receipt of a timely request, the executive
39 officer shall immediately notify the conducting authority~~



1 ~~which shall not take any further action until the~~
2 ~~commission acts on the request.~~

3 ~~(d) Upon receipt of a timely request by the executive~~
4 ~~officer, the time to file any action, including, but not~~
5 ~~limited to, an action pursuant to Section 21167 of the~~
6 ~~Public Resources Code and any provisions of Part 4~~
7 ~~(commencing with Section 57000) governing the time~~
8 ~~within which the conducting authority is to act shall be~~
9 ~~tolled for the time that the commission takes to act on the~~
10 ~~request.~~

11 ~~(e) The executive officer shall place the request on the~~
12 ~~agenda of the next meeting of the commission for which~~
13 ~~notice can be given pursuant to this subdivision. The~~
14 ~~executive officer shall give notice of the consideration of~~
15 ~~the request by the commission in the same manner as for~~
16 ~~the original proposal. The executive officer may give~~
17 ~~notice in any other manner as he or she deems necessary~~
18 ~~or desirable.~~

19 ~~(f) At that meeting, the commission shall consider the~~
20 ~~request and receive any oral or written testimony. The~~
21 ~~consideration may be continued from time to time but~~
22 ~~not to exceed 70 days from the date specified in the~~
23 ~~notice. The person or agency which filed the request may~~
24 ~~withdraw it at any time prior to the conclusion of the~~
25 ~~consideration by the commission.~~

26 ~~(g) At the conclusion of its consideration, the~~
27 ~~commission may approve or disapprove with or without~~
28 ~~amendment, wholly, partially, or conditionally, the~~
29 ~~request. If the commission disapproves the request, it~~
30 ~~shall not adopt a new resolution making determinations,~~
31 ~~but shall direct the executive officer to notify the~~
32 ~~conducting authority of its action. If the commission~~
33 ~~approves the request, with or without amendment,~~
34 ~~wholly, partially, or conditionally, the commission shall~~
35 ~~adopt a resolution making determinations which shall~~
36 ~~supersede the resolution previously issued.~~

37 ~~(h) The determinations of the commission shall be~~
38 ~~final and conclusive. No person or agency shall make any~~
39 ~~further request for the same change or a substantially~~
40 ~~similar change, as determined by the commission.~~



1 ~~(i) Notwithstanding subdivision (h), clerical errors or~~
2 ~~mistakes may be corrected pursuant to Section 56854.~~

3 *SEC. 136. Section 56858 of the Government Code is*
4 *repealed.*

5 ~~56858. If pursuant to Section 56857, the commission~~
6 ~~approves any addition, deletion, amendment, or revision~~
7 ~~of its resolution making determinations, further~~
8 ~~proceedings for the change of organization or~~
9 ~~reorganization shall be taken in compliance with that~~
10 ~~addition, deletion, amendment, or revision. Any~~
11 ~~provision of this division requiring compliance with the~~
12 ~~resolution adopted by the commission making~~
13 ~~determinations shall be deemed to include any addition,~~
14 ~~deletion, amendment, or revision made to that resolution.~~

15 *SEC. 137. Section 56859 of the Government Code is*
16 *repealed.*

17 ~~56859. Whenever the executive officer is required by~~
18 ~~law to prepare an impartial analysis of a ballot proposition~~
19 ~~for approval by the commission, the commission may, by~~
20 ~~regulation, provide a procedure for approval or~~
21 ~~modification of the executive officer's analysis.~~

22 ~~In any event, the analysis shall be prepared and~~
23 ~~submitted to the commission in sufficient time for the~~
24 ~~commission to consider and approve or modify the~~
25 ~~analysis, and submit the analysis to the officials~~
26 ~~conducting the election not later than the last day for~~
27 ~~submission of rebuttal arguments. The impartial analysis~~
28 ~~submitted by the commission shall not exceed 500 words~~
29 ~~in length and shall include a general description of the~~
30 ~~affected territory.~~

31 *SEC. 138. Article 2 (commencing with Section 56860)*
32 *is added to Chapter 5 of Part 3 of Division 3 of Title 5 of*
33 *the Government Code, to read:*

34
35 *Article 2. Formation*
36

37 *56860. If a proposal for formation of a new district is*
38 *made by petition, the petition shall comply with the*
39 *signature requirements and content of a petition for*

1 formation of the district as set forth in the principal act
2 under which the new district is proposed to be formed.

3 56861. (a) Within 10 days after receiving a proposal
4 to form a subsidiary district, the executive officer shall
5 notify by certified mail the district or districts which are
6 the subject of the proposal.

7 (b) Within 35 days after receiving the notice from the
8 executive officer, the board of directors of the subject
9 district or districts may do either of the following:

10 (1) Adopt a resolution consenting to the subsidiary
11 district proposal, with or without requesting additional
12 terms and conditions.

13 (2) Adopt a resolution of intention to file an
14 alternative proposal to the subsidiary district proposal.

15 (c) Any resolution adopted under paragraph (1) or
16 (2) of subdivision (b) shall immediately be filed with the
17 executive officer.

18 56862. (a) If a district files a resolution of intention to
19 file an alternative proposal pursuant to paragraph (2) of
20 subdivision (b) of Section 56861, the executive officer
21 shall take no further action on the original proposal to
22 form a subsidiary district for a period of 70 days. During
23 this period, the district which has filed a resolution of
24 intention shall prepare and submit a completed
25 application for the alternative proposal in a form similar
26 to the original proposal, as prescribed by the commission.

27 (b) A district which has filed a resolution of intention
28 to file an alternative proposal but which does not file a
29 completed application within the prescribed time period,
30 shall be deemed to have consented to the original
31 proposal to form a subsidiary district.

32 (c) After receiving an alternative proposal, the
33 executive officer shall analyze and report on both the
34 original proposal and the alternative proposal
35 concurrently and set both for hearing by the commission
36 in order that both proposals may be considered
37 simultaneously at a single hearing.

38 (d) "Alternative proposal," as used in this section,
39 means an alternative proposal to a subsidiary district
40 proposal as provided for in Section 56861.



1 56863. (a) *Within 35 days following the conclusion of*
2 *a hearing on an original and an alternative proposal to*
3 *form a subsidiary district, the commission shall adopt its*
4 *resolution of determination, which shall do one of the*
5 *following:*

6 (1) *Deny both the original proposal and the*
7 *alternative proposal.*

8 (2) *Approve both the original proposal and the*
9 *alternative proposal.*

10 (3) *Approve one proposal and deny the other.*

11 (b) *If the commission approves both proposals, it shall*
12 *adopt an order directing the board of supervisors to*
13 *consider both proposals at a single hearing and to do one*
14 *of the following:*

15 (1) *Deny both the original proposal and the*
16 *alternative proposal.*

17 (2) *Approve both the original proposal and the*
18 *alternative proposal.*

19 (3) *Approve one proposal and deny the other.*

20 (c) *“Alternative proposal,” as used in this section,*
21 *means an alternative proposal to a subsidiary district*
22 *proposal as provided for in Section 56829.*

23 *SEC. 139. Article 3 (commencing with Section 56865)*
24 *is added to Chapter 5 of Part 3 of Division 3 of Title 5 of*
25 *the Government Code, to read:*

26

27

Article 3. Consolidation

28

29 56865. *Petitions for the consolidation of two or more*
30 *districts shall be signed as follows:*

31 (a) *For registered voter districts, by not less than 5*
32 *percent of the registered voters within each of the several*
33 *districts.*

34 (b) *For landowner-voter districts, by*
35 *landowner-voters within each of the several districts*
36 *constituting not less than 5 percent of the number of*
37 *landowner-voters owning land within each of the several*
38 *districts and who also own not less than 5 percent of the*
39 *assessed value of land within each of the several districts.*



1 56866. *Petitions for a merger of a district of limited*
 2 *powers which overlaps a city, or for the establishment of*
 3 *the district as a subsidiary district of the city, shall be*
 4 *signed as follows:*

5 (a) *For a resident voter district, by either of the*
 6 *following:*

7 (1) *Ten percent of the registered voters of the district.*

8 (2) *Ten percent of the registered voters residing*
 9 *within the territory of the city outside the boundaries of*
 10 *the district.*

11 (b) *For a landowner-voter district, by either of the*
 12 *following:*

13 (1) *Ten percent of the number of landowner-voters*
 14 *within the district who also own not less than 10 percent*
 15 *of assessed value of land within the district.*

16 (2) *Ten percent of the registered voters residing*
 17 *within the territory of the city outside the boundaries of*
 18 *the district.*

19 SEC. 140. *Article 4 (commencing with Section 56870)*
 20 *is added to Chapter 5 of Part 3 of Division 3 of Title 5 of*
 21 *the Government Code, to read:*

22

23

Article 4. Dissolution

24

25 56870. *Except as otherwise provided in Section 56871,*
 26 *petitions for the dissolution of a district shall be signed as*
 27 *follows:*

28 (a) *For resident voter districts, by either of the*
 29 *following:*

30 (1) *Not less than 5 percent of the registered voters*
 31 *within the district.*

32 (2) *Not less than 5 percent of the number of*
 33 *landowners within the district who also own not less than*
 34 *5 percent of the assessed value of land within the district.*

35 (b) *For landowner-voter districts, by not less than 5*
 36 *percent of the number of landowner-voters within the*
 37 *district who also own not less than 5 percent of the*
 38 *assessed value of land within the district.*

39 56871. *A petition for the dissolution of a registered*
 40 *voter district, signed by three or more registered voters*



1 within the district or by three or more landowners within
2 a landowner-voter district, shall be deemed to be a
3 sufficient petition, if, in addition to the matters required
4 by Section 56700, the petition recites that the district has
5 been in existence for at least three years and states, on
6 information and belief, that the corporate powers of the
7 district have not been used and that one or more of the
8 following conditions have existed or now exist:

9 (a) That during the three-year period preceding the
10 date of the first signature upon the petition any of the
11 following events have not occurred:

12 (1) There has not been a duly selected and acting
13 quorum of the board of directors of the district.

14 (2) The board of directors has not furnished or
15 provided services or facilities of substantial benefit to
16 residents, landowners, or property within the district.

17 (3) The board of directors has not levied or fixed and
18 collected any taxes, assessments, service charges, rentals,
19 or rates or expended the proceeds of those levies or
20 collections for district purposes.

21 (b) That during the one-year period preceding the
22 date of the first signature upon the petition a quorum of
23 the duly selected and acting board of directors has not
24 met for the purpose of transacting district business.

25 (c) That, upon the date of the first signature upon the
26 petition, the district had no assets, other than money in
27 the form of cash, investments, or deposits.

28 SEC. 141. Article 5 (commencing with Section 56875)
29 is added to Chapter 5 of Part 3 of Division 3 of Title 5 of
30 the Government Code, to read:

31

32

Article 5. Miscellaneous

33

34 56875. If any sufficient petition or resolution of
35 application shall propose, as a part of the petition or
36 resolution of application, that the district shall furnish gas
37 or electric service, as provided in Sections 56129 to 56131,
38 inclusive, a certified copy of the report of the Public
39 Utilities Commission shall be on file with the executive



1 officer prior to setting that petition or resolution for
 2 public hearing by the commission.

3 56876. In any order approving a proposal for an
 4 annexation to, or detachment from, a district, the
 5 commission may determine that any election called upon
 6 the question of confirming an order for the annexation or
 7 detachment shall be called, held, and conducted upon
 8 that question under either of the following conditions:

9 (a) Only within the territory ordered to be annexed or
 10 detached.

11 (b) Both within the territory ordered to be annexed or
 12 detached and within all or any part of the district which
 13 is outside of the territory.

14 SEC. 142. Chapter 6 (commencing with Section
 15 56880) is added to Part 3 of Division 3 of Title 5 of the
 16 Government Code, to read:

17
 18 CHAPTER 6. COMMISSION APPROVAL

19
 20 Article 1. Determinations

21
 22 56880. At any time not later than 35 days after the
 23 conclusion of the hearing, the commission shall adopt a
 24 resolution making determinations approving or
 25 disapproving the proposal, with or without conditions,
 26 the plan of reorganization, or any alternative plan of
 27 reorganization as set forth in the report and
 28 recommendation of a reorganization committee. If the
 29 commission disapproves the proposal, plan of
 30 reorganization, or any alternative plan of reorganization,
 31 no further proceedings shall be taken on those proposals
 32 or plans.

33 56881. The resolution making determinations shall
 34 also do all of the following:

35 (a) Make any of the findings or determinations
 36 authorized or required pursuant to Section 56375.

37 (b) For any proposal initiated by the commission
 38 pursuant to subdivision (a) of Section 56375, make both
 39 of the following determinations:



1 (1) *Public service costs of a proposal that the*
2 *commission is authorizing are likely to be less than or*
3 *substantially similar to the costs of alternative means of*
4 *providing the service.*

5 (2) *A change or organization or reorganization that is*
6 *authorized by the commission promotes public access*
7 *and accountability for community services needs and*
8 *financial resources.*

9 (c) *If applicable, assign a distinctive short-term*
10 *designation to the affected territory and a description of*
11 *the territory.*

12 (d) *Direct the appropriate conducting authority to*
13 *initiate proceedings in compliance with the resolution.*

14 56882. *The executive officer shall mail a copy of the*
15 *resolution adopted by the commission making*
16 *determinations addressed to each of the following*
17 *persons or entities:*

18 (a) *The proponents, if any, where the proceedings for*
19 *change of organization were initiated by petition.*

20 (b) *Each affected local agency whose boundaries*
21 *would be changed by the proposal.*

22 (c) *The conducting authority, by certified mail, return*
23 *receipt requested. The copy of the resolution mailed to*
24 *the conducting authority shall be certified as a true and*
25 *correct copy by the executive officer. As an alternative to*
26 *mailing the resolution by certified mail, the executive*
27 *officer, with the prior concurrence of the conducting*
28 *authority, may transmit the resolution by electronic mail,*
29 *provided that the executive officer shall retain written*
30 *evidence of the receipt of that resolution.*

31 56883. *Any conducting authority may, before the*
32 *completion of a proceeding, on good cause being shown,*
33 *correct clerical errors or mistakes made through*
34 *inadvertence, surprise, or excusable neglect that may be*
35 *contained in the resolution adopted by the commission*
36 *making determinations. The commission may likewise*
37 *make those corrections before the completion of*
38 *proceedings upon written request by any member of the*
39 *commission, by the executive officer, or by any affected*

1 agency. A correction made pursuant to this section shall
2 not be cause for filing a request pursuant to Section 56895.

3 56884. (a) Except as otherwise provided in
4 subdivision (b), if the commission wholly disapproves any
5 proposal:

6 (1) No further proceedings shall be taken on that
7 proposal.

8 (2) No similar proposal involving the same or
9 substantially the same territory shall be initiated for one
10 year after the date of adoption of the resolution
11 terminating proceedings.

12 (b) The commission may waive the requirements of
13 subdivision (a) if it finds those requirements are
14 detrimental to the public interest.

15
16 Article 2. Terms and Conditions

17
18 56885. The commission may, at any time, authorize
19 any legislative body holding a hearing pursuant to this
20 division, to continue the hearing to a date or dates
21 extending beyond the dates specified in this division.

22 56885.5. (a) In any commission order giving approval
23 to any change of organization or reorganization, the
24 commission may make that approval conditional upon
25 any of the following factors:

26 (1) Any of the conditions set forth in Section 56886.

27 (2) The initiation, conduct, or completion of
28 proceedings for another change of organization or a
29 reorganization.

30 (3) The approval or disapproval, with or without
31 election, as may be provided by this division, of any
32 resolution or ordinance ordering that change of
33 organization or reorganization.

34 (b) If the commission so conditions its approval, the
35 commission may order that any further action pursuant
36 to this division be continued and held in abeyance for the
37 period of time designated by the commission, not to
38 exceed six months from the date of that conditional
39 approval.



1 (c) *The commission order may also provide that any*
2 *election called upon any change of organization or*
3 *reorganization shall be called, held, and conducted*
4 *before, upon the same date as, or after the date of any*
5 *election to be called, held, and conducted upon any other*
6 *change of organization or reorganization.*

7 (d) *The commission order may also provide that in any*
8 *election at which the questions of annexation and district*
9 *reorganization or incorporation and district*
10 *reorganization are to be considered at the same time,*
11 *there shall be a single question appearing on the ballot*
12 *upon the issues of annexation and district reorganization*
13 *or incorporation and district reorganization.*

14 56886. *Any change of organization or reorganization*
15 *may provide for, or be made subject to one or more of, the*
16 *following terms and conditions. However, none of the*
17 *following terms and conditions shall directly regulate*
18 *land use, property development, or subdivision*
19 *requirements:*

20 (a) *The payment of a fixed or determinable amount of*
21 *money, either as a lump sum or in installments, for the*
22 *acquisition, transfer, use or right of use of all or any part*
23 *of the existing property, real or personal, of any city,*
24 *county, or district.*

25 (b) *The levying or fixing and the collection of any of*
26 *the following, for the purpose of providing for any*
27 *payment required pursuant to subdivision (a):*

28 (1) *Special, extraordinary, or additional taxes or*
29 *assessments.*

30 (2) *Special, extraordinary, or additional service*
31 *charges, rentals, or rates.*

32 (3) *Both taxes or assessments and service charges,*
33 *rentals, or rates.*

34 (c) *The imposition, exemption, transfer, division, or*
35 *apportionment, as among any affected cities, affected*
36 *counties, affected districts, and affected territory of*
37 *liability for payment of all or any part of principal,*
38 *interest, and any other amounts which shall become due*
39 *on account of all or any part of any outstanding or then*
40 *authorized but thereafter issued bonds, including*



1 revenue bonds, or other contracts or obligations of any
2 city, county, district, or any improvement district within
3 a local agency, and the levying or fixing and the collection
4 of any (1) taxes or assessments, or (2) service charges,
5 rentals, or rates, or (3) both taxes or assessments and
6 service charges, rentals, or rates, in the same manner as
7 provided in the original authorization of the bonds and in
8 the amount necessary to provide for that payment.

9 (d) If, as a result of any term or condition made
10 pursuant to subdivision (c), the liability of any affected
11 city, affected county, or affected district for payment of
12 the principal of any bonded indebtedness is increased or
13 decreased, the term and condition may specify the
14 amount, if any, of that increase or decrease which shall be
15 included in, or excluded from, the outstanding bonded
16 indebtedness of that entity for the purpose of the
17 application of any statute or charter provision imposing
18 a limitation upon the principal amount of outstanding
19 bonded indebtedness of the entity.

20 (e) The formation of a new improvement district or
21 districts or the annexation or detachment of territory to,
22 or from, any existing improvement district or districts.

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

33 (g) The issuance and sale of any bonds, including
34 authorized but unissued bonds of a local agency, either by
35 that local agency or by a local agency designated as the
36 successor to any local agency which is extinguished as a
37 result of any change of organization or reorganization.

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



1 (i) *The disposition, transfer, or division of any moneys*
2 *or funds, including cash on hand and moneys due but*
3 *uncollected, and any other obligations.*

4 (j) *The fixing and establishment of priorities of use, or*
5 *right of use, of water, or capacity rights in any public*
6 *improvements or facilities or of any other property, real*
7 *or personal.*

8 (k) *The establishment, continuation, or termination of*
9 *any office, department, or board, or the transfer,*
10 *combining, consolidation, or separation of any offices,*
11 *departments, or boards, or any of the functions of those*
12 *offices, departments, or boards, if, and to the extent that,*
13 *any of those matters is authorized by the principal act.*

14 (l) *The employment, transfer, or discharge of*
15 *employees, the continuation, modification, or*
16 *termination of existing employment contracts, civil*
17 *service rights, seniority rights, retirement rights, and*
18 *other employee benefits and rights.*

19 (m) *The designation of a city, county, or district, as the*
20 *successor to any local agency which is extinguished as a*
21 *result of any change of organization or reorganization, for*
22 *the purpose of succeeding to all of the rights, duties, and*
23 *obligations of the extinguished local agency with respect*
24 *to enforcement, performance, or payment of any*
25 *outstanding bonds, including revenue bonds, or other*
26 *contracts and obligations of the extinguished local*
27 *agency.*

28 (n) *The designation of (1) the method for the*
29 *selection of members of the legislative body of a district*
30 *or (2) the number of those members, or (3) both, where*
31 *the proceedings are for a consolidation, or a*
32 *reorganization providing for a consolidation or formation*
33 *of a new district and the principal act provides for*
34 *alternative methods of that selection or for varying*
35 *numbers of those members, or both.*

36 (o) *The initiation, conduct, or completion of*
37 *proceedings on a proposal made under, and pursuant to,*
38 *this division.*

39 (p) *The fixing of the effective date of any change of*
40 *organization, subject to the limitations of Section 57202.*

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

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

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

14 (t) The extension or continuation of any previously
15 authorized charge, fee, assessment, or tax by the local
16 agency or a successor local agency in the affected
17 territory.

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

36 (v) Any other matters necessary or incidental to any
37 of the terms and conditions specified in this section.

38 56887. Any change of organization or reorganization
39 may be conditionally approved by a local agency
40 formation commission subject to the certification by the



1 *California Coastal Commission of an amendment to the*
2 *local coastal program of a city or a county.*

3 *56887.5. If any change of organization or*
4 *reorganization pertains to city or district territory which*
5 *is located, in whole or in part, within the boundaries of*
6 *any city or county, any terms and conditions authorized*
7 *by Section 56886 may be made applicable to that city or*
8 *county. However, no indebtedness or liability which is*
9 *subject to the requirement of an election, under the*
10 *provisions of Section 18 of Article XVI of the California*
11 *Constitution, shall be incurred or assumed by any city or*
12 *county, except as provided in Section 18 of Article XVI of*
13 *the California Constitution.*

14 *56888. (a) This section shall only apply to a special*
15 *reorganization.*

16 *(b) All public employees to which Chapter 10*
17 *(commencing with Section 3500) of Division 4 of Title 1*
18 *applies shall continue to be deemed public employees of*
19 *the original local agency or of the newly incorporated*
20 *local agency for all the purposes of that chapter,*
21 *including, but not limited to, the continuation and*
22 *application of any collective bargaining agreement that*
23 *applies to these employees, and all representational and*
24 *collective bargaining rights under that chapter.*

25 *(c) Any existing collective bargaining agreement shall*
26 *remain in effect and be fully binding on the original local*
27 *agency or on the newly incorporated local agency, and on*
28 *the employee organizations that are parties to the*
29 *agreement for the balance of the term of the agreement,*
30 *and until a subsequent agreement has been established.*

31 *(d) Any existing retiree benefits, including, but not*
32 *limited to, health, dental, and vision care benefits, shall*
33 *not be diminished.*

34 *(e) Notwithstanding any other provision of law, an*
35 *employee organization that has been recognized as the*
36 *exclusive representative of local agency public*
37 *employees affected by a special reorganization shall*
38 *retain exclusive representation of the unit employees of*
39 *the original local agency, or of the newly incorporated*
40 *local agency.*



1 56889. If any commission order approving or
 2 conditionally approving a change of organization or
 3 reorganization would result in the annexation to a city of
 4 land that is subject to a contract executed pursuant to the
 5 Williamson Act (Chapter 7 (commencing with Section
 6 51200) of Division 1), for which the commission has
 7 determined pursuant to Section 56842.7 that the city shall
 8 succeed to the contract, the commission shall impose a
 9 condition that requires the city to adopt the rules and
 10 procedures required by the Williamson Act, including
 11 but not limited to the rules and procedures required by
 12 Sections 51231, 51237, and 51237.5.

13 56890. Any of the terms and conditions authorized by
 14 Section 56886 may be made applicable to all or any part
 15 of any city or district or any improvement district within
 16 that local agency or any territory annexed to, or detached
 17 from, any city or district or improvement district within
 18 that local agency.

19
 20
 21

Article 3. Reconsideration

22 56895. (a) Any person or affected agency may file a
 23 written request with the executive officer requesting
 24 amendments to or reconsideration of any resolution
 25 adopted by the commission making determinations. The
 26 request shall state the specific modification to the
 27 resolution being requested.

28 (b) Notwithstanding Section 56106, the deadlines set
 29 by this section are mandatory. The person or agency shall
 30 file the written request within 30 days of the adoption of
 31 the initial or superseding resolution by the commission
 32 making determinations. If no person or agency files a
 33 timely request, the commission shall not take any action
 34 pursuant to this section.

35 (c) Upon receipt of a timely request, the executive
 36 officer shall immediately notify the conducting authority
 37 which shall not take any further action until the
 38 commission acts on the request.

39 (d) Upon receipt of a timely request by the executive
 40 officer, the time to file any action, including, but not



1 limited to, an action pursuant to Section 21167 of the
2 Public Resources Code and any provisions of Part 4
3 (commencing with Section 57000) governing the time
4 within which the conducting authority is to act shall be
5 tolled for the time that the commission takes to act on the
6 request.

7 (e) The executive officer shall place the request on the
8 agenda of the next meeting of the commission for which
9 notice can be given pursuant to this subdivision. The
10 executive officer shall give notice of the consideration of
11 the request by the commission in the same manner as for
12 the original proposal. The executive officer may give
13 notice in any other manner as he or she deems necessary
14 or desirable.

15 (f) At that meeting, the commission shall consider the
16 request and receive any oral or written testimony. The
17 consideration may be continued from time to time but
18 not to exceed 70 days from the date specified in the
19 notice. The person or agency which filed the request may
20 withdraw it at any time prior to the conclusion of the
21 consideration by the commission.

22 (g) At the conclusion of its consideration, the
23 commission may approve or disapprove with or without
24 amendment, wholly, partially, or conditionally, the
25 request. If the commission disapproves the request, it
26 shall not adopt a new resolution making determinations
27 but shall direct the executive officer to notify the
28 conducting authority of its action. If the commission
29 approves the request, with or without amendment,
30 wholly, partially, or conditionally, the commission shall
31 adopt a resolution making determinations which shall
32 supersede the resolution previously issued.

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

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

39



Article 4. Amendment

1
 2
 3 56897. If pursuant to Section 56895, the commission
 4 approves any addition, deletion, amendment, or revision
 5 of its resolution making determinations, further
 6 proceedings for the change of organization or
 7 reorganization shall be taken in compliance with that
 8 addition, deletion, amendment, or revision. Any
 9 provision of this division requiring compliance with the
 10 resolution adopted by the commission making
 11 determinations shall be deemed to include any addition,
 12 deletion, amendment, or revision made to that resolution.

13 56898. Whenever the executive officer is required by
 14 law to prepare an impartial analysis of a ballot proposition
 15 for approval by the commission, the commission may, by
 16 regulation, provide a procedure for approval or
 17 modification of the executive officer's analysis.

18 In any event, the analysis shall be prepared and
 19 submitted to the commission in sufficient time for the
 20 commission to consider and approve or modify the
 21 analysis, and submit the analysis to the officials
 22 conducting the election not later than the last day for
 23 submission of rebuttal arguments. The impartial analysis
 24 submitted by the commission shall not exceed 500 words
 25 in length and shall include a general description of the
 26 affected territory.

27 SEC. 143. Section 99 of the Revenue and Taxation
 28 Code is amended to read:

29 99. (a) For the purposes of the computations
 30 required by this chapter:

31 (1) In the case of a jurisdictional change, other than a
 32 city incorporation or a formation of a district as defined
 33 in Section 2215, the auditor shall adjust the allocation of
 34 property tax revenue determined pursuant to Section 96
 35 or 96.1, or the annual tax increment determined pursuant
 36 to Section 96.5, for local agencies whose service area or
 37 service responsibility would be altered by the
 38 jurisdictional change, as determined pursuant to
 39 subdivision (b) or (c).



1 (2) In the case of a city incorporation, the auditor shall
2 assign the allocation of property tax revenues determined
3 pursuant to Section ~~56842~~ 56810 of the Government Code
4 and the adjustments in tax revenues that may occur
5 pursuant to Section ~~56845~~ 56815 of the Government Code
6 to the newly formed city or district and shall make the
7 adjustment as determined by Section ~~56842~~ 56810 in the
8 allocation of property tax revenue determined pursuant
9 to Section 96 or 96.1 for each local agency whose service
10 area or service responsibilities would be altered by the
11 incorporation.

12 (3) In the case of a formation of a district as defined in
13 Section 2215, the auditor shall assign the allocation of
14 property tax revenues determined pursuant to Section
15 ~~56842~~ 56810 of the Government Code to the district and
16 shall make the adjustment as determined by Section
17 ~~56842~~ 56810 in the allocation of property tax revenue
18 determined pursuant to Section 96 or 96.1 for each local
19 agency whose service area or service responsibilities
20 would be altered by the formation.

21 (b) Upon the filing of an application or a resolution
22 pursuant to the Cortese-Knox Local Government
23 Reorganization Act of 1985 (Division 3 (commencing
24 with Section 56000) of Title 5 of the Government Code),
25 but prior to the issuance of a certificate of filing, the
26 executive officer shall give notice of the filing to the
27 assessor and auditor of each county within which the
28 territory subject to the jurisdictional change is located.
29 This notice shall specify each local agency whose service
30 area or responsibility will be altered by the jurisdictional
31 change.

32 (1) (A) The county assessor shall provide to the
33 county auditor, within 30 days of the notice of filing, a
34 report which identifies the assessed valuations for the
35 territory subject to the jurisdictional change and the tax
36 rate area or areas in which the territory exists.

37 (B) The auditor shall estimate the amount of property
38 tax revenue generated within the territory that is the
39 subject of the jurisdictional change during the current
40 fiscal year.



1 (2) The auditor shall estimate what proportion of the
2 property tax revenue determined pursuant to paragraph
3 (1) is attributable to each local agency pursuant to
4 Section 96.1 and Section 96.5.

5 (3) Within 45 days of notice of the filing of an
6 application or resolution, the auditor shall notify the
7 governing body of each local agency whose service area
8 or service responsibility will be altered by the amount of,
9 and allocation factors with respect to, property tax
10 revenue estimated pursuant to paragraph (2) that is
11 subject to a negotiated exchange.

12 (4) Upon receipt of the estimates pursuant to
13 paragraph (3) the local agencies shall commence
14 negotiations to determine the amount of property tax
15 revenues to be exchanged between and among the local
16 agencies. This negotiation period shall not exceed 60 days.

17 The exchange may be limited to an exchange of
18 property tax revenues from the annual tax increment
19 generated in the area subject to the jurisdictional change
20 and attributable to the local agencies whose service area
21 or service responsibilities will be altered by the proposed
22 jurisdictional change. The final exchange resolution shall
23 specify how the annual tax increment shall be allocated
24 in future years.

25 (5) In the event that a jurisdictional change would
26 affect the service area or service responsibility of one or
27 more special districts, the board of supervisors of the
28 county or counties in which the districts are located shall,
29 on behalf of the district or districts, negotiate any
30 exchange of property tax revenues.

31 (6) Notwithstanding any other provision of law, the
32 executive officer shall not issue a certificate of filing
33 pursuant to Section ~~56828~~ 56658 of the Government Code
34 until the local agencies included in the property tax
35 revenue exchange negotiation, within the 60-day
36 negotiation period, present resolutions adopted by each
37 such county and city whereby each county and city
38 agrees to accept the exchange of property tax revenues.

39 (7) In the event that the commission modifies the
40 proposal or its resolution of determination, any local



1 agency whose service area or service responsibility would
2 be altered by the proposed jurisdictional change may
3 request, and the executive officer shall grant, 15 days for
4 the affected agencies, pursuant to paragraph (4) to
5 renegotiate an exchange of property tax revenues.
6 Notwithstanding the time period specified in paragraph
7 (4), if the resolutions required pursuant to paragraph (6)
8 are not presented to the executive officer within the
9 15-day period, all proceedings of the jurisdictional change
10 shall automatically be terminated.

11 (8) In the case of a jurisdictional change that consists
12 of a city's qualified annexation of unincorporated
13 territory, an exchange of property tax revenues between
14 the city and the county shall be determined in
15 accordance with subdivision (e) if that exchange of
16 revenues is not otherwise determined pursuant to either
17 of the following:

18 (A) Negotiations completed within the applicable
19 period or periods as prescribed by this subdivision.

20 (B) A master property tax exchange agreement
21 among those local agencies, as described in subdivision
22 (d).

23 For purposes of this paragraph, a qualified annexation
24 of unincorporated territory means an annexation, as so
25 described, for which proceedings before the relevant
26 local agency formation commission are initiated, as
27 provided in Section 56651 of the Government Code, on or
28 after January 1, 1998, and on or before January 1, 2005.

29 (9) No later than the date on which the certificate of
30 completion of the jurisdictional change is recorded with
31 the county recorder, the executive officer shall notify the
32 auditor or auditors of the exchange of property tax
33 revenues and the auditor or auditors shall make the
34 appropriate adjustments as provided in subdivision (a).

35 (c) Whenever a jurisdictional change is not required
36 to be reviewed and approved by a local agency formation
37 commission, the local agencies whose service area or
38 service responsibilities would be altered by the proposed
39 change, shall give notice to the State Board of
40 Equalization and the assessor and auditor of each county



1 within which the territory subject to the jurisdictional
2 change is located. This notice shall specify each local
3 agency whose service area or responsibility will be
4 altered by the jurisdictional change and request the
5 auditor and assessor to make the determinations required
6 pursuant to paragraphs (1) and (2) of subdivision (b).
7 Upon notification by the auditor of the amount of, and
8 allocation factors with respect to, property tax subject to
9 exchange, the local agencies, pursuant to the provisions
10 of paragraphs (4), ~~(5)~~, and (6) of subdivision (b), shall
11 determine the amount of property tax revenues to be
12 exchanged between and among the local agencies.
13 Notwithstanding any other provision of law, no such
14 jurisdictional change shall become effective until each
15 county and city included in these negotiations agrees, by
16 resolution, to accept the negotiated exchange of property
17 tax revenues. The exchange may be limited to an
18 exchange of property tax revenue from the annual tax
19 increment generated in the area subject to the
20 jurisdictional change and attributable to the local
21 agencies whose service area or service responsibilities
22 will be altered by the proposed jurisdictional change. The
23 final exchange resolution shall specify how the annual tax
24 increment shall be allocated in future years. Upon the
25 adoption of the resolutions required pursuant to this
26 section, the adopting agencies shall notify the auditor
27 who shall make the appropriate adjustments as provided
28 in subdivision (a). Adjustments in property tax
29 allocations made as the result of a city or library district
30 withdrawing from a county free library system pursuant
31 to Section 19116 of the Education Code shall be made
32 pursuant to Section 19116 of the Education Code, and this
33 subdivision shall not apply.

34 (d) With respect to adjustments in the allocation of
35 property taxes pursuant to this section, a county and any
36 local agency or agencies within the county may develop
37 and adopt a master property tax transfer agreement. The
38 agreement may be revised from time to time by the
39 parties subject to the agreement.



1 (e) (1) An exchange of property tax revenues that is
2 required by paragraph (8) of subdivision (b) to be
3 determined pursuant to this subdivision shall be
4 determined in accordance with all of the following:

5 (A) The city and the county shall mutually select a
6 third-party consultant to perform a comprehensive,
7 independent fiscal analysis, funded in equal portions by
8 the city and the county, that specifies estimates of all tax
9 revenues that will be derived from the annexed territory
10 and the costs of city and county services with respect to
11 the annexed territory. The analysis shall be completed
12 within a period not to exceed 30 days, and shall be based
13 upon the general plan or adopted plans and policies of the
14 annexing city and the intended uses for the annexed
15 territory. If, upon the completion of the analysis period,
16 no exchange of property tax revenues is agreed upon by
17 the city and the county, subparagraph (B) shall apply.

18 (B) The city and the county shall mutually select a
19 mediator, funded in equal portions by those agencies, to
20 perform mediation for a period of not to exceed 30 days.
21 If, upon the completion of the mediation period, no
22 exchange of property tax revenues is agreed upon by the
23 city and the county, subparagraph (C) shall apply.

24 (C) The city and the county shall mutually select an
25 arbitrator, funded in equal portions by those agencies, to
26 conduct an advisory arbitration with the city and the
27 county for a period of not to exceed 30 days. At the
28 conclusion of this arbitration period, the city and the
29 county shall each present to the arbitrator its last and best
30 offer with respect to the exchange of property tax
31 revenues. The arbitrator shall select one of the offers and
32 recommend that offer to the governing bodies of the city
33 and the county. If the governing body of the city or the
34 county rejects the recommended offer, it shall do so
35 during a public hearing, and shall, at the conclusion of
36 that hearing, make written findings of fact as to why the
37 recommended offer was not accepted.

38 (2) Proceedings under this subdivision shall be
39 concluded no more than 150 days after the auditor
40 provides the notification pursuant to paragraph (3) of



1 subdivision (b), unless one of the periods specified in this
2 subdivision is extended by the mutual agreement of the
3 city and the county. Notwithstanding any other provision
4 of law, except for those conditions that are necessary to
5 implement an exchange of property tax revenues
6 determined pursuant to this subdivision, the local agency
7 formation commission shall not impose any fiscal
8 conditions upon a city's qualified annexation of
9 unincorporated territory that is subject to this
10 subdivision.

11 (f) Except as otherwise provided in subdivision (g),
12 for the purpose of determining the amount of property
13 tax to be allocated in the 1979–80 fiscal year and each fiscal
14 year thereafter for those local agencies that were affected
15 by a jurisdictional change which was filed with the State
16 Board of Equalization after January 1, 1978, but on or
17 before January 1, 1979. The local agencies shall determine
18 by resolution the amount of property tax revenues to be
19 exchanged between and among the affected agencies
20 and notify the auditor of the determination.

21 (g) For the purpose of determining the amount of
22 property tax to be allocated in the 1979–80 fiscal year and
23 each fiscal year thereafter, for a city incorporation that
24 was filed pursuant to Sections 54900 to 54904 after January
25 1, 1978, but on or before January 1, 1979, the amount of
26 property tax revenue considered to have been received
27 by the jurisdiction for the 1978–79 fiscal year shall be
28 equal to two-thirds of the amount of property tax revenue
29 projected in the final local agency formation commission
30 staff report pertaining to the incorporation multiplied by
31 the proportion that the total amount of property tax
32 revenue received by all jurisdictions within the county
33 for the 1978–79 fiscal year bears to the total amount of
34 property tax revenue received by all jurisdictions within
35 the county for the 1977–78 fiscal year. Except, however,
36 in the event that the final commission report did not
37 specify the amount of property tax revenue projected for
38 that incorporation, the commission shall by October 10,
39 determine pursuant to Section 54790.3 of the



1 Government Code the amount of property tax to be
2 transferred to the city.

3 The provisions of this subdivision shall also apply to the
4 allocation of property taxes for the 1980–81 fiscal year and
5 each fiscal year thereafter for incorporations approved by
6 the voters in June 1979.

7 (h) For the purpose of the computations made
8 pursuant to this section, in the case of a district formation
9 that was filed pursuant to Sections 54900 to 54904,
10 inclusive, of the Government Code after January 1, 1978,
11 but before January 1, 1979, the amount of property tax to
12 be allocated to the district for the 1979–80 fiscal year and
13 each fiscal year thereafter shall be determined pursuant
14 to Section 54790.3 of the Government Code.

15 (i) For the purposes of the computations required by
16 this chapter, in the case of a jurisdictional change, other
17 than a change requiring an adjustment by the auditor
18 pursuant to subdivision (a), the auditor shall adjust the
19 allocation of property tax revenue determined pursuant
20 to Section 96 or 96.1 or its predecessor section, or the
21 annual tax increment determined pursuant to Section
22 96.5 or its predecessor section, for each local school
23 district, community college district, or county
24 superintendent of schools whose service area or service
25 responsibility would be altered by the jurisdictional
26 change, as determined as follows:

27 (1) The governing body of each district, county
28 superintendent of schools, or county whose service areas
29 or service responsibilities would be altered by the change
30 shall determine the amount of property tax revenues to
31 be exchanged between and among the affected
32 jurisdictions. This determination shall be adopted by each
33 affected jurisdiction by resolution. For the purpose of
34 negotiation, the county auditor shall furnish the parties
35 and the county board of education with an estimate of the
36 property tax revenue subject to negotiation.

37 (2) In the event that the affected jurisdictions are
38 unable to agree, within 60 days after the effective date of
39 the jurisdictional change, and if all the jurisdictions are
40 wholly within one county, the county board of education



1 shall, by resolution, determine the amount of property tax
2 revenue to be exchanged. If the jurisdictions are in more
3 than one county, the State Board of Education shall, by
4 resolution, within 60 days after the effective date of the
5 jurisdictional change, determine the amount of property
6 tax to be exchanged.

7 (3) Upon adoption of any resolution pursuant to this
8 subdivision, the adopting jurisdictions or State Board of
9 Education shall notify the county auditor who shall make
10 the appropriate adjustments as provided in subdivision
11 (a).

12 (j) For purposes of subdivision (i), the annexation by
13 a community college district of territory within a county
14 not previously served by a community college district is
15 an alteration of service area. The community college
16 district and the county shall negotiate the amount, if any,
17 of property tax revenues to be exchanged. In these
18 negotiations, there shall be taken into consideration the
19 amount of revenue received from the timber yield tax
20 and forest reserve receipts by the community college
21 district in the area not previously served. In no event shall
22 the property tax revenue to be exchanged exceed the
23 amount of property tax revenue collected prior to the
24 annexation for the purposes of paying tuition expenses of
25 residents enrolled in the community college district,
26 adjusted each year by the percentage change in
27 population and the percentage change in the cost of
28 living, or per capita personal income, whichever is lower,
29 less the amount of revenue received by the community
30 college district in the annexed area from the timber yield
31 tax and forest reserve receipts.

32 (k) At any time after a jurisdictional change is
33 effective, any of the local agencies party to the agreement
34 to exchange property tax revenue may renegotiate the
35 agreement with respect to the current fiscal year or
36 subsequent fiscal years, subject to approval by all local
37 agencies affected by the renegotiation.



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All matter omitted in this version of the bill appears in the bill as amended in the Assembly, May 13, 1999 (JR 11)

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