

AMENDED IN SENATE MAY 2, 2007

SENATE BILL

No. 819

Introduced by ~~Senator Hollingsworth~~ *Senators Hollingsworth and Kehoe*
(Coauthor: *Senator Harman*)
(Coauthor: *Assembly Member Caballero*)

February 23, 2007

An act to amend Sections 56375 and 56826.5 of, and to amend and repeal Sections 56030, 56700, and 56886.5, relating to local government entities.

LEGISLATIVE COUNSEL'S DIGEST

SB 819, as amended, Hollingsworth. Local government: consolidation.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, establishes procedures for the organization and reorganization of cities and special districts. With respect to the consolidation of special districts, until January 1, 2005, the law required all of the districts to have been formed pursuant to the same principal act. Existing law, until July 1, 2008, permits the consolidation of 2 or more special districts not formed pursuant to the same principal act if certain procedures are followed.

This bill would delete that July 1, 2008, expiration date on the authorization to consolidate 2 or more special districts not formed pursuant to the same principal act.

Existing law sets forth the various powers and duties of a local agency formation commission in reviewing and approving or disapproving proposals for changes of organization or reorganization. ~~A commission may only~~ Existing law authorizes a commission to initiate proposals

for consolidation of districts, dissolution, merger, establishment of a subsidiary district, or a reorganization that includes any of those changes, and only under specified circumstances.

~~This bill would add to those proposals that may be initiated by a local agency formation commission the formation of a new district or districts, or a reorganization that includes~~ *authorize a commission to initiate proposals for the formation of a new district or districts.*

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

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

1 SECTION 1. Section 56030 of the Government Code, as
2 amended by Section 1 of Chapter 471 of the Statutes of 2004, is
3 amended to read:

4 56030. "Consolidation" means the uniting or joining of two or
5 more cities located in the same county into a single new successor
6 city or two or more districts into a single new successor district.

7 SEC. 2. Section 56030 of the Government Code, as added by
8 Chapter 471 of the Statutes of 2004, is repealed.

9 SEC. 3. Section 56375 of the Government Code is amended
10 to read:

11 56375. The commission shall have all of the following powers
12 and duties subject to any limitations upon its jurisdiction set forth
13 in this part:

14 (a) To review and approve or disapprove with or without
15 amendment, wholly, partially, or conditionally, proposals for
16 changes of organization or reorganization, consistent with written
17 policies, procedures, and guidelines adopted by the commission.
18 ~~The commission may initiate proposals for (1) consolidation of~~
19 ~~districts, as defined in Section 56036, (2) dissolution, (3) merger,~~
20 ~~(4) establishment of a subsidiary district, (5) formation of a new~~
21 ~~district or districts, or (6) a reorganization that includes any of~~
22 ~~these changes of organization. A commission shall have the~~
23 ~~authority to initiate only a (1) consolidation of districts, (2) A~~
24 ~~commission shall have the authority to initiate only a (1)~~
25 ~~consolidation of districts, as defined in Section 56036, (2)~~
26 ~~dissolution, (3) merger, (4) establishment of a subsidiary district,~~
27 ~~(5) formation of a new district or districts, or (6) a reorganization~~
28 ~~that includes any of these changes of organization, if that change~~

1 of organization or reorganization is consistent with a
2 recommendation or conclusion of a study prepared pursuant to
3 Section 56378, 56425, or 56430 and the commission makes the
4 determinations specified in subdivision (b) of Section 56881.
5 However, a commission shall not have the power to disapprove
6 an annexation to a city, initiated by resolution, of contiguous
7 territory that the commission finds is any of the following:

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

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

19 (3) An annexation or reorganization of unincorporated islands
20 meeting the requirements of Section 56375.3.

21 As a condition to the annexation of an area that is surrounded,
22 or substantially surrounded, by the city to which the annexation
23 is proposed, the commission may require, where consistent with
24 the purposes of this division, that the annexation include the entire
25 island of surrounded, or substantially surrounded, territory.

26 A commission shall not impose any conditions that would
27 directly regulate land use density or intensity, property
28 development, or subdivision requirements. When the development
29 purposes are not made known to the annexing city, the annexation
30 shall be reviewed on the basis of the adopted plans and policies
31 of the annexing city or county. A commission shall require, as a
32 condition to annexation, that a city prezone the territory to be
33 annexed or present evidence satisfactory to the commission that
34 the existing development entitlements on the territory are vested
35 or are already at buildout, and are consistent with the city's general
36 plan. However, the commission shall not specify how, or in what
37 manner, the territory shall be prezoned. The decision of the
38 commission with regard to a proposal to annex territory to a city
39 shall be based upon the general plan and prezoning of the city.

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

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

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

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

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

39 (g) To adopt written procedures for the evaluation of proposals,
40 including written definitions not inconsistent with existing state

1 law. The commission may adopt standards for any of the factors
2 enumerated in Section 56668. Any standards adopted by the
3 commission shall be written.

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

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

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

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

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

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

26 (n) To waive the application of Section 25210.90 or Section
27 22613 of the Streets and Highways Code if it finds the application
28 would deprive an area of a service needed to ensure the health,
29 safety, or welfare of the residents of the area and if it finds that
30 the waiver would not affect the ability of a city to provide any
31 service. However, within 60 days of the inclusion of the territory
32 within the city, the legislative body may adopt a resolution
33 nullifying the waiver.

34 (o) If the proposal includes the incorporation of a city, as defined
35 in Section 56043, or the formation of a district, as defined in
36 Section 2215 of the Revenue and Taxation Code, the commission
37 shall determine the property tax revenue to be exchanged by the
38 affected local agencies pursuant to Section 56810.

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

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

9 SEC. 4. Section 56700 of the Government Code, as amended
10 by Section 99 of Chapter 22 of the Statutes of 2005, is amended
11 to read:

12 56700. (a) A proposal for a change of organization or a
13 reorganization may be made by petition. The petition shall do all
14 of the following:

15 (1) State that the proposal is made pursuant to this part.

16 (2) State the nature of the proposal and list all proposed changes
17 of organization.

18 (3) Set forth a description of the boundaries of affected territory
19 accompanied by a map showing the boundaries.

20 (4) Set forth any proposed terms and conditions.

21 (5) State the reason or reasons for the proposal.

22 (6) State whether the petition is signed by registered voters or
23 owners of land.

24 (7) Designate up to three persons as chief petitioners, setting
25 forth their names and mailing addresses.

26 (8) Request that proceedings be taken for the proposal pursuant
27 to this part.

28 (9) State whether the proposal is consistent with the sphere of
29 influence of any affected city or affected district.

30 (b) A petition for a proposal for a change of organization or a
31 reorganization that includes the consolidation of two or more
32 special districts not formed pursuant to the same principal act, in
33 addition to the requirements set forth in subdivision (a), shall do
34 either of the following:

35 (1) Designate the district that shall be the successor and specify
36 under which principal act the successor shall conduct itself.

37 (2) State that the proposal requires the formation of a new
38 district and includes a plan for services prepared pursuant to
39 Section 56653.

1 SEC. 5. Section 56700 of the Government Code, as amended
2 by Section 100 of Chapter 22 of the Statutes of 2005, is repealed.

3 SEC. 6. Section 56826.5 of the Government Code is amended
4 to read:

5 56826.5. (a) A proposal for reorganization that includes the
6 consolidation of two or more special districts not formed pursuant
7 to the same principal act shall only be approved by the commission
8 if both the following conditions are met:

9 (1) The commission is able to designate a successor or
10 successors, or form a new district or districts, authorized by their
11 respective principal acts to deliver all of the services provided by
12 the consolidating districts at the time of consolidation.

13 (2) The commission makes the determinations specified in
14 subdivision (b) of Section 56881.

15 (b) If a proposal for reorganization that includes the
16 consolidation of two or more special districts not formed pursuant
17 to the same principal act is initiated by the commission pursuant
18 to subdivision (a) of Section 56375, it shall only be approved if
19 the commission has prepared a study pursuant to Section 56378
20 or the written statement of determinations specified in subdivision
21 (a) of Section 56430, and all of the following conditions are met:

22 (1) Each of the services provided by the districts subject to the
23 proposal will be provided by a successor or successors, or by the
24 formation of a new district authorized under a principal act to
25 deliver the services. The commission may designate a successor
26 other than the districts subject to the proposal only if the successor
27 is currently providing the same service provided by one or more
28 of the districts subject to the proposal. The commission shall not
29 designate a city as a successor unless the city contains 70 percent
30 or more of the area of land within one of the districts subject to
31 the proposal, or the combined territory of two or more of the
32 districts subject to the proposal, within its boundaries, and 70
33 percent or more of the number of registered voters of the district
34 or the combined districts who reside within the boundaries of the
35 city.

36 (2) The public services costs of the proposal that the commission
37 is authorizing are likely to be less than or substantially similar to
38 the costs of alternative means of providing the service.

1 (3) The proposal that the commission is approving promotes
2 public access and accountability for community services needs
3 and financial resources.

4 SEC. 7. Section 56886.5 of the Government Code, as amended
5 by Section 4 of Chapter 471 of the Statutes of 2004, is amended
6 to read:

7 56886.5. (a) If a proposal includes the formation of a district
8 or the incorporation of a city, the commission shall determine
9 whether existing agencies can feasibly provide the needed service
10 or services in a more efficient and accountable manner. If a new
11 single-purpose local agency is deemed necessary, the commission
12 shall consider reorganization with other single-purpose local
13 agencies that provide related services.

14 (b) If a proposal includes the consolidation of two or more
15 special districts not formed pursuant to the same principal act, the
16 commission shall determine whether any service provided at that
17 time could be discontinued due to a lack of authority under the
18 principal act of the successor. If a new single-purpose local agency
19 is deemed necessary to provide the needed service or services, the
20 commission shall consider the formation of a new district that is
21 authorized to provide the service or services.

22 SEC. 8. Section 56886.5 of the Government Code, as added
23 by Chapter 471 of the Statutes of 2004, is repealed.