

## Assembly Bill No. 743

### CHAPTER 138

An act to amend Sections 56375.3 and 56375.4 of, and to repeal Section 57080 of, the Government Code, relating to local government.

[Approved by Governor August 26, 2013. Filed with  
Secretary of State August 26, 2013.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 743, Logue. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission. The act authorizes a local agency formation commission to approve, after notice and hearing, a petition for a change of organization or reorganization of a city, if the petition was initiated on or after January 1, 2010, and before January 1, 2014, and waive protest proceedings entirely if certain requirements are met. This provision applies only to territory that does not exceed 150 acres.

This bill would delete the January 1, 2014, date and make conforming changes.

Existing law provides that the authority to initiate, conduct, and complete specified changes in organization or reorganizations does not apply to any territory that, after January 1, 2000, became surrounded or substantially surrounded by the city to which the annexation is proposed, except for islands that were created after January 1, 2000, as a result of boundary adjustments between 2 counties.

This bill would instead provide that the authority to initiate, conduct, and complete specified changes in organization or reorganizations does not apply to any territory that, after January 1, 2014, became surrounded or substantially surrounded by the city to which the annexation is proposed, except for islands that were created after January 1, 2014, as a result of boundary adjustments between 2 counties.

The act additionally authorizes a local agency formation commission to approve, after notice and hearing, a petition for a change of organization or reorganization of a city that was initiated on or after January 1, 2014, if certain requirements are met, and requires the commission to follow specified procedures in making this approval.

This bill would repeal these provisions.

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

SECTION 1. Section 56375.3 of the Government Code is amended to read:

56375.3. (a) In addition to those powers enumerated in Section 56375, a commission shall approve, after notice and hearing, the change of organization or reorganization of a city, and waive protest proceedings pursuant to Part 4 (commencing with Section 57000) entirely, if all of the following are true:

(1) The change of organization or reorganization is initiated on or after January 1, 2000.

(2) The change of organization or reorganization is proposed by resolution adopted by the affected city.

(3) The commission finds that the territory contained in the change of organization or reorganization proposal meets all of the requirements set forth in subdivision (b).

(b) Subdivision (a) applies to territory that meets all of the following requirements:

(1) It does not exceed 150 acres in area, and that area constitutes the entire island.

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

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

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

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

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

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

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

(A) The availability of public utility services.

(B) The presence of public improvements.

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

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

(6) It will benefit from the change of organization or reorganization or is receiving benefits from the annexing city.

(c) Notwithstanding any other provision of this subdivision, this subdivision shall not apply to all or any part of that portion of the development project area referenced in subdivision (e) of Section 33492.41 of the Health and Safety Code that as of January 1, 2000, meets all of the following requirements:

- (1) Is unincorporated territory.
- (2) Contains at least 100 acres.
- (3) Is surrounded or substantially surrounded by incorporated territory.
- (4) Contains at least 100 acres zoned for commercial or industrial uses or is designated on the applicable county general plan for commercial or industrial uses.

(d) The Legislature finds and declares that the powers set forth in subdivision (a) for territory that meets all the specifications in subdivision (b) are consistent with the intent of promoting orderly growth and development pursuant to Section 56001 and facilitate the annexation of disadvantaged unincorporated communities, as defined in Section 56033.5.

SEC. 2. Section 56375.4 of the Government Code is amended to read:

56375.4. The authority to initiate, conduct, and complete any proceeding pursuant to subdivision (a) of Section 56375.3 does not apply to any territory that, after January 1, 2014, became surrounded or substantially surrounded by the city to which annexation is proposed, except for islands that were created after January 1, 2014, as a result of boundary adjustments between two counties.

SEC. 3. Section 57080 of the Government Code is repealed.