

Assembly Bill No. 1430

CHAPTER 300

An act to amend Sections 56011, 56012, 56013, 56014, 56015, 56017, 56020, 56020.5, 56020.7, 56021, 56023, 56024, 56029, 56031, 56033, 56034, 56035, 56036, 56038, 56039, 56040, 56041, 56043, 56044, 56046, 56047, 56047.5, 56048, 56049, 56051, 56052, 56053, 56055, 56056, 56057, 56062, 56065, 56066, 56069, 56070, 56073, 56074, 56075, 56078, 56100, 56117, 56127, 56128, 56375, 56383, 56428, 56757, 56824.14, 56864, 56866, 56895, 57001, 57002, 57078, 57090, 57104, 57105, 57114, 57150, 57525, and 57534 of, to amend and renumber Sections 56376 and 56376.5 of, to add Sections 56017.1, 56017.2, 56020.6, 56032.5, 56036.5, 56036.6, 56050.5, 56069.5, and 56073.1 to, and to repeal Sections 56018, 56037, 56042, 56058, 56063, 56068, and 56079 of, the Government Code, and to amend Section 101370 of the Public Utilities Code, relating to local government.

[Approved by Governor September 20, 2011. Filed with
Secretary of State September 21, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1430, Committee on Local Government. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 omnibus bill.

Existing law defines various terms for purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

This bill would revise various definitions within that act, and would make other conforming and technical changes.

Existing law authorizes a district of limited powers, as defined, to be merged with, or established as, a subsidiary district of a city in accordance with procedures established by the act.

This bill would, instead, authorize a district, as defined, to be merged with, or established as, a subsidiary district of a city in accordance with procedures established by the act. This bill would also delete all references to a district of limited powers.

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

SECTION 1. Section 56011 of the Government Code is amended to read:

56011. "Affected city" means any city that contains or would contain, or whose sphere of influence contains or would contain, territory for which a change of organization is proposed or ordered, either singularly or as part of a reorganization.

SEC. 2. Section 56012 of the Government Code is amended to read:

56012. “Affected county” means any county that contains, or would contain, any territory for which a change of organization is proposed or ordered either singularly or as part of a reorganization or that contains all or any part of a district for which a change of organization or reorganization is proposed with respect to territory outside that county.

SEC. 3. Section 56013 of the Government Code is amended to read:

56013. “Affected district” means any special district, as defined by Section 56036, that contains or would contain, or whose sphere of influence contains or would contain, any territory for which a change of organization is proposed or ordered either singularly or as part of a reorganization.

SEC. 4. Section 56014 of the Government Code is amended to read:

56014. “Affected local agency” means any local agency that contains, or would contain, or whose sphere of influence contains or would contain, any territory for which a change of organization is proposed or ordered, either singularly or as part of a reorganization or for which a study is to be reviewed by the commission.

SEC. 5. Section 56015 of the Government Code is amended to read:

56015. “Affected territory” means any territory for which a change of organization or reorganization, or sphere of influence change, is proposed or ordered.

SEC. 6. Section 56017 of the Government Code is amended to read:

56017. “Annexation” means the inclusion, attachment, or addition of territory to a city or district.

SEC. 7. Section 56017.1 is added to the Government Code, to read:

56017.1. “Applicant” means a local agency or person or persons that submits an application, as defined by Section 56017.2.

SEC. 8. Section 56017.2 is added to the Government Code, to read:

56017.2. “Application” means any of the following:

(a) A resolution of application or petition initiating a change of organization or reorganization with supporting documentation as required by the commission or executive officer.

(b) A request for a sphere of influence amendment or update pursuant to Section 56425.

(c) A request by a city or district for commission approval of an extension of services outside the agency’s jurisdictional boundaries pursuant to Section 56133.

SEC. 9. Section 56018 of the Government Code is repealed.

SEC. 10. Section 56020 of the Government Code is amended to read:

56020. “Board of supervisors” means the legislative body or governing board of a county.

SEC. 11. Section 56020.5 of the Government Code is amended to read:

56020.5. “Certificate of completion” means the document prepared by the executive officer and recorded with the county recorder that confirms the final successful completion of a change of organization or reorganization.

SEC. 12. Section 56020.6 is added to the Government Code, to read:

56020.6. “Certificate of filing” means the document issued by the executive officer that confirms an application for a change of organization or reorganization has met submission requirements and is accepted for filing.

SEC. 13. Section 56020.7 of the Government Code is amended to read:

56020.7. “Certificate of termination” or “certificate of termination of proceedings” means the document prepared by the executive officer and retained by the commission that indicates that a proposal for a change of organization or reorganization was terminated because of a majority written protest, rejection by voters in an election, or the expiration of time prior to completion of proceedings pursuant to Section 57001 or a court order.

SEC. 14. Section 56021 of the Government Code is amended to read:

56021. “Change of organization” means any of the following:

- (a) A city incorporation.
- (b) A district formation.
- (c) An annexation to a city.
- (d) An annexation to a district.
- (e) A detachment from a city.
- (f) A detachment from a district.
- (g) A disincorporation of a city.
- (h) A district dissolution.
- (i) A consolidation of cities.
- (j) A consolidation of special districts.
- (k) A merger of a city and a district.
- (l) Establishment of a subsidiary district.

(m) The exercise of new or different functions or classes of services, or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district as provided in Article 1.5 (commencing with Section 56824.10) of Chapter 5 of Part 3 of this division.

SEC. 15. Section 56023 of the Government Code is amended to read:

56023. “City” means any incorporated chartered or general law city, including any city the name of which includes the word “town.”

SEC. 16. Section 56024 of the Government Code is amended to read:

56024. “City council” means the legislative body or governing board of a city.

SEC. 17. Section 56029 of the Government Code is amended to read:

56029. “Conducting authority” means the commission of the principal county, or the commission’s executive officer when authorized by the commission, when exercising its responsibility to conduct protest proceedings following approval by the commission of a change of organization or reorganization.

SEC. 18. Section 56031 of the Government Code is amended to read:

56031. (a) “Contiguous” means territory adjacent to territory within the local agency.

(b) Territory is not contiguous if the only contiguity is based upon a strip of land more than 300 feet long and less than 200 feet wide at its narrowest width, that width to be exclusive of highways.

SEC. 19. Section 56032.5 is added to the Government Code, to read:

56032.5. “Dependent special district” or “dependent district” includes any special district that has a legislative body that consists, in whole or part, of ex officio members who are officers of a county or another local agency, or who are appointees of those officers, and who are not appointed to fixed terms. “Dependent special district” or “dependent district” does not include any district excluded from the definition of district contained in Sections 56036 and 56036.6.

SEC. 20. Section 56033 of the Government Code is amended to read:

56033. “Detachment” means the exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.

SEC. 21. Section 56034 of the Government Code is amended to read:

56034. “Disincorporation” means the dissolution, extinguishment, or termination of the existence of a city and the cessation of its corporate powers, except for the purpose of winding up the affairs of the city.

SEC. 22. Section 56035 of the Government Code is amended to read:

56035. “Dissolution” means the disincorporation, extinguishment, or termination of the existence of a district and the cessation of all its corporate powers, except as the commission may otherwise provide pursuant to Section 56886 or for the purpose of winding up the affairs of the district.

SEC. 23. Section 56036 of the Government Code is amended to read:

56036. (a) “District” or “special district” are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Section 56133.

(b) “District” or “special district” includes a county service area, but excludes all of the following:

- (1) The state.
- (2) A county.
- (3) A city.
- (4) A school district or a community college district.
- (5) An assessment district or special assessment district.
- (6) An improvement district.

(7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).

(8) A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.

(9) An air pollution control district or an air quality maintenance district.

(10) A zone of any special district.

SEC. 24. Section 56036.5 is added to the Government Code, to read:

56036.5. (a) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4 or Part 5 (commencing with Section 57300), for each of the following

entities proceedings for a change of organization shall be conducted pursuant to the principal act authorizing the establishment of that district:

- (1) A unified or union high school library district.
- (2) A bridge and highway district.
- (3) A joint highway district.
- (4) A transit or rapid transit district.
- (5) A metropolitan water district.
- (6) A separation of grade district.

(b) For other districts, where the principal act provides, the procedures in the principal act shall supersede the procedures set forth in this division.

SEC. 25. Section 56036.6 is added to the Government Code, to read:

56036.6. (a) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a “district” or “special district” if the commission of the principal county determines, in accordance with Sections 56127 and 56128, that the entity is not a “district” or “special district”:

- (1) A flood control district.
- (2) A flood control and floodwater conservation district.
- (3) A flood control and water conservation district.
- (4) A conservation district.
- (5) A water conservation district.
- (6) A water replenishment district.
- (7) The Orange County Water District.
- (8) A California water storage district.
- (9) A water agency.
- (10) A county water authority or a water authority.

(b) If the commission determines that an entity described in this section is not a “district” or “special district,” any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving the entity shall be conducted pursuant to the principal act authorizing the establishment of that entity.

SEC. 26. Section 56037 of the Government Code is repealed.

SEC. 27. Section 56038 of the Government Code is amended to read:

56038. “Executive officer” means the person appointed by a commission pursuant to Section 56384.

SEC. 28. Section 56039 of the Government Code is amended to read:

56039. “Formation” means the creation of a district.

SEC. 29. Section 56040 of the Government Code is amended to read:

56040. “Function” means any power granted by law to a local agency to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of persons or property.

SEC. 30. Section 56041 of the Government Code is amended to read:

56041. “Improvement district” means an area or zone formed for the sole purpose of designating an area which is to bear a special tax or assessment for an improvement benefiting that area.

SEC. 31. Section 56042 of the Government Code is repealed.

SEC. 32. Section 56043 of the Government Code is amended to read:

56043. “Incorporation” means the creation or establishment of a city. Any area proposed for incorporation as a city shall have at least 500 registered voters residing within the affected territory at the time the proposal is initiated.

SEC. 33. Section 56044 of the Government Code is amended to read:

56044. “Independent district” or “independent special district” includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms. “Independent special district” does not include any district excluded from the definition of district contained in Sections 56036 and 56036.6.

SEC. 34. Section 56046 of the Government Code is amended to read:

56046. “Inhabited territory” means territory within which there reside 12 or more registered voters. The number of registered voters, as determined by the elections officer, shall be established as of the date a certificate of filing is issued by the executive officer. All other territory shall be deemed “uninhabited.”

SEC. 35. Section 56047 of the Government Code is amended to read:

56047. “Initiate” or “initiation” means the issuance of a certificate of filing by the executive officer.

SEC. 36. Section 56047.5 of the Government Code is amended to read:

56047.5. “Interested agency” means each local agency which provides facilities or services in the affected territory.

SEC. 37. Section 56048 of the Government Code is amended to read:

56048. (a) “Landowner” or “owner of land” means any person shown as the owner of land on the last equalized assessment roll prepared by the county at the time the determination is required to be made pursuant to the requirements of this division. Where that person is no longer the owner, the landowner or owner of land is any person entitled to be shown as the owner of land on the next equalized assessment roll.

(b) Where land is subject to a recorded written agreement of sale, any person shown in the agreement as the purchaser.

(c) Any public agency owning land other than highways, rights-of-way, easements, waterways, or canals.

SEC. 38. Section 56049 of the Government Code is amended to read:

56049. “Landowner-voter” means any person entitled to vote in a landowner-voter district, or the legal representative of that person or, in the case of an election, the proxy of that person if authorized by the principal act.

SEC. 39. Section 56050.5 is added to the Government Code, to read:

56050.5. “Latent service or power” means those services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, as determined by the commission pursuant to subdivision (i) of Section 56425.

SEC. 40. Section 56051 of the Government Code is amended to read:

56051. “Last equalized assessment roll” means the listing in use by a county, city, or district for the purpose of the annual levy and collection of any taxes or assessments.

This section does not require the use of the supplemental roll prepared pursuant to Chapter 3.5 (commencing with Section 75) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

SEC. 41. Section 56052 of the Government Code is amended to read:

56052. “Legal representative” means an officer of a corporation, partnership, or limited liability company duly authorized to sign for, and on behalf of, the entity. Legal representative also includes a guardian, conservator, executor, administrator, trustee, or other person holding property in a trust capacity under appointment of a court, when authorized by an order of the court.

SEC. 42. Section 56053 of the Government Code is amended to read:

56053. “Legislative body” means the governing board of a city, county, or district.

SEC. 43. Section 56055 of the Government Code is amended to read:

56055. “Member district” means any district which is included, in whole or in part, within another district, a metropolitan water district, or any of the entities enumerated in Section 56036.6, all or any part of the first-mentioned district being entitled, under the provisions of the principal act of the second-mentioned district or entity, to receive or be furnished with any governmental or proprietary service or commodity by the second-mentioned district or entity.

SEC. 44. Section 56056 of the Government Code is amended to read:

56056. “Merger” means the termination of the existence of a district when the responsibility for the functions, services, assets, and liabilities of that district are assumed by a city as a result of proceedings taken pursuant to this division.

SEC. 45. Section 56057 of the Government Code is amended to read:

56057. “Next equalized assessment roll” means the listing to be equalized and used by a city, county, or district for the purpose of the annual levy and collection of any taxes or assessments imposed by the city, county, or district.

SEC. 46. Section 56058 of the Government Code is repealed.

SEC. 47. Section 56062 of the Government Code is amended to read:

56062. “Parent district” means any district, a metropolitan water district, or any of the entities enumerated in Section 56036.6, which includes all or any part of another district, the first-mentioned district or entity being obligated, under the provisions of the principal act of the first-mentioned district or entity, to provide and furnish any governmental or proprietary service or commodity to the second-mentioned district.

SEC. 48. Section 56063 of the Government Code is repealed.

SEC. 49. Section 56065 of the Government Code is amended to read:

56065. “Principal act” means, in the case of a district, the law under which the district was formed and, in the case of a city, the general laws or the city charter.

SEC. 50. Section 56066 of the Government Code is amended to read:

56066. “Principal county” means the county having the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district or districts for which a change of organization or reorganization is proposed.

SEC. 51. Section 56068 of the Government Code is repealed.

SEC. 52. Section 56069 of the Government Code is amended to read:

56069. “Proposal” means a desired change of organization or reorganization initiated by a petition or by resolution of application of a legislative body or school district for which a certificate of filing has been issued.

SEC. 53. Section 56069.5 is added to the Government Code, to read:

56069.5. “Protest proceedings” means proceedings taken by a commission, or its executive officer when authorized by the commission, as the conducting authority pursuant to Chapter 1 (commencing with Section 57000), Chapter 2 (commencing with Section 57025), Chapter 3 (commencing with Section 57050), or Chapter 4 (commencing with Section 57075) of Part 4 of this division.

SEC. 54. Section 56070 of the Government Code is amended to read:

56070. “Public agency” means the state or any state agency, board, or commission, any city, county, city and county, special district, or any agency, board, or commission of the city, county, city and county, special district, joint powers authority, or other political subdivision.

SEC. 55. Section 56073 of the Government Code is amended to read:

56073. “Reorganization” means two or more changes of organization contained within a single proposal.

SEC. 56. Section 56073.1 is added to the Government Code, to read:

56073.1. “Resolution of application” means the document adopted by a local agency or school district initiating a change of organization or reorganization pursuant to Section 56654.

SEC. 57. Section 56074 of the Government Code is amended to read:

56074. “Service” means a specific governmental activity established within, and as a part of, a general function of the special district, as provided by regulations adopted by the commission pursuant to Chapter 5 (commencing with Section 56821) of Part 3.

SEC. 58. Section 56075 of the Government Code is amended to read:

56075. “Special assessment district” or “assessment district” means an area fixed, established, and formed by a city, county, district, or the state, pursuant to general law, special act, or charter, that is specially benefited by, and assessed, or to be assessed, to pay the costs and expenses of, acquiring any lands or rights-of-way, acquiring or constructing any public improvements, maintaining or operating any public improvement, or lighting any public street, highway, or place.

SEC. 59. Section 56078 of the Government Code is amended to read:

56078. “Subsidiary district” means a district in which a city council is designated as, and empowered to act as, the ex officio board of directors of the district.

SEC. 60. Section 56079 of the Government Code is repealed.

SEC. 61. Section 56100 of the Government Code is amended to read:

56100. (a) Except as otherwise provided in Section 56036.5, subdivision (b) of Section 56036.6, and Section 56101, this division provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. All changes of organization and reorganizations shall be initiated, conducted, and completed in accordance with, and as provided in, this division.

(b) Notwithstanding any other provision of law, proceedings for the formation of a district shall be conducted as authorized by the principal act of the district proposed to be formed, except that the commission shall serve as the conducting authority and the procedural requirements of this division shall apply and shall prevail in the event of conflict with the procedural requirements of the principal act of the district. In the event of such a conflict, the commission shall specify the procedural requirements that apply, consistent with the requirements of this section.

SEC. 62. Section 56117 of the Government Code is amended to read:

56117. A district may be either merged with, or established as, a subsidiary district of a city in the manner provided in this division.

A mutual service agreement between a city and a district may provide that the city shall not, while that agreement is in effect, or during any portion of the agreement's effective duration as the city and the district may stipulate in the agreement, initiate a proposal to establish the district as a subsidiary district of the city.

SEC. 63. Section 56127 of the Government Code is amended to read:

56127. If the legislative body of any of the districts, agencies, or authorities enumerated in subdivision (a) of Section 56036.6 desires a determination by the commission that the district, agency, or authority is not a district or a special district, for purposes of Part 4 (commencing with Section 57000) or Part 5 (commencing with Section 57300), the legislative body, prior to the adoption of any ordinance, resolution, or order proposing, declaring an intention, or initiating proceedings to make a change of organization, shall make application to the commission of the principal county describing the proposed change of organization and requesting that determination. If a proposal is initiated by other than the legislative body of a district or special district, the district or special district may, within 10 days of notification by the commission of the initiation of the proposal, request a determination by the commission that it is not a district or special district for purposes of Part 4 (commencing with Section 57000) or Part 5 (commencing with Section 57300). That application shall be filed with the executive officer and shall be presented to the commission not later than its next regular meeting. The executive officer shall give the legislative body filing the application mailed notice of the time and place at which the application shall be presented to the commission. No other notice is required to be given. However, the commission may, prior to making its findings and determinations, order the executive officer to give notice of the filing

and presentation of the application by publication or by mailing to other affected counties, cities, and districts, or by both publication and mailing.

SEC. 64. Section 56128 of the Government Code is amended to read:

56128. (a) Upon presentation of any application filed pursuant to Section 56127, the commission shall determine that the applicant district, agency, or authority is not a district or special district for purposes of Part 4 (commencing with Section 57000) or Part 5 (commencing with Section 57300), if the commission finds that the applicant is not engaged in any of the following:

(1) The distribution and sale for any purpose, other than for the purpose of resale, of water or of gas or electricity for light, heat, or power.

(2) Furnishing sanitary sewer service or garbage and refuse collection service to the ultimate users, as defined in subdivision (b), of those services.

(3) Providing fire or police protection.

(4) The acquisition, construction, maintenance, lighting, or operation of streets and highways, street and highway improvements, or park and recreation facilities, except as an incident to the exercise of other lawful powers of the applicant.

(b) "Ultimate user" means any user or consumer other than the state, the United States, a city, a county, or a district, or any agency, department, or office of any of those entities or a public utility.

If the commission determines that any applicant district, agency, or authority enumerated in subdivision (a) of Section 56036.6 is not a district or special district, for purposes of Part 4 (commencing with Section 57000) or Part 5 (commencing with Section 57300), then those provisions shall not apply to the change of organization or reorganization described in the application and proceedings for the change of organization or reorganization shall be taken under and pursuant to the principal act. If no application is made to the commission, or if the commission in passing upon an application does not determine that the applicant is not a district or special district for the purposes of Part 4 (commencing with Section 57000) or Part 5 (commencing with Section 57300), then this division shall provide the sole and exclusive authority for the initiation, conduct, and completion for a change of organization or reorganization by that district, agency, or authority and, to the extent of any inconsistency between this division and the principal act of the applicant, this division shall control.

SEC. 65. Section 56375 of the Government Code is amended to read:

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

(a) (1) To review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

(2) The commission may initiate proposals by resolution of application for any of the following:

(A) The consolidation of a district, as defined in Section 56036.

(B) The dissolution of a district.

- (C) A merger.
- (D) The establishment of a subsidiary district.
- (E) The formation of a new district or districts.

(F) A reorganization that includes any of the changes specified in subparagraph (A), (B), (C), (D), or (E).

(3) A commission may initiate a proposal described in paragraph (2) only if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430, and the commission makes the determinations specified in subdivision (b) of Section 56881.

(4) A commission shall not disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:

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

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

(C) An annexation or reorganization of unincorporated islands meeting the requirements of Section 56375.3.

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

(6) A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.

(7) The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and rezoning of the city. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city prezone the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at build-out, and are consistent with the city's general plan. However, the commission shall not specify how, or in what manner, the territory shall be rezoned.

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

approving the annexation, detachment, or reorganization, is inhabited or uninhabited.

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

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

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

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

(g) To adopt written procedures for the evaluation of proposals, including written definitions consistent with existing state law. The commission may adopt standards for any of the factors enumerated in Section 56668. Any standards adopted by the commission shall be written.

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

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

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

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

(l) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the

nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

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

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

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

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

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

SEC. 66. Section 56376 of the Government Code is amended and renumbered to read:

56886.6. The commission shall not impose a condition for the provision of services by the annexing city to an area which has not been placed within that city's adopted sphere of influence, as defined in Section 56076, unless that condition would mitigate effects which are a direct result of the annexation.

In the case of any annexation proposal for which a certificate of completion was not recorded prior to January 1, 1985, a condition imposed thereon which does not comply with the requirements of this section is null and void and shall not affect the validity of or terminate the annexation proceedings.

SEC. 67. Section 56376.5 of the Government Code is amended and renumbered to read:

56886.7. (a) The commission shall not impose any condition on an annexing local agency with respect to the standards or frequency of maintenance of any existing street or road within the annexed territory.

(b) The commission shall not impose a condition which requires a local agency to improve an existing public facility which is not owned by the agency.

(c) This section shall not be construed as authorizing a commission to impose any conditions which it is not otherwise authorized to impose.

SEC. 68. Section 56383 of the Government Code is amended to read:

56383. (a) The commission may establish a schedule of fees and a schedule of service charges for the proceedings taken pursuant to this division, including, but not limited to, all of the following:

(1) Filing and processing applications filed with the commission.
(2) Proceedings undertaken by the commission and any reorganization committee.

(3) Amending a sphere of influence.

(4) Reconsidering a resolution making determinations.

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

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

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

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

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

(g) For incorporation proceedings that have been initiated by the filing of a sufficient number of voter signatures on petitions that have been verified by the county registrar of voters, the commission may, upon the receipt of a certification by the proponents that they are unable to raise sufficient funds to reimburse fees, service charges, or deposits for the proceedings, take no action on the proposal and request a loan from the General Fund of an amount sufficient to cover those expenses subject to availability of an appropriation for those purposes and in accordance with any provisions of the appropriation. Repayment of the loan shall be made a condition of approval of the incorporation, if successful, and shall become an obligation of the newly formed city. Repayment shall be made within two years of the

effective date of incorporation. If the proposal is denied by the commission or defeated at an election, the loan shall be forgiven.

SEC. 69. Section 56428 of the Government Code is amended to read:

56428. (a) Any person or local agency may file a written request with the executive officer requesting amendments to a sphere of influence or urban service area adopted by the commission. The request shall state the nature of the proposed amendment, state the reasons for the request, include a map of the proposed amendment, and contain any additional data and information as may be required by the executive officer.

(b) After complying with the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code, the executive officer shall place the request on the agenda of the next meeting of the commission for which notice can be given. The executive officer shall give notice in the manner provided by Section 56427. On the date and time provided in the notice, the commission may do either of the following:

(1) Without further notice, consider the amendments to a sphere of influence.

(2) Set a future date for the hearing on the request.

(c) The executive officer shall review each requested amendment and prepare a report and recommendation. The report shall be completed not less than five days before the date specified in the notice of hearing. The executive officer shall send copies of the report to the person or agency making the request, each affected local agency, and each person who has filed a request for a report.

(d) At its meeting, the commission shall consider the request and receive any oral or written testimony. The consideration may be continued from time to time, but not to exceed 70 days from the date specified in the original notice. The person or agency which filed the request may withdraw it at any time prior to the conclusion of the consideration by the commission.

(e) At the conclusion of its consideration, the commission may approve with or without amendment, wholly, partially, or conditionally, or disapprove the request. The commission shall follow the procedures in Section 56425.

(f) The commission may require the person or agency making a request pursuant to this section to pay a fee to cover the commission's costs. The fee shall not exceed the estimated reasonable cost of providing the service and shall be set pursuant to Section 56383. The commission may waive the fee if it finds that the request can be considered and studied as part of the periodic review of spheres of influence required by Section 56425. In addition, the commission may waive the fee if it finds that payment would be detrimental to the public interest.

(g) The commission and executive officer may review and act on any request to amend a sphere of influence or urban service area concurrently with their review and determination on any related change of organization or reorganization. In case of a conflict between the provisions of this section and any other provisions of this part, the other provisions shall prevail.

SEC. 70. Section 56757 of the Government Code is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 71. Section 56824.14 of the Government Code is amended to read:

56824.14. (a) The commission shall review and approve with or without amendments, wholly, partially, or conditionally, or disapprove proposals for the establishment of new or different functions or class of services, or

the divestiture of the power to provide particular functions or class of services, within all or part of the jurisdictional boundaries of a special district, after a public hearing called and held for that purpose. The commission shall not approve a proposal for the establishment of new or different functions or class of services within the jurisdictional boundaries of a special district unless the commission determines that the special district will have sufficient revenues to carry out the proposed new or different functions or class of services except as specified in paragraph (1).

(1) The commission may approve a proposal for the establishment of new or different functions or class of services within the jurisdictional boundaries of a special district where the commission has determined that the special district will not have sufficient revenue to provide the proposed new or different functions or class of services, if the commission conditions its approval on the concurrent approval of sufficient revenue sources pursuant to Section 56886. In approving a proposal, the commission shall provide that if the revenue sources pursuant to Section 56886 are not approved, the authority of the special district to provide new or different functions or class of services shall not be established.

(2) Unless otherwise required by the principal act of the subject special district, or unless otherwise required by Section 57075 or 57076, the approval by the commission for establishment of new or different functions or class of services, or the divestiture of the power to provide particular functions or class of services, shall not be subject to an election.

(b) At least 21 days prior to the date of that hearing, the executive officer shall give mailed notice of the hearing to each affected local agency or affected county, and to any interested party who has filed a written request for notice with the executive officer. In addition, at least 21 days prior to the date of that hearing, the executive officer shall cause notice of the hearing to be published in accordance with Section 56153 in a newspaper of general circulation that is circulated within the territory affected by the proposal proposed to be adopted.

(c) The commission may continue from time to time any hearing called pursuant to this section. The commission shall hear and consider oral or written testimony presented by any affected local agency, affected county, or any interested person who appears at any hearing called and held pursuant to this section.

SEC. 72. Section 56864 of the Government Code is amended to read:

56864. Petitions for the annexation of territory to, or detachment of territory from, a district shall be signed as follows:

(a) For a registered voter district, by any of the following:

(1) Not less than 25 percent of the registered voters within the affected territory.

(2) Not less than 25 percent of the number of landowners within the affected territory who also own not less than 25 percent of the assessed value of land within the territory.

(b) For a landowner-voter district, by not less than 25 percent of the number of landowners owning land within the affected territory who also own not less than 25 percent of the assessed value of land within the territory.

SEC. 73. Section 56866 of the Government Code is amended to read:

56866. Petitions for a merger of a district which overlaps a city, or for the establishment of the district as a subsidiary district of the city, shall be signed as follows:

(a) For a resident voter district, by either of the following:

(1) Five percent of the registered voters of the district.

(2) Five percent of the registered voters residing within the territory of the city outside the boundaries of the district.

(b) For a landowner-voter district, by either of the following:

(1) Five percent of the number of landowner-voters within the district who also own not less than 5 percent of assessed value of land within the district.

(2) Five percent of the registered voters residing within the territory of the city outside the boundaries of the district.

SEC. 74. Section 56895 of the Government Code is amended to read:

56895. (a) When a commission has adopted a resolution making determinations, any person or affected agency may file a written request with the executive officer requesting amendments to or reconsideration of the resolution. The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration. If the request is filed by a school district that received notification pursuant to Section 56658, the commission shall consider that request at a public hearing.

(b) Notwithstanding Section 56106, the deadlines set by this section are mandatory. The person or agency shall file the written request within 30 days of the adoption of the initial or superseding resolution by the commission making determinations. If no person or agency files a timely request, the commission shall not take any action pursuant to this section.

(c) Upon receipt of a timely request, the executive officer shall not take any further action until the commission acts on the request.

(d) Upon receipt of a timely request by the executive officer, the time to file any action, including, but not limited to, an action pursuant to Section 21167 of the Public Resources Code and any provisions of Part 4 (commencing with Section 57000) governing the time within which the commission is to act shall be tolled for the time that the commission takes to act on the request.

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

(f) At that meeting, the commission shall consider the request and receive any oral or written testimony. The consideration may be continued from time to time but not to exceed 35 days from the date specified in the notice. The person or agency that filed the request may withdraw it at any time prior to the conclusion of the consideration by the commission.

(g) At the conclusion of its consideration, the commission may approve with or without amendment, wholly, partially, or conditionally, or disapprove the request. If the commission disapproves the request, it shall not adopt a new resolution making determinations. If the commission approves the request, with or without amendment, wholly, partially, or conditionally, the commission shall adopt a resolution making determinations that shall supersede the resolution previously issued.

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

(i) Notwithstanding subdivision (h), clerical errors or mistakes may be corrected pursuant to Section 56883.

SEC. 75. Section 57001 of the Government Code is amended to read:

57001. If a certificate of completion for a change of organization or reorganization has not been filed within one year after the commission approves a proposal for that proceeding, the proceeding shall be deemed terminated unless prior to the expiration of that year the commission authorizes an extension of time for that completion. The extension may be for any period deemed reasonable to the commission for completion of necessary prerequisite actions by any party. If a proceeding has not been completed because of the order or decree of a court of competent jurisdiction temporarily enjoining or restraining the proceedings, this shall not be deemed a failure of completion and the one-year period shall be tolled for the time that order or decree is in effect.

SEC. 76. Section 57002 of the Government Code is amended to read:

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

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

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

SEC. 77. Section 57078 of the Government Code is amended to read:

57078. In the case of any reorganization or change of organization, a majority protest shall be deemed to exist and the proposed change of organization or reorganization shall be terminated if the commission finds that written protests filed and not withdrawn prior to the conclusion of the hearing represent any of the following:

(a) In the case of uninhabited territory, landowners owning 50 percent or more of the assessed value of the land within the territory.

(b) In the case of inhabited territory, 50 percent or more of the voters residing in the territory.

(c) In the case of a landowner-voter district, 50 percent or more of the voting power of the voters entitled to vote as a result of owning land within the district.

SEC. 78. Section 57090 of the Government Code is amended to read:

57090. (a) Except as otherwise provided in subdivision (b), if proceedings are terminated, either by majority protest as provided in Sections 57075, 57076, and 57077, or if a majority of voters do not confirm the change of organization or reorganization as provided in Section 57179, no substantially similar proposal for a change of organization or reorganization of the same or substantially the same territory may be filed with the commission within two years after the date of the certificate of termination if the proposal included an incorporation or city consolidation and within one year for any other change of organization or reorganization.

(b) The commission may waive the requirements of subdivision (a) if it finds these requirements are detrimental to the public interest.

SEC. 79. Section 57104 of the Government Code is amended to read:

57104. Any order of merger may be adopted for a district, including any district previously established as a subsidiary district, if the entire territory of the district is included within the boundaries of a city upon the date of the order.

SEC. 80. Section 57105 of the Government Code is amended to read:

57105. An order establishing a district as a subsidiary district may be adopted if upon the date of that order the commission determines that either of the following situations exists:

(a) The entire territory of the district is included within the boundaries of a city.

(b) A portion or portions of the territory of the district are included within the boundaries of a city and that portion or portions meet both of the following requirements:

(1) Represent 70 percent or more of the area of land within the district, as determined by reference to the statements and the maps or plats filed pursuant to Chapter 8 (commencing with Section 54900) of Division 2 of Title 5 for the current fiscal year.

(2) Contain 70 percent or more of the number of registered voters who reside within the district as shown on the voters' register in the office of the county clerk or registrar of voters.

SEC. 81. Section 57114 of the Government Code is amended to read:

57114. (a) Notwithstanding Sections 56854 and 57111, for any proposal for the dissolution of one or more districts and the annexation of all or substantially all of their territory to another district, not initiated by the commission pursuant to subdivision (a) of Section 56375, the commission shall forward the change of organization or reorganization for confirmation by the voters if the commission finds either of the following:

(1) In the case of inhabited territory, that a petition requesting that the proposal be submitted to confirmation by the voters has been signed by either of the following:

(A) At least 25 percent of the number of landowners within any affected district within the affected territory who own at least 25 percent of the assessed value of land within the territory.

(B) At least 25 percent of the voters entitled to vote as a result of residing within, or owning land within, any affected district within the affected territory.

(2) In the case of a landowner-voter district, that the territory is uninhabited and a petition requesting that the proposal be submitted to confirmation by the voters has been signed by at least 25 percent of the number of landowners within any affected district within the affected territory, owning at least 25 percent of the assessed value of land within the territory of that district.

(b) If a petition that meets the requirements of this section has been filed, the commission shall order the proposal subject to confirmation by the voters of each district that has filed such a petition. The voter confirmation requirements set forth in subdivision (a) shall not apply to any proposal initiated by the commission under Section 56375 or where each affected district has consented to the proposal by a resolution adopted by a majority vote of its board of directors.

SEC. 82. Section 57150 of the Government Code is amended to read:

57150. All proper expenses incurred in conducting elections for a change of organization or reorganization pursuant to this chapter shall be paid, unless otherwise provided by agreement between the commission and the proponents, as follows:

(a) In the case of annexation or detachment proceedings, by the local agency to or from which territory is annexed, or from which territory is detached, or was proposed to be annexed or detached.

(b) In the case of incorporation or formation proceedings, by the newly incorporated city or the newly formed district, if successful, or by the county within which the proposed city or district is located, if the incorporation or formation proceedings are terminated. In the case of a separate election for city officers held following the election for incorporation pursuant to Section 56825.5, by the newly incorporated city.

(c) In the case of disincorporation or dissolution proceedings, from the remaining assets of the disincorporated city or dissolved district or by the city proposed to be disincorporated or the district proposed to be dissolved if disincorporation or dissolution proceedings are terminated.

(d) In the case of consolidation proceedings, by the successor city or district or by the local agencies proposed to be consolidated, to be paid by those local agencies in proportion to their respective assessed values, if proceedings are terminated.

(e) In the case of a reorganization, by either of the following:

(1) If the reorganization is ordered, by the subject local agencies or successor local agencies, as the case may be, for any of the changes of organization specified in subdivisions (a) to (d), inclusive, that may be included in the particular reorganization, to be paid by those local agencies in proportion to their assessed value.

(2) If the reorganization proceedings are terminated or the proposal is defeated, by the county or counties within which the subject local agency is located.

SEC. 83. Section 57525 of the Government Code is amended to read:

57525. On and after the effective date of a merger of a district with a city, the district is extinguished, terminated, and its existence ceases, except as otherwise provided in this chapter.

SEC. 84. Section 57534 of the Government Code is amended to read:

57534. On and after the effective date of an order establishing a district as a subsidiary district of a city, the city council shall be designated as, and empowered to act as, ex officio the board of directors of the district. The district shall continue in existence with all of the powers, rights, duties, obligations, and functions provided for by the principal act, except for any provisions relating to the selection or removal of the members of the board of directors of the district.

SEC. 85. Section 101370 of the Public Utilities Code is amended to read:

101370. As used in this article the terms “change of organization” and “reorganization” shall have the meanings defined in Section 56021 and Section 56073, respectively, of the Government Code.

SEC. 86. The Legislature does not intend to affect the decision in *Las Tunas Beach Geological Hazard Abatement District v. Superior Court* (1995) 38 Cal.App.4th 1002 with respect to the changes made by Section 23 of this act.