

AMENDED IN ASSEMBLY JUNE 17, 1999

AMENDED IN SENATE MAY 3, 1999

AMENDED IN SENATE APRIL 7, 1999

**SENATE BILL**

**No. 275**

**Introduced by Committee on Local Government (Senators Rainey (Chair), Baca, Johannessen, Johnston, Monteith, Perata, Polanco, and Schiff and Polanco)**

February 1, 1999

An act to amend Sections 349.1 and 349.4 of, and to repeal Section 349<sup>1/2</sup> of, the Code of Civil Procedure, to amend Section 13.5 of the Elections Code, to amend Sections 27000.8, 27000.9, 27063, 30063, 37361, 56103, 56332, 56853, 56857, 61107, 65307, 65850, 65850.4, 65956, 66451.2, and ~~66458~~ of 66458, 66498.1, 66498.2, and 66498.3 of, and to repeal Section 77202.5 of, the Government Code, to amend ~~Section 4730.6~~ Sections 4730.6 and 13890 of the Health and Safety Code, and to amend ~~Section 99~~ Sections 98.02, 99, 4986.3, and 11005 of the Revenue and Taxation Code, relating to local agencies.

LEGISLATIVE COUNSEL'S DIGEST

SB 275, as amended, Committee on Local Government. 1999 Local ~~Government~~ Agency Omnibus Act of 1999.

(1) Existing law requires that lawsuits challenging boundary changes and other changes of organization or reorganizations subject to the Cortese-Knox Local Government Reorganization Act of 1985 be commenced within 60 days after proceedings are completed. However,



laws enacted prior to that act provide that the deadlines to contest those proceedings are 3 months or 6 months, as specified.

This bill would repeal the 3-month deadline and make the 6-month deadline inapplicable to proceedings under the Cortese-Knox Act.

(2) Existing law provides that in order to be considered a legally qualified candidate for certain county and judicial offices, a person is required to file specified documents.

This bill would add to those offices requiring the filing of those documents the offices of county treasurer, county tax collector, and county treasurer-tax collector.

~~(2)~~

(3) Existing law authorizes a county board of supervisors to enact an ordinance adopting continuing education requirements for the office of county treasurer, county tax collector, or county treasurer-tax collector within the discipline of treasury management or public finance or both.

This bill would also permit the continuing education requirements to be within the disciplines of public administration, governmental accounting, or directly related subjects.

~~(3)~~

(4) Existing law requires the county treasurer to file with the county board of supervisors a monthly report of funds received and disbursed.

This bill would authorize a county auditor to file those reports if the county treasurer and county auditor have a written agreement.

~~(4)~~

(5) Existing law requires the county auditor and the city treasurer to file a written report on or before September 1 each year with the Supplemental Law Enforcement Oversight Committee and the local governing body detailing and summarizing allocations from the county's or city's Supplemental Law Enforcement Services Fund, as applicable for the entire preceding year. Existing law requires local officials to hold a public hearing in September in each year that the Legislature appropriates money to the fund for the purpose of considering requests for money from the fund.



This bill instead would require the report to be filed on or before the date of the duly noticed public hearing.

~~(5)~~

(6) Existing law authorizes the legislative body of a city to impose appropriate and reasonable control of the use or appearance of neighboring private property within public view of places, buildings, structures, works of art, and other objects having a special character or special historical or aesthetic interest or value.

This bill would make corrective, technical changes in that provision.

~~(6)~~

*(7) Under existing law, when the executive officer of a local agency formation commission determines that it is not feasible to hold a meeting of the special district selection committee for the purpose of selecting the special district representatives to the commission or for filling a vacancy, the executive officer may conduct the selection process by delivering the necessary papers, or sending them by certified mail, to each independent special district.*

*This bill would additionally authorize this selection process to be conducted by electronic mail.*

*(8) Existing law requires the executive officer of a local agency formation commission to mail a copy of the commission's resolution of its determinations concerning a proposed change of organization or reorganization to the chief petitioners, if any, each affected local agency whose boundaries would be changed, and the conducting authority.*

*This bill would authorize the executive officer to transmit the resolutions by electronic mail.*

*(9) Under existing law, when a local agency formation commission is requested to amend or reconsider a resolution making determinations, the deadline for filing certain actions is tolled during the time it takes the commission to act on the request.*

*This bill would toll the time for filing any action during the time it takes the commission to act on the request.*

(10) Existing law specifies the proceedings necessary to form a community services district.

This bill would correct a technical error in that provision.



~~(7)~~

(11) Existing law requires that on or before October 1, the planning agency of each city or county shall annually report to its legislative body, the Office of Planning and Research, and the Department of Housing and Community Development on the status of its general plan and progress in its implementation.

This bill would correct an obsolete cross-reference in that provision.

~~(8)~~

(12) Existing law authorizes cities and counties to adopt zoning ordinances including content neutral zoning ordinances, regulating the time, place, and manner of operation of sexually oriented businesses, subject to specified conditions.

This bill would make a technical nonsubstantive change to those provisions.

~~(9)~~

(13) Under existing law, the failure of a development project applicant to submit complete or adequate information under the Permit Streamlining Act may be grounds for disapproving the project.

This bill would correct an obsolete cross-reference in that provision.

~~(10)~~

(14) Existing law permits cities and counties to establish fees for processing tentative, final, and parcel subdivision maps and related procedures.

This bill would correct obsolete cross-references in that provision.

~~(11)~~

(15) Under existing law, the legislative body of a city or county is required to provide specified notice of a pending approval or disapproval of a final subdivision map by the official to whom that authority has been delegated.

This bill instead would require that the notice be given by the clerk of the legislative body.

~~(12)~~

(16) Existing law specifies the time period for which rights exist that are conferred by a vesting tentative map.



*This bill would correct obsolete cross references to that provision in other provisions of the Subdivision Map Act.*

*(17) Under existing law, in any year that the net county benefit for Ventura County between the property taxes allocated to cities by the county and the state money received by the county under the Trail Court Funding Program is less than \$5,262,500, the county receives a special subvention from vehicle license fee revenues.*

*This bill instead would establish a subvention of vehicle license fee revenues to Ventura County equal to 60% of the property tax revenue allocated to no and low property tax cities.*

*(18) Existing law provides for the establishment of the Ventura Regional Sanitation District, and further provides that the board of directors shall be the governing board of the district. Existing law also provides for an independent special district committee, composed of the presiding officers of specified independent special districts.*

*This bill would redesignate the independent special district committee as the special district committee, and would revise the membership requirements for that committee.*

~~(13)~~

*(19) The Fire Protection District Law requires fire districts to adopt budgets conforming to specified state regulations.*

*This bill would correct an obsolete reference to those regulations.*

*(20) Existing law authorizes the cancellation of property taxes and special taxes imposed to pay for bonds in certain situations where the property was acquired by a city through foreclosure.*

*This bill would also permit these procedures for tax cancellation to be applied to property acquired through foreclosure by counties, cities and counties, special districts, school districts, and joint powers agencies.*

*(21) Existing law generally requires those agencies affected by a proposed jurisdictional change to negotiate, in accordance with specified procedures, an exchange of property tax revenues to reflect the changes in service area obligations that will result from the jurisdictional change. The process of negotiation, mediation, and arbitration concludes*



no more than 150 days after the initiation of proceedings for the jurisdictional change before the local agency formation commission.

This bill instead would require negotiation, mediation, and arbitration to be concluded no more than 150 days after the auditor provides specified property tax information to the local agencies.

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

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

1 SECTION 1. (a) This act shall be known and may be  
2 ~~eited as the Local Government Omnibus Act of 1999.~~  
3 *cited as the 1999 Local Agency Omnibus Act.*

4 (b) The Legislature finds and declares that  
5 Californians desire their government to be run efficiently  
6 and economically, and that public officials should avoid  
7 waste and duplication whenever possible. The  
8 Legislature further finds and declares that it desires to  
9 control its own operating costs by reducing the number  
10 of separate bills. Therefore, it is the intent of the  
11 Legislature in enacting this act to combine several minor,  
12 noncontroversial statutory changes relating to public  
13 agencies into a single measure.

14 SEC. 2. *Section 349<sup>1/2</sup> of the Code of Civil Procedure*  
15 *is repealed.*

16 ~~349<sup>1/2</sup>. The validity of any proceedings for the~~  
17 ~~incorporation of a municipal corporation, the annexation~~  
18 ~~of territory to a municipal corporation, or for the~~  
19 ~~consolidation of municipal corporations, shall not be~~  
20 ~~contested in any action unless such action shall have been~~  
21 ~~brought within three months after the completion of such~~  
22 ~~proceedings, or, in case such proceedings are completed~~  
23 ~~prior to the time that the amendments to this section~~  
24 ~~enacted at the 1957 Regular Session of the Legislature~~  
25 ~~take effect, then within three months after such~~  
26 ~~amendments shall have become effective.~~

27 SEC. 3. *Section 349.1 of the Code of Civil Procedure*  
28 *is amended to read:*



1 349.1. (a) The validity of any acts or proceedings  
 2 taken under color of law for the formation, organization,  
 3 incorporation, dissolution, consolidation, change of  
 4 organization or reorganization of, or for any change in the  
 5 territorial boundaries of, any ~~city~~, county, city and  
 6 county, ~~special district~~, public corporation or other public  
 7 entity, or improvement district within any of the  
 8 foregoing, shall not be contested in any action unless ~~such~~  
 9 *the* action shall have been brought within six months from  
 10 the date of completion of ~~said~~ *those* acts or proceedings.  
 11 Unless an action is commenced within ~~said~~ *that* period,  
 12 all ~~said~~ *of those* acts or proceedings shall be held valid and  
 13 in every respect legal and incontestable.

14 ~~This~~

15 (b) *This* section shall not amend or repeal any existing  
 16 statute prescribing a shorter period of limitation than that  
 17 specified ~~herein~~ *in this section*.

18 (c) *This section shall not apply to changes of*  
 19 *organization or reorganizations that are subject to the*  
 20 *Cortese-Knox Local Government Reorganization Act of*  
 21 *1985, Division 3 (commencing with Section 56000) of*  
 22 *Title 5 of the Government Code.*

23 *SEC. 4. Section 349.4 of the Code of Civil Procedure*  
 24 *is amended to read:*

25 349.4. (a) All acts and proceedings heretofore or  
 26 hereafter taken under color of law for the formation,  
 27 organization or incorporation of, or for any change in the  
 28 territorial boundaries of, any ~~city~~, county, city and  
 29 county, ~~special district~~, public corporation or other public  
 30 entity, or improvement district, annexed area or zone  
 31 within any of the foregoing, and for the authorization,  
 32 issuance, sale, or exchange of bonds of the entity or the  
 33 territory thereof may be confirmed, validated, and  
 34 declared legally effective in the manner provided in this  
 35 section.

36 ~~The~~

37 (b) *The* legislative body of the entity may instruct its  
 38 clerk or secretary to mail a notice to all owners of  
 39 property within the entity, within the improvement  
 40 district or zone, or within the annexed area, as the case



1 may be, as their names and addresses appear on the last  
2 equalized county assessment roll, or as known to the clerk  
3 or secretary. ~~Such~~—The notice shall include the name of  
4 the entity, the date the entity or the zone or  
5 improvement district therein was ordered formed or its  
6 territory changed by annexation or otherwise, as the case  
7 may be, the amount of bonds authorized, if any, and a  
8 statement that commencing with the date of mailing of  
9 ~~said~~ the notice there shall be a 60-calendar-day period  
10 during which period any property owner may file an  
11 action contesting the validity of the formation of the  
12 entity, or of ~~such~~ the improvement district or zone, or of  
13 ~~such~~ the change of boundaries by annexation or  
14 otherwise, as the case may be, or the validity of the bond  
15 authorization, if any. The clerk or secretary shall make  
16 and file with the legislative body of the entity a certificate  
17 of mailing of the notices. The legislative body of the entity  
18 may order the clerk or secretary to include in ~~such~~ the  
19 notice ~~such~~ any other additional information that it  
20 deems pertinent.

21 If

22 (c) If no action is filed during ~~such~~ this 60-day period,  
23 the formation of the entity or of ~~such~~ the improvement  
24 district or zone, or the change of boundaries by  
25 annexation or otherwise, as the case may be, and the bond  
26 authorization, if any, are valid and uncontestable.

27 (d) This section shall not apply to changes of  
28 organization or reorganizations that are subject to the  
29 Cortese-Knox Local Government Reorganization Act of  
30 1985, Division 3 (commencing with Section 56000) of  
31 Title 5 of the Government Code.

32 SEC. 5. Section 13.5 of the Elections Code is amended  
33 to read:

34 13.5. (a) (1) Notwithstanding subdivision (a) of  
35 Section 13, no person shall be considered a legally  
36 qualified candidate for any of the offices set forth in  
37 subdivision (b) unless that person has filed a declaration  
38 of candidacy, nomination papers, or statement of write-in  
39 candidacy, accompanied by documentation, including,  
40 but not necessarily limited to, certificates, declarations



1 under penalty of perjury, diplomas, or official  
2 correspondence, sufficient to establish, in the  
3 determination of the official with whom the declaration  
4 or statement is filed, that the person meets each  
5 qualification established for service in that office by the  
6 provision referenced in subdivision (b).

7 (2) The provision of “documentation,” for purposes of  
8 compliance with the requirements of paragraph (1), may  
9 include the submission of either an original, as defined in  
10 Section 255 of the Evidence Code, or a duplicate, as  
11 defined in Section 260 of the Evidence Code.

12 (b) This section shall be applicable to the following  
13 offices and qualifications therefor:

14 (1) For the office of county auditor, the qualifications  
15 set forth in Sections 26945 and 26946 of the Government  
16 Code.

17 (2) For the office of county district attorney, the  
18 qualifications set forth in Sections 24001 and 24002 of the  
19 Government Code.

20 (3) For the office of county sheriff, the qualifications  
21 set forth in Section 24004.3 of the Government Code.

22 (4) For the office of county superintendent of schools,  
23 the qualifications set forth in Sections 1205 to 1208,  
24 inclusive, of the Education Code.

25 (5) For the office of judge of the municipal court, the  
26 qualifications set forth in Article 4 (commencing with  
27 Section 71140) of Chapter 6 of Title 8 of the Government  
28 Code.

29 (6) For the office of judge of the superior court, the  
30 qualifications set forth in Section 15 of Article VI of the  
31 California Constitution.

32 (7) For the office of county treasurer, county tax  
33 collector, or county treasurer-tax collector, the  
34 qualifications set forth in Section 27000.7 of the  
35 Government Code, provided that the board of  
36 supervisors has adopted the provisions of that section  
37 pursuant to Section 27000.8 of the Government Code.

38 ~~SEC. 3.—~~

39 SEC. 6. Section 27000.8 of the Government Code is  
40 amended to read:



1 27000.8. Any duly elected county treasurer, county  
2 tax collector, or county treasurer-tax collector serving in  
3 that office on January 1, 1996, may serve for his or her  
4 remaining term of office during which period of time the  
5 requirements of this section shall not apply. After the  
6 election of a county treasurer, county tax collector, or  
7 county treasurer-tax collector to office, that person shall  
8 complete a valid continuing course of study as prescribed  
9 in this section, and shall during the person's four-year  
10 term of office on or before June 30 of the fourth year,  
11 render to the State Controller a certification indicating  
12 that the person has successfully completed a continuing  
13 education program consisting of, at a minimum, 48 hours,  
14 or an equivalent amount of continuing education units  
15 within the discipline of treasury management, public  
16 finance, public administration, governmental  
17 accounting, or directly related subjects, offered by a  
18 recognized state or national association, institute, or  
19 accredited college or university, or the California Debt  
20 and Investment Advisory Commission, that provides the  
21 requisite educational programs prescribed in this section.  
22 The willful or negligent failure of any elected county  
23 treasurer, county tax collector, or county treasurer-tax  
24 collector to comply with the requirements of this section  
25 shall be deemed a violation of this section.

26 ~~SEC. 4.—~~

27 *SEC. 7.* Section 27000.9 of the Government Code is  
28 amended to read:

29 27000.9. Notwithstanding any other requirement of  
30 law, any duly appointed county officer serving in the  
31 capacity of county treasurer, county tax collector, or  
32 county treasurer-tax collector shall, beginning in 2000,  
33 complete a valid continuing course of study as prescribed  
34 in this section, and shall, on or before June 30 of each  
35 two-year period, render to the State Controller, a  
36 certification indicating that the county officer has  
37 successfully completed a continuing education program  
38 consisting of, at a minimum, 24 hours or an equivalent  
39 amount of continuing education units within the  
40 discipline of treasury management, public finance, public



1 administration, governmental accounting, or directly  
2 related subjects, offered by a recognized state or national  
3 association, institute, or accredited college or university,  
4 or the California Debt and Investment Advisory  
5 Commission, that provides the requisite educational  
6 programs prescribed in this section. The willful or  
7 negligent failure of any county officer serving in the  
8 capacity of county treasurer, county tax collector, or  
9 county treasurer-tax collector to comply with the  
10 requirements of this section shall be deemed a violation  
11 of this section.

12 ~~SEC. 5.—~~

13 *SEC. 8.* Section 27063 of the Government Code is  
14 amended to read:

15 27063. Not later than the 25th day of each month, the  
16 treasurer, or, if the auditor has a written agreement with  
17 the treasurer, the auditor, shall file with the board of  
18 supervisors a detailed report of all money received and  
19 disbursed by him or her during the preceding report  
20 period which shall be no less frequent than monthly, so  
21 that the receipts into the treasury and the amounts of  
22 disbursements for the period will distinctly appear. The  
23 report shall be filed and preserved by the clerk of the  
24 board.

25 ~~SEC. 6.—~~

26 *SEC. 9.* Section 30063 of the Government Code is  
27 amended to read:

28 30063. (a) The Supplemental Law Enforcement  
29 Services Fund (SLESF) in each county or city is to be  
30 expended exclusively as required by this chapter. Moneys  
31 in that fund shall not be transferred to, or intermingled  
32 with, the moneys in any other fund in the county or city  
33 treasury, except that moneys may be transferred from the  
34 SLESF to the county's or city's general fund to the extent  
35 necessary to facilitate the appropriation and expenditure  
36 of those transferred moneys in the manner required by  
37 this chapter.

38 (b) Moneys in a SLESF may only be invested in safe  
39 and conservative investments in accordance with those  
40 standards of prudent investment applicable to the



1 investment of trust moneys. The treasurer of the county  
2 and each city shall provide a monthly SLESF investment  
3 report to either the police chief or the county sheriff and  
4 district attorney, as applicable.

5 (c) Each year, on or before the date of the duly  
6 noticed public hearing required pursuant to paragraph  
7 (1) of subdivision (c) of Section 30061, the county auditor  
8 and city treasurer shall detail and summarize allocations  
9 from the county's or city's SLESF, as applicable, in a  
10 written, public report filed with the Supplemental Law  
11 Enforcement Oversight Committee (SLEOC), the  
12 county board of supervisors or city council, as applicable,  
13 for the entirety of the immediately preceding fiscal year,  
14 and the county sheriff or police chief, as applicable.

15 (d) A summary of the annual reports required in  
16 subdivision (c) shall be submitted in a standardized  
17 format to be developed by the Controller, in conjunction  
18 with the California District Attorney's Association,  
19 California Police Chief's Association, California State  
20 Sheriff's Association, California Peace Officer's  
21 Association, California County Auditor's Association, and  
22 California Municipal Treasurer's Association, by each  
23 SLEOC to the Controller on or before October 15, 1998,  
24 and each year thereafter. Upon request, the Controller  
25 shall make a copy of the summarized reports available to  
26 the Governor and the Legislature.

27 ~~SEC. 7.—~~

28 *SEC. 10.* Section 37361 of the Government Code is  
29 amended to read:

30 37361. (a) The legislative body may acquire property  
31 for the preservation or development of a historical  
32 landmark. The legislative body may also acquire property  
33 for development for recreational purposes and for  
34 development of facilities in connection therewith.

35 (b) The legislative body may provide for places,  
36 buildings, structures, works of art, and other objects,  
37 having a special character or special historical or aesthetic  
38 interest or value, special conditions or regulations for  
39 their protection, enhancement, perpetuation or use,  
40 which may include appropriate and reasonable control of



1 the use or appearance of neighboring private property  
2 within public view, or both.

3 (c) Until January 1, 1995, subdivision (b) shall not  
4 apply to noncommercial property owned by a religiously  
5 affiliated association or corporation not organized for  
6 private profit, whether incorporated as a religious or  
7 public benefit corporation, unless the owner of the  
8 property does not object to its application. This  
9 subdivision does apply to a charter city. Nothing in this  
10 subdivision shall be construed to infringe on the authority  
11 of the legislative body to enforce special conditions and  
12 regulations on any property designated prior to January  
13 1, 1994. Subdivision (b) shall not apply to noncommercial  
14 property owned by any association or corporation that is  
15 religiously affiliated and not organized for private profit,  
16 whether the corporation is organized as a religious  
17 corporation, or as a public benefit corporation, provided  
18 that both of the following occur:

19 (1) The association or corporation objects to the  
20 application of the subdivision to its property.

21 (2) The association or corporation determines in a  
22 public forum that it will suffer substantial hardship, which  
23 is likely to deprive the association or corporation of  
24 economic return on its property, the reasonable use of its  
25 property, or the appropriate use of its property in the  
26 furtherance of its religious mission, if the application is  
27 approved.

28 (d) Nothing in this subdivision shall be construed to  
29 infringe on the authority of any legislative body to  
30 enforce special conditions and regulations on any  
31 property designated prior to January 1, 1994, or to  
32 authorize any legislative body to override the  
33 determination made pursuant to paragraph (2) of  
34 subdivision (c). This subdivision shall apply to a charter  
35 city.

36 ~~SEC. 8.—~~

37 *SEC. 11. Section 56103 of the Government Code is*  
38 *amended to read:*

39 56103. (a) An action to determine the validity of any  
40 change of organization or reorganization completed



1 pursuant to this division shall be brought pursuant to  
2 Chapter 9 (commencing with Section 860) of Title 10 of  
3 Part 2 of the Code of Civil Procedure.

4 *(b) Except as provided in subdivision (a), no action to*  
5 *attack, review, set aside, void, or annul any decision or*  
6 *determination by a commission shall be maintained*  
7 *unless the action is commenced and service is made on*  
8 *the commission within 60 days of the commission's*  
9 *decision or determination.*

10 *SEC. 12. Section 56332 of the Government Code is*  
11 *amended to read:*

12 56332. (a) The commission of any county shall be  
13 enlarged by two members if, pursuant to Chapter 5  
14 (commencing with Section 56450), the commission of any  
15 county does both of the following:

16 (1) Orders representation of special districts upon the  
17 commission.

18 (2) Adopts regulations affecting the functions and  
19 services of special districts.

20 In addition to the commission members selected  
21 pursuant to Sections 56325, 56329, and 56330, two  
22 commission members shall be selected by an  
23 independent special district selection committee to  
24 represent special districts in the county.

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



1 presiding officer. Members representing a majority of the  
2 eligible districts shall constitute a quorum.

3 (c) The executive officer shall call and give written  
4 notice of all meetings of the members of the selection  
5 committee. A meeting shall be called and held under  
6 either of the following circumstances:

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

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

15 (d) (1) If the executive officer determines that a  
16 meeting of the special district selection committee, for  
17 the purpose of selecting the special district  
18 representatives or for filling a vacancy, is not feasible, the  
19 executive officer may conduct the business of the  
20 committee in writing, as provided in this subdivision. The  
21 executive officer may call for nominations to be  
22 submitted in writing within 30 days. At the end of the  
23 nominating period, the executive officer shall prepare  
24 and deliver, or send by certified mail, to each  
25 independent special district one ballot and voting  
26 instructions.

27 (2) *As an alternative to the delivery or certified mail,*  
28 *the executive officer, with the prior concurrence of the*  
29 *district, may transmit the ballot and voting instructions*  
30 *by electronic mail, provided that the executive officer*  
31 *shall retain written evidence of the receipt of that*  
32 *material.*

33 ~~The~~

34 (3) *The* ballot shall include the names of all nominees  
35 and the office for which each was nominated. The  
36 districts shall return the ballots to the executive officer by  
37 the date specified in the voting instructions, which date  
38 shall be at least 30 days from the date on which the  
39 executive officer mailed the ballots to the districts.



1 (4) *If the executive officer has transmitted the ballot*  
2 *and voting instructions by electronic mail, the districts*  
3 *may return the ballots to the executive officer by*  
4 *electronic mail, provided that the executive officer*  
5 *retains written evidence of the receipt of the ballot.*

6 ~~Any~~

7 (5) *Any* ballot received by the executive officer after  
8 the specified date is invalid. The executive officer shall  
9 announce the results of the election within seven days of  
10 the specified date.

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

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

34 *SEC. 13. Section 56853 of the Government Code is*  
35 *amended to read:*

36 56853. The executive officer shall mail a copy of the  
37 resolution adopted by the commission making  
38 determinations addressed to each of the following  
39 persons or entities:



1 (a) The chief petitioners, if any, where the  
2 proceedings for change of organization were initiated by  
3 petition.

4 (b) Each affected local agency whose boundaries  
5 would be changed by the proposal.

6 (c) The conducting authority, by certified mail, return  
7 receipt requested. The copy of the resolution mailed to  
8 the conducting authority shall be certified as a true and  
9 correct copy by the executive officer. *As an alternative to*  
10 *mailing the resolution by certified mail, the executive*  
11 *officer, with the prior concurrence of the conducting*  
12 *authority, may transmit the resolution by electronic mail,*  
13 *provided that the executive officer shall retain written*  
14 *evidence of the receipt of that resolution.*

15 *SEC. 14. Section 56857 of the Government Code is*  
16 *amended to read:*

17 56857. (a) Any person or affected agency may file a  
18 written request with the executive officer requesting  
19 amendments to or reconsideration of any resolution  
20 adopted by the commission making determinations. The  
21 request shall state the specific modification to the  
22 resolution being requested.

23 (b) Notwithstanding Section 56106, the deadlines set  
24 by this section are mandatory. The person or agency shall  
25 file the written request within 30 days of the adoption of  
26 the initial or superseding resolution by the commission  
27 making determinations or prior to the adoption of a  
28 resolution by the conducting authority pursuant to  
29 Chapter 4 (commencing with Section 57075), whichever  
30 is earlier. If no person or agency files a timely request, the  
31 commission shall not take any action pursuant to this  
32 section.

33 (c) Upon receipt of a timely request, the executive  
34 officer shall immediately notify the conducting authority  
35 which shall not take any further action until the  
36 commission acts on the request.

37 (d) Upon receipt of a timely request by the executive  
38 officer, the time to file ~~an~~ any action, *including, but not*  
39 *limited to, an action* pursuant to Section 21167 of the  
40 Public Resources Code and any provisions of Part 4



1 (commencing with Section 57000) governing the time  
2 within which the conducting authority is to act shall be  
3 tolled for the time that the commission takes to act on the  
4 request.

5 (e) The executive officer shall place the request on the  
6 agenda of the next meeting of the commission for which  
7 notice can be given pursuant to this subdivision. The  
8 executive officer shall give notice of the consideration of  
9 the request by the commission in the same manner as for  
10 the original proposal. The executive officer may give  
11 notice in any other manner as he or she deems necessary  
12 or desirable.

13 (f) At that meeting, the commission shall consider the  
14 request and receive any oral or written testimony. The  
15 consideration may be continued from time to time but  
16 not to exceed 70 days from the date specified in the  
17 notice. The person or agency which filed the request may  
18 withdraw it at any time prior to the conclusion of the  
19 consideration by the commission.

20 (g) At the conclusion of its consideration, the  
21 commission may approve or disapprove with or without  
22 amendment, wholly, partially, or conditionally, the  
23 request. If the commission disapproves the request, it  
24 shall not adopt a new resolution making determinations,  
25 but shall direct the executive officer to notify the  
26 conducting authority of its action. If the commission  
27 approves the request, with or without amendment,  
28 wholly, partially, or conditionally, the commission shall  
29 adopt a resolution making determinations which shall  
30 supersede the resolution previously issued.

31 (h) The determinations of the commission shall be  
32 final and conclusive. No person or agency shall make any  
33 further request for the same change or a substantially  
34 similar change, as determined by the commission.

35 (i) Notwithstanding subdivision (h), clerical errors or  
36 mistakes may be corrected pursuant to Section 56854.

37 *SEC. 15.* Section 61107 of the Government Code is  
38 amended to read:

39 61107. Once the chief petitioners have filed a  
40 sufficient petition or a legislative body has filed a



1 resolution of application, the local agency formation  
2 commission shall proceed pursuant to Chapter 5  
3 (commencing with Section 56825) of Part 3 of Division 3  
4 of Title 5.

5 ~~SEC. 9.—~~

6 *SEC. 16.* Section 65307 of the Government Code is  
7 amended to read:

8 65307. On or before October 1 of each year, the  
9 planning agency of each city or county shall comply with  
10 the provisions of Section 65400.

11 ~~SEC. 10.—~~

12 *SEC. 17.* Section 65850 of the Government Code is  
13 amended to read:

14 65850. The legislative body of any county or city may,  
15 pursuant to this chapter, adopt ordinances that do any of  
16 the following:

17 (a) Regulate the use of buildings, structures, and land  
18 as between industry, business, residences, open space,  
19 including agriculture, recreation, enjoyment of scenic  
20 beauty, use of natural resources, and other purposes.

21 (b) Regulate signs and billboards.

22 (c) Regulate all of the following:

23 (1) The location, height, bulk, number of stories, and  
24 size of buildings and structures.

25 (2) The size and use of lots, yards, courts, and other  
26 open spaces.

27 (3) The percentage of a lot which may be occupied by  
28 a building or structure.

29 (4) The intensity of land use.

30 (d) Establish requirements for offstreet parking and  
31 loading.

32 (e) Establish and maintain building setback lines.

33 (f) Create civic districts around civic centers, public  
34 parks, public buildings, or public grounds, and establish  
35 regulations for those civic districts.

36 ~~SEC. 11.—~~

37 *SEC. 18.* Section 65850.4 of the Government Code is  
38 amended to read:

39 65850.4. (a) The legislative body of any county or city  
40 may regulate, pursuant to a content neutral ordinance,



1 the time, place, and manner of operation of sexually  
2 oriented businesses, when the ordinance is designed to  
3 serve a substantial governmental interest, does not  
4 unreasonably limit alternative avenues of  
5 communication, and is based on narrow, objective, and  
6 definite standards. The legislative body is entitled to rely  
7 on the experiences of other counties and cities and on the  
8 findings of court cases in establishing the reasonableness  
9 of the ordinance and its relevance to the specific  
10 problems it addresses, including the harmful secondary  
11 effects that the business may have on the community and  
12 its proximity to churches, schools, residences,  
13 establishments dispensing alcohol, and other sexually  
14 oriented businesses.

15 (b) For purposes of this section, a sexually oriented  
16 business is one whose primary purpose is the sale or  
17 display of matter that, because of its sexually explicit  
18 nature, may, pursuant to state law or local regulatory  
19 authority, be offered only to persons over the age of 18  
20 years.

21 (c) This section shall not be construed to preempt the  
22 legislative body of any city or county from regulating a  
23 sexually oriented business or similar establishment in the  
24 manner, and to the extent permitted by the United States  
25 Constitution and the California Constitution.

26 (d) It is the intent of the Legislature to authorize the  
27 legislative body of any city or county to enter into a legally  
28 sanctioned and appropriate cooperative agreement,  
29 consortium, or joint powers authority with other adjacent  
30 cities or counties regarding regulation of established  
31 negative secondary effects of adult or sexually oriented  
32 businesses if the actions taken by the legislative body are  
33 consistent with this section.

34 (e) The Legislature finds and declares that in order to  
35 encourage the legislative body of a city or county in  
36 regulating adult or sexually oriented businesses or similar  
37 businesses under this section, the legislative body may  
38 consider any harmful secondary effects such a business  
39 may have on adjacent cities and counties and its



1 proximity to churches, schools, residents, and other  
2 businesses located in adjacent cities or counties.

3 ~~SEC. 12.~~

4 *SEC. 19.* Section 65956 of the Government Code is  
5 amended to read:

6 65956. (a) If any provision of law requires the lead  
7 agency or responsible agency to provide public notice of  
8 the development project or to hold a public hearing, or  
9 both, on the development project and the agency has not  
10 provided the public notice or held the hearing, or both,  
11 at least 60 days prior to the expiration of the time limits  
12 established by Sections 65950 and 65952, the applicant or  
13 his or her representative may file an action pursuant to  
14 Section 1085 of the Code of Civil Procedure to compel the  
15 agency to provide the public notice or hold the hearing,  
16 or both, and the court shall give the proceedings  
17 preference over all other civil actions or proceedings,  
18 except older matters of the same character.

19 (b) In the event that a lead agency or a responsible  
20 agency fails to act to approve or to disapprove a  
21 development project within the time limits required by  
22 this article, the failure to act shall be deemed approval of  
23 the permit application for the development project.  
24 However, the permit shall be deemed approved only if  
25 the public notice required by law has occurred. If the  
26 applicant has provided seven days advance notice to the  
27 permitting agency of the intent to provide public notice,  
28 then no earlier than 60 days from the expiration of the  
29 time limits established by Sections 65950 and 65952, an  
30 applicant may provide the required public notice using  
31 the distribution information provided pursuant to  
32 Section 65941.5. If the applicant chooses to provide public  
33 notice, that notice shall include a description of the  
34 proposed development substantially similar to the  
35 descriptions which are commonly used in public notices  
36 by the permitting agency, the location of the proposed  
37 development, the permit application number, the name  
38 and address of the permitting agency, and a statement  
39 that the project shall be deemed approved if the  
40 permitting agency has not acted within 60 days. If the



1 applicant has provided the public notice required by this  
2 section, the time limit for action by the permitting agency  
3 shall be extended to 60 days after the public notice is  
4 provided. If the applicant provides notice pursuant to this  
5 section, the permitting agency shall refund to the  
6 applicant any fees which were collected for providing  
7 notice and which were not used for that purpose.

8 (c) Failure of an applicant to submit complete or  
9 adequate information pursuant to Sections 65943 to 65944,  
10 inclusive, may constitute grounds for disapproving a  
11 development project.

12 (d) Nothing in this section shall diminish the  
13 permitting agency's legal responsibility to provide,  
14 where applicable, public notice and hearing before  
15 acting on a permit application.

16 ~~SEC. 13.—~~

17 *SEC. 20.* Section 66451.2 of the Government Code is  
18 amended to read:

19 66451.2. The local agency may establish reasonable  
20 fees for the processing of tentative, final and parcel maps  
21 and for other procedures required or authorized by this  
22 division or local ordinance, but the fees shall not exceed  
23 the amount reasonably required by such agency to  
24 administer the provisions of this division. The fees shall be  
25 imposed pursuant to the Mitigation Fee Act, consisting of  
26 Chapter 5 (commencing with Section 66000), Chapter 6  
27 (commencing with Section 66010), Chapter 7  
28 (commencing with Section 66012), Chapter 8  
29 (commencing with Section 66016), and Chapter 9  
30 (commencing with Section 66020) of Division 1.

31 ~~SEC. 14.—~~

32 *SEC. 21.* Section 66458 of the Government Code is  
33 amended to read:

34 66458. (a) The legislative body shall, at the meeting  
35 at which it receives the map or, at its next regular meeting  
36 after the meeting at which it receives the map, approve  
37 the map if it conforms to all the requirements of this  
38 chapter and any local subdivision ordinance applicable at  
39 the time of approval or conditional approval of the  
40 tentative map and any rulings made thereunder. If the



1 map does not conform, the legislative body shall  
2 disapprove the map.

3 (b) If the legislative body does not approve or  
4 disapprove the map within the prescribed time, or any  
5 authorized extension thereof, and the map conforms to all  
6 requirements and rulings, it shall be deemed approved,  
7 and the clerk of the legislative body shall certify or state  
8 its approval thereon.

9 (c) The meeting at which the legislative body receives  
10 the map shall be the date on which the clerk of the  
11 legislative body receives the map.

12 (d) The legislative body may provide, by ordinance,  
13 for the approval or disapproval of final maps by the city  
14 or county engineer, surveyor, or other designated official.  
15 The legislative body may also provide, by ordinance, that  
16 the official may accept, accept subject to improvement,  
17 or reject dedications and offers of dedications that are  
18 made by a statement on the map. Any ordinance adopted  
19 pursuant to this subdivision shall provide that (1) the  
20 designated official shall notify the legislative body at its  
21 next regular meeting after the official receives the map  
22 that the official is reviewing the map for final approval,  
23 (2) the designated official shall approve or disapprove the  
24 final map within 10 days following the meeting of the  
25 legislative body that was preceded by the notice in (4)  
26 below, (3) the designated official's action may be  
27 appealed to the legislative body, (4) the clerk of the  
28 legislative body shall provide notice of any pending  
29 approval or disapproval by a designated official, which  
30 notice shall be attached and posted with the legislative  
31 body's regular agenda and shall be mailed to interested  
32 parties who request notice, and (5) the legislative body  
33 shall periodically review the delegation of authority to  
34 the designated official. Except as specifically authorized  
35 by this subdivision, the processing of final maps shall  
36 conform to all procedural requirements of this division.

37 ~~SEC. 15.—~~

38 *SEC. 22. Section 66498.1 of the Government Code is*  
39 *amended to read:*



1 66498.1. (a) Whenever a provision of this division  
2 requires that a tentative map be filed, a vesting tentative  
3 map may instead be filed.

4 (b) When a local agency approves or conditionally  
5 approves a vesting tentative map, that approval shall  
6 confer a vested right to proceed with development in  
7 substantial compliance with the ordinances, policies, and  
8 standards described in Section 66474.2. However, if  
9 Section 66474.2 is repealed, that approval shall confer a  
10 vested right to proceed with development in substantial  
11 compliance with the ordinances, policies, and standards  
12 in effect at the time the vesting tentative map is approved  
13 or conditionally approved.

14 (c) Notwithstanding subdivision (b), the local agency  
15 may condition or deny a permit, approval, extension, or  
16 entitlement if it determines any of the following:

17 (1) A failure to do so would place the residents of the  
18 subdivision or the immediate community, or both, in a  
19 condition dangerous to their health or safety, or both.

20 (2) The condition or denial is required, in order to  
21 comply with state or federal law.

22 (d) The rights conferred by this section shall expire if  
23 a final map is not approved prior to the expiration of the  
24 vesting tentative map. If the final map is approved, the  
25 rights conferred by this section shall be subject to the  
26 periods of time set forth in subdivisions ~~(g) and (h)~~ of  
27 ~~Section 66452.6~~ (b), (c), and (d) of Section 66498.5.

28 (e) Consistent with subdivision (b), an approved or  
29 conditionally approved vesting tentative map shall not  
30 limit a local agency from imposing reasonable conditions  
31 on subsequent required approvals or permits necessary  
32 for the development and authorized by the ordinances,  
33 policies, and standards described in subdivision (b).

34 *SEC. 23. Section 66498.2 of the Government Code is*  
35 *amended to read:*

36 66498.2. If the ordinances, policies, or standards  
37 described in subdivision (b) of Section 66498.1 are  
38 changed subsequent to the approval or conditional  
39 approval of a vesting tentative map, the subdivider, or his  
40 or her assignee, at any time prior to the expiration of the



1 vesting tentative map pursuant to subdivisions ~~(g) and~~  
 2 ~~(h) of Section 66452.6~~ (b), (c), and (d) of Section 66498.5,  
 3 may apply for an amendment to the vesting tentative  
 4 map to secure a vested right to proceed with the changed  
 5 ordinances, policies, or standards. An application shall  
 6 clearly specify the changed ordinances, policies, or  
 7 standards for which the amendment is sought.

8 *SEC. 24. Section 66498.3 of the Government Code is*  
 9 *amended to read:*

10 66498.3. (a) Whenever a subdivider files a vesting  
 11 tentative map for a subdivision whose intended  
 12 development is inconsistent with the zoning ordinance in  
 13 existence at that time, that inconsistency shall be noted  
 14 on the map. The local agency may deny a vesting  
 15 tentative map or approve it conditioned on the  
 16 subdivider, or his or her designee, obtaining the necessary  
 17 change in the zoning ordinance to eliminate the  
 18 inconsistency. If the change in the zoning ordinance is  
 19 obtained, the approved or conditionally approved vesting  
 20 tentative map shall, notwithstanding subdivision (b) of  
 21 Section 66498.1, confer the vested right to proceed with  
 22 the development in substantial compliance with the  
 23 change in the zoning ordinance and the map, as  
 24 approved.

25 (b) The rights conferred by this section shall be for the  
 26 time periods set forth in subdivisions ~~(g) and (h) of~~  
 27 ~~Section 66452.6~~ (b), (c), and (d) of Section 66498.5.

28 *SEC. 25. Section 77202.5 of the Government Code is*  
 29 *repealed.*

30 ~~77202.5. (a) In any option year commencing with the~~  
 31 ~~1994-95 fiscal year, in which the net county benefit for the~~  
 32 ~~County of Ventura is less than the sum of five million two~~  
 33 ~~hundred sixty-two thousand five hundred dollars~~  
 34 ~~(\$5,262,500), adjusted each fiscal year by the percentage~~  
 35 ~~change in the California per capita personal income, the~~  
 36 ~~Controller shall allocate to the county a special~~  
 37 ~~supplemental subvention of vehicle license fee revenues~~  
 38 ~~pursuant to Section 11005 of the Revenue and Taxation~~  
 39 ~~Code in an amount equal to the amount by which the net~~  
 40 ~~county benefits is less than five million two hundred~~



1 ~~sixty-two thousand five hundred dollars (\$5,262,500), as~~  
2 ~~adjusted for the applicable fiscal year.~~

3 ~~(b) For purposes of this section, the net county benefit~~  
4 ~~for each fiscal year beginning in the 1994-95 fiscal year is~~  
5 ~~the sum of the revenues received by the county from the~~  
6 ~~state for trial court operations in Ventura County for that~~  
7 ~~fiscal year reduced by the amount subtracted from the~~  
8 ~~county's proportionate share of property tax revenue~~  
9 ~~pursuant to the Tax Equity Allocation (TEA) formula~~  
10 ~~pursuant to Section 98.02 of the Revenue and Taxation~~  
11 ~~Code for that fiscal year.~~

12 ~~(e) For purposes of this section:~~

13 ~~(1) "Revenues received for trial court operations"~~  
14 ~~means payments received in accordance with paragraph~~  
15 ~~(1) of subdivision (a) of Section 68085 and Section~~  
16 ~~77205.1, or their successor code provisions.~~

17 ~~(2) "The percentage change in the California per~~  
18 ~~capita personal income" means the annual amount~~  
19 ~~computed and reported to the county by the Department~~  
20 ~~of Finance in accordance with Section 7901.~~

21 *SEC. 26.* Section 4730.6 of the Health and Safety Code  
22 is amended to read:

23 4730.6. (a) Notwithstanding Sections 4730, 4730.1,  
24 and 4730.2 or any other provision of law, the governing  
25 board of the Ventura Regional Sanitation District shall be  
26 a board of directors appointed in accordance with this  
27 section. Unless the context otherwise indicates, as used in  
28 this section, "district" means the Ventura Regional  
29 Sanitation District.

30 (b) The legislative body of each city located wholly or  
31 partially within the district's boundaries shall designate  
32 one of its members to be a member of the district's board  
33 of directors. Each legislative body may designate one of  
34 its members as an alternate to act in the place of its  
35 regular member in the case of the absence or  
36 disqualification of the regular member. An alternate  
37 member shall have the full voting rights of the regular  
38 member.

39 (c) The special district committee, which shall consist  
40 of the presiding officers of all special districts that have a



1 governing board separately elected, in whole or in part,  
 2 from any board of supervisors or city council, and would  
 3 be entitled to representation on the Ventura Regional  
 4 Sanitation District Board of Directors under Section  
 5 4730.1, if that section were applicable to the Ventura  
 6 Regional Sanitation District, shall designate one  
 7 separately elected member of a board of directors of a  
 8 special district represented on the committee to be a  
 9 member of the district’s board of directors. The special  
 10 district committee may designate one separately elected  
 11 member as an alternate to act in the place of the regular  
 12 member in the case of the absence or disqualification of  
 13 the regular member. An alternate member shall have the  
 14 full voting rights of the regular member.

15 (d) Each member of the district’s board of directors  
 16 shall have one vote.

17 (e) No action shall be taken at any meeting of the  
 18 district’s board of directors unless a majority of all  
 19 authorized members of the board of directors is in  
 20 attendance.

21 (f) A majority of the members of the board of directors  
 22 present shall be required to approve or otherwise act on  
 23 any matter except as otherwise required by law.

24 ~~SEC. 16.—~~

25 *SEC. 27. Section 13890 of the Health and Safety Code*  
 26 *is amended to read:*

27 13890. On or before June 30 of each year, a district  
 28 board shall adopt a preliminary budget which shall  
 29 conform to the ~~Accounting Procedures for Special~~  
 30 ~~Districts~~ *accounting and budgeting procedures for*  
 31 *special districts contained in Subchapter 3* (commencing  
 32 with Section 1031.1) of, and the ~~Budgeting Procedures for~~  
 33 ~~Special Districts~~ *Article 1* (commencing with Section  
 34 1121) of *Subchapter 4 of, Chapter 2 of Division 2 of Title*  
 35 *2 of the California Administrative Code of Regulations.*

36 *SEC. 28. Section 98.02 of the Revenue and Taxation*  
 37 *Code is amended to read:*

38 98.02. (a) In the County of Ventura, the  
 39 computations made pursuant to Section 96.1 or its



1 predecessor section, for the 1989–90 fiscal year and each  
2 year thereafter, shall be modified as follows:

3 With respect to tax rate areas, except excluded tax rate  
4 areas, within the boundaries of a qualifying city, there  
5 shall be excluded from the aggregate amount of  
6 “property tax revenue allocated pursuant to this chapter  
7 to local agencies, other than for a qualifying city, in the  
8 prior fiscal year,” an amount equal to the sum of the  
9 amounts calculated pursuant to the TEA formula.

10 (b) (1) Each qualifying city shall, for the 1989–90  
11 fiscal year and each fiscal year thereafter, be allocated by  
12 the auditor an amount determined pursuant to the TEA  
13 formula.

14 (2) For each qualifying city, the auditor shall, for the  
15 1989–90 fiscal year and each year thereafter, distribute  
16 the amount determined pursuant to the TEA formula to  
17 all tax rate areas, except excluded tax rate areas, within  
18 that city in proportion to each tax rate area’s share of the  
19 total assessed value in the city for the applicable fiscal  
20 year, and the amount so determined shall be subtracted  
21 from the county’s proportionate share of the property tax  
22 revenue for that fiscal year within those tax rate areas.

23 (3) After making the allocations pursuant to  
24 paragraphs (1) and (2), but before making the  
25 calculations pursuant to Section 96.5 or its predecessor  
26 section, the auditor shall, for all tax rate areas, except  
27 excluded tax rate areas, in the qualifying city, calculate  
28 the proportionate share of property tax revenue allocated  
29 pursuant to this section and Section 96.1, or their  
30 predecessor sections, in the 1989–90 fiscal year and each  
31 fiscal year thereafter to each jurisdiction in the tax rate  
32 area.

33 (4) In lieu of making the allocations of annual tax  
34 increment pursuant to subdivision (e) of Section 96.5 or  
35 its predecessor section, the auditor shall for the 1989–90  
36 fiscal year and each fiscal year thereafter, allocate the  
37 amount of property tax revenue determined pursuant to  
38 subdivision (d) of Section 98 to jurisdictions in the tax rate  
39 area, except an excluded tax rate area, using the  
40 proportionate shares derived pursuant to paragraph (3).



1 (5) For purposes of the calculations made pursuant to  
2 Section 96.1 or its predecessor section, in the 1990–91  
3 fiscal year and each fiscal year thereafter, the amounts  
4 that would have been allocated to all tax rate areas, except  
5 excluded tax rate areas, of qualifying cities pursuant to  
6 this subdivision shall be deemed to be the “amount of  
7 property tax revenue allocated to those tax rate areas in  
8 the prior fiscal year.”

9 (c) “TEA formula” means the Tax Equity Allocation  
10 formula, and shall be calculated by the auditor for each  
11 qualifying city as follows:

12 (1) For the 1988–89 fiscal year and each fiscal year  
13 thereafter, the auditor shall determine the total amount  
14 of property tax revenue to be allocated to all jurisdictions  
15 in all tax rate areas, except excluded tax rate areas, within  
16 the qualifying city, before the allocation and payment of  
17 funds in that fiscal year to a community redevelopment  
18 agency within the qualifying city, as provided in  
19 subdivision (b) of Section 33670 of the Health and Safety  
20 Code.

21 (2) The auditor shall determine the amount of funds  
22 allocated in each fiscal year to those tax rate areas, except  
23 excluded tax rate areas, within a community  
24 redevelopment agency in accordance with subdivision  
25 (b) of Section 33670 of the Health and Safety Code.

26 (3) (A) The auditor shall determine the total amount  
27 of funds paid in each fiscal year by a community  
28 redevelopment agency within the city to jurisdictions  
29 other than the city pursuant to subdivision (b) of Section  
30 33401 and Section 33676 of the Health and Safety Code,  
31 and the cost to the redevelopment agency of any land or  
32 facilities transferred and any amounts paid to  
33 jurisdictions other than the city to assist in the  
34 construction or reconstruction of facilities pursuant to an  
35 agreement entered into under Section 33401 or 33445.5 of  
36 the Health and Safety Code.

37 (B) Of the total amount determined in subparagraph  
38 (A), the auditor shall compute a proportionate amount to  
39 be attributed to all tax rate areas, except excluded tax rate  
40 areas, within the community redevelopment agency.



1 That proportionate amount shall be equal to that  
2 proportion which the amount determined in paragraph  
3 (2) in each fiscal year bears to the total amount of funds  
4 allocated in each fiscal year to a community  
5 redevelopment agency in accordance with subdivision  
6 (b) of Section 33670 of the Health and Safety Code.

7 (4) The auditor shall subtract the amount determined  
8 in subparagraph (B) of paragraph (3) from the amount  
9 determined in paragraph (2).

10 (5) The auditor shall subtract the amount determined  
11 in paragraph (4) from the amount determined in  
12 paragraph (1).

13 (6) The amount computed in paragraph (5) shall be  
14 multiplied by the following percentages in order to  
15 determine the TEA formula amount to be distributed to  
16 the qualifying city in each fiscal year:

17 (A) For the first fiscal year in which the qualifying city  
18 receives a distribution pursuant to this section, 1 percent  
19 of the amount determined in paragraph (5).

20 (B) For the second fiscal year in which the qualifying  
21 city receives a distribution pursuant to this section, 2  
22 percent of the amount determined in paragraph (5).

23 (C) For the third fiscal year in which the qualifying  
24 city receives a distribution pursuant to this section, 3  
25 percent of the amount determined in paragraph (5).

26 (D) For the fourth fiscal year and each fiscal year  
27 thereafter in which the qualifying city receives a  
28 distribution pursuant to this section, 4 percent of the  
29 amount determined in paragraph (5).

30 (d) For purposes of this section, “excluded tax rate  
31 area” means either of the following:

32 (1) Any tax rate area included in territory annexed by  
33 the qualifying city and allocated a prescribed percentage  
34 of property tax revenue pursuant to an existing  
35 agreement between the qualifying city and the county.

36 (2) Any tax rate area described in paragraph (1) that  
37 was detached from the county library district and that is  
38 also allocated an additional prescribed percentage of  
39 property tax revenue pursuant to an existing agreement  
40 between the qualifying city and the county.



1 (e) (1) All existing agreements between the  
2 qualifying city and the county covering the allocation of  
3 property tax revenues to tax rate areas described in  
4 subdivision (d) shall remain in force.

5 (2) All existing agreements between the qualifying  
6 city and the county covering the allocation of property  
7 tax revenues to tax rate areas that were detached from  
8 the county library district but are not included in  
9 territory that was annexed by the qualifying city shall  
10 remain in force.

11 (3) All allocations to those tax rate areas described in  
12 subdivision (d), including allocations of annual tax  
13 increments, made pursuant to the existing agreements  
14 between the qualifying city and the county shall be  
15 governed by subdivision (a) of Section 96.1 and Section  
16 96.5.

17 (4) All allocations to those tax rate areas described in  
18 paragraph (2), including allocations of annual tax  
19 increments, made pursuant to the existing agreements  
20 between the qualifying city and the county shall be  
21 governed by subdivision (a) of Section 96.1 and Section  
22 96.5. However, the tax rate areas referred to in this  
23 paragraph shall also be distributed an amount of property  
24 tax revenue determined pursuant to the TEA formula  
25 that is over and above the amount allocated as provided  
26 in the preceding sentence.

27 (f) “Qualifying city” means any city that incorporated  
28 prior to June 5, 1987, and had an amount of property tax  
29 revenue allocated to it pursuant to subdivision (a) of  
30 Section 96.1 or its predecessor section in the 1988–89 fiscal  
31 year that is less than 4 percent of the amount of property  
32 tax revenue computed as follows:

33 (1) The auditor shall determine the total amount of  
34 property tax revenue allocated to all tax rate areas, except  
35 excluded tax rate areas, in the city in the 1988–89 fiscal  
36 year.

37 (2) The auditor shall subtract the amount in the  
38 1988–89 fiscal year determined in paragraph (3) of  
39 subdivision (c) from the amount determined in  
40 paragraph (2) of subdivision (c).



1 (3) The auditor shall subtract the amount determined  
2 in paragraph (2) from the amount of property tax  
3 revenue in paragraph (1) of subdivision (c).

4 (4) The auditor shall divide the amount of property tax  
5 revenue determined in paragraph (1) of this subdivision  
6 by the amount of property tax revenue determined in  
7 paragraph (3) of this subdivision.

8 (5) If the quotient determined in paragraph (4) of this  
9 subdivision is less than 0.04, the city is a qualifying city. If  
10 the quotient determined in that paragraph is equal to or  
11 greater than 0.04, the city is not a qualifying city.

12 (g) The auditor may assess each qualifying city its  
13 proportional share of the actual costs of making the  
14 calculations required by this section, and may deduct that  
15 assessment from the amount allocated pursuant to  
16 subdivision (b). For purposes of this subdivision, a  
17 qualifying city's proportional share of the auditor's actual  
18 costs shall not exceed the proportion it receives of the  
19 total amounts excluded in the county pursuant to  
20 subdivision (a).

21 (h) (1) Notwithstanding subdivision (b), except as  
22 otherwise provided in paragraph (2), in any fiscal year in  
23 which a qualifying city receives a distribution pursuant to  
24 this section, the auditor shall reduce the actual amount  
25 distributed to the qualifying city by the amount of  
26 revenue not collected by the qualifying city in the first  
27 fiscal year following the city's reduction after January 1,  
28 1988, of the tax rate or tax base of any locally imposed  
29 general or special tax. The amount so computed by the  
30 auditor shall constitute a reduction in the amount of  
31 property tax revenue distributed to the qualifying city  
32 pursuant to this section in each succeeding fiscal year.  
33 That amount shall be aggregated with any additional  
34 amount computed pursuant to this paragraph as the  
35 result of the city's reduction in any subsequent year of the  
36 tax rate or tax base of the same or any other locally  
37 imposed general or special tax.

38 (2) No reduction shall be made pursuant to paragraph  
39 (1) in the case in which a local tax is reduced or



1 eliminated as a result of either a court decision or the  
2 approval or rejection of a ballot measure by the voters.

3 (i) If the auditor determines that the amount to be  
4 distributed to a qualifying city pursuant to subdivision  
5 (b), as modified by subdivisions (g) and (h), would result  
6 in a qualifying city having proceeds of taxes in excess of  
7 its appropriation limit, the auditor shall reduce the  
8 amount, on a dollar-for-dollar basis, by the amount that  
9 exceeds the city's appropriations limit.

10 ~~(j) The amount not distributed to tax rate areas, except~~  
11 ~~excluded tax rate areas, of a qualifying city as a result of~~  
12 ~~this section shall be distributed by the auditor to the~~  
13 ~~county.~~ *Commencing with the 1999-2000 fiscal year and*  
14 *each fiscal year thereafter, the auditor shall compute an*  
15 *amount that is equal to 60 percent of the total amount*  
16 *transferred to all qualifying cities pursuant to this section.*  
17 *The auditor shall certify that amount to the Controller for*  
18 *allocation of funds to the county pursuant to subdivision*  
19 *(a) of Section 11005.*

20 (k) Notwithstanding any other provision of this  
21 section, no qualifying city shall be distributed an amount  
22 pursuant to this section that is less than the amount the  
23 city would have been allocated without the application of  
24 the TEA formula.

25 (l) Notwithstanding any other provision of this  
26 section, commencing with the 1994-95 fiscal year, the  
27 auditor shall not reduce the amount distributed to a  
28 qualifying city under this section by reason of that city  
29 becoming the successor agency to a special district that is  
30 dissolved, merged with that city, or becomes a subsidiary  
31 district of that city, on or after July 1, 1994.

32 (m) The amount not distributed as a result of this  
33 section to the tax rate areas, except excluded tax rate  
34 areas, in each qualifying city shall be allocated by the  
35 auditor to the county.

36 *SEC. 29.* Section 99 of the Revenue and Taxation  
37 Code is amended to read:

38 99. (a) For the purposes of the computations  
39 required by this chapter:



1 (1) In the case of a jurisdictional change, other than a  
2 city incorporation or a formation of a district as defined  
3 in Section 2215, the auditor shall adjust the allocation of  
4 property tax revenue determined pursuant to Section 96  
5 or 96.1, or the annual tax increment determined pursuant  
6 to Section 96.5, for local agencies whose service area or  
7 service responsibility would be altered by the  
8 jurisdictional change, as determined pursuant to  
9 subdivision (b) or (c).

10 (2) In the case of a city incorporation, the auditor shall  
11 assign the allocation of property tax revenues determined  
12 pursuant to Section 56842 of the Government Code and  
13 the adjustments in tax revenues that may occur pursuant  
14 to Section 56845 of the Government Code to the newly  
15 formed city or district and shall make the adjustment as  
16 determined by Section 56842 in the allocation of property  
17 tax revenue determined pursuant to Section 96 or 96.1 for  
18 each local agency whose service area or service  
19 responsibilities would be altered by the incorporation.

20 (3) In the case of a formation of a district as defined in  
21 Section 2215, the auditor shall assign the allocation of  
22 property tax revenues determined pursuant to Section  
23 56842 of the Government Code to the district and shall  
24 make the adjustment as determined by Section 56842 in  
25 the allocation of property tax revenue determined  
26 pursuant to Section 96 or 96.1 for each local agency whose  
27 service area or service responsibilities would be altered  
28 by the formation.

29 (b) Upon the filing of an application or a resolution  
30 pursuant to the Cortese-Knox Local Government  
31 Reorganization Act of 1985 (Division 3 (commencing  
32 with Section 56000) of Title 5 of the Government Code),  
33 but prior to the issuance of a certificate of filing, the  
34 executive officer shall give notice of the filing to the  
35 assessor and auditor of each county within which the  
36 territory subject to the jurisdictional change is located.  
37 This notice shall specify each local agency whose service  
38 area or responsibility will be altered by the jurisdictional  
39 change.



1 (1) (A) The county assessor shall provide to the  
2 county auditor, within 30 days of the notice of filing, a  
3 report which identifies the assessed valuations for the  
4 territory subject to the jurisdictional change and the tax  
5 rate area or areas in which the territory exists.

6 (B) The auditor shall estimate the amount of property  
7 tax revenue generated within the territory that is the  
8 subject of the jurisdictional change during the current  
9 fiscal year.

10 (2) The auditor shall estimate what proportion of the  
11 property tax revenue determined pursuant to paragraph  
12 (1) is attributable to each local agency pursuant to  
13 Section 96.1 and Section 96.5.

14 (3) Within 45 days of notice of the filing of an  
15 application or resolution, the auditor shall notify the  
16 governing body of each local agency whose service area  
17 or service responsibility will be altered by the amount of,  
18 and allocation factors with respect to, property tax  
19 revenue estimated pursuant to paragraph (2) that is  
20 subject to a negotiated exchange.

21 (4) Upon receipt of the estimates pursuant to  
22 paragraph (3) the local agencies shall commence  
23 negotiations to determine the amount of property tax  
24 revenues to be exchanged between and among the local  
25 agencies. This negotiation period shall not exceed 60 days.

26 The exchange may be limited to an exchange of  
27 property tax revenues from the annual tax increment  
28 generated in the area subject to the jurisdictional change  
29 and attributable to the local agencies whose service area  
30 or service responsibilities will be altered by the proposed  
31 jurisdictional change. The final exchange resolution shall  
32 specify how the annual tax increment shall be allocated  
33 in future years.

34 (5) In the event that a jurisdictional change would  
35 affect the service area or service responsibility of one or  
36 more special districts, the board of supervisors of the  
37 county or counties in which the districts are located shall,  
38 on behalf of the district or districts, negotiate any  
39 exchange of property tax revenues.



1 (6) Notwithstanding any other provision of law, the  
2 executive officer shall not issue a certificate of filing  
3 pursuant to Section 56828 of the Government Code until  
4 the local agencies included in the property tax revenue  
5 exchange negotiation, within the 60-day negotiation  
6 period, present resolutions adopted by each such county  
7 and city whereby each county and city agrees to accept  
8 the exchange of property tax revenues.

9 (7) In the event that the commission modifies the  
10 proposal or its resolution of determination, any local  
11 agency whose service area or service responsibility would  
12 be altered by the proposed jurisdictional change may  
13 request, and the executive officer shall grant, 15 days for  
14 the affected agencies, pursuant to paragraph (4) to  
15 renegotiate an exchange of property tax revenues.  
16 Notwithstanding the time period specified in paragraph  
17 (4), if the resolutions required pursuant to paragraph (6)  
18 are not presented to the executive officer within the  
19 15-day period, all proceedings of the jurisdictional change  
20 shall automatically be terminated.

21 (8) In the case of a jurisdictional change that consists  
22 of a city's qualified annexation of unincorporated  
23 territory, an exchange of property tax revenues between  
24 the city and the county shall be determined in  
25 accordance with subdivision (e) if that exchange of  
26 revenues is not otherwise determined pursuant to either  
27 of the following:

28 (A) Negotiations completed within the applicable  
29 period or periods as prescribed by this subdivision.

30 (B) A master property tax exchange agreement  
31 among those local agencies, as described in subdivision  
32 (d).

33 For purposes of this paragraph, a qualified annexation  
34 of unincorporated territory means an annexation, as so  
35 described, for which proceedings before the relevant  
36 local agency formation commission are initiated, as  
37 provided in Section 56651 of the Government Code, on or  
38 after January 1, 1998, and on or before January 1, 2005.

39 (9) No later than the date on which the certificate of  
40 completion of the jurisdictional change is recorded with



1 the county recorder, the executive officer shall notify the  
2 auditor or auditors of the exchange of property tax  
3 revenues and the auditor or auditors shall make the  
4 appropriate adjustments as provided in subdivision (a).

5 (c) Whenever a jurisdictional change is not required  
6 to be reviewed and approved by a local agency formation  
7 commission, the local agencies whose service area or  
8 service responsibilities would be altered by the proposed  
9 change, shall give notice to the State Board of  
10 Equalization and the assessor and auditor of each county  
11 within which the territory subject to the jurisdictional  
12 change is located. This notice shall specify each local  
13 agency whose service area or responsibility will be  
14 altered by the jurisdictional change and request the  
15 auditor and assessor to make the determinations required  
16 pursuant to paragraphs (1) and (2) of subdivision (b).  
17 Upon notification by the auditor of the amount of, and  
18 allocation factors with respect to, property tax subject to  
19 exchange, the local agencies, pursuant to the provisions  
20 of paragraphs (4), (5), and (6) of subdivision (b), shall  
21 determine the amount of property tax revenues to be  
22 exchanged between and among the local agencies.  
23 Notwithstanding any other provision of law, no such  
24 jurisdictional change shall become effective until each  
25 county and city included in these negotiations agrees, by  
26 resolution, to accept the negotiated exchange of property  
27 tax revenues. The exchange may be limited to an  
28 exchange of property tax revenue from the annual tax  
29 increment generated in the area subject to the  
30 jurisdictional change and attributable to the local  
31 agencies whose service area or service responsibilities  
32 will be altered by the proposed jurisdictional change. The  
33 final exchange resolution shall specify how the annual tax  
34 increment shall be allocated in future years. Upon the  
35 adoption of the resolutions required pursuant to this  
36 section, the adopting agencies shall notify the auditor  
37 who shall make the appropriate adjustments as provided  
38 in subdivision (a). Adjustments in property tax  
39 allocations made as the result of a city or library district  
40 withdrawing from a county free library system pursuant



1 to Section 19116 of the Education Code shall be made  
2 pursuant to Section 19116 of the Education Code, and this  
3 subdivision shall not apply.

4 (d) With respect to adjustments in the allocation of  
5 property taxes pursuant to this section, a county and any  
6 local agency or agencies within the county may develop  
7 and adopt a master property tax transfer agreement. The  
8 agreement may be revised from time to time by the  
9 parties subject to the agreement.

10 (e) (1) An exchange of property tax revenues that is  
11 required by paragraph (8) of subdivision (b) to be  
12 determined pursuant to this subdivision shall be  
13 determined in accordance with all of the following:

14 (A) The city and the county shall mutually select a  
15 third-party consultant to perform a comprehensive,  
16 independent fiscal analysis, funded in equal portions by  
17 the city and the county, that specifies estimates of all tax  
18 revenues that will be derived from the annexed territory  
19 and the costs of city and county services with respect to  
20 the annexed territory. The analysis shall be completed  
21 within a period not to exceed 30 days, and shall be based  
22 upon the general plan or adopted plans and policies of the  
23 annexing city and the intended uses for the annexed  
24 territory. If, upon the completion of the analysis period,  
25 no exchange of property tax revenues is agreed upon by  
26 the city and the county, subparagraph (B) shall apply.

27 (B) The city and the county shall mutually select a  
28 mediator, funded in equal portions by those agencies, to  
29 perform mediation for a period of not to exceed 30 days.  
30 If, upon the completion of the mediation period, no  
31 exchange of property tax revenues is agreed upon by the  
32 city and the county, subparagraph (C) shall apply.

33 (C) The city and the county shall mutually select an  
34 arbitrator, funded in equal portions by those agencies, to  
35 conduct an advisory arbitration with the city and the  
36 county for a period of not to exceed 30 days. At the  
37 conclusion of this arbitration period, the city and the  
38 county shall each present to the arbitrator its last and best  
39 offer with respect to the exchange of property tax  
40 revenues. The arbitrator shall select one of the offers and



1 recommend that offer to the governing bodies of the city  
2 and the county. If the governing body of the city or the  
3 county rejects the recommended offer, it shall do so  
4 during a public hearing, and shall, at the conclusion of  
5 that hearing, make written findings of fact as to why the  
6 recommended offer was not accepted.

7 (2) Proceedings under this subdivision shall be  
8 concluded no more than 150 days after the auditor  
9 provides the notification pursuant to paragraph (3) of  
10 subdivision (b), unless one of the periods specified in this  
11 subdivision is extended by the mutual agreement of the  
12 city and the county. Notwithstanding any other provision  
13 of law, except for those conditions that are necessary to  
14 implement an exchange of property tax revenues  
15 determined pursuant to this subdivision, the local agency  
16 formation commission shall not impose any fiscal  
17 conditions upon a city's qualified annexation of  
18 unincorporated territory that is subject to this  
19 subdivision.

20 (f) Except as otherwise provided in subdivision (g),  
21 for the purpose of determining the amount of property  
22 tax to be allocated in the 1979–80 fiscal year and each fiscal  
23 year thereafter for those local agencies that were affected  
24 by a jurisdictional change which was filed with the State  
25 Board of Equalization after January 1, 1978, but on or  
26 before January 1, 1979. The local agencies shall determine  
27 by resolution the amount of property tax revenues to be  
28 exchanged between and among the affected agencies  
29 and notify the auditor of the determination.

30 (g) For the purpose of determining the amount of  
31 property tax to be allocated in the 1979–80 fiscal year and  
32 each fiscal year thereafter, for a city incorporation that  
33 was filed pursuant to Sections 54900 to 54904 after January  
34 1, 1978, but on or before January 1, 1979, the amount of  
35 property tax revenue considered to have been received  
36 by the jurisdiction for the 1978–79 fiscal year shall be  
37 equal to two-thirds of the amount of property tax revenue  
38 projected in the final local agency formation commission  
39 staff report pertaining to the incorporation multiplied by  
40 the proportion that the total amount of property tax



1 revenue received by all jurisdictions within the county  
2 for the 1978–79 fiscal year bears to the total amount of  
3 property tax revenue received by all jurisdictions within  
4 the county for the 1977–78 fiscal year. Except, however,  
5 in the event that the final commission report did not  
6 specify the amount of property tax revenue projected for  
7 that incorporation, the commission shall by October 10,  
8 determine pursuant to Section 54790.3 of the  
9 Government Code the amount of property tax to be  
10 transferred to the city.

11 The provisions of this subdivision shall also apply to the  
12 allocation of property taxes for the 1980–81 fiscal year and  
13 each fiscal year thereafter for incorporations approved by  
14 the voters in June 1979.

15 (h) For the purpose of the computations made  
16 pursuant to this section, in the case of a district formation  
17 that was filed pursuant to Sections 54900 to 54904,  
18 inclusive, of the Government Code after January 1, 1978,  
19 but before January 1, 1979, the amount of property tax to  
20 be allocated to the district for the 1979–80 fiscal year and  
21 each fiscal year thereafter shall be determined pursuant  
22 to Section 54790.3 of the Government Code.

23 (i) For the purposes of the computations required by  
24 this chapter, in the case of a jurisdictional change, other  
25 than a change requiring an adjustment by the auditor  
26 pursuant to subdivision (a), the auditor shall adjust the  
27 allocation of property tax revenue determined pursuant  
28 to Section 96 or 96.1 or its predecessor section, or the  
29 annual tax increment determined pursuant to Section  
30 96.5 or its predecessor section, for each local school  
31 district, community college district, or county  
32 superintendent of schools whose service area or service  
33 responsibility would be altered by the jurisdictional  
34 change, as determined as follows:

35 (1) The governing body of each district, county  
36 superintendent of schools, or county whose service areas  
37 or service responsibilities would be altered by the change  
38 shall determine the amount of property tax revenues to  
39 be exchanged between and among the affected  
40 jurisdictions. This determination shall be adopted by each



1 affected jurisdiction by resolution. For the purpose of  
2 negotiation, the county auditor shall furnish the parties  
3 and the county board of education with an estimate of the  
4 property tax revenue subject to negotiation.

5 (2) In the event that the affected jurisdictions are  
6 unable to agree, within 60 days after the effective date of  
7 the jurisdictional change, and if all the jurisdictions are  
8 wholly within one county, the county board of education  
9 shall, by resolution, determine the amount of property tax  
10 revenue to be exchanged. If the jurisdictions are in more  
11 than one county, the State Board of Education shall, by  
12 resolution, within 60 days after the effective date of the  
13 jurisdictional change, determine the amount of property  
14 tax to be exchanged.

15 (3) Upon adoption of any resolution pursuant to this  
16 subdivision, the adopting jurisdictions or State Board of  
17 Education shall notify the county auditor who shall make  
18 the appropriate adjustments as provided in subdivision  
19 (a).

20 (j) For purposes of subdivision (i), the annexation by  
21 a community college district of territory within a county  
22 not previously served by a community college district is  
23 an alteration of service area. The community college  
24 district and the county shall negotiate the amount, if any,  
25 of property tax revenues to be exchanged. In these  
26 negotiations, there shall be taken into consideration the  
27 amount of revenue received from the timber yield tax  
28 and forest reserve receipts by the community college  
29 district in the area not previously served. In no event shall  
30 the property tax revenue to be exchanged exceed the  
31 amount of property tax revenue collected prior to the  
32 annexation for the purposes of paying tuition expenses of  
33 residents enrolled in the community college district,  
34 adjusted each year by the percentage change in  
35 population and the percentage change in the cost of  
36 living, or per capita personal income, whichever is lower,  
37 less the amount of revenue received by the community  
38 college district in the annexed area from the timber yield  
39 tax and forest reserve receipts.



1 (k) At any time after a jurisdictional change is  
2 effective, any of the local agencies party to the agreement  
3 to exchange property tax revenue may renegotiate the  
4 agreement with respect to the current fiscal year or  
5 subsequent fiscal years, subject to approval by all local  
6 agencies affected by the renegotiation.

7 *SEC. 30. Section 4986.3 of the Revenue and Taxation*  
8 *Code is amended to read:*

9 4986.3. All or any portion of any uncollected tax,  
10 penalty, or costs, heretofore or hereafter levied, and not  
11 heretofore validly canceled, may, on satisfactory proof, be  
12 canceled by the auditor on order of the board of  
13 supervisors with the written consent of the district  
14 attorney if it was levied or charged on property subject  
15 to assessment or special taxes for the payment of bonds  
16 issued under the Improvement Bond Act of 1915  
17 (*Division 10 (commencing with Section 8500) of the*  
18 *Streets and Highways Code*) or the Mello-Roos  
19 Community Facilities Act of 1982 (~~Ch. 2.5 (commencing~~  
20 ~~with Sec. 53311), Div. 2, Pt. 1, Title 5, Gov. C.~~) (*Chapter*  
21 *2.5 (commencing with Section 53311) of Division 2 of Part*  
22 *1 of Title 5 of the Government Code*) where that property  
23 was acquired after the lien date by a city on foreclosure  
24 proceedings under the Improvement Bond Act of 1915 or  
25 the Mello-Roos Community Facilities Act of 1982 (~~Ch. 2.5~~  
26 ~~(commencing with Sec. 53311), Div. 2, Pt. 1, Title 5, Gov.~~  
27 ~~C.~~). If a city is entitled to bring foreclosure proceedings  
28 under the Improvement Bond Act of 1915 or the  
29 Mello-Roos Community Facilities Act of 1982 (~~Ch. 2.5~~  
30 ~~(commencing with Sec. 53311), Div. 2, Pt. 1, Title 5, Gov.~~  
31 ~~C.~~) against any property and the city acquires the  
32 property in any other manner than by foreclosure and the  
33 governing body of the city by resolution, covering any  
34 number of parcels acquired, declares that the acquisition  
35 was in lieu of acquisition under foreclosure proceedings,  
36 that acquisition is, for the purposes of this section, an  
37 acquisition by foreclosure proceedings under the  
38 Improvement Bond Act of 1915 or the Mello-Roos  
39 Community Facilities Act of 1982 (~~Ch. 2.5 (commencing~~  
40 ~~with Sec. 53311), Div. 2, Pt. 1, Title 5, Gov. C.~~). This



1 section applies regardless of whether the property  
2 acquired by the city is impressed with a public trust or is  
3 acquired for the purpose of resale. *As used in this section,*  
4 *'city' means any city, county, city and county, special*  
5 *district, school district, joint powers authority, or any*  
6 *other municipal corporation, district, or political*  
7 *subdivision of the state.*

8 SEC. 31. Section 11005 of the Revenue and Taxation  
9 Code is amended to read:

10 11005. (a) After payment of refunds therefrom and  
11 after making the deductions authorized by Section 11003  
12 and reserving the amount determined necessary by the  
13 Pooled Money Investment Board to meet the transfers  
14 ordered or proposed to be ordered pursuant to Section  
15 16310 of the Government Code, commencing with the  
16 1989-90 fiscal year, the Controller shall deduct that  
17 amount which is necessary to make the allocation  
18 provided for in *subdivision (j) of Section 77202.5 of the*  
19 ~~Government Code 98.02.~~ Eighty-one and one-quarter  
20 percent of the balance of all motor vehicle license fees  
21 and any other money appropriated by law for  
22 expenditure pursuant to this section and deposited to the  
23 credit of the Motor Vehicle License Fee Account in the  
24 Transportation Tax Fund and remaining unexpended  
25 therein at the close of business on the last day of the  
26 calendar month shall be allocated by the Controller by  
27 the 10th day of the following month in the manner  
28 provided by subdivisions (c) and (d).

29 (b) Eighteen and three-quarters percent of the  
30 balance shall be allocated, as follows:

31 (1) (A) Commencing with the 1988-89 fiscal year, the  
32 Controller shall allocate to each city that existed but did  
33 not levy a property tax in the 1977-78 fiscal year, other  
34 than for voter-approved indebtedness, an amount equal  
35 to the total amount which each of those cities would have  
36 received in that fiscal year pursuant to Section 25761 of  
37 the Business and Professions Code, Section 4306 of the  
38 Public Utilities Code, and Section 26483 of this code, as if  
39 those sections were operative in that fiscal year in the  
40 form in which they existed on June 1, 1981. For each fiscal



1 year thereafter, the Controller shall increase the amount  
2 for each city computed pursuant to this paragraph by the  
3 percent by which the revenue to the Motor Vehicle  
4 License Fee Account increased over the revenue for the  
5 previous fiscal year.

6 (B) (i) For each fiscal year following the 1988–89  
7 fiscal year in which a city subject to subparagraph (A)  
8 receives a distribution of property tax revenue pursuant  
9 to Section 97.35, 97.37, or 97.38, the amount to be allocated  
10 to the city pursuant to subparagraph (A) shall be reduced  
11 by the amount of the distribution made pursuant to those  
12 sections.

13 (ii) No allocation shall be made to a city pursuant to  
14 subparagraph (A) in the first fiscal year in which the  
15 amount distributed to a city pursuant to Section 97.35,  
16 97.37, or 97.38 equals or exceeds the amount that would  
17 have been allocated to that city pursuant to subparagraph  
18 (A) or in any fiscal year thereafter.

19 (iii) Any amount not allocated to a city pursuant to  
20 subparagraph (A) as a result of the operation of this  
21 subparagraph shall be allocated to eligible cities in  
22 accordance with clause (iv).

23 (iv) Commencing with the 1989–90 fiscal year, the  
24 Controller shall allocate the amount determined in clause  
25 (iii) for each fiscal year to each eligible city in the  
26 proportion that the population of each eligible city bears  
27 to total population of all eligible cities.

28 For purposes of this clause, “eligible city” means any  
29 city which incorporated prior to June 5, 1987, and had an  
30 amount of property tax revenue allocated to it pursuant  
31 to subdivision (a) of Section 97 in the 1987–88 fiscal year  
32 which is less than 10 percent of the amount of property  
33 tax revenue computed for the 1987–88 fiscal year in  
34 accordance with the method described in subdivision (c)  
35 of Section 97.35.

36 The auditor shall notify the Controller of his or her  
37 determination of those cities within the county which are  
38 eligible cities.

39 (2) Each month the Controller shall allocate the  
40 remainder of the amount determined pursuant to this



1 subdivision to counties and cities and counties in an  
2 amount for each county and city and county equal to the  
3 revenue received in the 1982–83 fiscal year pursuant to  
4 former Section 16111, subdivision (c) of former Section  
5 16113, and former Section 16113.7 of the Government  
6 Code. These amounts shall be determined by the  
7 Controller with the concurrence of the Director of  
8 Finance. The Controller shall allocate any remaining  
9 amount determined pursuant to this subdivision to  
10 counties and cities and counties in the proportion that the  
11 population of each county or city and county bears to the  
12 total population of all the counties and cities and counties  
13 of the state, as determined pursuant to subdivision (d).

14 (c) Fifty percent of the payments required by  
15 subdivision (a) shall be paid to the cities and cities and  
16 counties of this state in the proportion that the population  
17 of each city or city and county bears to the total  
18 population of all cities and cities and counties in this state,  
19 as determined by the population research unit of the  
20 Department of Finance. For the purpose of this  
21 subdivision, the population of each city or city and county  
22 is that determined by the last federal decennial or special  
23 census, or a subsequent census validated by the  
24 population research unit or subsequent estimate  
25 prepared pursuant to Section 2107.2 of the Streets and  
26 Highways Code. In the case of a city incorporated  
27 subsequent to the last federal census, or a subsequent  
28 census validated by the population research unit, the  
29 population research unit shall determine the population  
30 of the city. In the case of unincorporated territory being  
31 annexed to a city subsequent to the last federal census, or  
32 a subsequent census validated by the population research  
33 unit, the population research unit shall determine the  
34 population of the annexed territory by the use of any  
35 federal decennial or special census, or estimate prepared  
36 pursuant to Section 2107.2 of the Streets and Highways  
37 Code. In the case of the consolidation of one city with  
38 another subsequent to the last federal census, or a  
39 subsequent census validated by the population research  
40 unit, the population of the consolidated city, for the



1 purpose of this subdivision, is the aggregate population of  
2 the respective cities as determined by the last federal  
3 census, or a subsequent census or estimate validated by  
4 the population research unit.

5 (d) Fifty percent of the payments required by  
6 subdivision (a) shall be paid to the counties and cities and  
7 counties of the state in the proportion that the population  
8 of each county or city and county bears to the total  
9 population of all the counties and cities and counties of  
10 the state, as determined by the population research unit.  
11 For the purpose of this subdivision, the population of each  
12 county or city and county is that determined by the last  
13 federal census, or subsequent census validated by the  
14 population research unit, or as determined by Section  
15 11005.6.

16 (e) Money disbursed by the Controller to cities and  
17 counties pursuant to this section may be used for county  
18 or city purposes and may, but need not necessarily, be  
19 used for purposes of general interest and benefit to the  
20 state.

21 (f) Population changes based on a federal special  
22 census or a subsequent census validated by the  
23 Department of Finance shall be accepted by the  
24 Controller only if certified to him at the request of the  
25 city, city and county, or county for which the census was  
26 made and shall become effective on the first day of the  
27 month following receipt of the certification.

