

Assembly Bill No. 1555

CHAPTER 921

An act to amend Sections 56113, 56375, 57080, and 57087.3 of the Government Code, relating to local government organization.

[Approved by Governor October 9, 1999. Filed
with Secretary of State October 10, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1555, Longville. Local government.

(1) Under the Cortese-Knox Local Government Reorganization Act of 1985, the local agency formation commission in a county may approve the annexation of contiguous territory to a city without an election under specified conditions.

This bill would authorize the commission to approve without an election the annexation or reorganization of an unincorporated island or unincorporated islands within city limits under specified conditions depending on whether the proceeding is initiated on or after January 1, 2000, or January 1, 2007.

(2) Existing law governing the allocation of property tax revenues between local government entities requires the revision of those allocations upon a jurisdictional change. However, under specified conditions, the merger of a subsidiary district into a city is not subject to certain provisions of law concerning the revision of those allocations.

This bill would correct a cross-reference in this exception.

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

SECTION 1. Section 56113 of the Government Code is amended to read:

56113. (a) The authority to initiate, conduct, and complete any proceeding pursuant to Section 56112 does not apply to any territory which, after January 1, 2000, became surrounded or substantially surrounded by the city to which annexation is proposed. The authority to initiate, conduct, and complete any proceeding pursuant to Section 56112 shall expire January 1, 2007. The period of time between January 1, 2000, and January 1, 2007, shall not include any period of time during which, in an action pending in any court, a local agency is enjoined from conducting proceedings pursuant to Section 56112. Upon final disposition of that case, the previously enjoined local agency may initiate, conduct, and complete proceedings pursuant to Section 56112 for the same period of time as was remaining under that seven-year limit at the time the injunction



commenced. However, if the remaining time is less than six months, that authority shall continue for six months following final disposition of the action.

(b) Between January 1, 2000, and January 1, 2007, no new proposal involving the same or substantially the same territory as a proposal initiated pursuant to Section 56112 after January 1, 2000, shall be initiated for two years after the date of adoption by the commission or by the conducting authority of a resolution terminating proceedings.

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

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

(a) To review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization. Effective July 1, 1994, the commission may initiate proposals for (1) consolidation of districts, as defined in Section 56036, (2) dissolution, (3) merger, or (4) establishment of a subsidiary district, or a reorganization that includes any of these changes of organization. A commission shall have the authority to initiate only a (1) consolidation of districts, (2) dissolution, (3) merger, (4) establishment of a subsidiary district, or (5) a reorganization that includes any of these changes of organization, if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378 or 56425. However, a commission shall not have the power to disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:

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

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

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

As a condition to the annexation of an area that is surrounded, or substantially surrounded, by the city to which the annexation is proposed, the commission may require, where consistent with the



purposes of this division, that the annexation include the entire island of surrounded, or substantially surrounded, territory.

A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. This paragraph does not prohibit a commission from requiring, as a condition to annexation, that a city prezone the territory to be annexed. However, the commission shall not specify how, or in what manner, the territory shall be prezoned.

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

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

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

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

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

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

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

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

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

(D) Notwithstanding any other provision of law, at the option of either the city or the county, a separate property tax transfer agreement may be agreed to between a city and a county pursuant to Section 99 of the Revenue and Taxation Code regarding an



annexation subject to this subdivision without affecting any existing master tax sharing agreement between the city and county.

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

(A) The availability of public utility services.

(B) The presence of public improvements.

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

SEC. 3. Section 57080 of the Government Code is amended to read:

57080. (a) With respect to a proceeding initiated on or after January 1, 2000, when approved and authorized by the commission pursuant to subdivision (d) of Section 56375, the conducting authority shall, not later than 35 days after conclusion of the hearing,



adopt a resolution ordering the annexation without an election or shall, by resolution, terminate the proceedings. Sections 57050, 57051, 57052, subdivision (a) of 57075, and Section 57078 do not apply to any annexation subject to this subdivision.

(b) With respect to a proceeding initiated on or after January 1, 2007, when approved and authorized by the commission pursuant to subdivision (d) of Section 56375, Sections 57050, 57051, and 57052, shall apply and subdivision (a) of Section 57075 does not apply.

(1) If the territory proposed to be annexed is inhabited territory, the conducting authority, not more than 30 days after conclusion of the hearing, shall adopt a resolution making a finding regarding the value of written protests filed and not withdrawn and shall do either of the following:

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

(B) Order the territory annexed without an election.

(2) If the territory proposed to be annexed is uninhabited, the conducting authority, not more than 30 days after conclusion of the hearing, shall adopt a resolution which does either of the following:

(A) Terminates proceedings.

(B) Orders the territory annexed.

SEC. 4. Section 57087.3 of the Government Code is amended to read:

57087.3. The merger of a subsidiary district with a city, of which the city council is also the governing board of that subsidiary district, shall not be subject to Sections 99 and 99.01 of the Revenue and Taxation Code if the city council adopts a resolution that states that the city shall do all of the following:

(a) Continue providing the services of the subsidiary district at the same level to those areas outside the city's boundaries, but within the territory of the subsidiary district, as the services provided for territory within the city limits.

(b) Assume all assets of the subsidiary district.

(c) Assume all liabilities of the subsidiary district.

(d) Assume all ad valorem taxes, other accounts receivable, and other revenues of the subsidiary district.

